

**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 2020

NORTH LONDON HOSPICE

REPORT AND ACCOUNTS - 31ST MARCH 2020

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NORTH LONDON HOSPICEBOARD OF TRUSTEES AND PROFESSIONAL ADVISERS

<u>Registered Office:</u>	47 Woodside Avenue London N12 8TF	
<u>Board of Trustees:</u>	Ms. E. B. Jones	(Chairman)
	Mr. G. S. Hill	(Honorary Treasurer and Honorary Secretary)
	Mr. S. K. Bhaduri	(resigned 24 March 2020)
	Mrs. J. R. Brown	
	Rev L. Davidson	(resigned 24 March 2020)
	Mr. H. T. F. Easterling	(appointed 18 June 2019)
	Mrs. C. M Holmes	
	Mr. S. Males	(appointed 24 March 2020)
	Mr. S. Morris	
	Mrs. L. A. Nash	
	Mr. J. Reid	
	Mrs. B. J. Taylor	(appointed 18 June 2019)
	Dr. J. A. Tobin	
	Ms. J. Walters	(appointed 24 March 2020)
	Mr. G. W. Wilson	(resigned 18 June 2019)
	Ms. C. Woodwark	(appointed 28 April 2020)
<u>The Executive Team:</u>	Mr. D. Carroll	(Chief Executive - appointed 3 August 2020)
	Ms. P. A. McClinton	(Chief Executive - retired 13 August 2020)
	Dr. S. Edward	(Medical Director & Consultant)
	Ms. F. Deane	(Director of Clinical Services)
	Mrs. L. Edwards	(Director of People - appointed 5 August 2019)
	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)
<u>Company Secretary:</u>	Mr. G. S. Hill	
<u>External Auditor:</u>	Moore Kingston Smith LLP Chartered Accountants and Statutory Auditor Orbital House 20 Eastern Road Romford Essex RM1 3PJ	
<u>Bankers:</u>	Barclays Bank p.l.c. Barnet & Hampstead Business Banking P O Box 12820 London N20 0WE	
<u>Investment Managers:</u>	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 2020**

The Board of Trustees of the North London Hospice ('The Hospice') presents its Annual Report for the year ended 31 March 2020 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 2019).

### ***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 2020 (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**

Skills Analysis of the Trustees carried out in the autumn of 2019 was used to inform the role description for the recruitment of new Trustees early in 2020.

Over the last 12 months, the successful recruitment of 5 additional Trustees has enriched and strengthened the Trustee contribution to Committees and Expert Groups and extended the range of skills and expertise available to the Board. Trustees have been able to expand service visits and plans are in place to introduce Leadership Walkabouts.

The Board has also given consideration to the principles and recommended practice for good governance prescribed in the Charity Governance Code in writing this report.

The Board's role and capacity to monitor the progress and implementation of the overall direction of the Hospice is set out in the Strategic Plan. In order to assist the Board in fulfilling this role, three formal sub-committees with the following areas of responsibility and 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.

## **TRUSTEES' ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2020 (Continued)**

### 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.

### 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 out 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 the Director of Fundraising and Communications 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.

**TRUSTEES' ANNUAL REPORT  
FOR THE YEAR ENDED 31 MARCH 2020 (Continued)****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 2020 as the agency sales of goods under the gift-aid on donated goods scheme was carried out within the Hospice.

**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 2020 (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 review the adequacy of the level of reserves as part of strategic plan and budget approval and have 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 £8.5 million and £11.3 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 could result in the reduction of the current level of unrestricted general fund of £12.1 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 2020 (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 15 September 2020 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 2020**

The Board of Trustees of the North London Hospice ('The Hospice') presents its Strategic Report for the year ended 31 March 2020.

### ***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 2019/20 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.

### ***ACHIEVEMENTS AND PERFORMANCE***

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

The need for our services is growing and this has been reflected in the Sustainability and Transformation Partnership (STP) funding for the Community Expansion. The ageing population is increasing significantly and the NHS overarching aim is to reduce hospital admissions. We are also being asked to offer extended hours for the services which impact on how staff work.

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2020 (Continued)**

The STP funding over 2 years is 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 to the final target for each Borough of 1,414 for Barnet, 642 for Haringey and 1,142 for Enfield. Meeting these targets is dependent on successful recruitment and development of the multi-disciplinary team.

The Health and Wellbeing continued its co-productive approach to supporting patients and carers. The Community Ambassador role has been raising the profile of our services, networking within all three boroughs to ensure equal access to services. We continue to see growth in activity and support to carers.

Out of Hours service currently gives advice and support and was also be able to offer urgent overnight visits.

The Compassionate Neighbours (CN) project continues to develop and has recruited CNs from our local communities and matching one-to-one to support socially isolated people (Community Members) at the end of life.

We continued to offer a variety of training to care homes and General Medical Practices in palliative and end of life. Bespoke training was also delivered to the London Ambulance Service, the Tavistock and Portman NHS Trust, Enfield District Nurses, Barnet Hospital Student Nurses, Barnet Patient Engagement Group and Barnet and Enfield Care Homes.

Development of IT systems is driven by user needs and in particular convergence with NHS IT strategy. IT resource was prioritised to meet the need to share clinical records with other providers of care through increased use of Coordinate My Care, implementation of digital clinical system supporting joined-up working across all care settings (EMIS), and transition from NHS N3 to Health and Social Care Network (HSCN). Ensuring adequate IT resource to ensure uninterrupted use continue to be one of the primary objectives. Progress was also made in the use of Zoom for videoconferencing, regularly upgrading our hardware to improve mobile working and implementing the infrastructure required to improve our reach and efficiency.

The Fundraising Department has had another challenging year in 2019/20 which has partly been due to the uncertainty with the Brexit negotiation and the potential outcome of a 'No Deal' exit. However, whilst donation values were lower, we attracted more people to take part in our hospice-led events, maintained our direct marketing income and increased our supporter engagement. In essence, we have had to engage more support to stand still. Despite the blip in 2018/19, our legacy income has again performed well with over £3.2m being given or pledged.

