

Registered Charity No 1123540 Company No 6533385
A Limited Company Registered in England and Wales

The Hospital of God at Greatham

Trustees' Annual Report and Accounts for the year ended 31 October 2019

*Empowering people and communities to reach for their potential
and live life to the full, every day*

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Introduction

Message from the chair

The huge commitment, flexibility and dedication of our staff has been brought into sharp relief during this recent period of the pandemic. However, these characteristics are always there, and we could not exist without them. On behalf of the trustees may I thank all the staff, those public facing and equally those behind the scenes. These thanks should also be extended to all those who contribute to the success of the charity: the volunteers, the commissioners and the beneficiaries. We are grateful for all you do.

The main body of this report is retrospective, but I should like to use my contribution to look forward and set the agenda for the coming year.

The consequence of the Covid-19 crisis has reshaped our perception of risk and the virus will continue to cast a shadow for some time, impacting on demand from both our commissioners and beneficiaries and our ability to deliver. While some of this may be temporary, there is a necessity for us to be willing and able to adapt our services appropriately. I welcome the continuing development of the relationship with the commissioners and urge continued and further dialogue. Inevitably there will be some impact upon our services, and we shall need to be flexible to make the best of the changing circumstances.

I welcome the initiatives to strengthen our governance by the inclusion of a trustee on the governance, improvement and audit executive board and through the internal review of the proprietors' visits. Further succession planning with the membership of the trustees' board and investigation into broadening the availability of advice should further improve the quality of our decisions. We plan to increase the accessibility to our services by improving our diversity and reducing perceived barriers to entry by reflecting more the community in which we serve.

We must also look forward to the celebrations of the 750th anniversary of the charity in 2023.

I am grateful for the support, initiative and generosity displayed by the trustees through their contributions to the board and to the Finance & Property and Grants committees, and through the proprietors' visits. I wish everyone associated both formally and informally with the Hospital of God charity good health and safety for the future and record my thanks for all your contributions.

Christopher Dickinson
Chair of trustees

16 October 2020

Introduction

Message from the director

Welcome to our Trustees' Annual Report and Accounts for the year ended 31 October 2019. It is impossible to consider this statement without referencing the present impact on the charity of Covid-19, which has touched every aspect of the charity's operations and indeed our own lives. The charity's day to day activities are about providing the very best care and support for older people, including those living with a dementia. Covid-19 has meant that we have had to focus on keeping people - our residents, guests, clients, staff and volunteers - safe from the risk of transmission of the disease, as we continue to provide care and support services, change how we operate and fundamentally reconsider and review our plans for the future in what is a very different world.

Our governance is so important through these times and I can only thank our board of trustees for their continued support and commitment.

We have continued to work with our stakeholders to consider our vision, mission and values. This work is always ongoing as we continue to review the difference the charity makes. The input from our staff and stakeholders has been instrumental in these ongoing discussions, in developing our activities and indeed in embedding our cultures and values in everything we do. As ever people need to be at the heart of everything we do.

In October 2019 we held a strategy day, with trustees, management team members, local authority partners, and people who use our services. We had excellent input from external partners, including Voluntary Organisations Network North East ("VONNE") and Dementia Care Matters, about their experience of developing "The Butterfly model". The "Butterfly" approach focuses on creating a truly person-centred approach where people are free to be themselves. The model values emotional intelligence, domestic household living, and the core belief that everyone living with a dementia has a unique story which has meaning and matters. It was an engaging and productive event which helps to shape our plans for the next period. It is this spirit of learning, striving for excellence and collaborative working that we will continue to take forward as we come to terms with the impact of Covid-19.

As Director of the charity I am always impressed by the skills of my colleagues across a range of functions, from the often-unsung "behind the scenes" work in keeping the cogs oiled to the delivery of inspiring person-centred care for older people and those living with a dementia. But it is important to acknowledge that we don't always get things right and it would be wrong not to report that in May 2019 the charity was prosecuted by the Care Quality Commission for a deeply regrettable incident which happened in one of our care homes in 2017. The charity was fined £24,000 for failing in its duty to provide safe care and treatment to residents in the home and ordered to pay £14,000 towards the cost of the prosecution and a £170 victim surcharge. We have continued to learn from this and have taken the necessary steps to improve, both our homes are currently rated "good" by the Care quality Commission.

One of the significant areas we have committed to continue to develop is the improvement of our information technology infrastructure and our ongoing research into how we can make advances in technology work for us - the ultimate aim being to give our staff more time to spend with the people we care for and support. This is a significant investment in several levels which has of course been particularly invaluable as we dealt with the impact of Covid-19 and which I anticipate will continue to produce positive results and help us improve the way we work.

I hope you enjoy reading our report and we look forward to continuing to make a difference, meet the challenges that come our way and always keep people at the heart of everything we do.

Lawrence McAnelly
Director
16 October 2020

The Hospital of God at Greatham

Organisational details

The Hospital of God at Greatham is a registered charity (registration number 1123540) and a company limited by guarantee (registration number 6533385, England and Wales).

The registered office is The Estate Office, Greatham Hall, Greatham, Hartlepool, TS25 2HS.

The trustees of The Hospital of God at Greatham are directors for the purposes of company law and trustees for the purposes of charity law (hereinafter referred to as “the trustees”). The trustees who served during the year and up to the date this report was approved (16 October 2020) are:

Co-opted:

Christopher Dickinson (chair)

Margaret Bousfield

Robert Eden

Lois Neal

Kai Sander (appointed 28 April 2020)

Patricia Hancock (appointed 28 April 2020)

Annette Nylund (resigned 28 April 2020)

Mike Taylerson (resigned 28 April 2020)

John De Martino (resigned 8 June 2019)

Michael Poole (chair) (resigned 26 June 2019)

Ex-officio:

The Venerable Mark Wroe (appointed 3 September 2019)

The Venerable Robert Cooper (appointed 28 April 2020, resigned 23 September 2020)

The Venerable Ian Jagger (resigned 8 June 2019)

The Venerable Geoff Miller (resigned 8 June 2019)

Phillipa Sinclair (nominee of The Bishop of Durham)

The charity director (chief executive and company secretary) is Lawrence McAnelly.

The names and addresses of the principal professional advisers are:

Auditors: William Fortune & Son, Chartered Accountants, Collingwood House, Hartlepool, TS24 7EN

Banker: Barclays Bank PLC, Stockton Business Centre, The Tees Group North, PO Box 7, Stockton on Tees, TS18 1AH

Investment Manager: JP Morgan Private Wealth Management Ltd, PO Box 68214, 1 Knightsbridge, London SW1P 9UH

Solicitors: Archers Law LLP, Lakeside House, Kingfisher Way, Stockton on Tees, TS18 3NB

Solicitors: Ward Hadaway, Sandgate House, 102 Quayside, Newcastle upon Tyne, NE1 3DX

Pension Scheme Adviser: Barnett Waddingham, Pinnacle, 67 Albion Street, Leeds, LS1 5AA

TRUSTEES' ANNUAL REPORT (INCLUDING THE STRATEGIC REPORT)

About the charity

Vision, mission and values

Our vision...

That all people in our communities are welcomed and valued for who they are and what they can achieve – to be **here for everyone**

Our mission...

Empowering people to live their life to the full and reach for their potential everyday

Our values...

- Care and compassion
- Integrity, honesty and trust
- People are special, valued and respected and at the heart of everything we do
- Friendly, welcoming and accessible
- Independent, sustainable and here for the long term
- Learning and striving for excellence

We want to achieve the following outcomes

- Promoting and maintaining independence
- Reducing isolation and building belonging
- Enabling people to live well, fulfilling their potential every day

The objectives that drive us

- To provide a range of services to meet the needs of older people in the North East
- To make life better for people with dementia and their carers
- To maintain the charity's independence and long-term sustainability
- To support the communities of the North East to make a difference
- To be a great place to work and belong-our people are key
- Our vision for the future
 - **Excellent, outstanding services**, with people at the heart, which are outcomes focused; services which are effective, welcoming, accessible and valued by our communities.
 - **Our people are key** - they deserve a great place to work and belong, good leadership and governance
 - **Planning and investing for future sustainable solutions and growth** - the charity as a force for good - here for everyone
 - **A good grants programme** which benefits the communities of the north east and supports the achievement of outcomes for our residents, guest and service users
 - **Strengthening foundations** with a fit-for-purpose infrastructure supporting the delivery of efficient, cost-effective, safe and value-based services.

What we do

We work to develop and provide excellent care, support and housing services for people, particularly older people and those living with a dementia.

We also support the voluntary and community sector and those not-for-profit organisations which make a difference to the lives of people in our communities through a grants programme.

The main charitable activities of the charity are:

- **Residential care** for older people at Stichell House, in the village of Greatham, near Hartlepool
- **Residential and nursing care** for older people living with dementia at Gretton Court in Hartlepool
- **Day care and community support services** for people living with dementia, and their families, delivered through our day centres, our community-based pastimes service and our family support services throughout Hartlepool and East Durham
- **Support, information and advice** through our regular “Memory Lane” cafés and our dementia advisory service based in Hartlepool
- **Supported living for older people** in our almshouses located in Greatham, Norton, Stockton and the wider north east area
- **The making of grants** to other charitable organisations in the North East.

Why we do it

To enable people to live their life to the full, experiencing happiness, contentment, fulfilment and belonging.

To empower people and communities by being an excellent provider of care and support for older people, including those living with a dementia and their families and carers.

To make a difference to peoples’ lives by:

- **enabling** people to be happy, content and live life to the full,
- by **building** a sense of belonging, reducing feelings of loneliness and isolation, and
- by **promoting** and maintaining peoples’ independence and spirit.

