

Thames hospice

ANNUAL REPORT AND ACCOUNTS

for the year ended 31 March 2019

Registered Company No: 5316964

Registered Charity No. 1108298



**The Queen's Award
for Voluntary Service**

The MBE for volunteer groups

THAMES HOSPICE
ANNUAL REPORT
for the year ended 31 March 2019

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Trustees' Report

The Trustees are pleased to present their annual report together with the Financial Statements for the year ended 31 March 2019, which are also prepared to meet the requirements for a Directors' Report and Accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and 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) (Charities SORP (FRS102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2019



Who we are

Thames Hospice is the local charity supporting people living with life limiting illness in East Berkshire and South Buckinghamshire.

A holistic approach

We provide expert nursing and medical care, with emotional and practical support for adults who have illnesses from which they are not expected to recover. We also offer a wide range of therapies to support our patients' physical, psychological, social and spiritual needs. Our care and support extends to family, friends and carers.

Always here

Our vital services are free of charge for all those who access them, and are available wherever they are needed: in our Hospice and our Day Therapies Unit both at Pine Lodge and in our patients' own homes, 365 days a year.

Expert care

Our highly qualified and trained teams of nurses, doctors, consultants, therapists, healthcare assistants and counsellors, provide expert clinical and complementary care to our patients.

Our services are free to those who need them

All our services are free to our patients and their families, friends and carers. We are grateful for the generous support of our fundraisers and donors who help us to generate around 70% of the income we need to run our Hospice.



Our Vision

Quality of life to the end of life for everyone

Our Mission

To provide and support the best palliative and end of life care to our community, giving dignity and comfort to those facing life limiting illnesses.

Our Values

Compassion	We treat everyone with kindness and compassion, providing a secure and caring environment.
Excellence	We are committed to delivering and demonstrating excellence and quality in everything we do.
Collaboration	We recognise the best quality of care is achieved when we work as a team, leveraging the skills and experience of individuals as well as our healthcare and community partners.
Integrity	We always act with integrity and strive to demonstrate the highest ethical standards of behaviour.
Respect	We believe in treating everyone with dignity and respect.
Ambition	Our desire and determination to succeed in meeting the growing needs of our local community.
Commitment	We are dedicated to providing the best palliative and end of life care to all who need us now and in the future.

Introduction by our Chief Executive and Chair of Trustees



Debbie Raven
Chief Executive



Jonathan Jones
Chair of Trustees

On behalf of all our staff, volunteers, the Senior Management Team and the Board, we're delighted to introduce this year's annual report.

Firstly, we'd like to say a huge thank you to all our staff and volunteers for all their hard work over the year and of course our supporters and donors for their unwavering commitment. We rely on our community for over 50% of our income and are therefore incredibly grateful for every penny our supporters donate or spend in one of our stores.

It has been a momentous year for us as we started to build our new Thames Hospice in January. Building works are progressing incredibly well and we are on schedule to have a new home in summer 2020. Our new Hospice is so desperately needed in the community as demand for our services grows daily and we in turn, need to increase our capacity to keep pace.

We are extremely grateful to past donors who have made the new hospice possible, enabling us to contribute £12m from our reserves but, we do have to raise a further £6m. So far we have £3.7m pledged but, we have a long way to go so our focus for 2019/20 is very much on our capital appeal which will enable us to complete our building.

You will note from this report that we have had a successful 2018/19 as we have extended our care to more people. It is imperative that we continue to be able to maintain this for our community and to do that we need support now and into the future.

Thank you for reading this report; if you have any questions or would like to discuss any element of it further please don't hesitate to contact Debbie Raven (debbie.raven@thameshospice.org.uk) or our Finance Director, Ruth Bartholomew (ruth.bartholomew@thameshospice.org.uk)



Jonathan Jones – Chair



Debbie Raven - CEO

Strategic Report

Why we are here

Our Five Year Strategy, implemented in 2016/17 states our strategic aims:

- To be the leaders of palliative and end of life care in our community, providing a patient centred, seamless service focussed on quality and equity.
- To be the charity of choice in our local community, generating income and raising awareness to deliver our mission.
- To ensure the financial viability and sustainability of the charity so that we can continue to deliver our mission.
- To lead the design and delivery of sustainable organisational resource planning to support our mission.



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Ensuring our work delivers our aims

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set. We review our aims, objectives and activities throughout the year and at the end of each year. Our aims and objectives are set out in the Strategic Operating Plan, and progress is reported through the relevant sub-committees to the Board on a quarterly basis.

These regular reviews look at the success of each activity and the benefits they have brought to the group of people we are here to help. These reviews also help us to ensure that our aims, objectives and activities remain focused on our stated purpose.

Public Benefit

The trustees have complied with the duty in the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission. Thames Hospice exists for the public benefit for the advancement of health and to provide relief to those in need by reason of ill health.

The charity's objects and activities focus on the relief of sickness, in particular of those persons suffering from cancer and other life-limiting illness and the support of carers, families, friends and dependents during and after such illness, in such ways as the charity sees fit. All of these charitable activities deliver public benefit, and all services provided to patients and their families are provided free of charge at the point of delivery.

Over the last two years we have increased the services we are able to provide to the public by expanding our community team (incorporating the previous Berkshire Healthcare Foundation Trust community team who were transferred to the hospice in April 2018) and launching our rapid response and 24 hour phone line service. These services have been commissioned and fully funded by our local East Berkshire Clinical Commissioning Groups (CCGs). We have also expanded our lymphoedema therapy services with the aid of additional funding from the CCGs.

The expansion of services enables us to provide another level of care to those in our community who need us. Excluding these fully funded services, the NHS provides us with funding for around 30% of our patient related costs, the remainder being met through our Fundraising and Retail activities and our investment income.

Referrals are accepted from a variety of sources and our services are allocated according to clinical need. Care is currently delivered in the following ways:

- 17 bedded In Patient Unit at Thames Hospice, Pine Lodge, Windsor.
- Day Therapy Unit for both outpatients and inpatients operating two days each week at Pine Lodge.
- Physiotherapy, occupational therapy and lymphoedema treatments
- 24/7 Helpline and Rapid Response team.
- Community Palliative Care (incorporating Hospice at Home).
- Counselling, psychological and spiritual support

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Impact statement

Given the dual challenges of an ageing population with increasingly complex conditions, the need for our services has never been more acute. The level and range of the services we provide is increasing every year. It was with this in mind that we embarked on our plans for expansion and a move to our new purpose built hospice facility in Bray. Our new buildings will house a larger In Patient Unit, Day Therapies Unit, Treatment rooms, education centre and carer and family facilities as well as space for the back office and support services.



Our impact on the local community through the services we provide is unquestionable and we are looking forward to being able to expand and provide them to more people in need from our new site in Bray. In 2019/20 we will launch the public phase of the capital appeal to help fund the new build and hope to engage further local support from the community.

The impact and public benefit of Thames Hospice is clearly evident in the numbers of people we help at no charge to the patients and the feedback we receive from both patients and their loved ones. During 2018/19 we admitted 284 (2018: 329) patients to our inpatient unit which ran at our maximum target of 85% (2018: 85%) this year; we provided 11,195 (2018: 2,131) hours of care in patients' homes; attended 1,886 rapid response team visits in the community (2018: 781) and delivered 9,198 (2018: 6,270) sessions and appointments for day therapies, counselling and other complementary therapies to patients and their loved ones.

The increase and improvement of these services is impacting the local community in a very positive way and the improved funding of those services is securing this position and a sustainable future for the Hospice.

Key achievements in 2018/19

This year Thames Hospice continued to deliver exceptional clinical services to the community maintaining the high occupancy rate on our ICU of the previous year. We have expanded our services in the community, providing 24 hour support for our patients and their families. Feedback has again been consistently positive and complimentary, demonstrating our ability to deliver our gold standard of care in challenging circumstances.

Our priorities for the year 2018/19 were based on Year Three objectives in our Five Year Strategy as detailed on Page 5.

Some of the main objectives and how we performed are noted below:

- To continue to expand and improve the services we provide to our community including the new services introduced in 2017/18 and to integrate the former Berkshire Healthcare Foundation Trust Community Team (BHFT) into Thames Hospice.
 - o The former BHFT team transferred successfully to Thames Hospice in April 2018.
 - o The expanded hospice community team went on to provide 11,195 hours of care during the year.
 - o The rapid response and 24 hour support line team attended 1,886 visits to patients, answering many more calls than that from patients and carers in need.
- To complete the tender process for the new hospice build, appoint contractors and start on site.
 - o The tender process for the new hospice build was completed in 2018 and we signed our construction contract with Andrew Scott Limited in December 2018.
 - o The build started on site on 7th January 2019 and progressed well in the first few months of the year, in line with programme and benefiting from good weather.
- To work on our transition plans to the new hospice buildings including workforce planning, equipment requirements and ongoing plans for areas such as recycling and environment management.
 - o We continue to develop our plans for transition; having started on site we are now able to approximate the timetable for this. This work will continue into the next financial year.
- To plan the expansion of our education department to provide services to the wider community.
 - o We have begun our research and planning for the Education Centre in the new hospice building, which will provide specialist training to carers, colleagues and other health professionals.
- To implement all requirements of the General Data Protection Regulations (GDPR) coming into force in May.
 - o The requirements of GDPR were examined and implemented across the organisation in time for the launch. Our related processes and policies are regularly reviewed.
- To launch the public phase of our capital appeal for the new Thames Hospice.