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, as the Sustainability and Transformation Programme embeds itself, we believe we will see an increase of financial support from the community we serve and have a promising future to increase the fundraising income and deliver a higher net contribution.

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020 (Continued)**

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.

Shops have generated more sales income overall compared to last year. The increase in total sales compared with last year despite the difficulty in recruiting sufficient volunteers is due to a much improved performance in 7 of our shops.

Following consultations, as part of the retail restructure three Cluster Managers were appointed and the new structure once embedded will enable better line management to improve standards and our ability to respond to changes in the external environment. Retail Managers are continuing their efforts to turn around shops which have experienced the biggest drop in sales.

Closure of a number of shops by national commercial retailers and changing shopping habits have contributed to the continued reduction in footfall on the high street and more purchases made online. Our expansion to a large premises is in keeping with the trend in the charity sector, which has seen increased profitability through moving to larger premises, thereby consolidating available resources and countering the problems resulting from a shortage of volunteers.

### **Seek out new collaborative opportunities internally and externally**

We have experienced the emphasis of a shift to local and regional level that was the focus in the NHS 10 year plan, published in January 2019. All three Boroughs now have Primary Care Networks (PCNs) in place, and building relationships with the PCNs will continue to be important to encourage referrals to North London Hospice and to influence local End of Life (EoL) care delivery.

Potential opportunities are:

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

National Institute for Health and Care Excellence (NICE) guidance on End of Life (EoL) care for Adult service delivery was published in October 2019. The guideline covers the organising and delivery of EoL care services, to ensure that people (patients and carers) have access to the care that they want and need across all care services. This document has been reviewed internally, and our services were felt to be in line with the recommendations to inform the planning and preparation for the final weeks or months of life. For some conditions this could be longer, and would include:

- Advanced progressive and incurable conditions
- General frailty and co-existing conditions that mean patients are at increased risk of dying within the next 12 months
- Existing conditions if patients are at risk of dying from a sudden acute crisis in their condition
- Life-threatening acute conditions caused by sudden catastrophic events

The funding received through the STP has allowed us to meet this need.

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2020 (Continued)**

We continue to meet regularly with Marie Curie Hospice and want 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.

A new education prospectus was produced which contained a variety of courses. This included 3 accredited courses that we continue to offer in partnership with Barnet and Southgate College and a variety of other study days focusing on Communication skills, Dementia, Bereavement, Clinical skills and Record Keeping. All were very positively evaluated.

Two Successful Summer Schools were held for 40 local young adults considering a career in healthcare. Over 100 international young learners were welcomed to the Hospice for training as a result of a new partnership with a global training company. We have also welcomed fee paying tours from around the world, from as far afield as the USA, Japan and China, to learn about the work of the Hospice.

NHS digital has a stated aim to develop joined-up digital systems. We have begun work with the NCL STP Digital Team with the aim of joining the Health Information Exchange (HIE). This will enable access to shared care records for patients accessing our services. Direct access to clinical information, as this increases over time with other regional adopters (such as general practices, acute trusts, community providers), should enable more efficient working at NLH and more informed clinical decision making for our clinical teams. We aim to review and join the North Central London wide data sharing agreement and work with the digital team to develop an incontext link to HIE via EMIS. This will be in phase 2 of the EMIS development work.

**Ensure quality of user experience remains central to all service delivery**

Recruitment to the clinical workforce continues to be a challenge. The STP investment has meant that we have needed to recruit for many more posts this year, Consultants, Nurses, Social Workers and Allied Health Professionals. Current recruitment risk sits with the Community teams and in particular Barnet, although this can change quite rapidly. Skill mix has been looked at this year with an increase in appointing Band 6 Associate Clinical Nurse Specialist (CNS) posts. This has meant that we have been able to recruit to the posts but has also put added strain on the Band 7 nurses to develop the individual knowledge of palliative care. Recruitment to the Nurse Consultant post has brought extra expertise to help with the development of the posts. Next year will see the introduction of the Nursing Apprenticeship scheme within the Hospice with 6 members of staff embarking on a 2 year programme. We still need to appoint a Medical Consultant to the Enfield Community Team and it is anticipated that this might be difficult so alternative possibilities are being thought through. We will need to continue to think of innovative ways to attract and develop staff as experienced professionals are just not available.

It is our desire to achieve an 80% occupancy rate for the In Patient Unit (IPU) consistently throughout the year (5,256 bed days), dependent on vacancies and sickness absence. Occupancy rates in the IPU for the year was 74.7%.

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020 (Continued)**

Continued quality improvement through audit and monitoring of our services to ensure compliance with Care Quality Commission (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.

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

### **Develop effective/smooth transitions and understanding between services**

We want to ensure that people (staff and volunteers) are the heart of the organisation. The People Strategy is designed to enable us to recruit, develop, support and engage our people for North London Hospice now and into the future. We want the Hospice to develop in line with our mission and ensure that we are working together as one team empowering our staff and volunteers to innovate and grow to provide the best possible service to our patients and their families.

Staff were involved in the development of the set of values that are now incorporated into the Personal Development Review (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.

Internally, focus has been on ensuring Hospice staff are provided with quality mandatory training and additional training based on identified need. The training databases are currently being reviewed to ensure they are accurately recording the required data.

Students were welcomed into the Hospice from a variety of professions and a preceptorship programme was designed to support newly qualified staff on IPU.

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 2020 (Continued)**

***FINANCIAL REVIEW OF THE YEAR***

Total incoming resources were £13.07 million in the year ended 31 March 2020, compared with £9.42 million in the year ended 31 March 2019. Total donations and fundraising were 4.0% lower at £1.64 million. Within this total, unrestricted donations of £1.52 million decreased by 6.4%. Restricted donations were £120K in 2020, £35K higher than the previous year.

Legacy income of £3.25 million in 2020 was £1.86 million (134%) higher than the previous year. Legacy receipts fluctuate from year to year and are unpredictable.