How we do it

We work to achieve this by

- **Empowering** people at every level of the organisation-listen, learn, value, respect, lead
- **Collaborating** - engaging with, listening to and working with key stakeholders to develop good solutions and achieve great outcomes
- **Investing** - making the best use of our resources, our buildings, our assets and our funds
- **Transforming** our systems and processes to minimise waste, making the best use of good technology in order to get the best deals and always achieve good value
- **Focusing on outcomes** which serve to driving our performance, our decision making, and our accountability
- **Remembering our values** - underpinning every relationship, every intervention, every transaction

The Hospital of God at Greatham



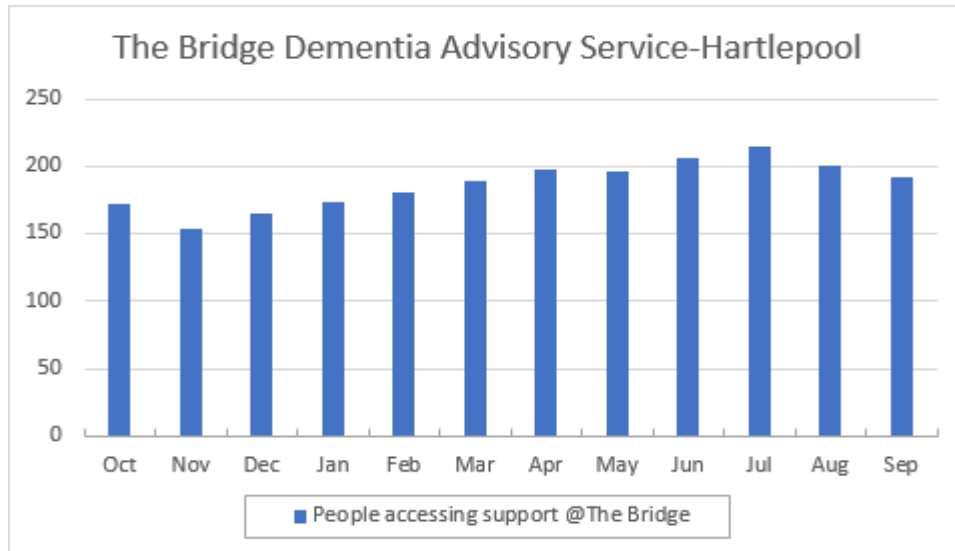
How we achieve our objectives

Our impact

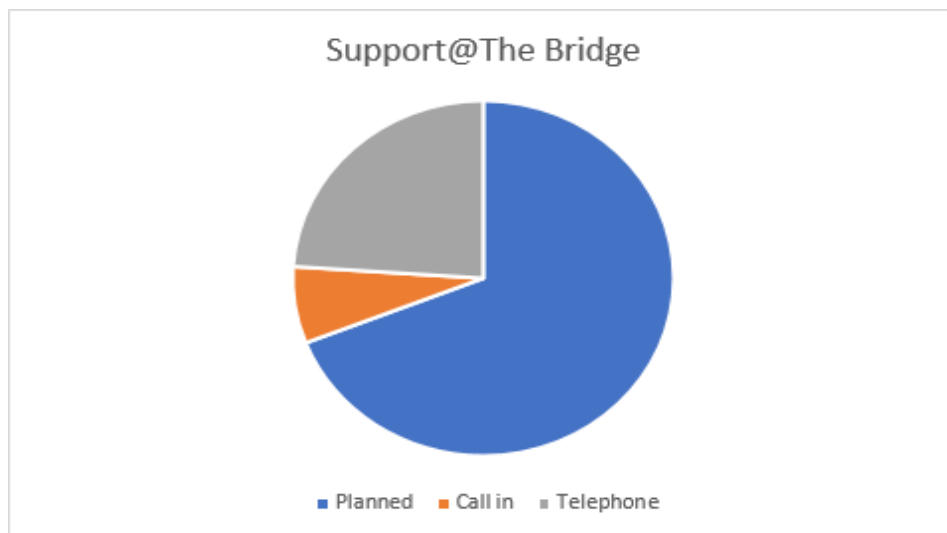
What we delivered and achieved in the year

“The Bridge” – our dementia advisory service

The Bridge dementia advisory service provides information and support for people living with a dementia, including early onset dementia, and their families. Based in central Hartlepool, our team at The Bridge supported on average **187 people per month**.



Support is provided through planned interventions, call in and telephone support. There were **3,250** separate **support interventions**



“Your service really makes a difference. I know I can speak honestly with you and don’t have to pretend I’m ok when I’m not. I really value your service”

- *Comment from a client of The Bridge*

Hartlepool Day Services – for people living with a dementia and family member carers

Our Hartlepool day centre provided therapeutic care and support for **59 people living with a dementia** at Heather Grove in Hartlepool. This service provided **4,112 days of care and support during the year**, an average of **70 days** over the year **per person**. The service also directly supported **64 Family member carers**, enabled **321 people to attend our Memory Lane Cafes** and facilitated **13 group and social outings** for family member carers.

“I was starting to feel old but not no more I feel young again”

“It’s so nice to be back with friends”

“It’s been the best day ever to be back and lovely to see you all”

- Comments from clients of our Hartlepool Day Services

Our **“Community Pastimes”** service provides **bespoke one to one support** for people living with a dementia. During the year the service provided weekly sessions in the community for on average **46 people per week**, delivering **12,288 hours of direct one to one support**.

“Community Pastimes is a brilliant service for my mam, communication between myself and staff has been outstanding, nothing has been too much trouble. 5 Stars.”

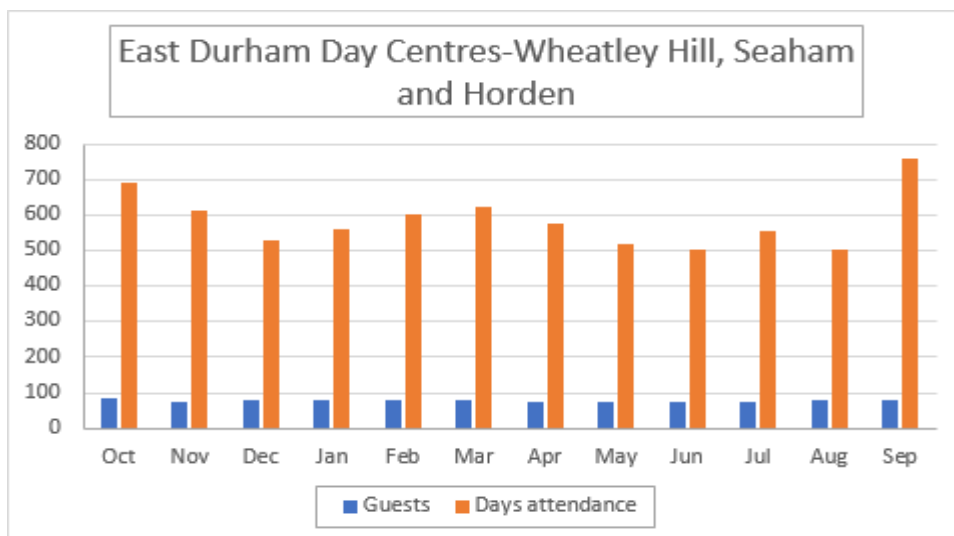
“Fantastic service always by community pasties, I feel my dad is safe and well looked after when out in the community...”

“The service is a god-send to us as a family, my dad enjoys all the interaction, we know every care and consideration is taken to provide him with a fun time, we cannot thank you enough”

- Comments from families of clients of our Community Pastimes service

East Durham Day services - for people living with a dementia and family member carers

Our three East Durham day centres, located at Wheatley Hill, Seaham and Horden, provided therapeutic care and support for, on average, **78 people** living with a dementia per month. Between them the centres provided **7,033 days** of care and support, an average of **90 days** over the year per person.



The service directly supported **72 Family member carers per month**, facilitating group sessions and social events, bringing people together to share experiences and build belonging.

“To the world you may be one person but, to one person you may be the world”

- Comment from an East Durham Day Services client

Stichell House and Gretton Court - providing residential and nursing care for people in Hartlepool

Our Stichell House residential care home situated in Greatham, near Hartlepool, provides residential care for **35 people**. The home had **97.9%** occupancy throughout the year providing **12,510** days of residential care. Our Gretton Court nursing home in Hartlepool provides nursing care for **37 people** who are living with a dementia and often with complex health needs. The home had an **97.5%** occupancy rate throughout the year providing **13,505** days of residential nursing care. Both homes are rated by the Care Quality Commission as **“Good”** and continue to achieve a **level 1 standard** approved by Hartlepool Borough Council as part of its annual Quality Standards Framework.

Almshouses - supporting older People to live independently

The charity owns and manages **123 almshouses**, providing accommodation, with the support of a warden. The properties in Stockton on Tees, Norton and Hartlepool all benefit from a **call system 24 hours a day** providing residents with responsive help needed. The combination of **accommodation, a sense of community and belonging, suitably adapted properties**, warden support and 24-hour access to the one call system means that our residents can continue to **live independently in the community**.

Grants – supporting the community

Through our small grants programme we **supported 66 voluntary and community sector organisations with grants totalling £96,400**. For more detailed information please see pages 21-22.

Our strategy for the future

Our strategic plan details our five principal strategic objectives:

- To deliver **excellent, outstanding services** to people who need them
- To provide a great place to work for those people on whom we rely to deliver these services – **our people are key**
- To **plan and invest for future sustainable solutions and growth**
- To run an **effective grants programme** which empowers communities and the people who live in them
- To **strengthen our foundations** by building a fit-for-purpose infrastructure.

Strategic objective 1 – to deliver excellent, outstanding services, which are focused on outcomes and with people at the heart; services which are effective, welcoming, accessible and valued by our communities

The challenges on the social care system are not ours in isolation by any stretch of the imagination. However, we have a significant strength through our independence and standing and we are able, as an organisation, to be empowered and to make positive and impactful choices. How we work, who we collaborate with, how we are funded, resourced and indeed how we choose to use our resources and assets are all key to achieving good outcomes for our residents, guests and clients.

To achieve this objective, we will:

- seek to be pro-active choosing to maintain and develop our existing services, ensuring the correct and best funding mechanisms are in place, being flexible and adaptive to change in the funding and commissioning environment

- review our Governance, Audit and Improvement policy and practice to facilitate quality, learning and development
- develop new services in line with our aims, and test approaches and delivery models to meet the needs of our communities and to make a difference and achieve good outcomes.
- work with our residents, guests, clients, and their families and carers to facilitate active involvement and co-production and a real sense of belonging and ownership
- make the very best use of our resources, people, funding and our physical assets to make a difference and achieve an impact
- develop the effective use of technology to support the achievement of the best outcomes for our residents, guests and clients
- collaborate and work in partnership with stakeholders at various levels in our community, considering each opportunity on its merits.

Strategic objective 2 – our people are key - we want to provide them with a great place to work and belong, supported by excellent leadership and governance

We fully recognise that people are at the heart of everything we do. Our employees, at every level are absolutely fundamental to us achieving our aims. They are the champions of our values and approach, the ambassadors and the marketing force of the charity. We of course do not live or work in isolation, there are significant challenges in recruiting, retaining and developing the best possible workforce.