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- With the new hospice build beginning in January 2019, we amended the launch of the public phase of the capital appeal to September 2019.
- To continue our retail expansion programme to maximise income from this source.
 - We opened three new shops in the 2018/19 financial year – a second shop in Windsor to sit alongside the Vintage and Retro store, a shop in Bracknell in Princess Square and a shop in Langley in a site converted from the old NatWest bank.
- To ensure that our finances are stable and well managed as we move into the build phase of the new hospice and expand our services further.
 - The finance team continue to monitor our resources regularly through a system of review and planning that includes management accounts, forecasts and budgets.
 - We are also monitoring our cashflow weekly to ensure that funds are available to meet our contractor commitments as they progress with the new build.
 - We have been working on securing a purchaser for Pine Lodge and short term third party funding for the payment of contractor costs until these funds are available once we have moved.



Thank you

We are deeply indebted to all of our donors and supporters, without whom we could not continue providing the services we do.

During 2018/19 we launched the initial private phase of our capital appeal. Through both the private and public phases of the appeal, we hope to raise £6 million of the £22 million it will cost us to build the new Thames Hospice; the remainder coming from our reserves and sale of our Pine Lodge site.

Key objectives for 2019/20

We are now into Year Four of our Five Year Strategy (2016 to 2021). As in previous years we have compiled an Operating Plan for the coming year. Each department sets out objectives and targets to achieve during the year which align with the agreed Strategy. This Plan is reviewed quarterly by the relevant trustee committee and by the Board. In the coming year we will see the new hospice building in Bray progressing and will be investing much time in preparing our staff and services for the transition. Some key targets and challenges for the coming year, in line with the four strategic aims on page 5 are:

- To continue to integrate and enhance community services and look at new ways of working which will benefit our patients, their carers and families.
- To monitor the new hospice build to ensure quality is maintained and the programme adhered to.
- To manage the financial aspects of the new build, particularly in relation to cash management, the drawdown of capital from our investment portfolio and the securing of short term third party funding required until the proceeds of the Pine Lodge sale are available.
- To work on our transition plans for the new hospice buildings, including recruitment as required, involving all teams and disciplines across the organisation to plan the move as effectively and efficiently as possible.
- To continue to research and plan our education and training offering to the wider community as we look to utilise the new Education Centre at Bray.
- To launch the public phase of our capital appeal for the new Thames Hospice.
- To continue work on the sustainability of the hospice, reviewing and planning income generation from all sources – our CCGs, fundraising and retail.
- To continue our retail expansion programme, opening two new shops in the year.

Associated risk

We identify and monitor risk through our risk management process (see page 21). Our annual setting of objectives and operating plan inform the process enabling us to identify the major risks associated with our current and future work programme. The risks associated with fulfilment of our strategic objectives are reviewed quarterly by each committee and full Board as necessary.

The above key targets and opportunities all carry associated risks, the most significant of which are:

- Building our new hospice is an extraordinary project that brings with it many opportunities and corresponding risks. There are reputational risks relating to moving site from a location special to many; there are financial risks inherent in the capital build budget itself, the capital appeal target and also the future sustainability of the charity, there are very real practical risks associated with the project programme and transition from one hospice to another. Some of the key mitigation strategies are:
 - There is a comprehensive plan to manage the move from Pine Lodge to the new hospice in Bray involving communications, public relations and our Patient and Family Services team who are best placed to ensure we are sensitive to the feelings of the community and past service users
 - The capital build requires use of capital appeal donations, funds drawn down from our investment portfolio and short term third party funding being secured to cover costs until Pine

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- Ledge is sold. The cashflow is reviewed weekly and we are managing the cash requirements closely in terms of which source of funds we use each month to pay contractor invoices and monitoring remaining balances.
- We are keeping our future sustainability under review using our ten year financial plans which are updated and reviewed regularly both by SMT and Trustees.
- Transition plans for the moving of all services to Bray are being worked on by all teams to ensure the practical arrangements involve everyone and they are being co-ordinated at SMT level.
- Any expansion of or change to services bring opportunities for the charity to provide our services to more people in need and to enhance the care that they receive. There are potential financial risks of over stretching our current and future resources associated with this, there are risks associated with recruitment of staff to deliver the services required; we must consider reputational risk associated were we to allow our standard of service to fall due to over expansion or major changes. Mitigation of these risks:
 - New service requirements and changes to existing services are carefully costed and reviewed by SMT with regard to staffing and capacity at all levels.
 - Dialogue with our CCGs is continuous and transparent, helping us to ensure that we are providing exactly what is needed at an agreed cost.
- We receive about 30% of our income from NHS grants and contracts, excluding fully commissioned services, so are reliant upon our fundraising and retail activities to bridge the gap. Our resulting income generation targets carry multiple risks, for example:
 - Our retail expansion relies heavily on our ability to recruit both staff and volunteers to work in our shops and this has been a challenge in many areas. It also relies on the sites that become available which are never certain and the increasing rent trend affects our affordability of some sites. We have a volunteer recruitment campaign in place and aim to secure the best sites for us at affordable rents but the general UK retail market trend remains a challenge.
 - Our fundraising team are focussed on the joint challenge in the coming year of meeting the capital appeal targets as well as their annual revenue targets. Additional staff have been brought in to help manage the extra work and communications to potential donors ensuring that the move to the new hospice is an integral thread, encouraging them to donate to both the capital and revenue income streams.

Financial Review

Review of the year 2018/19

We have had a good performance this year with regard to our financial position, with a surplus on the general fund of £448k (2018: surplus £689k). We have made an overall surplus on the SOFA (Statement of Financial Activities, see page 29) in the year of £1,953k (2018: £946k) including restricted fund income to our capital appeal for the new hospice of £1,504k (2018: £257k). Below we look at each SOFA line and review the results.

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Raising Funds: Donations and Legacies

We are, as always indebted to our generous donors and supporters for their continued commitment to the hospice. Without them, we simply could not continue to provide our care, at no cost to our patients and their loved ones need.

This year, donations and legacies income increased to £4,891k from £3,818k. A reduction in the general fund legacies was compensated for by the receipt of a substantial amount of income totalling £1,504k (2018: £257k) towards our capital appeal target of £6million. At this stage we are still in the private phase of the appeal only; we are planning to launch the public phase in September 2019.

The total legacy income at £1,812k was similar to last year although split this year between the capital appeal (£420k) and revenue funding (£1,392k). Last year the legacy income which was all credited to revenue funding was £1,746k.

Raising Funds: Charitable Activities

Our charitable activities income rose from £2,400k to £3,487k in the year 2018/19; the income is received largely from the East Berkshire CCGs. Our core grant from the CCGs increased this year to cover the costs of the Community Team who came over to Thames Hospice from BHFT. This service accounts for £850k of the increase in grant funding. In addition to this they pay Continuing Health payments to us for longer stay patients; the increase during the year from £210k to £316k related to one particular patient.

Raising Funds: Other Trading Activities

This category of income rose this year by £146k to £2,432k (2018: £2,286k). From a fundraising point of view this was largely due to the lottery which brought in £222k versus last year's total of £174k. The increase in lottery players is the reason for this.

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The retail division improved again on last year's performance for sales of donated and new goods – in total they brought in £2,034k this year versus £1,900k in 2017/18. This increase was due to the opening of new stores in Windsor, Bracknell and Langley alongside the effect of a full year of the new store openings in 2017/18. Despite difficult conditions on the High Street, the performance was steady.



Raising Funds: Investment and Other Income

Investment Income was slightly down on last year at £482k (2018: £491k). Our investments continued to generate a healthy income in the year but we are expecting a fall next year as we use a substantial proportion of our investment portfolio to fund the new build.

Other income was £64k versus last year's £97k. This year reflects lower receipts from insurance income relating to care being provided to mesothelioma patients.

Expenditure: Raising Funds

Direct costs of raising funds have increased to £3,600k this year (2018: £3,130k). This is due to several factors including the costs of running our capital appeal which are being met out of general funds, increased costs of lottery canvassing to sign up new players and the effect of the new shops on the retail costs. All of these are viewed as positive investments given the increase in income they are all generating for the hospice.

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Expenditure: Charitable Activities

Direct costs of charitable activities have risen by £1,165k to £6,448k this year (2018: £3,283k). The majority of this increase is due to the transfer of the RHFT Community Team to the hospice. The remainder relates to additional clinical staff requirements needed to meet the continued increase in demand for our services by our community.