Investment income was higher by 9.0% to £300K and, overall including a reduction in the value of the Hospice's portfolio of investments of £(615K) represents a return of (2.7)%.

Other trading activities reflect the Charity shops operations, made up of Charity shops sales of £2.08 million (2019: £1.75 million), Donations of agency sales and Gift Aid of £589K (2019: £795K) and Rental income of £12K (2019: £11K). However, at 31 March 2020, there were £28K more agency sales (2019: £113K less) pending conversion to donations. Adjusting for this timing difference, income from the Charity shops operations increased by £151K to £2.71 million.

In addition to the restricted grant from Betty Messenger Charitable Foundation of £302K (2019: £101K) and COVID-19 Retail, Hospitality and Leisure grant from the London Boroughs of Barnet, Enfield and Haringey totalling £370K, NHS grant income increased by £1.16 million. Restricted grants of £363K were received towards the direct cost of providing Palliative Care Support Service and £598K towards the cost of operating the Haringey Community Team. The core grant income increased by 48% to £3.54 million for the year ended 31 March 2020.

Total resources expended were £12.66 million, compared with £10.98 million in the previous year. The net increase in expenditure reflects the increase in activity funded by the Clinical Commissioning Groups as part of the Sustainability and Transformation Partnerships in the Community Teams, increase in over-night cover, general cost of inflation and staff pay settlement.

Net outgoing resources including investment losses amounted to £(211K) compared with net outgoing resources of £(695K) in the previous year. This represents a reduction in deficit of £484K compared with the previous year. The net income was £43K on unrestricted funds (i.e. ongoing operations) in the current year compared with a deficit of £983K 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.

The outbreak of coronavirus COVID-19 has affected the World stock markets in the last quarter and finished the year lower than at the start of the year, our investments reflecting this, ended the year with a net loss of £615K.

With the last active member leaving the pension scheme, the London Pensions Fund Authority actuarial valuation deficit of £842K on a cessation basis has resulted in a further provision of £462K in the current year.

Including the investment and actuarial losses, there was a net decrease by £673K in total funds on the balance sheet with unrestricted general funds decreasing by £419K.

## **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020 (Continued)**

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.

### ***OPERATIONAL OBJECTIVES – 2019/20***

A number of specific operational objectives were agreed for 2019/2020:

#### **All Services**

Objective: Aim to care for 3,395 patients during the year.

Counting once, there were 2,896 patients cared for in total by one or more of our services during the year. The number is more than last year but lower than the ambitious target as part of the Sustainability and Transformation Partnership.

#### **Inpatient Unit**

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

We cared for 334 patients with 338 admissions during the year. The number of admissions is higher than last year but below the target of 360 with occupancy of 4,802 bed days representing 74.7% of available capacity.

#### **Community Teams**

Objectives: Aim to care for 2,485 new patients; 9,100 face to face contacts and 65% of patients to be able to die at home.

The Community Teams cared for over 2,600 patients in their homes of which 1,878 were new patients. During the period of 9 months until 31 December 2019 for which data is available, 7,570 face to face patient contacts were made. Of the Community Team patients 56% were able to die in their own homes, a decrease from 64% last year. Hospital deaths have increased from 17% last year to 22%.

#### **Health & Wellbeing Services**

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

We saw 253 new patients in Health & Wellbeing, with 1,947 group activity attendances. We supported patients in our Therapies Services with 2,741 one to one appointments including 147 sessions with the doctors, 856 nurse sessions, 960 complimentary therapy sessions, 165 psychological sessions, 105 art therapy sessions, 422 occupational and physio therapy sessions and 86 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 365 patients totalling 10,585 hours of direct care to patients in their own homes, falling short of our ambitious target and from the previous year.

### ***POSITION OF THE CHARITY AT THE END OF THE YEAR***

The unrestricted general fund at the year-end represented some 12.9 months of unrestricted expenditure and complies with the trustees' reserves policy of holding at least 9 months of unrestricted expenditure.



**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2020 (Continued)**

***OPERATIONAL OBJECTIVES - 2020/21***

The following, specific operational objectives were agreed for 2020/21:

**All Services**

Objective: We expect to care for about 3,600 patients during the year.

All activity in clinical services have been impacted by the measures that were required to be put in place to counter the spread of COVID-19. This has meant that the way services were delivered do not reflect the performance indicators used in the past. As such no specific targets have been set for 2020/21, and the objectives listed below provide a measure based on targets set in 2019/20.

**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, with greater reliance on grant income to meet the need within the NHS for the provision of end of life care.

The Hospice continues to take steps to improve voluntary donations and fundraising income. The current economic climate with increased uncertainty resulting from COVID-19 and increased competition for the same resources has meant that the external trend of donations is downwards and raising voluntary income will be hard for many years to come. Shortage of 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 such as the coronavirus pandemic 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.

Although there is continued uncertainty of the ultimate impact of COVID-19 on the charity and its activities, the action that has been taken, together with the contingency plans that may be necessary to make going forward, combined with the level of reserves held, mean that the trustees expect the charity to be able to continue its activities.

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2020 (Continued)**

However, the general uncertainty in the funding streams with increased reliance on legacy income, which is unpredictable, the planned investment from reserves to improve the infrastructure and the upward trend in our baseline cost may result in unrestricted general fund falling in the coming years. 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 15 September 2020 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 for the year ended 31st March 2020 which comprise the consolidated statement of financial activities, including the consolidated income and expenditure account, the group and parent charitable company balance sheets, the group and parent charitable company statements of cash flows and notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard Applicable in the UK and Ireland".

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 2020, 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 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 accounts section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the 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 and 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 other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. 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.

### 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 strategic report and the trustees' annual 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.

Continued.....

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH LONDON HOSPICE(Continued)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 or the trustees' annual report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, 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; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the 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 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

We have been appointed as auditor under the Companies Act 2006 and report to you in accordance with regulations made under that Act.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

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

- Identify and assess the risks of material misstatement of the accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.

Continued.....