To achieve this objective, we will:

- promote a culture of empowerment where our employees, volunteers and trustees are valued, listened to and have a real sense of belonging
- ensure our salaries, conditions and terms are the best they can be, positioning us positively in the marketplace
- use a values-based recruitment process to ensure we recruit the best team members we can
- ensure our staff are supported and encouraged to learn and develop
- ensure that we have strong leadership and that we fully empower leaders at all levels of the organisation, supporting them and all our colleagues to flourish and reach for their potential. We will achieve this through enabling an empowering culture, supported by sound management practices and good leadership
- maintain a strong, committed and healthy leadership team whilst planning for succession
- ensure that our board of trustees are appropriately skilled, knowledgeable, committed and passionate to be the guardians of our charity, ensuring we meet our charitable and legal objectives. Maintaining and developing our good governance practices.

Strategic Objective 3 – to plan and invest for future sustainable solutions and growth, to be a force for good which is here for everyone

We know that our communities continue to face significant challenges to maintain good health and wellbeing. We are facing an ageing population; people are living longer sometimes with complex health needs and this presents society with increasing challenges. We are acutely aware of the cost of social care and the pressures this can place on the public purse.

Equally we know of the impact of loneliness and isolation amongst our communities, especially for older people, and for people living with dementia and their families and loved ones. We recognise that we have considerable strengths, our history, our experience, our culture, our team, our good management, our buildings, our endowment and our stability. We are uniquely placed in our community as a strong “anchor organisation” with resources to have a significant impact, being a force for good in the present whilst maintaining commitment to future beneficiaries.

To achieve this objective, we will:

- invest in the development of a programme to reduce loneliness - our “Building Belonging” programme - and focus on interventions and activities which reduce loneliness and isolation, building a sense of community and belonging
- make best use of our buildings and physical assets, utilising our development fund to deliver new activities and interventions and investing in our physical assets and infrastructure where there is a clear benefit to doing so
- use these experiences to gain knowledge, develop models that work and where possible provide research, learning and development opportunities
- use this experience to collaborate and work with local stakeholders to promote the development of effective social prescribing models which deliver early help and preventative measures
- consider opportunities to deliver or be part of the delivery of publicly funded services through a commissioning process where we feel we can deliver well, can add value and fundamentally where there is a clear fit with our objectives and outcomes
- remain open to opportunities including merger and acquisition opportunities
- collaborate and work in partnership, at various levels in our community to achieve good outcomes
- continue to provide a good level of maintenance to our care homes and almshouses ensuring that they make good homes for our residents
- review the pay levels and terms and conditions of our employees ensuring they are fit for purpose and making improvements when we can and when viable
- develop the concept of a “21st century almshouse” to promote safe, supportive and sustainable communities, reduce loneliness and build belonging, whilst contributing to our long-term sustainability
- consider the options for developing a further care home to enable us to provide excellent residential care for more people in our community
- continually review the performance of our investments working in collaboration with our fund managers
- annually review risk and our investment strategy
- remain open to the potential of further investment in buildings and land.

Strategic Objective 4 – an effective grants programme which empowers communities in the north east and the people who live in them, and can also support the achievement of outcomes for our residents, guest and clients

We have a long history of philanthropy and grant giving supporting many organisations to achieve good in the communities of the north east. Our aim will be to continue our commitment to maintaining a grant programme, seeking to develop our relationship with grantees and to focus our activity to align with our desired outcomes. We also seek to support the achievement of outcomes for our residents, guests and clients who live in these communities.

To achieve this objective, we will:

- review our grant procedures
- develop our relationship with grantees to share learning, good practice and build networks
- make the best use of our grant making to achieve our desired outcome.

Strategic Objective 5 – to strengthen our foundations by building a fit for purpose infrastructure to support the achievement of our mission

To maintain our levels of service delivery, to support the delivery of efficient, cost conscious, safe and value-based services and to meet our plans for development we need to have a fit-for-purpose infrastructure, with good leadership and effective management teams. Our objective is to ensure that we are well-managed, well-led, well-governed and that the charity is respected, well known and recognised as a sector leader. We need to continue to invest wisely and make the best use of good technology to get the best results for our residents, guests and clients and to support our mission and The Hospital of God at Greatham

objectives. Increasingly as we move to an outcomes-focus approach, we will consider how we ensure this approach is embedded, how we monitor the achievement of outcomes, report on them and hold ourselves to account.

To achieve this objective, we will:

- review and strengthen our finance and administration functions
- review our information technology needs making best use of good technology across the organisation
- review the business development function to align it with our strategic plan
- evaluate outcomes measurement and reporting tools
- develop a marketing strategy to raise awareness of our work and to support communications with our most important stakeholders by embracing connectivity and networks.

What we intend to achieve over the next 12 months

In preparing this report it is impossible to do so without reflecting on the impact of Covid-19. We started this reporting period with a positive commitment to seeking to develop services to tackle loneliness and to make the very best use of our assets. Whilst our commitment is maintained to deliver excellent services, develop and support our team members Covid-19 meant we have had to change from a viewpoint of development to managing the risks that emerged. We knew that our general direction of travel was still right, but acutely aware of the potential financial impacts of Covid-19 on the charity and therefore amended our strategic objectives to reflect the need to move our focus away from seeking to develop and invest in new services to making sure we navigate through the crisis and build our financial sustainability across the charity, managing the new risks that Covid-19 presents.

Covid-19 has impacted on every aspect of the charity's operations and activities, dealing with many unknown consequences, testing every part of the charity's operations. Our earlier decision to invest in the development of our IT systems has been so valuable, people have been able to work from home, and we have been able to meet virtually, including with the board of trustees. Many of our systems and processes have continued to move from paper-based systems to online and IT based systems. A transition that we are still driving forward.

We took steps early on to "lockdown" our care homes and services to reduce the risk of transmission, these were difficult and necessary decisions. We continue to adapt our services so they can safely resume in this changed environment. Safe to say this has been the most challenging working year of our lives.

Our staff team adapted to new ways of working, we all became key workers, some key staff needed to work in our offices for administration and finance purposes, while others have been able to work from home. As lockdown eases, we are now working on a "hybrid" model. Every staff member has had to adapt in their own ways, and we are thankful for their adaptability, flexibility, commitment, continued professionalism and indeed resilience. We committed early on to ensuring that anybody who was unable to come into the workplace because they had suspected Covid-19 symptoms, including those who were shielding would continue to receive their normal pay. This was later identified within national guidelines as good practice.

We sought to mobilise our staff team to be prepared to ensure that we were able to maintain staffing levels in our care homes. Staff committing to working in our care homes to support their colleagues. Simple innovations like providing transport helped with this.

We invested in providing tablets for residents in our care homes to enable communications with families during lockdown and to access resources on the web.

We also sought to support our local community businesses in the village of Greatham where we are situated, many faced closing due to lockdown and we worked with them to minimise the financial impact.

The Hospital of God at Greatham

We also took steps to use our small grants programme to support the local voluntary and community sector during this crisis and quickly established an emergency fund providing much needed resources to local organisations when they most needed it.

Like many in the adult care sector we faced the challenge of sourcing personal protective equipment (“PPE”) for our staff members during a time of unprecedented worldwide demand. We did everything we could to ensure that our staff never went without appropriate PPE.

We took the decision to suspend anything but essential recruitment, and where possible deferred spending to all but essential items.

Through the crisis we still sought to innovate, running our services virtually, providing daily telephone support to people, supporting people with essential tasks and when in crisis. Over 10,000 calls have been made.

Working with partners in the local authority and the NHS we developed an emergency “home from hospital” service within our Gretton Court Nursing Home providing nursing care for older people who have been in hospital, most recovering from Covid-19 infection, enabling them to receive nursing care, recover and return home or to residential care to meet their needs. This transformation has been a bright spot in our response to Covid-19.

After a hiatus caused by Covid-19 we have now continued with our plans for the continued digital transformation of the charity with a number of applications that will change how we work, the aim to give more time to spend with the people we care for and support.

Our board of trustees has met with the Director on a regular basis, sometimes every two weeks as we navigate our way through this. These regular communications meetings have helped keep everyone informed, provide support to the Director and has facilitated swift decision making. The commitment of trustees throughout this has been second to none.

Our revised aims moving forward are summarised below:

Stichell House – *enabling older people to live independently, live well and enjoy life*

- **A manager to lead and support the team** – to recruit a registered manager who will lead the team, putting people at the heart, who will live our values and take us to achieving outstanding care - this is what our residents deserve.
- **Being person centred** – to pilot a “being person centred” quality approach, establishing a “quality” team to support learning and development with a focus on quality and improvement. Emphasising a value driven approach and attention to detail. To deliver truly person-centred care always and continuing to put people at the heart of everything we do.
- **Striving for outstanding** – to prepare for a full CQC inspection, through fully understanding the key lines of enquiry – “Safety, Effective, Caring, Responsive and Well-led”. Self-assessment to learn and improve.
- **Keeping people safe** – to continue to maintain the highest standards of infection control, working with residents, their families and all other professionals.
- **Transform how we work** – to fully implement electronic time rostering and care planning systems in the home, developing our systems so we can work better and spend more quality time with residents.

Gretton Court – *where people living with a dementia, and their families and carers, can fulfil their potential and live life to the full*

- **Getting back on track** – to manage the transition from the emergency “home from hospital” service back to nursing care for people living with a dementia, achieving outstanding care and maintaining good occupancy levels.

- **Being Person Centred** - building from the learning of “The Butterfly Model” and emphasising a value driven approach with attention to detail. To deliver truly person-centred care always and continuing to put people at the heart of everything we do.
- **Keeping people safe** – to continue to maintain the highest standards of infection control, working with residents, their families and all other professionals.
- **Build a resilient team** – to reduce the use of agency staff to cover for staff absences.
- **Transform how we work** - to fully implement electronic time rostering and care planning systems in the home, developing our systems so we can work better and spend more quality time with residents.

Hospital of God day services – *enabling people living with a dementia in their own homes, and their families and carers, to live life to the full*

- **Adapt our day services** to meet the needs of people living with a dementia in a Covid-19 world as we transition out of lockdown
- **Be person centred** - adopting the best of “The Butterfly Model” and keeping people safe by putting people at the heart of everything we do.
- **To offer the best dementia advisory service** - excellence throughout
- **To provide safe spaces** - buildings and day centres
- **Transform how we work**- to fully implement electronic time rostering and care planning systems developing our systems so we can work better and spend more quality time with residents.