Expenditure: Central Services Support Costs

Our central support costs were well controlled with only small increases across most departments, the largest being in Human Resources as we increased capacity to manage the increase in staff numbers and responded to a change in testing and vaccination regulations. The total for the year was £1,748k (2018: £1,645k).

The allocation of central services costs was 45% to Raising Funds and 55% to Charitable Activities (2018: 49% and 51% respectively). The apportionment of central services costs this year once again reflects the increased proportionate spend on patient services with the increase in services provided.

Investment gains and losses:

Despite variable performance month on month, our investments ended the financial year having gained us £393k (2018: loss of £88k). Investment management fees remained steady and in line with last year at £47k (2018: £50k).

The Balance Sheet

There are two substantial changes in the balance sheet over last year's figures. One is the creditor balance. The increase is due to a contractor invoice being due in April that had been booked in March; these are monthly charges relating to the new build. Fixed assets have risen due to the capitalisation of fees and other costs associated with the new build and by the first three invoices for the actual build costs after we started on site in January 2019 and which are disclosed in Note 13 as Assets Under Construction.

Reserves

At the year end the total funds in the group stood at £22,949k (2018: £20,996k). Of this, restricted funds totalled £503k (2018: £310k), designated funds £12,000k (2018: £10,603k) and general funds £10,445k (2018: £10,078k). The funds are analysed further in Notes 18 and 19 to the accounts and our Reserves Policy detailed below

Reserves policy

In order to maintain our level of service to our patients and the loved ones, our aim is to achieve sustainable funding for Thames Hospice and to ensure that our reserves give sufficient resilience to allow for fluctuations in income. It is recognised by the trustees that the charity may generate a surplus or deficit in any one year depending on the unpredictable nature of some funding streams and general economic conditions. The trustees have therefore determined to maintain a reserve position that would enable the charity to continue operations during deficit years, and in surplus years, invest additional funds generated in our investment portfolio.

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The charity determines its future reserve requirements by producing ten year projections of income and expenditure and reviewing the charity risk register on a quarterly basis and whenever a change in operations might necessitate. The trustees have decided to set the level of reserves by reviewing these projections and ensuring that any potential deficit years would be covered by our free reserves. Free reserves are defined as our total reserve net of restricted funds, fixed assets and any reserves designated for specific purposes by the trustees. Surplus reserves generated are set aside for future projects of a capital or revenue nature. Such designations for future projects are agreed by the Board prior to the financial year end as required by the Charities Statement of Recommended Practice.

The reserves policy is reviewed annually by the Finance and Investment Committee and any recommendations for change presented to the Board for approval. The Committee will review the sufficiency of free reserve at each year end.

The trustees have reviewed the policy in place for 2018/19 and have determined that it is fit for purpose and that reserves are adequate in accordance with the provisions of the policy. The large designation relates to the project to build the new hospice and expand the services it provides; initially £10 million, the fund was increased in 2016/17 by designating the net funds received from the surrender of our Ascot property. This year we have increased the amount to £12 million in line with the pledge to commit that amount to the capital build. The ten year financial projections for the charity, including the planned expansion and new build due to complete in 2020, show that we would need to ensure we keep approximately £5 million in a free reserve to cover potential annual deficits caused by income fluctuation. This amount would ensure the sustainability of the charity as long as there are no major material variances to the forecast expenditure or changes to our major income streams. The reserves may be classified as follows:

	£m
Fixed assets	7.4
Designated reserve for capital project	12.0
Restricted reserves	0.5
Free reserves	<u>3.0</u>
Total reserves	<u>22.9</u>

The free reserve currently sits below the target of £5 million due to the movement of the additional £1.4 million into the designated reserve. The trustees have approved this as it is within an acceptable range of the target and hope to increase the reserve over the coming years to bring it back up to the desired level.

All income received into the capital appeal is ring fenced in the restricted reserves to be used exclusively on the new build.

Investment policy

We have continued to use Investec Wealth & Investment Limited as our investment manager throughout the financial year, remunerated by a management fee. Investec actively manage our portfolio in line with the investment policy set by the trustees and report back to the Board on the performance of the portfolio on a quarterly basis. During the year we have retained the conservative approach to our investment holdings knowing we were approaching the time when significant sums would be required to help fund the new hospice build programme.

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Investec have been assisting us with the planning for this and moving tranches of the portfolio into less volatile securities, ensuring that cash is available when required during the build. During the build period, we have suspended the normal policy constraints to enable Investec to move our funds more easily and this manifests itself in a more moderate set of asset allocation ranges.

Main portfolio

At 31 March 2019 the policy, temporary revised policy, benchmark and actual asset allocation stood at:

	Policy		Revised/ temporary policy	Benchmark	Actual
Fixed Interest	25-45%		20-40%	34%	32.9%
UK Equities	30-50%	}	20-40%	40%	23.3%
Overseas Equities	5-15%	}		10%	10.5%
Property	4-8%		5-15%	6%	5.7%
Infrastructure	0-8%		5-15%	5%	4.7%
Cash	0-20%		0-30%	5%	22.9%

The total return performance for the 2018/19 year was 6.5%; higher than the benchmark of 5.5% for this year and higher than the previous year when the return was just 3.2%. This result reflects a year of some volatility in the markets but which despite this, rebounded in the first quarter of the 2019 calendar year.

The realised and unrealised gains on our investments in the year totalled £393k (2018: loss of £68k). Investment income fell slightly during the year to £482k (2018: £491k) which we consider to be within reasonable variation. The coming drawdown period of the new build will see our income drop considerably until we can begin to reinvest after the build is complete.

Bond portfolio:

The bond portfolio mix is restricted to fixed interest and cash as its purpose is to provide stable cash based funds from which we can draw down at short notice. This fund will be used up during the build and its use reviewed after this period. As with the main portfolio, the policy restrictions have been temporarily suspended to enable Investec to provide funds for the build.

At 31 March 2019 the policy, benchmark and actual asset allocation stood at:

	Policy	Benchmark	Actual
Fixed Interest	80-90%	90%	76%
Cash	10-20%	10%	24%

Review of Thames Hospice Retail Limited

Thames Hospice Retail Limited is a wholly owned trading subsidiary of Thames Hospice.

During the financial year, the company acted as agent for the sale of donated goods made under the HMRC gift aid scheme and a variety of new goods were also sold through the company. Sales of our newly expanded range of purchased goods have continued to grow providing the charity with additional income.

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The company's results for the 2018/19 financial year show a profit of £21k and an equivalent gift aided distribution made to Thames Hospice for the year (2018: £5k). The directors are comfortable that the Retail Company is a going concern and the directors will keep under review the sales and margins generated by the new goods and stock management as transaction volumes increase.

Structure, governance & management

Group Structure

The Charity is a company limited by guarantee, incorporated in England and Wales (company number 5315554) and a charity registered in England and Wales (charity number: 1108298). In 2005 the Charity then known as Thames Hospicecare was formed following the merger of Thames Valley Hospice and the Paul Bevan Cancer Foundation. The merged charity rebranded to become Thames Hospice in 2013 with the change of name approved by Companies House in September of that year.

The Charity operates under a Memorandum and Articles, amendments to which were approved by the trustees on 4 September 2014. Subsequent minor amendments have been approved by the Board Chair and a full governance review will be effected in 2019.

Thames Hospice Retail Limited

The issued share capital of this company is held by the charity. This company is used to process sales of new goods sold through the charity's retail outlets and to receive commission on gift aided goods donated to the charity for resale through the charity's retail outlets.

Thames Valley Hospice and Paul Bevan Cancer Foundation

These charities remain as "shell" charities in order that they may still legally receive legacies and other general donations. The trustees of both shell charities have resolved to make a grant of any monies they receive for Thames Valley Hospice and the Paul Bevan Cancer Foundation to the benefit of Thames Hospice.

Related and other connected parties

The charity is supported by its subsidiary retail company. Charitable trusts, fundraising support groups and individuals also raise money for the hospice via charity events, individual donations and legacies.

NHS – The charity has a close relationship with the NHS Commissioners (East Berkshire and South Buckinghamshire) who provide essential funding towards the operating costs of the charity in the form of grants. East Berkshire CCGs also commission two fully funded services from the charity to enable the hospice to provide further services to the community: our rapid response and 24 hour helpline, and our community team both of which have enabled us to expand our services to the community and to provide support 24 hours a day to our patients and their families when they need it. Excluding these fully funded services, our NHS grants contributed £1,584k to the running costs of the hospice representing 29% of costs excluding income generation (2018: £1,528k was 30%). In addition our East Berkshire CCGs have commissioned an

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expanded Lymphoedema therapy service which, although not fully funded, has provided a substantial increase in the year for this vital service.

Thames Valley Charitable Trust (TVCT) – This Trust exists to provide funds at its discretion, in support of Thames Hospice. Thames Hospice became a trustee of TVCT in July 2019 in order to provide assistance with administration.

Shell charities – Thames Valley Hospice and Paul Bevan Cancer Foundation – see above.