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NORTH LONDON HOSPICE(Continued)Auditor's responsibilities for the audit of the accounts (continued)

- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the accounts, including the disclosures, and whether the accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

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

Use of our report

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

2020

Karen Wardell (Senior Statutory Auditor)  
for and on behalf of  
Moore Kingston Smith LLP, Statutory Auditor  
Statutory Auditor

Orbital House  
20 Eastern Road  
Romford  
Essex RM1 3PJ

Moore Kingston Smith LLP is eligible to act as auditor in terms of Section 1212 of the Companies Act 2006.

## NORTH LONDON HOSPICE

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

<u>FOR THE YEAR ENDED:</u>	<u>31ST MARCH 2020</u>			<u>2019</u>	
	<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Endowment funds</u>	<u>Total funds</u>	<u>Total funds</u>
<b>Income:</b>					
Donations and fundraising	1,515,441	120,142	-	1,635,583	1,704,222
Legacies	3,248,749	-	-	3,248,749	1,391,014
Charitable activities					
Grants	4 3,905,972	1,263,904	-	5,169,876	3,442,844
Other trading activities					
Charity shops sales	2,082,592	-	-	2,082,592	1,754,643
Donated agency sales	589,397	-	-	589,397	795,477
Rental income	11,655	-	-	11,655	10,638
Investment income	5 217,623	-	81,942	299,565	274,740
Other	31,136	-	-	31,136	41,895
<b>Total income</b>	<b>11,602,565</b>	<b>1,384,046</b>	<b>81,942</b>	<b>13,068,553</b>	<b>9,415,473</b>
<b>Expenditure:</b>					
Raising funds					
Fundraising and promotion	6 791,829	-	-	791,829	754,408
Charity shops expenditure	7 1,992,120	-	-	1,992,120	1,874,593
Investment manager's fees	50,062	-	-	50,062	53,886
Charitable activities					
Cost of operation of hospice	8 8,450,965	1,261,160	81,942	9,794,067	8,264,223
Other					
Interest on loan from The Governors of the Peabody Donation Fund	36,799	-	-	36,799	33,367
<b>Total expenditure</b>	<b>11,321,775</b>	<b>1,261,160</b>	<b>81,942</b>	<b>12,664,877</b>	<b>10,980,477</b>
Net (losses)/gains on investments	12 (355,642)	-	(259,081)	(614,723)	869,793
Net (expenditure)/income before transfers	(74,852)	122,886	(259,081)	(211,047)	(695,211)
Transfers between funds	18 118,341	(118,341)	-	-	-
Net (expenditure)/income after transfers	43,489	4,545	(259,081)	(211,047)	(695,211)
Other recognised (losses)/gains					
Actuarial (losses)/gains on defined benefit pension scheme	16 (462,000)	-	-	(462,000)	122,000
Net movement in funds	(418,511)	4,545	(259,081)	(673,047)	(573,211)
Reconciliation of funds:					
Total funds brought forward, 1st April 2019	19,097,598	99,340	2,630,299	21,827,237	22,400,448
Total funds carried forward, 31st March 2020	£ 18,679,087	103,885	2,371,218	21,154,190	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 24.

The attached notes form part of these accounts.

NORTH LONDON HOSPICE

<u>BALANCE SHEETS</u>		31ST MARCH			
		Group		Company	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Fixed assets:</b>					
Tangible assets	11	7,982,988	7,905,011	7,982,988	7,905,011
Investments	12	11,370,939	11,694,034	11,375,939	11,699,034
<b>Total fixed assets</b>		<b>19,353,927</b>	<b>19,599,045</b>	<b>19,358,927</b>	<b>19,604,045</b>
<b>Current assets:</b>					
Debtors	13	3,211,858	1,898,988	3,211,858	1,898,988
Cash on deposit		1,855,621	2,854,325	1,854,189	2,852,866
Cash on current account and in hand		204,451	162,098	204,351	161,998
<b>Total current assets</b>		<b>5,271,930</b>	<b>4,915,411</b>	<b>5,270,398</b>	<b>4,913,852</b>
<b>Liabilities:</b>					
Creditors: amounts falling due within one year	14	(1,825,447)	(908,298)	(1,828,836)	(911,687)
<b>Net current assets</b>		<b>3,446,483</b>	<b>4,007,113</b>	<b>3,441,562</b>	<b>4,002,165</b>
<b>Total assets less current liabilities</b>		<b>22,800,410</b>	<b>23,606,158</b>	<b>22,800,489</b>	<b>23,606,210</b>
Creditors: amounts falling due after more than one year	15	(1,646,220)	(1,398,921)	(1,646,220)	(1,398,921)
<b>Net assets excluding pension liability</b>		<b>21,154,190</b>	<b>22,207,237</b>	<b>21,154,269</b>	<b>22,207,289</b>
Defined benefit pension scheme liability	16	-	380,000	-	380,000
<b>Total net assets</b>	£	<b>21,154,190</b>	<b>21,827,237</b>	<b>21,154,269</b>	<b>21,827,289</b>
<b>The funds of the charity:</b>					
Endowment funds	17	2,371,218	2,630,299	2,371,218	2,630,299
Restricted income funds	18	103,885	99,340	103,885	99,340
Unrestricted funds					
Designated fund	19	6,547,268	6,506,090	6,547,268	6,506,090
General fund		12,131,819	12,591,508	12,131,898	12,591,560
<b>Total charity funds</b>	£	<b>21,154,190</b>	<b>21,827,237</b>	<b>21,154,269</b>	<b>21,827,289</b>

The net movement in funds for the charity alone amounted to £(673,020) (2019 - £(573,159)).