Our almshouses – *providing independent supported living where older people live well, live independently and enjoy life*

- **Enable people** to live independently and safely
- **Adapt our service** -transition towards a post Covid-19 model and way of working which maintains visibility, on site and telephone/internet support
- **Safe spaces** – our houses, flats, gardens and communal areas
- **Maximise occupancy and income** across all our almshouse locations
- **To continue to improve our buildings** – including the completion of structural repairs at our Stockton on Tees development and a window replacement programme at our listed properties at Norton.

Charity wide aims

- **Our employees** – a complete review of pay, terms and conditions to update and unify throughout the charity
- **Transform how we work** – to complete the digital transformation work including new HR and recruitment systems
- **Review core infrastructure capacity and support** – to ensure resilient support functions including finance and administration
- **Finance** – to monitor and review the ongoing financial viability and sustainability of our services particularly in the light of Covid-19
- **Leadership at all levels** across the charity - working to maintain culture, mission, vision and values
- **Develop Succession** planning across the charity
- **Underpin Values** with branding – “A place to live, a place to love, a place to belong”
- **Better health at work** – ensuring the health, safety and well-being of our people, particularly in the light of Covid-19
- **Review, learn and improve board governance** - review induction, training and terms of reference for our trustees
- **Financial training and understanding** – developing and strengthening the role of the Finance and Property committee
- **Review grants giving** – developing and strengthening the role of the Grants Committee.

Financial review

Summary

During the year there were no significant changes in the activities undertaken by the charity and the overall level of income has remained broadly in line with the previous year. However, a 13% increase in the charity's total expenditure has resulted in an operating deficit of £747,000, which is significantly higher than last year's operating deficit of £94,000. The primary factors behind the increased expenditure are higher staffing costs related to the delivery of care services, and higher levels of spend on property maintenance.

Against this, a substantial improvement in the performance of the financial investment portfolio during the year gave rise to unrealised gains of £1,287,000, reflecting strong market and portfolio performance throughout the year.

Consequently, the charity reports an overall increase in its total funds of £538,000 during the year, to £43,934,000.

The total return, in the form of income and capital growth, from the charity's financial and property investment portfolios continues to provide essential financial support to the cost of the charitable activities and without these endowment assets the charity would be unable to bridge the gap between the cost of providing charitable services and the income generated from the provision of those services.

Results from charitable activities

The principal source of funding for the charity's activities remains unchanged in the form of income generated through the provision of its services, predominantly fees, contract payments and grants. During the year the level of this income remained broadly in line with the previous year. As noted above these activities are supported by income from the charity's financial and property investments and growth in the value of those investments. Significant increases in the operating costs of the residential and community care services means that these charitable activities are increasingly reliant upon this support from the endowment assets.

During the year fee income from the largest area of charitable activity, residential care, increased by approximately 3.5%. The charity achieved average occupancy levels approaching 98% in each of its two homes. The charity's continuing policy is to keep the fees charged for its residential care services in line with the rates set by the local authority to help ensure that this service remains affordable to all. Nevertheless, the trustees consider these fee levels remain incompatible with the provision of high-quality, safe and compassionate residential care, and recognise the increasing need for the charity to subsidise this activity from its own resources in the face of increasing costs.

During the year ended 31 October 2019 expenditure on residential care services increased by 9.1% - exceeding fee income by £393,000. This deficit is significantly higher than the corresponding previous year's deficit of £236,000, due to the increase in expenditure which was not matched by increases in income. The principal factor behind the increased level of expenditure in the residential care services was higher staffing costs, including wages and the costs of agency staff. The deficit for the year represents a subsidy by the charity, and in the year ended 31 October 2019 was equivalent to approximately 14% of full cost of this service.

Income from community services, including the charity's day care services, amounted to £1,010,000. This represents a reduction of 6% when compared with the prior year. Approximately 61% of this income derives from local authorities and NHS clinical commissioning groups under block funding arrangements, with a further 19% arising under local authority spot purchase framework agreements. Given long-standing public sector funding pressures the long-term future of this funding remains unclear although the

The Hospital of God at Greatham

charity continues to receive positive feedback from commissioners around the value and importance of these services to local communities and so remains confident that these funding streams will continue at least in the short term. The remaining 20% of income from community services derives from private clients and this is the area where income has fallen since the previous year.

During the year ended 31 October 2019 expenditure on community care services fell by 2.7%, to some extent reflecting the reduction in income. However, this fall in income was not fully matched by a fall in expenditure as the principal costs of delivering these services, both staff related and premises related, are not directly variable in line with income. Consequently, the deficit arising on this area of activity increased from £270,000 in the previous year to £299,000 for this year. This year's deficit represents a subsidy by the charity equivalent to approximately 23% of the full cost of this service. It is recognised by the trustees that these services are expensive to run, particularly the personal "one to one" community pastimes service, and that to price the services based on full cost would render them unaffordable to most. At present the trustees continue to believe that the benefits to service users from these services justify this use of the charity's resources.

Income from supported almshouse accommodation, in the form of maintenance contributions, fell by 0.5%, reflecting a higher level of voids during the year. Opportunity was taken where possible to undertake work to upgrade these unoccupied properties. In addition, a major renewal of the shared heating system at one group of almshouse properties was completed during this year at a cost of £250,000. This expenditure represents an "exceptional" cost arising in this year. Overall, expenditure related to this activity during the year exceeded income by £261,000.

Finally, during this year the charity distributed grants totaling £99,200 to other charities and voluntary organisations. These grants, and the associated support costs, are entirely funded from the charity's own resources.

Results from investment activities

The financial investments of the charity represent part of its endowment funds and the objectives of the portfolio is to achieve sustained growth over the medium to long term whilst accepting a moderate level of risk.

The trustees employ investment fund managers to manage the financial investment portfolio on a discretionary basis within broad investment parameters set by the trustees which take account of trustees' views on acceptable levels of risk. The fund managers have been instructed that the charity has an ethical investment policy relating to directly held securities which encourages investment in companies which are sensitive to the communities in which they operate, can demonstrate success in business and financial matters and adopt responsible corporate governance, employment and environmental policies. Performance of the fund managers is measured against appropriate industry benchmarks. Trustees and senior management meet regularly with the fund managers to review performance and consider changes to the portfolio in response to changes in market conditions.

During the year ended 31 October 2019 the charity's financial investments generated net income after fees of £123,000 and unrealised gains of £1,287,000, reflecting positive market performance throughout the financial year.

Under a total return order granted by the Charity Commission in 2010 the charity is permitted to draw upon capital growth in the endowment's financial investment assets in order to support its charitable activities provided always that the real value of the trust for investment is maintained. In this way trustees ensure that due consideration is given to the needs of both present and future beneficiaries of the charity. Details of the total return approach to the investment of the charity's permanent endowment is given in Note 17 to these accounts which shows that the value of the "trust for investment" at 31 October 2019 was £17,861,000 and the value of "unapplied total return" at that date was £1,228,000, reflecting the unrealised gains arising in the year.

Due to the continued sufficiency of its unrestricted reserves the charity has not drawn down any funds from endowment growth during the year.

The charity's investment property portfolio also forms part of its endowment funds. This portfolio comprises houses, farms, commercial and other properties located in and around the village of Greatham, and the primary purpose of this portfolio is to generate income to support the charitable activities. Nevertheless, the properties are maintained to a high standard and the charity endeavours to be a good landlord. The net income generated from these properties during the year was £195,000, after deducting maintenance and other costs including support costs. Overall, rental income increased by 1.6% during the year, but this was adversely affected by a higher than anticipated level of property voids. Expenditure on these properties, principally pre-let repairs and upgrades, increased by 79%, contributing significantly to an overall decrease in the net income generated by the property portfolio.

Financial position

The charity's overall financial position remains strong, with total funds at 31 October 2019 of £43,934,000, up from £43,396,000 at the previous year end as a result of the unrealised gain on the financial investments.

Of these total funds 89% is represented by the charity's endowment fund assets, primarily its financial and property investments. Of the remaining funds, approx. 3% represents funds held on trust in a restricted fund for the Charity of Emma Simpson for Almshouses. The remaining 8% of funds comprise the charity's unrestricted reserves, comprising principally the charity's general fund and several designated funds including an extraordinary repair fund and a development fund.

The principal purpose of the extraordinary repair fund is to ensure that the charity has sufficient funds set aside to fund long term major repairs to its properties so that these assets are adequately maintained for the future so that they can continue to work effectively for the charity either as good quality investment assets or as functional properties used in direct service delivery. In view of the extent of the charity's property portfolio, the trustees consider it prudent to maintain this reserve.

The development fund represents the balance of drawdowns made in earlier years from the unapplied total return in the financial investment portfolio. These drawdowns were made to enable the charity to develop new services or to support new services in their early years, but being unrestricted, these funds could if necessary be used to support the charity's main activities and hence form part of its unrestricted funds.

The trustees of the charity have discretion over how all unrestricted funds are used in furtherance of the charitable objectives.

The trustees have established a reserves policy to ensure that in the unlikely event of all sources of income ceasing at once the charity could operate for a period of three months. Consequently, the minimum level of unrestricted reserves which is considered acceptable is £1,250,000. At 31 October 2019 the charity's total unrestricted funds totaled £3,551,000, an analysis of which is shown in Note 23 to these accounts.

Net current assets at 31 October 2019 amounted to £3,313,000 largely represented by cash balances. The operating deficit arising in this year has reduced net current assets from £4,001,000 at the previous year end.

Taking into account the overall strength of the charity's financial position, available cash and unrestricted reserves, and its plans for the forthcoming year, the trustees confirm that they consider the reserves to be sufficient to enable the charity to continue with its operations and to fulfil its obligations as they fall due.

The charity continues to have a long-term financial obligation in respect of The Greatham Hospital Pension Scheme, a legacy defined benefit pension scheme for which the charity is the sponsoring employer. This pension scheme is closed to new members but remains open to future accrual for the remaining active members. The most recent comprehensive actuarial valuation of the scheme was carried out as at 31

October 2016, which indicated an actuarial deficit of £388,000 at that date. The charity, as sponsoring employer, has agreed with the trustees of the scheme a deficit recovery plan involving additional contributions over a ten-year period. For the purposes of the financial statements as at 31 October 2019 the valuation of the charity's net obligation is £94,000, calculated in accordance with Financial Reporting Standard 102.