Governance

Recruitment and Appointment of Directors and Trustees of Thames Hospice

The directors of the company also act as trustees of the charity. Trustees are appointed for an initial period of 4 years, after which they may apply for re-election to serve a second period of 4 years. The second term of appointment may be extended for a further 12 months on an exceptional basis. The trustees appoint a Chair from within their number, who can also serve two periods of 4 years with the option for an exceptional extension of 12 months.

When a trustee retires every effort is made to replace him/her with a person of qualities and experience which will be relevant to the requirements of the charity. There is an open recruitment and selection process for all trustee vacancies which are advertised externally. Applications are reviewed by a Nominations Committee, comprising three trustees including the Chair of the Board, who consider and recommend applications to the Board. New trustees are then appointed by a majority decision of the Board. The Board of Trustees are detailed on page 51.

Trustee Induction and Training

Trustees undergo formal induction by spending time in the Hospice on the In Patient Unit, meeting individually with the Senior Management Team (SMT) and attending meetings of the Committees of the Board. The Board identifies and meets the individual training and development needs of its trustees and has in place a framework for evaluating board performance.

The Board seeks at all times to follow best practice in line with the recommendations of the Charity Commission and the Charity Governance Code. Training is provided as required and appropriate to the individual and relevant material made available to the Board as it is published.

Organisation

The Board of Trustees governs the charity and meets quarterly with the Chief Executive and Company Secretary in attendance. Other members of the SMT are invited to join the Board meetings as they wish or if their input is required for a particular agenda item. The Board meets at least four times per year, but any trustee or the Company Secretary can call an extraordinary meeting by following due process.

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2019

Board meetings are informed by six quarterly sub-committees of the Board, each chaired by a trustee and whose membership comprises trustees and relevant members of the SMT. The Chief Executive attends all committee meetings. The sub-committees operating during the course of the year were: Finance & Investment; Patient Care & Quality; HR; Income Generation & Marketing; Capital Appeal (incorporated into Income Generation & Marketing from August 2015); and PT5 (regarding the new hospice build project). An additional committee, the Nominations Committee, is also convened from time to time during the year as required, to deal with trustee recruitment and the terms and conditions for the Chief Executive and other members of the SMT.

Trustee Advisors

From time to time the trustees may appoint an advisor to a committee. This will be in order to meet a particular requirement that has been identified concerning matters specific to that committee relating to a project or area of concern for which external advice and knowledge are deemed necessary.

Management

The management of the charity is delegated to the Chief Executive and the SMT who meet weekly. The members of the SMT are detailed on page 52.

Key management personnel

The trustees consider the Board of Trustees and the SMT as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration or expenses were paid in the year (2018: £nil). Details of related party transactions are disclosed in Note 23 to the accounts.

Trustees are required to disclose all relevant interests and register them with the Head of Governance and Quality prior to each quarterly Board meeting where they are reviewed and noted. In accordance with the Thames Hospice Articles of Association, the remainder of the trustees are responsible for assessing whether a trustee's interest gives rise to a conflict of interest and whether that conflict may require their exclusion from voting on a subject although they may still be permitted to take part in the discussions.

Reward policy

The pay of the charity's SMT is agreed by the Nominations Committee. The pay of all other employees is reviewed by the SMT and annual pay awards approved by the Board of Trustees. Remuneration for new staff is benchmarked with similar roles and similar organisations by the HR Director and the remuneration for all posts kept under review in order to ensure the levels are fair and supportable. Our policy reflects the needs of the organisation, enabling us to recruit the most suitable staff and run the hospice effectively.

The Thames Hospice Reward Policy aims to ensure that reward and recognition practice underpins and supports our vision, mission, organisational values and strategic objectives while remaining legally compliant and reflective of recognised best practice. We are committed to ensuring that our salaries remain competitive in the labour market.

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2019

Thames Hospice does not recognise any formal external pay schemes (unless for employees protected by TUPE regulations) and salaries are set independently in accordance with appropriate benchmarking. For medical, clinical and other patient facing roles we track but are not curtailed by NHS pay bandings. For all other roles we aim to pay at least the median salary rate as published in the annual Hospice Rewards Salary Survey taking into account affordability and any other mitigating circumstances. We use Hospice HR Networks and other available published salary surveys to facilitate our approach to setting salaries to roles.

Strategy and planning

An annual Operating Plan, in the wider context of our five year Strategic Plan, is prepared by the Chief Executive and SMT prior to the beginning of the financial year and is discussed and approved by the trustees, providing an opportunity for their strategic input. Performance against the agreed aims and objectives for the year is monitored quarterly by each governing Trustee Committee and by the full Board.

Budgets are produced annually and presented to the Finance Committee and then the full Board for approval. Performance against budget is then reviewed monthly through the management accounts process. Full year reforecasts are completed after the second and third quarters each year to ensure we are mapping our progress towards a final year result.

Our ten year financial plan is reviewed and updated regularly in order to provide a more long term view of the charity's sustainability. The results of this planning have informed the decisions made over the building of the new hospice and constant review of the numbers helps the SMT and Board to make proactive assessments of, for example, new income streams, organisational change and cash flow.

Fundraising

Thames Hospice relies on the support of our local community to help us raise the vital funds we need to continue to provide our care free of charge for those in need. We are committed to delivering the highest standards in fundraising and in response to the greater need for transparency and formal regulation, Thames Hospice has published its own Fundraising Promise. This is available on our website. We take our responsibilities in this area seriously and strive at all times to meet best practice standards and to adhere to all voluntary codes of conduct. We are members of the Institute of Fundraising (IOF) and registered with The Fundraising Regulator (FR).

Thames Hospice has developed a set of metrics based on the Institute of Fundraising Code of Fundraising Practice. The metrics have two functions:

- To confirm Thames Hospice is compliant with the standards expected of fundraisers and
- To measure and report against specific elements of fundraising practice at Thames Hospice.

The trustees review these metrics at each quarterly Board meeting to ensure the hospice is carrying out all fundraising activities according to the Code and complying with the underlying principles of openness, honesty and respectfulness.

We employ a third party to carry out face to face lottery canvassing. They are also instructed according to IOF and FR codes and regulations and we ensure that they are acting with respect to members of the public and safeguarding potentially vulnerable persons. We also employ a company to call lottery players whose membership has expired to ask if they will renew; they have been similarly instructed and are appropriately

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2019

monitored. All other fundraising is carried out by the Thames Hospice staff team who are trained and managed according to IDP and FR rules and best practice.

Thames Hospice has a Fundraising Complaints Policy which is available on our website. We take any complaints received very seriously and they are reviewed and acted upon by the Director of Fundraising and Marketing and their team; they are also reviewed by the Board. During the year the Fundraising team received 3 complaints (2018: 4) which were all dealt with in-house; none were reportable to the regulator.

Controls

Supporting the governance and management of Thames Hospice we have a comprehensive set of policies and procedures which are published and reviewed on a regular basis and controlled by our Head of Governance and Quality. Policy review is set at an appropriate number of years but will be overridden by changes in processes or external requirements which necessitate a change in policy. All staff are trained in information governance (including General Data Protection Regulation) as part of their mandatory training which also includes equality and diversity, health and safety and manual handling.

In addition to the suite of policies we have a series of management tools that we use to ensure control over the running of the hospice, including a comprehensive health and safety action plan, governance committee, incident and accident reporting, and our risk register.

Safeguarding

Safeguarding is a key governance priority for all charities, not just those working with groups traditionally considered at risk. Thames Hospice takes its responsibilities very seriously and provides safeguarding training for all trustees and senior management and relevant staff and volunteers.

The Hospice has a suite of policies and measures in place to address the safeguarding of all individuals who come into contact with us, whether as patients, family members, staff or volunteers. These include a Safeguarding Policy for patients, HR Policies including Volunteer Policies, an Accident and Incident Reporting Policy and a Whistleblowing Policy. The Accident and Incident Reporting Policy and the Whistleblowing Policy both ensure full investigation of reported events.

During 2018/19 the Hospice appointed a Freedom to Speak Up Guardian who is also our Head of Governance and Quality. She is available to all staff and volunteers who wish to express concern about any aspect of the Hospice.

All Hospice policies are subject to regular review and updating. HR policies include strict recruitment processes that are in place to check the probity of all new employees, including mandatory DBS checks and the checking of references.

Risk Management

The charity uses a formal review process to analyse and manage the risks to which the charity is exposed in the course of its activities, both strategic and operational, through a risk register and embedding risk identification into the annual planning process.

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2019

All significant risks are identified, along with the likelihood of such risks occurring and the predicted level of impact, together with mitigation measures. These are reviewed quarterly by the SMT and Board sub-committees with key risks accelerated to the Board itself. See page 10 for further details.

We continually review risk management and governance within all areas to ensure that identified risks are addressed and the learning is continuous. New projects are also assessed specifically for the associated risk as project plans are made.