Approved for issue by the Board of Trustees on 15th September 2020 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

<u>FOR THE YEAR ENDED:</u>	<u>31ST MARCH</u>			
	<u>Group</u>		<u>Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net cash (used in)/provided by operating activities	(523,852)	1,120,680	(523,822)	1,120,587
Cash flows from investing activities				
Investment income				
Income from UK listed investments	291,628	266,618	291,628	266,618
Interest receivable	7,937	8,122	7,934	8,119
Purchases of tangible fixed assets	(440,436)	(177,883)	(440,436)	(177,883)
Purchases of fixed asset investments	(291,628)	(266,618)	(291,628)	(266,618)
Cash used in investing activities	(432,499)	(169,761)	(432,502)	(169,764)
(Decrease)/increase in cash and cash equivalents in the year	(956,351)	950,919	(956,324)	950,823
Cash and cash equivalents at the beginning of the year	3,016,423	2,065,504	3,014,864	2,064,041
Cash and cash equivalents at the end of the year	£ 2,060,072	3,016,423	2,058,540	3,014,864
<u>Reconciliation of net movement in funds to net cash flow from operating activities</u>				
Net movement in funds	(673,047)	(573,211)	(673,020)	(573,159)
Investment income				
Income from UK listed investments	(291,628)	(266,618)	(291,628)	(266,618)
Interest receivable	(7,937)	(8,122)	(7,934)	(8,119)
Depreciation	362,459	349,411	362,459	349,411
Interest payable	36,799	33,367	36,799	33,367
Net losses/(gains) on investments	614,723	(869,793)	614,723	(869,793)
Actuarial losses/(gains) on defined benefit pension scheme	462,000	(122,000)	462,000	(122,000)
(Increase)/decrease in debtors	(1,312,870)	2,325,718	(1,312,870)	2,325,718
Increase in creditors	1,127,649	251,928	1,127,649	251,780
Defined benefit pension scheme liability crystallized	(842,000)	-	(842,000)	-
Net cash (used in)/provided by operating activities	£ (523,852)	1,120,680	(523,822)	1,120,587
<u>Analysis of cash and cash equivalents</u>				
Bank deposit accounts (less than three months)	1,855,621	2,854,325	1,854,189	2,852,866
Bank current accounts	202,490	160,061	202,390	159,961
Cash in hand	1,961	2,037	1,961	2,037
Total	£ 2,060,072	3,016,423	2,058,540	3,014,864
<u>Analysis of changes in net funds</u>				
	<u>At start of year</u>	<u>Movement</u>	<u>At end of year</u>	
<u>Group</u>				
Cash at bank and in hand	162,098	42,353	204,451	
Deposits	2,854,325	(998,704)	1,855,621	
	£ 3,016,423	(956,351)	2,060,072	
<u>Company</u>				
Cash at bank and in hand	161,998	42,353	204,351	
Deposits	2,852,866	(998,677)	1,854,189	
	£ 3,014,864	(956,324)	2,058,540	



NORTH LONDON HOSPICE

ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 2020

Company 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 the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, 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. Although the ultimate impact of COVID-19 on the charity and its activities is unclear, the action that has already been taken, together with the contingency plans that have been made and any that it might be necessary to make going forward, combined with the level of reserves held, mean that the trustees expect the charity to be able to continue its activities for a period of at least 12 months from the date of approval of these accounts.

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 HOSPICE

ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST MARCH 2020 (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 £1,000, 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 2020 (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.

The North London Hospice ceased to be an admitted body to the Local Government Pension Scheme during the year ended 31st March 2020, once the last active member had left the scheme. This has resulted in the crystallization of the cessation deficit now forming part of creditors.

Until the North London Hospice ceased to be an admitted body, Local Government Pension Scheme assets were measured at fair value and liabilities were 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 were obtained at least triennially and were updated at each balance sheet date. The resulting defined benefit asset or liability was presented separately on the face of the balance sheet. The amounts included in expenditure were the current service costs and gains and losses on settlements and curtailments. They were included as part of staff costs. Past service costs were recognised immediately in the statement of financial activities if the benefits had vested, that is, where entitlement to benefits had become unconditional. If the benefits had not vested immediately, the costs were recognised over the period until vesting occurred. The interest cost and the expected return on assets were shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses were 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 HOSPICENOTES TO THE ACCOUNTS - 31ST MARCH 20201. 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 12 at 31st March 2020 (2019 - 11 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>2020</u>	<u>2019</u>
Income	13,068,550	9,415,470
Expenditure	(12,664,847)	(10,980,422)
	<u>403,703</u>	<u>(1,564,952)</u>
Net (losses)/gains on investments	(614,723)	869,793
	<u>(211,020)</u>	<u>(695,159)</u>
Net expenditure	(211,020)	(695,159)
Actuarial (losses)/gains on defined benefit pension scheme	(462,000)	122,000
	<u>(673,020)</u>	<u>(573,159)</u>
Net movement in funds	(673,020)	(573,159)
Total funds brought forward	21,827,289	22,400,448
Total funds carried forward	£ 21,154,269	21,827,289
Represented by:		
Endowment funds	2,371,218	2,630,299
Restricted income funds	103,885	99,340
Unrestricted funds		
Designated fund	6,547,268	6,506,090
General fund	12,131,898	12,591,560
	<u>£ 21,154,269</u>	<u>21,827,289</u>

## NORTH LONDON HOSPICE

## NOTES TO THE ACCOUNTS - 31ST MARCH 2020 (Continued)

	Unrestricted funds	Restricted funds	Endowment funds	Total
<b>4. Grants</b>				
<i>Year ended 31st March 2020</i>				
<u>Group and company</u>				
Barnet Clinical Commissioning Group	1,816,702	204,000	-	2,020,702
Enfield Clinical Commissioning Group	1,533,953	159,135	-	1,693,088
Haringey Clinical Commissioning Group	121,000	-	-	121,000
NHS Partial Offset of Pensions Costs	64,317	-	-	64,317
North Middlesex Hospital NHS Trust	-	598,433	-	598,433
Betty Messenger Funding	-	302,336	-	302,336
Retail, Hospitality and Leisure Grant	370,000	-	-	370,000
	£ 3,905,972	1,263,904	-	5,169,876
<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
	£ 2,386,658	1,056,186	-	3,442,844
<b>5. Investment income</b>				
<i>Year ended 31st March 2020</i>				
<u>Group</u>				
Income from UK listed investments	210,354	-	81,274	291,628
Interest receivable	7,269	-	668	7,937
	£ 217,623	-	81,942	299,565
Of the total above, £299,562 relates to the company.				
<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
	£ 201,187	-	73,553	274,740
Of the total above, £274,737 relates to the company.				