The impact of the 2020 Covid-19 coronavirus pandemic on the financial position of the charity

As a result of the 2020 Covid-19 coronavirus outbreak the charity has experienced significant disruption to the delivery of its client-facing social care support services and has faced escalating costs in many areas of its work, particularly in the delivery of its residential and nursing services. As the virus did not emerge until after the charity's financial year end, the financial impact of this post-balance sheet event has not been reflected in the figures shown in these financial accounts.

Covid-19 has driven a general increase in demand for social care support which service providers have found difficult to meet due to the need to protect both clients and staff through strict social distancing. For the charity this has meant the suspension of most of the charity's normal day care and community services and a switch wherever possible to alternative forms of service delivery, including telephone support. To date the main funders of these services, namely the local authorities and the NHS, have continued to fund these services, and the charity has received assurances from them that this funding will continue uninterrupted in the short term, which has, to date, avoided the need to furlough staff and has enabled the charity to continue to deliver support to clients in different ways. In the longer term this funding will most likely be linked to a restructuring of the service delivery model and the charity is actively engaging with the funding authorities in this regard. The charity has received no income from private clients of these services since the services in their normal formats were suspended.

The charity's residential care services have been particularly hard hit by Covid-19 and have operated in extremely challenging circumstances since the onset of the outbreak. The over-riding priority has been to ensure the safety of residents and staff and this has resulted in a substantial increase in operating costs, particularly in respect of personal protective equipment (PPE) such as masks, gloves, aprons and gowns, where global demand has led to supply shortages and inflated prices, and also in relation to staffing costs, where absence through sickness and self-isolation has resulted in a significant cost burden. In partial recognition of this, the local authority has uplifted its standard fee rate, initially by 5% from 16 March 2020, with the uplift subsequently being increased to 10% from 27 April 2020. In addition the charity has been advised by the local authority that it will receive funding through the Adult Social Care Infection Control Fund, representing a share of the £600m of funding announced by central government to reduce the rate of Covid-19 transmission in and between care homes and support wider workforce resilience.

Restrictions on admissions to the residential care homes has resulted in reduced occupancy in the homes but the effect of this has been mitigated to some extent through an arrangement with Hartlepool Borough Council for some of the charity's residential capacity to be set aside for a block booked "home from hospital post-discharge" service. This "home within a home" service has operated since early April 2020 and is expected to continue for approximately three months.

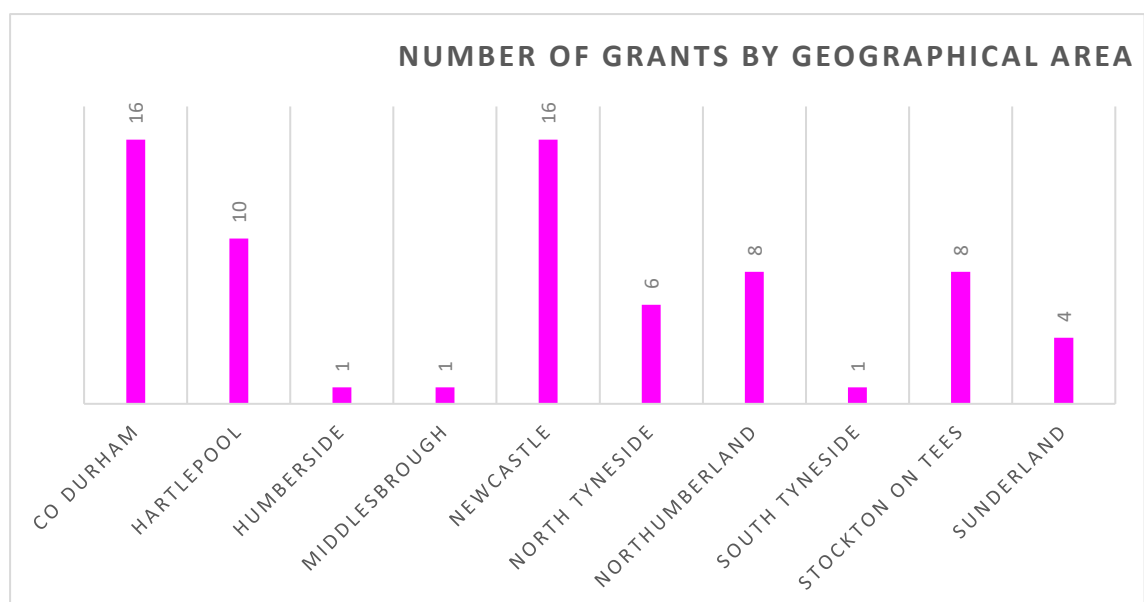
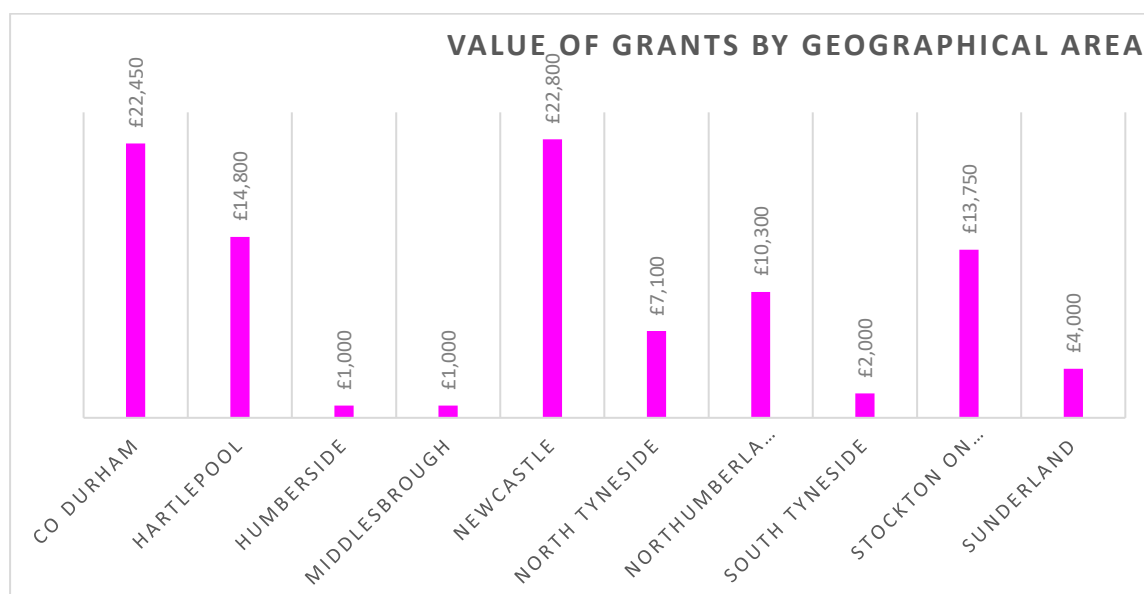
The charity's financial investment portfolio has experienced high levels of volatility in the first half of 2020 due to the impact of the pandemic on global financial markets and it is likely that this will be a feature of the portfolio for some time to come as the economic consequences of the measures taken by governments around the world to control the spread of the virus become apparent.