Complaints

Thames Hospice has a complaints policy published on our website. Any reports of unsatisfactory treatment or behaviour are taken extremely seriously and referred initially to our Head of Governance and Quality and the responsible SMT member for further investigation and action. The exception to this is if the complaint is due to Fundraising and in this instance the complaint will be investigated first by the Director of Fundraising and Marketing. The complaints policy is audited as part of our annual audit programme run by our Governance team.

During the year we received 2 (2018: 3) clinical complaints, 3 (2018: 4) fundraising and 11 (2018: 10) retail. All were considered by our Head of Governance and Quality and the responsible SMT member and dealt with in house. None were reportable to the appropriate regulators.

Incidents and Accidents

All incidents and accidents are reported to our Head of Governance and Quality and reviewed monthly by the Incidents and Accidents review panel comprising the Chief Executive, the Director of Patient and Family Services, the Director of Retail and the HR Director. Associated actions are identified and monitored with reports going to the appropriate committees and Board. Thames Hospice employs an external Health and Safety consultant to provide additional expertise in this area and to provide support to our own staff.

This year we implemented a new online system for the reporting of incidents which has proved successful in giving staff and volunteers a straightforward process to follow.

Environmental policy

Thames Hospice strives at all times to consider the environmental impact of what we do and minimise any negative effect that we might have. Staff have recycle bins located in offices and kitchens and they are encouraged to recycle wherever possible. Retail vans are routed to use the lowest mileage possible when collecting and delivering. Suppliers are expected to demonstrate similar principles.



Our staff and volunteers

We know that our most important and valuable resource is our people. Whether they are paid staff or volunteers we value their support and commitment equally and we recognise that without them Thames Hospice would not be the charity that it is. We support, manage, develop and utilise the talents of our staff and volunteers, so that they are empowered and committed to delivering our strategic aims.

HR objectives include comprehensive training and development programmes to deliver a variety of staff training, both clinical and non-clinical. We run a series of mandatory training such as health & safety and governance but also offer training on areas such as managing and recognising stress at work, managing mental health at work and building effective and respectful relationships at work. Delivery against our objectives is overseen by the HR Committee and reported to the Board.

We also provide a comprehensive communication programme for staff including a staff forum where they can provide feedback or ask questions through their representatives. We hold SMT roadshows where the SMT will brief staff on how we are performing and what to expect in the future; staff have the opportunity to raise queries and comment on the plans and results they are shown. Other forms of information sharing and discussion are staff newsletters, Schwartz sessions (multi-disciplinary discussion groups) and invitations to tea with SMT.

Valuing our volunteers

The charity benefits from the support of over 600 volunteers who undertake a range of activities on behalf of Thames Hospice, including working in our retail shops, driving patients to and from day therapy appointments, sorting our donated stock and staffing our reception desks. Qualified counsellors also volunteer in the Hospice, providing professional counselling support to patients and families.



As at 31 March 2019 we had 613 volunteers working in a variety of roles in the charity. To date we have presented 136 volunteers with long service certificates for between 10 and 30 years service and 187 volunteers with certificates for 5 years service. Our Head of Volunteering has responsibility for these awards and organises events such as our volunteer week tea event where we celebrate the importance of the work that our volunteers do. A programme of induction and ongoing training is also in place to enable our volunteers to carry out their roles safely and effectively and to ensure they gain the most out of their experience with us.

We fully acknowledge the role of volunteers and how valuable they are to the charity. We estimate that they worked nearly 86,000 hours in the last year, equivalent to nearly £760k in potential staff costs. Their contribution to the charity is immense and we are most grateful to them for their hard work and commitment to Thames Hospice.

Diversity and equal opportunities

The Hospice is committed to an equal opportunities approach in everything it does. This means that we seek to ensure anyone connected with Thames Hospice, from patients and families to donors, supporters, volunteers and staff, are treated fairly and appropriately. All staff and volunteers undertake mandatory equality and diversity training to ensure that these principles are embedded in our culture.

Statement of Trustees' Responsibilities

The trustees (who are also directors of Thames Hospice for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group for that period. In preparing these financial statements the trustees are required to:

THAMES HOSPICE
TRUSTEES' REPORT
for the year ended 31 March 2019

- Select suitable accounting policies and apply them consistently;
- Observe the methods and principles in the Charities SORP (FRS 102);
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume the charitable company will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to the auditor

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

Auditors

The auditors, Saffery Champness LLP, have indicated their willingness to continue in office.

The Trustees' Report and incorporated Strategic Report were approved by the Board of Trustees on 5 September 2019 and were signed on its behalf by Andy Ka, Trustee.

Signed:



Date:

5th September 2019

THAMES HOSPICE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES for the year ended 31 March 2019

We have audited the financial statements of Thames Hospice for the year ended 31 March 2019 which comprise the group statement of financial activities, the group and charity balance sheets, the group cash flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

THAMES HOSPICE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES

for the year ended 31 March 2019

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

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report, which includes the Directors' Report and the Strategic Report, has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- the group or 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities set out on page 24, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

THAMES HOSPICE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES for the year ended 31 March 2019

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

Auditor's responsibilities for the audit of the financial statements

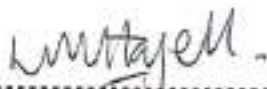
We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

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

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

Use of our Report

This report is made solely to the charitable company's members and the trustees, 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 and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....
Liz Hazell (Senior Statutory Auditor)
For and on behalf of

Saffery Champness LLP	71 Queen Victoria Street
Chartered Accountants	London
Statutory Auditors	EC4V 4BE

Date: 17 September 2019

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THAMES HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating an income and expenditure account)

for the year ended 31 March 2019

		Un- restricted Funds	Restricted Funds	Total 2019	Un- restricted funds	Restricted Funds	Total 2018
	Note	£000	£000	£000	£000	£000	£000
Income from:							
Donations and legacies	2	3,272	1,519	4,891	3,501	317	3,818
Charitable activities	3	3,487	-	3,487	2,400	-	2,400
Other trading activities	4	2,432	-	2,432	2,286	-	2,286
Investment income	5	482	-	482	491	-	491
Other income	6	64	-	64	97	-	97
Total Income		9,737	1,619	11,356	8,775	317	9,092
Expenditure on:							
Raising funds	7	4,392	-	4,392	3,943	-	3,943
Charitable Activities	7	5,383	21	5,404	4,090	25	4,115
Total Expenditure		9,775	21	9,796	8,033	25	8,058
Net income/(expenditure) before investment gains/(losses)		(38)	1,598	1,560	742	292	1,034
Net gains/(losses) on investments		393	-	393	(88)	-	(88)
Net income		355	1,598	1,953	654	292	946
Transfers between funds	18	1,405	(1,405)	-	44	(44)	-
Net Movement in Funds	10	1,760	193	1,953	698	248	946
Reconciliation of Funds							
Total funds brought forward	18	20,686	310	20,996	19,388	62	20,050
Total funds carried forward		22,446	503	22,949	20,586	310	20,895

The Statement of Financial Activities includes all gains and losses in the year. All incoming resources and resources expended are derived from continuing activities. The notes on pages 32 to 50 form part of these financial statements.

THAMES HOSPICE
BALANCE SHEETS
as at 31 March 2019

Registered Company No: 5316964

	Note	Group 2019 £000	Charity 2019 £000	Group 2018 £000	Charity 2018 £000
Fixed assets					
Tangible assets	13	7,359	7,359	4,959	4,959
Investments	14	14,294	14,294	14,327	14,327
		21,653	21,653	19,286	19,286
Current assets					
Stocks	15	73	-	62	-
Debtors	16	2,381	2,434	1,917	1,982
Cash at bank and in hand		689	689	597	590
		3,143	3,123	2,576	2,572
Creditors: amounts falling due within one year	17	(1,847)	(1,829)	(866)	(864)
Net current assets		1,296	1,294	1,710	1,708
Total assets less current liabilities		22,949	22,947	20,996	20,994
Net assets		22,949	22,947	20,996	20,994
Restricted funds	18	503	503	310	310
Unrestricted funds	18	22,446	22,444	20,686	20,684
Total Funds		22,949	22,947	20,996	20,994

As permitted by Section 408 Companies Act 2006 the parent charity has not presented its own SOFA. The charity's surplus for the year was £1,953k (2018: £947k).

The Financial Statements on pages 29 to 50 were approved and authorised for issue by the Board of Trustees on 5 September 2019 and were signed on its behalf by Andy Ka, Trustee.

Signed:



THAMES HOSPICE
CONSOLIDATED CASHFLOW STATEMENT
for the year ended 31 March 2019

		2019	2018
	Note	£000	£000
Net cash provided by continuing operating activities	20	1,893	231
Cashflows from Investing Activities:			
investment income		481	491
Purchase of tangible fixed assets		(2,708)	(788)
Purchase of investments		(3,751)	(2,858)
Sale of investments		4,177	2,089
Net cash used in investing activities		(1,801)	(1,066)
 Change in cash & cash equivalents in the year		 92	 (835)
 Cash & cash equivalents at the beginning of the year		 597	 1,432
 Cash & cash equivalents at the end of the year	 21	 689	 597

THAMES HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

1 Accounting policies

The Charity is a company limited by guarantee, incorporated in England and Wales (company number 5316964) and a charity registered in England and Wales (charity number: 1108298). The Charity's registered office address is: Pine Lodge, Hatch Lane, Windsor, SL4 3RW.