## NORTH LONDON HOSPICE

## NOTES TO THE ACCOUNTS - 31ST MARCH 2020 (Continued)

	Unrestricted <u>funds</u>	Restricted <u>funds</u>	Endowment <u>funds</u>	<u>Total</u>
6. <u>Fundraising and promotion</u>				
<i>Year ended 31st March 2020</i>				
<u>Group and company</u>				
Staff costs	645,263	-	-	645,263
Other costs	146,566	-	-	146,566
	<u>£ 791,829</u>	<u>-</u>	<u>-</u>	<u>791,829</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
	<u>£ 754,408</u>	<u>-</u>	<u>-</u>	<u>754,408</u>
7. <u>Charity shops expenditure</u>				
<i>Year ended 31st March 2020</i>				
<u>Group and company</u>				
Staff costs	1,121,650	-	-	1,121,650
Other costs	321,907	-	-	321,907
Rents paid under operating leases	500,620	-	-	500,620
Rates and water	45,355	-	-	45,355
Depreciation	2,588	-	-	2,588
	<u>£ 1,992,120</u>	<u>-</u>	<u>-</u>	<u>1,992,120</u>
<i>Year ended 31st March 2019</i>				
<u>Group and company</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
	<u>£ 1,874,593</u>	<u>-</u>	<u>-</u>	<u>1,874,593</u>

## NORTH LONDON HOSPICE

## NOTES TO THE ACCOUNTS - 31ST MARCH 2020 (Continued)

	Unrestricted <u>funds</u>	Restricted <u>funds</u>	Endowment <u>funds</u>	<u>Total</u>
8. <u>Cost of operation of hospice</u>				
<i>Year ended 31st March 2020</i>				
<u>Group</u>				
Direct costs				
Hospice staff costs	5,779,645	1,214,731	81,942	7,076,318
Catering and cleaning services	107,748	-	-	107,748
Other medical costs	182,037	12,068	-	194,105
Support costs				
Support staff costs	856,019	18,917	-	874,936
Premises costs	482,371	1,739	-	484,110
Other costs	665,248	13,705	-	678,953
Depreciation	359,871	-	-	359,871
Governance costs (see Note 9)	18,026	-	-	18,026
	<u>£ 8,450,965</u>	<u>1,261,160</u>	<u>81,942</u>	<u>9,794,067</u>

Of the total above £9,794,037 relates to the company.

*Year ended 31st March 2019*

<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.

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 2020 (Continued)

	<u>Unrestricted funds</u>	<u>Restricted funds</u>	<u>Endowment funds</u>	<u>Total</u>
9. <u>Governance costs</u>				
<i>Year ended 31st March 2020</i>				
<u>Group and company</u>				
Auditors' remuneration	10,330	-	-	10,330
Accountancy fees	7,696	-	-	7,696
	<hr/>	<hr/>	<hr/>	<hr/>
£	18,026	-	-	18,026
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<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
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

	<u>2020</u>	<u>2019</u>
<u>Group and company</u>		
Wages and salaries	8,609,702	7,386,623
Social security costs	678,108	584,292
Pension costs	430,357	348,715
	<hr/>	<hr/>
£	9,718,167	8,319,630
	<hr/> <hr/>	<hr/> <hr/>

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 £65,323 (2019 - £47,693) was accrued for pension costs.

Analysis by function:

Hospice services	7,076,318	5,746,179
Fundraising and promotion	645,263	594,651
Shops	1,121,650	1,005,336
Support	874,936	973,464
	<hr/>	<hr/>
£	9,718,167	8,319,630
	<hr/> <hr/>	<hr/> <hr/>

The number of higher paid employees was:

	<u>2020</u>	<u>2019</u>
	<u>Number</u>	<u>Number</u>
£60,000 to £70,000	2	2
£70,000 to £80,000	1	2
£80,000 to £90,000	1	1
£100,000 to £110,000	2	1
	<hr/> <hr/>	<hr/> <hr/>



## NORTH LONDON HOSPICE

## NOTES TO THE ACCOUNTS - 31ST MARCH 2020 (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 three (2019 - two) higher paid employees and to a defined contribution scheme for two (2019 - three) higher paid employees. Total contributions in the year amounted to £39,180 (2019 - £32,370).

No trustees have received any remuneration in respect of their services or had any expenses reimbursed (2019 - the same).

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

	<u>2020</u> <u>Number</u>	<u>2019</u> <u>Number</u>
Hospice services	123	106
Fundraising and promotion	12	11
Shops	40	37
Support	20	23
	<u>195</u>	<u>177</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. Volunteers have carried out a variety of roles including welcoming visitors to the Hospice, assisting staff in the inpatient unit in serving meals, helping to transport patients to and from the Health and Welfare Centre, carrying out numerous administrative functions and helping at fundraising events, and a significant number of volunteers assist in our charity shops. 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 People and the Director of Clinical Services. The employee benefits of the key management personnel totalled £539,879 (2019 - £556,408).