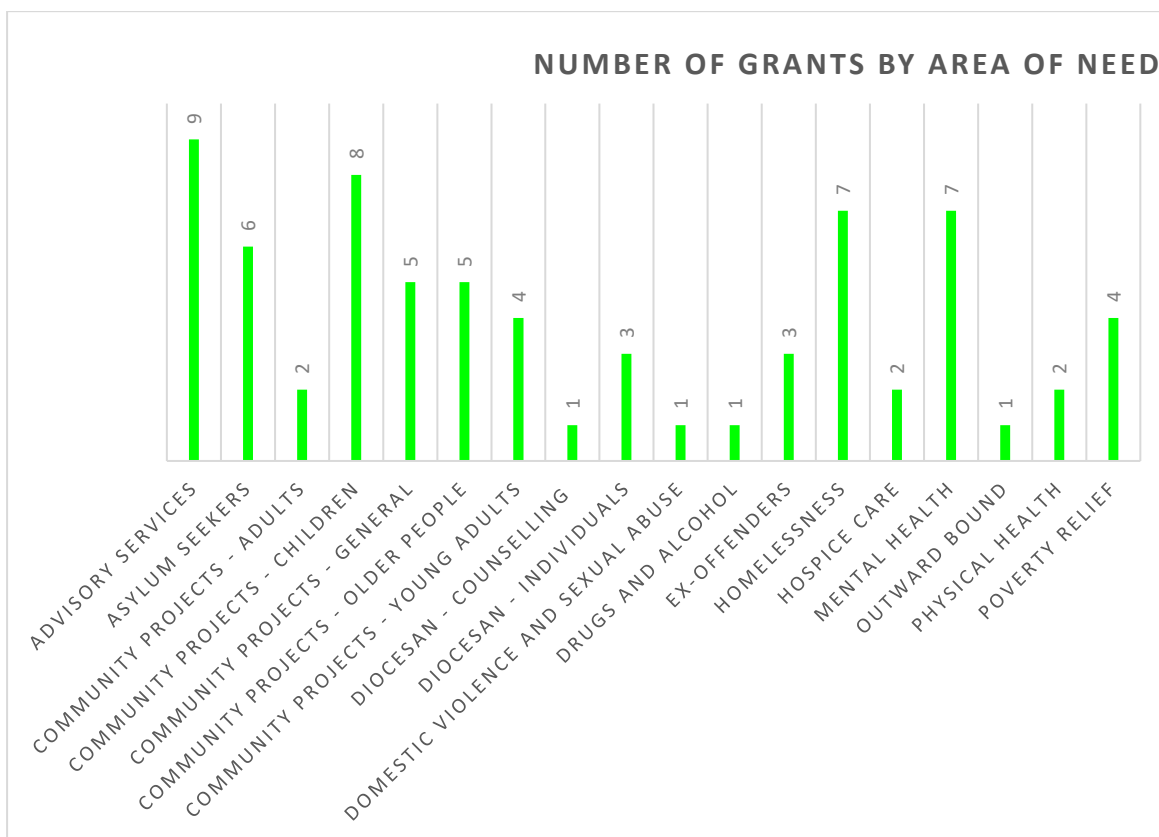
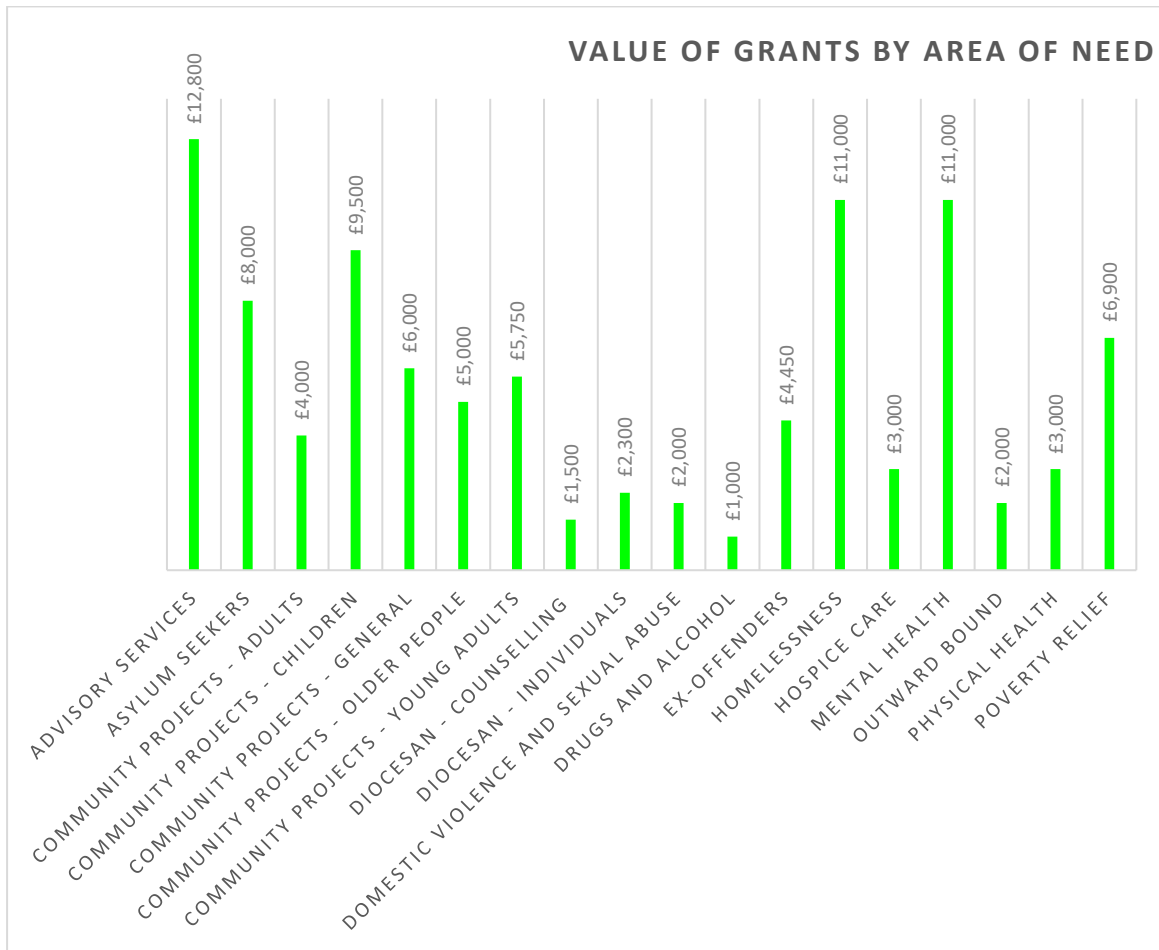
The trustees remain confident that the charity will weather the current storm caused by coronavirus outbreak. Some restructuring and rebuilding of services will be required, and service delivery models will need to be reviewed and remodeled for a post-covid world. The charity's reserves and its endowment, represented by its property and financial assets, will continue to support the charity in its activities and will continue to provide a degree of financial security and stability as it seeks to recover from this global crisis.

Grants awarded during the year

The policy of the charity is to award grants in such a way as to maximise benefit in our communities. The principal requirement is that the project or organisation to be funded must enhance the ability of individuals or communities to achieve self-determination. Applications must demonstrate need and provide evidence of effective governance arrangements. We endeavor to reach out to communities through funders' fairs and social media in order to spread our benefit as widely as possible. We recognise the value placed on multi-year grants by recipients and the policy of the charity is to allocate up to 10% of its annual grant-making budget to such grants in order to provide recipient organisations with greater predictability for the future.

During the year the charity awarded a total of 71 grants totaling £99,200. Grants were awarded to a wide variety of voluntary and charitable groups working in support of disadvantaged members of communities throughout the region. Included in these totals are grants to the Dioceses of Newcastle and Durham totaling £2,800 for the benefit of retired clergy in need. A graphical analysis of the number and value of grants made by the charity, by geographical area and by the area of social need being addressed by the recipient organisation, is given below:





Structure, governance and management

Formation, legal structure and objectives

The charity was first founded in 1273 by the Bishop of Durham, Robert de Stichell, and was subsequently re-founded in 1610 by King James I.

The present charity governing document is the scheme of the Charity Commission dated 27 June 2002 as amended by the uniting order of the Charity Commission of 26 March 2009 which appointed the charitable company as the corporate trustee of the charity. The Hospital of God at Greatham charity holds the permanent endowment on behalf of the company.

The present governing document of the charitable company is the memorandum and articles of association dated 13 March 2008 which sets out its charitable objectives:

- *“the provision of housing accommodation and extra care accommodation for beneficiaries;*
- *the provision of grants, not exceeding £5,000 in any one year, for such parochial or charitable purposes within the parish of Greatham as the trustees think fit;*
- *the relief of persons who are in conditions of need, hardship or distress, including but not limited to people living with Alzheimer’s disease and related disorders, by providing grants of money to them or for their benefit; by providing or paying for goods, services or facilities for them; or by making grants of money to other persons or bodies who provide goods, services or facilities to those in need;*
- *the appropriation of bungalows, almshouses and other property belonging to the charity for the use of residents and brethren of the charity; and*
- *the maintenance of the chapel which is devoted to the performance of divine service for the benefit the brethren and residents of the charity.”*

These objects are achieved through the provision of residential and nursing care for older people and people living with dementia; community support services for older people and people living with a dementia, and their carers; the provision of supported housing for older people; and the making of grants to other charities and voluntary organisations.

Governing body and governance

The trustees, who are also directors of the charity for the purposes of the Companies Act, have overall responsibility for the strategy, management and control of the charity. There is provision for eight co-opted trustees, and they are elected by the existing trustees at a general meeting as vacancies arise and in accordance with the needs of the charity. There is a one-year trial period for new co-opted trustees. Each co-opted trustee may serve for two periods of five years.

There are three ex-officio trustees, namely the Archdeacons of Durham and Northumberland and the Bishop of Durham. The archdeacons take up the role of trustee by virtue of their position and hold office for as long as they remain in post. The Bishop of Durham holds office for as long as he or she remains in post. The Bishop may, and historically has, nominated someone to act on their behalf for a five-year period which can be repeated.

The trustees are required to elect a chair of their meetings at the first meeting of each calendar year. As part of their induction and training new trustees receive the following documents:

- the trustee handbook
- the latest set of audited accounts
- the scheme of the charity
- the memorandum and articles of association
- the budget for the current financial year
- the trustee code of conduct
- the trustee declaration of interests which is updated annually
- relevant Charity Commission publications via their website
- the latest timetable of meetings

The board of trustees meets four times each year and is responsible for establishing structures for the proper governance and management of the charity and the development of the vision and strategy of the charity in accordance with its objects.

The trustees have established several committees to consider issues in greater depth and to advise the Board. These committees, which are accountable to and report to the Board, are as follows:

- Finance and Property committee which meets four times a year to provide oversight of the charity's finances and investments, financial strategy, objectives, plans and policies
- Grants committee which meets three times a year to consider and approve grant applications.

The trustees ensure that the charity has a development strategy in place and that effective monitoring and governance arrangements are in place. The day to day running of the charity and the exercise of executive responsibility is delegated to the charity director and the management team.

The charity is not part of a formal network of other charities. It does, however, have contractual and working relationships with local authorities for the provision of social care services and housing support services and contractual relationships with the local clinical commissioning groups for the funding of community services and nursing services.

The charity has an arrangement with another charity, The Waddington Street Charity to provide a house that is managed by Waddington Street Centre in Durham city as a halfway house for people recovering from mental ill health.

The Hospital of God at Greatham has absorbed or been formally linked with other charities in recent years as follows:

- **Fox Almshouses Trust** – absorbed on 1 February 2008
- **Hartlepool and East Durham Alzheimer's Trust** – absorbed on 1 April 2008
- **Stockton Almshouses Charity** and **Stockton Relief in Need Fund** – both absorbed on 12 July 2010
- **Charity of Emma Simpson for Almshouses** – linked by Charity Commission order on 28 July 2017.

Further information is given in the Notes to the Financial Statements which accompany this report.

Statement of public benefit

The trustees give due consideration to Charity Commission guidance on public benefit under the Charities Act 2011.

The Hospital of God at Greatham provides public benefit by virtue of its objects which are to relieve need, hardship and distress. We work to ensure the independence, health, wellbeing and social integration of the people we work with. Where individuals are not able to pay fees, for example in our residential homes, because they cannot afford them, the charity would encourage them to seek state funding. The charity to a greater or lesser extent subsidises all its services from its own resources and this is considered by trustees to be an appropriate use of the charitable endowment in accordance with the legal objectives of the charity.

Examples of how charitable funds are used to create public benefit are:

- the use of the charity's property and financial assets to support the delivery of its charitable services;
- the use of charity funds to subsidise the cost of service delivery to ensure that the charity's services remain affordable and accessible to all;
- the use of charity funds to enhance the quality and variety of the services in our care home, nursing home and day centres;
- the operation of a transport service in our day centres, the cost of which is subsidised by the charity, which enables people to attend who would otherwise not be able to do so;
- the expenditure of capital in order to modernise and improve our supported almshouses for the benefit of beneficiaries;
- the use of charitable funds to provide carer support services and memory cafes free of charge to the public;
- the making grants to other charities and voluntary organisations in need throughout the north east of England with the objective to relieve need, hardship or distress.

Risk management and principal risks

The trustees have overall responsibility for the management of risk within the charity and view the management of risk as an essential discipline to support the charity in achieving its goals.