Basis of preparation

The Financial Statements are prepared under the historical cost convention with the exception of investments which have been included at fair value.

The Financial Statements 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 (FRS102) (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Thames Hospice meets the definition of a public benefit entity under FRS102.

The financial statements have been prepared on a going concern basis. There are no material uncertainties about the charity's ability to continue.

The group statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its wholly owned subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis. The financial statements are presented in sterling, rounded to the nearest £1,000.

Fund accounting

General funds are unrestricted funds that 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 financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions or which have been raised by the charity for particular purposes.

Income

All incoming resources are included in the SOFA when the charity is entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Donation income is received by way of grants, donations and gifts and is included in full in the SOFA when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Legacies are recognised when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. Where the conditions for recognition are not met, the charity maintains a legacy pipeline. However, as these are not readily quantifiable they are not disclosed in these accounts.

THAMES HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services by volunteers has not been included in these accounts.
- Goods donated for resale through the charity's shops are included as incoming resources within Other Trading Activities when they are sold.
- Investment income is included when receivable.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Any VAT which cannot be fully recovered is reported as part of the expenditure to which it relates:

- Costs of raising funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shops.
- Charitable activities expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Central support services costs comprise those costs associated with Finance, HR, IT, governance and support such as maintenance, housekeeping and utilities.
- All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly.
- The charity makes an accrual for outstanding holiday pay at the end of the financial year.

Tangible fixed assets

Tangible Fixed assets are stated at historical cost less accumulated depreciation. Depreciation of fixed assets is charged by annual instalments commencing in the year of acquisition at rates estimated to write off their cost less any residual value over their expected useful lives which are as follows:

- | | |
|----------------------------------|-------------------|
| • Freehold property | 20-50 years |
| • Leasehold buildings | over lease period |
| • Leasehold improvements | over lease period |
| • Plant and machinery | 5-10 years |
| • Office equipment | 5 years |
| • Fixtures and fittings | 5 years |
| • Computer hardware and software | 3-8 years |
| • Motor vehicles | 4 years |

Assets in the course of construction are not depreciated. Assets costing less than £1,000 are written off in the SOFA in the period of acquisition.

Investments

Investments are stated at fair value at the balance sheet date. The SOFA includes the net gains and losses arising on revaluations and disposals throughout the year.

Stocks

Stocks of goods for resale are primarily donated goods to the charity and therefore have no value in the accounts until they are sold. Thames Hospice does not have a stock recording system for donated goods. New goods purchased for resale by the subsidiary company are valued at the lower of cost and net realisable value.

THAMES HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Pensions Costs

The charity makes defined contribution payments into pension schemes on behalf of its employees. Contributions payable for the year are charged to the SOFA. The charity also participates in the NHS Superannuation Scheme, which provides benefits based upon final pensionable pay. The assets of the scheme are held separately from those of the Hospice and are independently administered. The fund is valued every 5 years by the Government Actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs are charged to the hospice's SOFA in the period to which the salaries on which they are payable relate.

Operating leases

Rentals applicable to operating leases are charged in the SOFA over the period in which the cost is incurred.

Financial Instruments

Financial instruments (see also Note 21) are all considered to be cash convertible and are valued as follows:

Bank and cash balances – amount held at the balance sheet date

Debtors and creditors – settlement amount after discounts and payments in advance

Investments – market value at the balance sheet date

Critical Estimates and Judgements

In the process of applying the charity's accounting policies, management has made judgements, some of which have a significant effect on the amounts recognised in the financial statements. The key material assumption this year relates to the capitalisation of fees and other costs relating to the new hospice build. Planning permission has been granted for the new build in Bray and we have capitalised all fees as Assets Under Construction. They have not been depreciated and will be held in this asset category until the build has been completed and is occupied at which point all costs associated with the build including all future construction costs will be transferred to a depreciable asset category and depreciation commenced.

2 Donations and Legacies

	Un- restricted Funds £000	Restricted Funds £000	2019 £000	Un- restricted Funds £000	Restricted Funds £000	2018 £000
Community fundraising and committed giving	677	-	677	579	-	579
Donations and appeals	1,203	1,299	2,402	1,176	317	1,493
Legacies	1,392	420	1,812	1,746		1,746
	3,272	1,619	4,891	3,501	317	3,818

Legacies include amounts bequeathed to Thames Valley Hospice passed on to Thames Hospice with the approval of the respective trustees. Two legacies received in the year were restricted to the Capital Appeal for the new build.

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

3 Income from Charitable Activities

	Unrestricted funds 2019 £000	Unrestricted funds 2018 £000
Education and training	33	25
External service provision	3	8
Continuing health	316	210
Catering	23	12
CCS funding	3,112	2,144
	3,487	2,400

4 Income from Other Trading Activities

	Unrestricted funds 2019 £000	Unrestricted funds 2018 £000
Events	175	212
Lottery income	222	174
Sales of donated goods	1,791	1,706
Sales of new goods	244	191
	2,432	2,286

5 Investment Income

	Unrestricted funds 2019 £000	Unrestricted funds 2018 £000
Income from investments	481	491
Bank interest receivable	1	-
	482	491

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

6 Other Income

	Unrestricted Funds 2019 £000	Unrestricted Funds 2018 £000
Other income	64	97
	<u>64</u>	<u>97</u>

Other income during the year was largely the result of a pension rebate from the East Berkshire CCGs payable for Thames Hospice staff who are members of the NHS pension scheme. The number was larger last year due to the inclusion of a small number of insurance payments relating to patients who had suffered from mesothelioma.

7 Costs of Raising Funds and Charitable Activities

	Staff related costs £000	Premises £000	Other £000	Total 2019 £000	Total 2018 £000
Costs of Raising Funds					
Direct costs	1,932	724	944	3,600	3,130
Central services support costs - Note 8	397	180	215	792	813
	<u>2,329</u>	<u>904</u>	<u>1,159</u>	<u>4,392</u>	<u>3,943</u>
Costs of Charitable Activities					
Direct costs	3,831	9	608	4,448	3,283
Central services support costs - Note 8	479	217	260	956	832
	<u>4,310</u>	<u>226</u>	<u>868</u>	<u>5,404</u>	<u>4,115</u>

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

8 Central Services Support Costs

Our Central services support costs comprise the following:

	Unrestricted funds 2019	Unrestricted funds 2018
	£000	£000
Finance, including depreciation	628	616
Governance and Chief Executive costs	252	230
Information Technology	177	169
Human Resources	315	277
Facilities	376	353
	<u>1,748</u>	<u>1,645</u>

All costs are apportioned to either the costs of Raising Funds or Charitable Activities on the basis of the direct costs charged to each category. The results shown in Note 7.

9 Employee information

The average number of persons employed by the group (including bank staff) during the period was as follows:-

	2019 No.	2018 No.
Fundraising	14	13
Management and administration	21	22
Retail	75	67
Direct patient care	137	130
	<u>247</u>	<u>232</u>

The average full time equivalent numbers of persons employed by the group during the period was as follows:-

	2019 No.	2018 No.
Fundraising	12	11
Management and administration	19	19
Retail	62	54
Direct patient care	96	75
	<u>189</u>	<u>159</u>

THAMES HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

The aggregate payroll costs of these persons were as follows:-

	2019	2018
	£000	£000
Wages and salaries	5,556	4,561
Social security costs	486	393
Pension contributions (see note 24)	379	264
	6,421	5,218

Staff costs include "bank nurses", whom the Hospice views as an essential staff resource. Also included is a termination payment of £1k relating to one member of staff whose employment was terminated during the year (2018: £24k, five members of staff).

The number of employees whose emoluments exceeded £60,000 was:	2019	2018
	No.	No.
£60,001 - £70,000	3	3
£70,001 - £80,000	1	-
£80,001 - £90,000	2	2

Pension contributions were made in respect of the above employees totalling £48k (2018: £42k). Four of the above staff are members of the SMT and two are on our medical team.

Our key management staff comprises our Board of Trustees, see page 51, and our Senior Management Team (SMT), see page 52. None of our trustees received any remuneration or expenses during the year (2018: nil). The aggregate staff costs of the SMT were £632k (2018: £528k), including national insurance and pension costs. Included in the SMT costs are some contractor costs relating to our Medical Director who is employed by Frimley Health Trust and costs relating to our temporary Director of Fundraising, a contract arrangement via Comptons. These costs are included here but are outside the scope of the payroll costs disclosed above.

Based on full time equivalent salaries for permanent staff, the multiplier from median to highest salary is 4.0 (2018: 4.0).