11. Tangible fixed assetsGroup and company

	<u>Freehold land and buildings</u>	<u>Furniture, fixtures and fittings</u>	<u>Medical equipment</u>	<u>Motor vehicles</u>	<u>Refurbishment</u>	<u>Total</u>
Cost						
At 1st April 2019	10,180,777	1,851,071	365,442	120,254	250,549	12,768,093
Additions	-	195,758	11,610	-	233,068	440,436
At 31st March 2020	<u>10,180,777</u>	<u>2,046,829</u>	<u>377,052</u>	<u>120,254</u>	<u>483,617</u>	<u>13,208,529</u>
Depreciation						
At 1st April 2019	2,731,479	1,620,828	312,401	117,666	80,708	4,863,082
Charge for the year	175,392	123,635	23,965	2,588	36,879	362,459
At 31st March 2020	<u>2,906,871</u>	<u>1,744,463</u>	<u>336,366</u>	<u>120,254</u>	<u>117,587</u>	<u>5,225,541</u>
Net book values						
At 31st March 2020	<u>£ 7,273,906</u>	<u>302,366</u>	<u>40,686</u>	<u>-</u>	<u>366,030</u>	<u>7,982,988</u>
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>

Freehold land and buildings includes buildings with a cost of £8,769,618 (2019 - the same) 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 HOSPICENOTES TO THE ACCOUNTS - 31ST MARCH 2020 (Continued)

12. <u>Fixed asset investments</u>	<u>2020</u>	<u>2019</u>
<u>Group</u>		
Listed investments:		
Market value at 1st April 2019	11,694,034	10,557,623
Additions at cost	291,628	266,618
Net (losses)/gains on investments	(614,723)	869,793
	<hr/>	<hr/>
Market value at 31st March 2020	11,370,939	11,694,034
<u>Company</u>		
Cost of shares in subsidiary company:		
North London Hospice (Trading) Limited	5,000	5,000
	<hr/>	<hr/>
	£ 11,375,939	11,699,034
	<hr/> <hr/>	<hr/> <hr/>

The historical cost of the listed investments as at 31st March 2020 was £9,135,241 (2019 - £8,843,613 (restated)).

At 31st March 2020 the listed investments all related to UK equities listed on the International Stock Exchange, London.

At 31st March 2020 UK equities comprised:

	<u>Market value</u>	<u>Cost</u>
	£	£
6,685,229.39 units in the Newton Growth Fund for Charities	8,795,087	6,921,792
2,092,826.33 units in the Newton Global Growth & Income Fund for Charities	2,575,852	2,213,449
	<hr/>	<hr/>
	£ 11,370,939	9,135,241
	<hr/> <hr/>	<hr/> <hr/>

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. The registered office address of North London Hospice (Trading) Limited is 47 Woodside Avenue, London, N12 8TF.

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 2020 North London Hospice (Trading) Limited received bank interest of £3 (2019 - £3) and incurred expenditure of £30 (2019 - £55).

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

	<u>2020</u>	<u>2019</u>
Debtor: amount falling due within one year	3,389	3,389
Cash at bank	1,532	1,559
	<hr/>	<hr/>
Net assets	£ 4,921	4,948
	<hr/> <hr/>	<hr/> <hr/>

## NORTH LONDON HOSPICE

## NOTES TO THE ACCOUNTS - 31ST MARCH 2020 (Continued)

13. <u>Debtors</u>	<u>Group and company</u>	
	<u>2020</u>	<u>2019</u>
VAT recoverable	140,374	69,844
Other debtors	366,548	736,657
Prepayments and accrued income	2,704,936	1,092,487
	£ 3,211,858	1,898,988

Prepayments and accrued income includes measurable legacies committed to North London Hospice as at 31st March 2020, but which were not received by that date, amounting to £2,009,789(2019 - £756,589).

14. <u>Creditors: amounts falling due within one year</u>	<u>Group</u>		<u>Company</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Expense creditors	446,105	317,210	446,105	317,210
Amount owed to subsidiary company	-	-	3,389	3,389
Taxation and social security	187,426	160,314	187,426	160,314
Other creditors	979,187	319,696	979,187	319,696
Accruals and deferred income	212,729	111,078	212,729	111,078
	£ 1,825,447	908,298	1,828,836	911,687

Within other creditors at 31st March 2020 is £631,500 of the £842,000 owing to the London Pension Fund Authority resulting from the crystallization of the pension fund liability during the year. The remaining £210,500 is included in creditors: amounts falling due after more than one year (see note 15).

Other creditors also includes £347,687 (2019 - £319,696) relating to agency sales under the retail Gift Aid scheme.

15. <u>Creditors: amounts falling due after more than one year</u>	<u>Group and company</u>	
	<u>2020</u>	<u>2019</u>
Loan - The Governors of the Peabody Donation Fund (secured) (including rolled up interest of £935,720 (2019 - £898,921))	1,435,720	1,398,921
London Pension Fund Authority (see note 14)	210,500	-
	£ 1,646,220	1,398,921

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. The trustees consider the likelihood of such eventualities remote, and accordingly the creditor has been included within creditors: amounts falling due after more than one year.

16. Defined benefit pension scheme liabilityGroup and company

Under the rules of the Local Government Pension Scheme, the North London Hospice ceased to be an admitted body to the scheme during the year ended 31st March 2020, once the last active member had left the scheme. This has resulted in the crystallization of the cessation deficit now forming part of creditors.

	<u>2020</u>	<u>2019</u>
Net liability at 1st April 2019	380,000	502,000
Amount debited/(credited) to the statement of financial activities, being actuarial losses/(gains)	462,000	(122,000)
Liability crystallized during the year	(842,000)	-
Net liability at 31st March 2020	£ -	380,000

The amount included in the balance sheet comprises:

Present value of funded obligation	-	2,156,000
<u>Deduct:</u> Fair value of scheme assets	-	(1,776,000)
Net liability in the balance sheet	£ -	380,000

The fixed charge given by the charity over one of its freehold properties in favour of The London Pension Fund Authority in respect of the net liability will be discharged on payment of the last quarterly instalment, due on 21st May 2021.