The trustees have conducted a review of the major risks to which the charity is exposed. A risk register has been established and is updated annually. Control systems have been put in place to mitigate such risks. The charity director reports to trustees on any new risks that might arise during each year.

The five most serious risks that have been identified and the measures taken to mitigate them are:

Identified risk	Mitigating action
Service provision - customer satisfaction and adverse events and incidents	<ul style="list-style-type: none"> • quality control procedures in place • complaints procedures in place • benchmark registered services (CQC inspections/local authority) • complaints review procedure and practice in place via governance, audit and information policy and practice • improved business continuity with introduction of new technology • ability to adapt services e.g. response to Covid-19 pandemic
Employment issues	<ul style="list-style-type: none"> • review recruitment processes –values-based recruitment • safe recruitment in place-agreed reference and qualification checking procedures, job descriptions, contracts of employment, appraisals and feedback procedures • job training and development • health and safety training in place operational and monitoring • employment law requirements updated via specialist partner and annual refresh of employee handbook • implemented safe recruitment staff vetting and legal requirements (e.g. DBS checks) whistleblowing and raising concerns policy agreed • employee assistance programme in place which is accessible by all staff and families • use of external specialist consultants for support on employment matters • improved communications with all staff members through a new electronic self-service HR system • regular interactive staff conferences and meetings • support for staff who are shielding or caring for others during the current Covid-19 crisis • provision of safe workspaces - Covid-19 risk assessments

<p>Health, safety and environment</p>	<ul style="list-style-type: none"> • ensure all legal health and safety requirements and guidance met • programme of staff induction and training • external health and safety support commissioned, including specific support for residential care services • following a robust governance, audit and improvement process covering operations in residential care services • health and safety management group in place which meets regularly • reporting discussions of health and safety management group to board of trustees • ensuring safety of staff and service users in the light of Covid-19 – risk assessments in place
<p>Disaster recovery and planning – major IT system failure or loss of data; destruction of assets through fire, flood or similar; impact of major health crisis such as a global viral pandemic</p>	<ul style="list-style-type: none"> • development of a comprehensive IT recovery plan working with external specialist advisors • robust data backup procedures and security measures in place • annual review of insurance cover • business continuity/disaster recovery plan in place • updated risk assessments, policies and procedures in place • infection control measures in place • regular review of measures in place in response to changing environment and government laws and guidelines • liaison with stakeholders
<p>Compliance with legislation and regulations around social care and housing</p>	<ul style="list-style-type: none"> • identification of key legal and regulatory requirements • allocation of responsibility for key compliance procedures • procedures in place for compliance monitoring and reporting including development of governance, audit and improvement policy and procedure. • preparation for compliance visits • compliance reports obtained from regulators, including CQC and local authorities for care homes, and service commissioners for other services • use of external specialists for added support in these areas

These five major risks are included within a full and comprehensive register which is monitored and revised as is necessary.

Statement of trustees' responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and UK 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 charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

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

Statements of disclosure to auditors

In so far as the trustees are aware:

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

Wm Fortune & Son are deemed to be reappointed in accordance with Section 487(2) of the Companies Act 2006.

This Trustees' Annual Report, which incorporates the Strategic Report and the Directors' Report required under the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013, was approved by the Board on 16 October 2020 and signed on its behalf by:

Christopher Dickinson
Chair of trustees

Lawrence McAnelly
Chief Executive
Company Secretary

Hospital of God at Greatham

Independent Auditor's Report to the Members of the Hospital of God at Greatham

Year ended 31 October 2019

Opinion

We have audited the financial statements of The Hospital of God at Greatham (the 'charity') for the year ended 31 October 2019 which comprise the statement of financial activities (including income and expenditure account), statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 charity's affairs as at 31 October 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 charity 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 charity'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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

The Hospital of God at Greatham

The Hospital of God at Greatham

Independent Auditor's Report to the Members of the Hospital of God at Greatham (continued)

Year ended 31 October 2019

information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' 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 charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 the trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

The Hospital of God at Greatham

Independent Auditor's Report to the Members of the Hospital of God at Greatham (continued)

Year ended 31 October 2019

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

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

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

Use of our report

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

Thomas Atkinson (Senior Statutory Auditor)

For and on behalf of
Wm Fortune and Son, Chartered Accountants & Statutory Auditors
Collingwood House
Church Square
Hartlepool
TS24 7EN

16 October 2020

The Hospital of God at Greatham

Trustees Annual Report and Accounts for the year ended 31 October 2019

The Hospital of God at Greatham

Statement of Financial Activities (including income and expenditure account)

Year ended 31 October 2019

		Unrestricted funds	Restricted funds	Endowment funds	2019	2018
	Note	£		£	Total funds £	Total funds £
Income and endowments						
Donations and legacies	5	31,020	–	–	31,020	42,149
Charitable activities	6	4,038,309	32,118	–	4,070,427	4,052,535
Investment income	7	599,346	–	222,612	821,958	826,513
Total income		4,668,675	32,118	222,612	4,923,405	4,921,197
Expenditure						
Expenditure on raising funds:						
Investment management costs	8	(371,152)	–	(133,154)	(504,306)	(326,226)
Expenditure on charitable activities	9,10	(5,109,383)	(51,220)	(5,000)	(5,165,603)	(4,689,380)
Total expenditure		(5,480,535)	(51,220)	(138,154)	(5,669,909)	(5,015,606)
Total income less total expenditure		(811,859)	(19,102)	84,458	(746,503)	(94,409)
Net unrealised gains/(losses) on investments	11	79,095	4,121	1,203,390	1,286,606	(492,869)
Net income/(expenditure)		(732,765)	(14,981)	1,287,848	540,102	(587,278)
Transfers between funds		60,273	–	(60,273)	–	–
Other recognised gains and losses						
(Increase)decrease in pension fund deficit	21	(2,000)	–	–	(2,000)	13,000
Net movement in funds		(674,492)	(14,981)	1,227,575	538,102	(574,278)
Reconciliation of funds						
Total funds brought forward		4,225,724	1,091,497	38,079,035	43,396,256	43,970,534
Total funds carried forward	23	3,551,232	1,076,516	39,306,610	43,934,358	43,396,256

The statement of financial activities includes all gains and losses recognised in the year. Income and expenditure derive from continuing activities.

The Hospital of God at Greatham

Statement of Financial Position

Year ended 31 October 2019

		2019 £	2018 £
Fixed assets			
Tangible fixed assets	15	9,168,870	9,413,376
Investments	16	<u>31,640,445</u>	<u>30,168,681</u>
		40,809,315	39,582,057
Current assets			
Debtors	18	488,283	409,932
Cash at bank and in hand		<u>3,340,596</u>	<u>4,025,929</u>
		3,828,879	4,435,861
Creditors: amounts falling due within one year	19	<u>515,751</u>	<u>434,676</u>
Net current assets		3,312,828	4,001,185
Total assets less current liabilities		44,122,443	43,583,242
Creditors: amounts falling due after more than one year	20	94,085	94,986
Provisions for liabilities	21,22	<u>94,000</u>	<u>92,000</u>
Net assets		<u>43,934,358</u>	<u>43,396,256</u>
Funds of the charity			
Endowment funds		39,306,610	38,079,035
Restricted funds		1,076,516	1,091,497
Unrestricted funds		<u>3,551,232</u>	<u>4,225,724</u>
Total charity funds	23	<u>43,934,358</u>	<u>43,396,256</u>

These financial statements were approved by the board of trustees and authorised for issue on 16 October 2020, and are signed on behalf of the board by:

Christopher Dickinson
Chair of trustees

The Hospital of God at Greatham

Statement of Cash Flows

Year ended 31 October 2019

	2019 £	2018 £
Cash flows from operating activities		
Net income/(expenditure)	540,102	(587,278)
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	244,506	255,230
Net movement on investments	(1,286,606)	492,868
Net gains on tangible fixed assets	-	-
Dividends, interest and rents from investments	(821,958)	(826,513)
Interest payable and similar changes	10,612	10,732
Accrued (income)/expenses	25,194	9,735
<i>Changes in:</i>		
Trade and other debtors	(78,351)	(29,323)
Trade and other creditors	55,790	31,794
Cash generated from/(used in) operating activities	(1,310,711)	(642,755)
Interest paid	(10,612)	(10,786)
Net cash generated from/(used in) operating activities	<u>(1,321,323)</u>	<u>(653,487)</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	821,958	826,513
Purchase of tangible assets	-	-
Proceeds from sale of tangible assets	-	-
Purchases of other investments	(185,158)	(225,962)
Proceeds from sale of other investments	-	-
Net cash from investing activities	<u>636,800</u>	<u>600,551</u>
Cash flows from financing activities		
Proceeds from borrowings	(810)	(691)
Net cash used in financing activities	<u>(810)</u>	<u>(691)</u>
Net increase/(decrease) in cash and cash equivalents	(685,333)	(53,627)
Cash and cash equivalents at beginning of year	4,025,929	4,079,556
Cash and cash equivalents at end of year	<u>3,340,596</u>	<u>4,025,929</u>

The Hospital of God at Greatham

Notes to the Financial Statements

Year ended 31 October 2019

1. General information

The charity is a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales.

The charity constitutes a public benefit entity as defined by FRS 102.

As corporate trustee the company administers the endowment fund of the Hospital of God at Greatham which is an unincorporated charity. The endowment funds thus do not form part of the corporate assets of the company but are instead held on trust by the charitable company. In accordance with Charity Commission recommendations the endowment fund held on trust is included in the financial statements of the charitable company but is distinguished from the charitable company's other funds. In accordance with the Charity Commission Scheme of 27 June 2002 income generated from investments within the charity's endowment fund becomes available for use by the charitable company in furtherance of its objectives as does capital growth on the financial investments covered by the order for total return dated 15 November 2010 referred to in Note 17 of this report.

Under an Order of the Charity Commission dated 28 July 2017 the charitable company was appointed sole trustee of the Charity of Emma Simpson for Almshouses (charity reg. 222517, now 1123540-2), an unincorporated charity. The charitable company, as corporate trustee, thereby administers the endowment and other funds of the Charity of Emma Simpson for Almshouses, which do not form part of the corporate assets of the company but are instead held on trust by the charitable company in a restricted fund. In accordance with the Order, the Charity of Emma Simpson for Almshouses is treated as forming part of The Hospital of God at Greatham for the purpose of Part 8 (accounting) of the Charities Act 2011.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)) and the Charities Act 2011.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through income or expenditure.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

There are no material uncertainties about the charity's ability to continue.