Although the trustees receive no remuneration for their services, Thames Hospice does procure Trustee Indemnity insurance on their behalf. The premium paid in the year was £1,477 (2018: £1,382).

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

10 Net Movement in Funds

	Group	Charity	Group	Charity
	2019	2019	2018	2018
	£000	£000	£000	£000
Net income is stated after charging:				
Depreciation	307	307	314	314
Auditor's remuneration:				
- As auditor (excluding VAT)	22	22	20	20
- Other services (VAT and corporation tax advice)	6	5	4	3
Operating lease charges on retail units and printers	567	567	528	528

11 Taxation

The parent company is a Registered Charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Thames Hospice Retail Limited is registered for VAT, and consequently all its income and expenditure is recorded net of VAT. Ordinarily, Thames Hospice Retail Limited gift aids all of its taxable profits to the charity, thereby resulting in no liability to corporation tax. For the year ended 31 March 2019 all profits were gift aided to Thames Hospice under deed of covenant so there was no profit chargeable to corporation tax within Thames Hospice Retail Limited (2018: £nil).

12 Net Result of Trading Subsidiary

The charity owns the whole of the ordinary share capital, consisting of 2 ordinary shares of £1 each, of Thames Hospice Retail Limited (Company number 2100844) which acts as agent under the HMRC gift aid scheme for goods donated to and sold by the charity. It also bought and sold a range of new goods, primarily accessories, small gifts and greetings cards. Ordinarily, the subsidiary distributes any taxable profits under gift aid to the charity each year. Its trading results, as extracted from the audited Financial Statements, are summarised below:

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

	2019 £000	2018 £000
Turnover	926	787
Cost of sales	(133)	(103)
Gross profit	793	684
Administrative expenses	(772)	(679)
Profit on ordinary activities before taxation	21	5
Distributed to charity holding company	(21)	(5)
Retained in subsidiary	-	-

The assets and liabilities of the trading subsidiary were:

	2019 £000	2018 £000
Current assets	110	101
Creditors: amounts falling due within one year	(108)	(99)
Total net assets	2	2
Aggregate share capital and reserves	2	2

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

13 Tangible fixed assets

Group And Charity	Freehold property	Leasehold property	Machinery & Equipment	Fixtures & fittings	Computer equipment	Vehicles	Assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost								
1 April 2018	4,502	806	1,232	469	390	117	903	8,879
Additions	195	220	7	7	36	-	2,243	2,708
Disposals	-	-	-	(1)	-	-	-	(1)
31 March 2019	5,097	1,026	1,299	475	426	117	3,146	11,586
Depreciation								
1 April 2018	1,492	471	1,154	415	302	86	-	3,920
Charge for the year	107	75	50	16	38	11	-	307
31 March 2019	1,599	546	1,214	431	340	97	-	4,227
Net book value								
31 March 2019	3,498	480	85	44	86	20	3,146	7,359
31 March 2018	3,410	335	138	54	88	31	903	4,959

Assets under construction added during the year relate to construction costs of the new hospice and fees incurred (e.g. architect and engineering fees). In accordance with our accounting policy, they have not been depreciated

14 Investments

	Group 2019 £000	Charity 2019 £000	Group 2018 £000	Charity 2018 £000
Securities and cash	14,294	14,294	14,327	14,327
Investment in group undertaking (see Note 12)	0	0	0	0
	14,294	14,294	14,327	14,327

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

	2019	2018
Group and Charity securities and cash	£000	£000
Assets brought forward at 1 April	14,327	13,646
Additions at cost	3,775	3,022
Movement in cash	(24)	(164)
Disposals	(4,177)	(2,089)
Realised and Unrealised investment gains/(losses)	393	(88)
Market value at 31 March	14,294	14,327

Investments comprise:-

	2019	2018
Group and Charity	£000	£000
Fixed interest securities:-		
- UK	4,069	3,842
Managed funds and unit trusts:-		
- UK	9,946	10,182
Cash on deposit	279	303
Market value at 31 March	14,294	14,327

15 Stocks

	Group	Charity	Group	Charity
	2019	2019	2018	2018
	£000	£000	£000	£000
Stock held for resale	73	-	62	-

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

16 Debtors

	Group 2019 £000	Charity 2019 £000	Group 2018 £000	Charity 2018 £000
Amounts due from subsidiary undertaking	-	90	-	96
Other debtors	603	577	300	275
Prepayments and accrued income	1,778	1,767	1,617	1,611
	2,381	2,434	1,917	1,982

17 Creditors: amounts falling due within one year

	Group 2019 £000	Charity 2019 £000	Group 2018 £000	Charity 2018 £000
Trade creditors	1,172	1,157	545	543
Other taxation and social security	120	120	98	98
Accruals and deferred income	555	552	223	223
	1,847	1,829	866	864

Deferred income

Income is deferred to the extent that it relates to an event or activity that occurs in a subsequent accounting period.

	Group 2019 £000	Charity 2019 £000	Group 2018 £000	Charity 2018 £000
Brought forward	76	76	155	155
Deferred in the year	330	330	76	76
Released in the year	(76)	(76)	(155)	(155)
Carried forward at 1 April	330	330	76	76

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

18 Funds

At 31 March 2019, funds are analysed as follows:

Unrestricted funds – Group	At 1 April 2018	Incoming Resources	Outgoing Resources	General Fund Transfers	At 31 March 2019
	£000	£000	£000	£000	£000
General Fund	10,078	10,130	(9,767)		10,441
Transfer to designated funds	-	-	-	(1,400)	(1,400)
Transfer from restricted funds	-	-	-	1,405	1,405
General Funds Total	10,078	10,130	(9,767)	5	10,446
Designated Funds:					
Project Twenty Five (PTS) Fund	10,600	-	-	1,400	12,000
IT Development Fund	8	-	(8)		-
Designated Funds Total	10,608	-	(8)	1,400	12,000
Unrestricted Funds Total	20,686	10,130	(9,775)	1,405	22,446

Unrestricted funds – Charity	At 1 April 2018	Incoming Resources	Outgoing Resources	General Fund Transfers	At 31 March 2019
	£000	£000	£000	£000	£000
General Fund	10,076	10,130	(9,767)	-	10,439
Transfer to designated funds	-	-	-	(1,400)	(1,400)
Transfer from restricted funds	-	-	-	1,405	1,405
General Funds Total	10,076	10,130	(9,767)	5	10,444
Designated Funds:					
Project Twenty Five (PTS) Fund	10,600	-	-	1,400	12,000
IT Development Fund	8	-	(8)		-
Designated Funds Total	10,608	-	(8)	1,400	12,000
Unrestricted Funds Total	20,684	10,130	(9,775)	1,405	22,444

The trustees have previously designated £10,608k of the group unrestricted funds for the future purposes detailed above along with the movements this year. The designated funds have been reviewed by the Finance and Investment

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

Committee and the Board. It has been agreed to designate a further £1.4m for the new build, bringing the total designated to £12m reflecting our pledge to provide this amount for the build from our reserves. The Project Twenty Five Fund for the new hospice build will be specifically used in the construction and equipping of the new hospice. The IT Development Fund has been used and no further funds are required for this at this time.

The transfer from restricted funds into the general fund represents amounts donated to the capital appeal for the new build which have now been utilised in the construction of our new hospice. This amount is included in the additions of Assets Under Construction in Note 13 and brings the total spent out of restricted funds to £1,395k.

Comparative figures for 31 March 2018 are analysed as follows:

Unrestricted funds – Group	At 1 April 2017	Incoming Resources	Outgoing Resources	General Fund Transfers	At 31 March 2018
	£000	£000	£000	£000	£000
General Fund	9,353	8,775	(8,094)	-	10,034
Transfer from restricted funds	-	-	-	44	44
General Funds Total	9,353	8,775	(8,094)	44	10,078
Designated Funds:					
Project Twenty Five (PT5) Fund	10,600	-	-	-	10,600
IT Development Fund	35	-	(27)	-	8
Designated Funds Total	10,635	-	(27)	-	10,608
Unrestricted Funds Total	19,988	8,775	(8,121)	44	20,686

Unrestricted funds – Charity	At 1 April 2017	Incoming Resources	Outgoing Resources	General Fund Transfers	At 31 March 2018
	£000	£000	£000	£000	£000
General Fund	9,350	8,776	(8,094)	-	10,032
Transfer from restricted funds	-	-	-	44	44
General Funds Total	9,350	8,776	(8,094)	44	10,076
Designated Funds:					
Project Twenty Five (PT5) Fund	10,600	-	-	-	10,600
IT Development Fund	35	-	(27)	-	8
Designated Funds Total	10,635	-	(27)	-	10,508
Unrestricted Funds Total	19,985	8,776	(8,121)	44	20,684

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

Restricted funds – Group & Charity	2019 £000	2018 £000
At 1 April	310	62
Net movement in funds	193	248
At 31 March	503	310

The net movement in restricted funds during 2018/19 is analysed as follows:

	At 1 April 2018	Incoming Resources	Outgoing Resources	To General Fund Fixed Assets	At 31 March 2019
	£000	£000	£000	£000	£000
Patient Support Fund	4	-	(1)	-	3
Clinical Funds for equipment etc.	11	79	(20)	-	70
Comfort Appeal	38	36	-	(10)	64
PTS New Build Capital Appeal	257	1,504	-	(1,395)	366
	310	1,619	(21)	(1,405)	503

Comparative figures for 31 March 2018 are analysed as follows:

	At 1 April 2017	Incoming Resources	Outgoing Resources	To General Fund Fixed Assets	At 31 March 2018
	£000	£000	£000	£000	£000
Patient Support Fund	6	-	(2)	-	4
Clinical Funds for equipment etc.	56	9	(23)	(31)	11
Comfort Appeal	-	51	-	(13)	38
PTS New Build Capital Appeal		257		-	257
	62	317	(25)	(44)	310

The Patient Support Fund represents a donation made to support Day Therapy Unit patients. This is used to purchase items for therapy sessions such as craft materials and also to help fund patient transport costs.