## NORTH LONDON HOSPICE

## NOTES TO THE ACCOUNTS - 31ST MARCH 2020 (Continued)

Group and company17. Endowment funds

	Pauline Glasser Endowment	Mrs. Burgess Fund for Children	Capital Fund	Endowment Fund	Total
Balance 1st April 2019	536,073	17,000	150,000	1,927,226	2,630,299
Income	17,685	68	600	63,589	81,942
Expenditure	(17,685)	(68)	(600)	(63,589)	(81,942)
Unrealised losses	(56,374)	-	-	(202,707)	(259,081)
Balance 31st March 2020	£ 479,699	17,000	150,000	1,724,519	2,371,218

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 2019	Income	Expenditure	Transfer between funds	Balance 31st March 2020
Community and IPU nursing fund	-	25,242	(25,242)	-	-
Day care fund	-	3,100	(3,100)	-	-
Equipment and teaching fund	-	1,280	(1,280)	-	-
Haringey Community Team	-	598,433	(598,433)	-	-
Health and wellbeing fund	-	7,525	(7,525)	-	-
IPU refurbishment project fund	6,526	2,750	(9,276)	-	-
Kitchen refurbishment fund	38,096	80,245	-	(118,341)	-
Overnight Community Service	54,718	302,336	(253,169)	-	103,885
PCSS fund	-	363,135	(363,135)	-	-
	£ 99,340	1,384,046	(1,261,160)	(118,341)	103,885

A transfer has been made from the restricted kitchen refurbishment fund since appropriate expenditure has been incurred and therefore the conditions relating to the inherent restrictions have been complied with.

NORTH LONDON HOSPICENOTES TO THE ACCOUNTS - 31ST MARCH 2020 (Continued)19. Designated fund

The trustees have designated £6,547,268 (2019 - £6,506,090) 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 2020

<u>Group</u>	<u>Tangible fixed assets</u>	<u>Investments</u>	<u>Current assets</u>	<u>Creditors</u>	<u>Total</u>
Endowment funds					
Pauline Glasser Endowment	-	479,699	-	-	479,699
Mrs. Burgess Fund for Children	-	-	17,000	-	17,000
Capital Fund	-	-	150,000	-	150,000
Endowment Fund	-	1,724,519	-	-	1,724,519
Restricted funds					
Overnight Community Service	-	-	103,885	-	103,885
Unrestricted funds					
Designated fund					
Tangible fixed assets fund	7,982,988	-	-	1,435,720	6,547,268
General fund	-	9,166,721	5,001,045	2,035,947	12,131,819
	<u>£ 7,982,988</u>	<u>11,370,939</u>	<u>5,271,930</u>	<u>3,471,667</u>	<u>21,154,190</u>

<u>Company</u>	<u>Tangible fixed assets</u>	<u>Investments</u>	<u>Current assets</u>	<u>Creditors</u>	<u>Total</u>
Endowment funds					
Pauline Glasser Endowment	-	479,699	-	-	479,699
Mrs. Burgess Fund for Children	-	-	17,000	-	17,000
Capital Fund	-	-	150,000	-	150,000
Endowment Fund	-	1,724,519	-	-	1,724,519
Restricted funds					
Overnight Community Service	-	-	103,885	-	103,885
Unrestricted funds					
Designated fund					
Tangible fixed assets fund	7,982,988	-	-	1,435,720	6,547,268
General fund	-	9,171,721	4,999,513	2,039,336	12,131,898
	<u>£ 7,982,988</u>	<u>11,375,939</u>	<u>5,270,398</u>	<u>3,475,056</u>	<u>21,154,269</u>

## NORTH LONDON HOSPICE

## NOTES TO THE ACCOUNTS - 31ST MARCH 2020 (Continued)

20. Analysis of net assets between funds (continued)

At 31st March 2019

<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	-	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
	<u>£ 7,905,011</u>	<u>11,694,034</u>	<u>4,915,411</u>	<u>(2,307,219)</u>	<u>(380,000)</u>	<u>21,827,237</u>
<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	-	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
Unrestricted funds			54,718			54,718
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
	<u>£ 7,905,011</u>	<u>11,699,034</u>	<u>4,913,852</u>	<u>(2,310,608)</u>	<u>(380,000)</u>	<u>21,827,289</u>

NORTH LONDON HOSPICENOTES TO THE ACCOUNTS - 31ST MARCH 2020 (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>2020</u>	<u>2019</u>
Payable within one year	466,437	478,467
Payable within two to five years	1,166,281	909,395
Payable in more than five years	26,926	3,822
	<u>1,659,644</u>	<u>1,391,684</u>
£	<u>1,659,644</u>	<u>1,391,684</u>

22. Financial instrumentsGroup

## Financial assets

	<u>2020</u>	<u>2019</u>
Financial assets measured at fair value	13,431,011	14,710,457
Financial assets that are debt instruments measured at amortised cost	2,759,274	1,526,158
	<u>16,190,285</u>	<u>16,236,615</u>
£	<u>16,190,285</u>	<u>16,236,615</u>

## Financial liabilities

Financial liabilities measured at amortised cost	£ 2,348,521	1,247,984
	<u>2,348,521</u>	<u>1,247,984</u>
£	<u>2,348,521</u>	<u>1,247,984</u>

23. Post balance sheet events

Since March 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions.

The charity has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31st March 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the charity for future periods.

## NORTH LONDON HOSPICE

## NOTES TO THE ACCOUNTS - 31ST MARCH 2020 (Continued)

24. Prior year's consolidated statement of financial activities

	<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	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	201,187	-	73,553	274,740
Other	41,895	-	-	41,895
Total income	<u>8,200,276</u>	<u>1,141,644</u>	<u>73,553</u>	<u>9,415,473</u>
Expenditure:				
Raising funds				
Fundraising and promotion	754,408	-	-	754,408
Charity shops expenditure	1,874,593	-	-	1,874,593
Investment manager's fees	53,886	-	-	53,886
Charitable activities				
Cost of operation of hospice	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	<u>9,883,469</u>	<u>1,023,458</u>	<u>73,550</u>	<u>10,980,477</u>
Net gains on investments	666,328	-	203,465	869,793
Net income before transfers	(1,016,865)	118,186	203,468	(695,211)
Transfers between funds	33,868	(33,868)	-	-
Net income after transfers	(982,997)	84,318	203,468	(695,211)
Other recognised gains				
Actuarial gains on defined benefit pension scheme	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	<u>19,958,592</u>	<u>15,022</u>	<u>2,426,834</u>	<u>22,400,448</u>
Total funds carried forward, 31st March 2019	<u>£ 19,097,595</u>	<u>99,340</u>	<u>2,630,302</u>	<u>21,827,237</u>