The Clinical Funds represent donations for training, equipment and supplies. Much of this has been spent this year on capital equipment for the In Patient Unit and thus has been transferred to the general fund in order to account

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

for this.

The Comfort Appeal is an annual Fundraising initiative raising funds for specialist equipment. This year £36k was raised to provide recliner chairs (2018: £51k was raised for mattresses). During 2018/19 £8k was spent out of those funds on: mattresses and £2k was for expenditure relating to the care of and comfort of our patients (2018: £13k).

The Capital Appeal was launched in 2017/18 to raise funds for the new hospice building. During the year £1,504k was received (2018: £257k) which was restricted to the costs of the new build. The transfers during the year relates to capital expenditure on the build which started on site in January 2019.

Transfers to the General Fund relate to restricted funds used to purchase capital items. During 2018/19 the majority of the capital spend transferred was on the new build, now held within Assets Under Construction, see Note 13.

19 Analysis of Net Assets between Funds

	Unrestricted funds	Restricted funds	Total 2019	Unrestricted funds	Restricted funds	Total 2018
	£000	£000	£000	£000	£000	£000
Fixed assets	21,653	-	21,653	19,286	-	19,286
Current assets	2,640	503	3,143	2,266	310	2,576
Creditors falling due within one year	(1,847)	-	(1,847)	(856)	-	(866)
	22,446	503	22,949	20,686	310	20,996

20 Reconciliation of Operating Profit to Net Cash provided by Continuing Operating Activities

	2019	2018
	£000	£000
Net income for the year	1,953	946
Depreciation on tangible fixed assets	307	314
(Gains)/Losses on Investments	(393)	88
Investment income	(481)	(491)
Loss/(Profit) on disposal of tangible fixed assets	1	-
(Increase) in stock including stock write offs	(11)	(24)
Decrease/(Increase) in debtors	(464)	(804)
Increase in creditors	931	202
Net cash provided by/(utilised in) continuing operating activities	1,893	231

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2019

21 Financial Instruments

	Group	Charity	Group	Charity
	2019	2019	2018	2018
	£000	£000	£000	£000
Financial assets/(liabilities) measured at amortised cost:				
Cash at bank and in hand	689	689	597	590
Debtors	2,381	2,434	2,917	1,982
Creditors	(1,847)	(1,829)	(866)	(854)
Financial assets included at fair value:				
Investments	14,294	14,294	14,327	14,327

22 Financial Commitments

At 31 March 2019, Thames Hospice had financial commitments under non-cancellable operating leases as follows:

	2019	2018
	Land and Buildings	Land and buildings
	£000	£000
Due within one year	642	577
Due within two to five years	1,418	1,352
Due in more than five years	-	11
Total financial commitments	2,060	1,940

23 Related Party Transactions

The trustees of Thames Hospice do not receive any remuneration and have not claimed any expenses during the year. During the year 10 trustees and their close family donated a total of £8,938 (2018: £9,046) to the charity. The donations were a mixture of one-off capital and revenue donations, lottery membership and event sponsorship raised by one trustee taking part in the Sierra trek.

Thames Hospice Retail Limited

The charity has a wholly owned trading subsidiary, Thames Hospice Retail Limited. During the year there have been intercompany transactions between the two entities: Charged by the charity to the subsidiary - charges per the trading agreement in place for use of name and 3% of turnover, a proportion of the running costs of the charity retail division and an overhead recharge. The total of these transactions was £796k (2018: £700k). Charged by the subsidiary to the charity - commission on gift aided sales and a donor procurement charge. These totalled £683k (2018: £593k). At the year end a balance of £90k was owed by the subsidiary to the charity (2018: £96k). See also Note 16.

THAMES HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Thames Valley Hospice

Thames Valley Hospice is a charity under the control of the Thames Hospice trustees. All the assets, liabilities and operations of the charity were transferred to Thames Hospice with an effective date of 1 April 2005. The sole objective of the charity is to receive legacy income and other donations from future benefactors who have specified Thames Valley Hospice as a beneficiary in their wills. All legacies received by the charity are passed on to Thames Hospice. In the year ended 31 March 2019, legacies totalling £10,000 (2018: £13,000) were received and passed on.

There have been no other related party transactions during the year.

24 Pension Commitments

The charity employees participate in two schemes:-

Defined Contribution Scheme

Thames Hospice participates in a defined contribution pension plan with Scottish Widows. The total pension cost for the period for the charity charged to the SOFA in respect of this scheme was £152k (2018: £124k).

The NHS Superannuation Scheme

For qualifying Thames Hospice staff, participation in the NHS scheme provides benefits based upon final pensionable pay. However, the contributions paid by the charity in respect of the NHS Superannuation scheme are accounted for as if the scheme were a defined contribution scheme as the charity is unable to identify its share of the underlying assets and liabilities in the scheme.

The total pension cost for the period for Thames Hospice was £227k (2018: £140k). The Government Actuary using the Projected Unit Method determines contributions charged to the SOFA.

The NHS Pension Scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies allowed under the direction of the Secretary of State in England and Wales. As a consequence it is not possible for Thames Hospice to identify its share of the assets and liabilities of the underlying scheme.

Accounting valuation:

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2019 is based on valuation data as at 31 March 2015, updated to 31 March 2016 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

THAMES HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2019

Full actuarial valuation:

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account their recent demographic experience), and to recommend contribution rates payable by employees and employers. The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

25 Capital commitments

The charity had commitments under contracts relating to the new build at Bray outstanding as at 31 March 2019 amounting in total to £17.1m. This total is comprised of the contract value with our building contractors, Andrew Scott Limited, net of amounts already invoiced, and fees due to our design team under contracts relating to the build. These amounts will be transacted over the remaining period of the build, due to complete in July 2020 plus the retention period (2018: £195k had been committed for the purchase of the Bray land, transacted in June 2018).

26 Controlling Party

No one party has control of the charity and its subsidiary.

27 Contingent Liability

The charity is moving the headquarters of its retail division and its home store to new leased premises in Maidenhead during 2019/20. The move will result in a liability for dilapidations on the old leased premises which are as yet unquantifiable. The trustees are confident that the liability will not be material.

THAMES HOSPICE

ADMINISTRATIVE DETAILS

for the year ended 31 March 2019

Legal and Administrative Information

Charity Name:	Thames Hospice
Charity Registration Number:	1108298
Company Registration Number:	5316954
Registered and Principal Office:	Pine Lodge Hatch Lane Windsor SL4 3RW
Independent Auditors:	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Bankers:	NatWest Bank plc 12 High Street Windsor SL4 1UD
Investment Managers:	Investec Wealth & Investment Management Ltd 30 Gresham Street London EC2V 7QN

Our Board of Trustees:

Mr Martin Jarvis (Chair) (to 20 September 2018)
Mr Jonathan Jones (Deputy Chair to 20 September 2018; Chair from 20 September 2018)
Mr Christopher Aitken (Deputy Chair from 20 September 2018)
Mrs Jacinta Ashworth
Mr Ken Coppock
Mr Robert Dwyer (to 20 September 2018)
Mr Stephen Moore
Ms Margaret Neal
Mr Craig Linton
Mrs Lesley Rudd
Mr Bruce Montgomery
Mr Andy Ke
Mr Stephen Avery (to 17 April 2018)
Dr Judith Kinder
Mr Ishfaq 's-haq (from 25 March 2019)

THAMES HOSPICE
ADMINISTRATIVE DETAILS
for the year ended 31 March 2019



Our trustees

Our Senior Management Team are:

Mrs Debbie Raven
Ms Ruth Bartholomew
Mrs Jackie Geeson
Dr Cecily Wright
Ms Jacquie Batchford
Mrs Julie Rowley
Mrs Sarah Bissell

Chief Executive
Finance Director & Company Secretary
Director of Human Resources
Medical Director
Director of Patient & Family Services
Director of Retail
Director of Fundraising and Marketing

Thames hospice

Quality of life, to the end of life