The Hospital of God at Greatham

Notes to the Financial Statement *(continued)*

Year ended 31 October 2019

3. Accounting policies

Fund accounting

Unrestricted funds are available for use at the discretion of the trustees to further any of the charity's purposes.

Designated funds are unrestricted funds earmarked by the trustee for particular future projects or commitments.

Restricted funds are subjected to restrictions on their expenditure declared by the donor or through the terms of an appeal and fall into one of two sub-classes: restricted income funds or endowment funds. The charity's restricted funds comprise its permanent endowment, the Stockton Relief in Need endowment fund and restricted funds relating to The Charity of Emma Simpson for Almshouses as referred to in Note 1.

Income recognition

Income is included in the statement of financial activities when entitlement has passed to the charity, it is probable that the economic benefits associated with the transaction will flow to the charity and the amount can be reliably measured. The following points are applied to particular categories of income:

- Income from donations or grants is recognised when there is evidence of entitlement to the gift, receipt is probable, and its amount can be measured reliably.
- Donated facilities and services are recognised in the accounts when received if the value can be reliably measured. No amounts are included for the contribution of general volunteers.
- Income from contracts for the supply of services is recognised upon the delivery of the contracted service. This is classified as unrestricted funds unless there is a contractual requirement for it to be spent on a particular purpose and returned if unspent, in which case it may be regarded as restricted.

Expenditure recognition

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any value added tax which cannot be fully recovered, and is classified under headings of the statement of financial activities to which it relates:

- Expenditure on raising funds includes the costs of all fundraising activities, events, non-charitable trading activities, and the sale of donated goods.
- Expenditure on charitable activities includes all costs incurred by the charity in undertaking activities that further its charitable aims for the benefit of its beneficiaries, including those support costs and costs relating to the governance of the charity apportioned to charitable activities.
- Other expenditure includes all expenditure that is neither related to raising funds for the charity nor part of its expenditure on charitable activities.

All costs are allocated to expenditure categories reflecting the use of the resource. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs are apportioned between the activities they contribute to on a reasonable, justifiable and consistent basis.

The Hospital of God at Greatham

Notes to the Financial Statement *(continued)*

Year ended 31 October 2019

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Increases and decreases in the carrying amount of assets as a result of revaluation are recognised in the Statement of Financial Activities.

Depreciation

Depreciation is calculated in order to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2.5% reducing balance
Equipment	-	20% reducing balance

Investments

Listed investments are measured at fair value with changes in fair value being recognised in income or expenditure.

Investment property

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in income or expenditure.

Financial instruments

A financial asset or a financial liability is recognised only when the charity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Where investments in shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in income and expenditure.

The Hospital of God at Greatham

Notes to the Financial Statement (continued)

Year ended 31 October 2019

3. Accounting policies (continued)

Defined contribution pension schemes

Contributions to defined contribution pension schemes are recognised as an expense in the period in which the service is provided.

4. Limited by guarantee

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up the liability in respect of the guarantee is limited to £1 per member of the charity.

5. Donations and legacies

	Unrestricted Funds £	Total Funds 2019 £	Unrestricted Funds £	Total Funds 2018 £
Donations				
Donations and legacies	16,705	16,705	30,438	30,438
Sponsorship and other				
Sponsorship and other income	14,315	14,315	11,711	11,711
	<u>31,020</u>	<u>31,020</u>	<u>42,149</u>	<u>42,149</u>

6. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £
Residential care	2,485,359	-	2,485,359
Community services	1,010,099	-	1,010,099
Supported almshouses	533,522	32,118	565,640
Other charitable activities	9,329	-	9,329
	<u>4,038,309</u>	<u>32,118</u>	<u>4,070,427</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2018 £
Residential care	2,401,148	-	2,401,148
Community services	1,074,605	-	1,074,605
Supported almshouses	538,071	30,478	568,549
Other charitable activities	8,233	-	8,233
	<u>4,022,057</u>	<u>30,478</u>	<u>4,052,535</u>

The Hospital of God at Greatham

Notes to the Financial Statement (continued)

Year ended 31 October 2019

7. Investment income

	Unrestricted Funds £	Endowment Funds £	Total Funds 2019 £
Income from investment properties	566,278	–	566,278
Interest and dividends	33,068	222,612	255,680
	<u>599,346</u>	<u>222,612</u>	<u>821,958</u>

	Unrestricted Funds £	Endowment Funds £	Total funds 2018 £
Income from investment properties	557,567	–	557,567
Interest and dividends	19,401	249,545	268,946
	<u>576,968</u>	<u>249,545</u>	<u>826,513</u>

8. Investment management costs

	Unrestricted Funds £	Endowment Funds £	Total Funds 2019 £
Portfolio management	–	133,154	133,154
Property repairs and maintenance charges	301,318	–	301,318
Support costs	69,834	–	69,834
	<u>371,152</u>	<u>133,154</u>	<u>504,306</u>

	Unrestricted Funds £	Endowment Funds £	Total Funds 2018 £
Portfolio management	–	119,255	119,255
Property repairs and maintenance charges	147,576	–	147,576
Support costs	53,580	–	53,580
Depreciation	5,815	–	5,815
	<u>206,971</u>	<u>119,255</u>	<u>326,226</u>

The Hospital of God at Greatham

Notes to the Financial Statement (continued)

Year ended 31 October 2019

9. Expenditure on charitable activities by fund type

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2019
	£	£	£	£
Residential care	2,430,020	–	–	2,430,020
Community services	993,049	–	–	993,049
Supported almshouses	603,180	40,479	–	643,659
Grants	94,200	–	5,000	99,200
Fundraising fund costs	27,209	–	–	27,209
Support costs	957,274	10,741	–	968,015
Other charitable activities	4,451	–	–	4,451
	<u>5,109,383</u>	<u>51,220</u>	<u>5,000</u>	<u>5,165,603</u>

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2018
	£	£	£	£
Residential care	2,265,864	–	–	2,265,864
Community services	1,069,573	–	–	1,069,573
Supported almshouses	347,860	12,384	–	360,244
Grants	90,450	–	–	90,450
Fundraising fund costs	38,641	–	–	38,641
Support costs	831,295	27,837	–	859,132
Other charitable activities	5,476	–	–	5,476
	<u>4,649,159</u>	<u>40,221</u>	<u>–</u>	<u>4,689,380</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2019	Total fund 2018
	£	£	£	£
Residential care	2,430,020	447,866	2,877,886	2,637,307
Community services	993,049	316,124	1,309,173	1,344,984
Supported almshouses	643,659	182,498	826,157	556,566
Grants	99,200	21,527	120,727	106,406
Fundraising fund costs	27,209	–	27,209	38,641
Other charitable costs	4,451	–	4,451	5,476
	<u>4,197,588</u>	<u>968,015</u>	<u>5,165,603</u>	<u>4,689,380</u>

All grants made were awarded to organisations and no grants were made to individuals. The highest grant awarded to any organisation during the year was £2,000 and no single organisation received more than £2,000 in grants during the year. All grants awarded are unconditional. An analysis of grants by geographical area and by the area of social need being met by the recipient organisation is provided in the Trustees' Annual Report.

The Hospital of God at Greatham

Notes to the Financial Statement (continued)

Year ended 31 October 2019

11. Net unrealised gains on investments

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2019 £
Unrealised gains/(losses) on listed investments	<u>79,095</u>	<u>4,121</u>	<u>1,203,390</u>	<u>1,286,606</u>
	Unrestricted Funds	Restricted Funds £	Endowment Funds £	Total Funds 2018 £
Unrealised gains on listed investments	<u>16,333</u>	<u>295</u>	<u>(509,497)</u>	<u>(492,869)</u>

12. Net income

Net income is stated after charging:

	2019 £	2018 £
Auditor's remuneration	7,800	8,500
Depreciation of tangible fixed assets	244,506	<u>255,230</u>

13. Staff costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2019 £	2018 £
Wages and salaries	2,685,357	2,678,956
Social security costs	172,460	169,599
Employer contributions to defined contribution pension schemes	45,734	26,588
Employer contributions to defined benefit pension schemes	81,048	96,542
Operating costs of defined benefit pension scheme	41,360	23,854
	<u>3,025,959</u>	<u>2,995,539</u>

Included in employer contributions to defined benefit schemes is the second payment of £48,000 to the Greatham Hospital Pension Scheme under the agreed deficit recovery plan. Further details are given in Note 22 to these accounts.

The average head count of employees during the year was 177 (2018: 178), analysed as follows:

	2019 No	2018 No
Management and administration	11	11
Care services	163	164
Estate	3	3
	<u>177</u>	<u>178</u>

The Hospital of God at Greatham

Notes to the Financial Statement (continued)

Year ended 31 October 2019

The number of employees, whose remuneration for the year fell within the following bands, was:

	2019 No.	2018 No.
£70,000 to £79,999	1	0

Key Management Personnel

Key management personnel include all persons that have authority and responsibility for planning, directing and controlling the activities of the charity. The total compensation paid to key management personnel for services provided to the charity was £209,146 (2018: £217,437).

14. Trustee remuneration and expenses

No remuneration was paid to the trustees.

15. Tangible fixed assets

	Freehold property £	Equipment £	Total £
Cost			
At 1 November 2018	13,089,483	210,109	13,299,592
Additions at cost	-	-	-
Transfer from other charity	-	-	-
Revaluation of almshouse properties	-	-	-
Disposals	-	-	-
At 31 October 2019	<u>13,089,483</u>	<u>210,109</u>	<u>13,299,592</u>
Depreciation			
At 1 November 2018	3,728,552	157,664	3,886,216
Charge for the year	234,016	10,490	244,506
Disposals	-	-	-
At 31 October 2019	<u>3,962,568</u>	<u>168,154</u>	<u>4,130,722</u>
Carrying amount			
At 31 October 2019	<u>9,126,915</u>	<u>41,955</u>	<u>9,168,870</u>
At 31 October 2018	<u>9,360,931</u>	<u>52,445</u>	<u>9,413,376</u>

The Hospital of God at Greatham

Notes to the Financial Statement (continued)

Year ended 31 October 2019

16. Investments

	Listed investments £	Investment properties £	Total £
Cost or valuation			
At 1 November 2018	18,750,431	11,418,250	30,168,681
Additions	185,158	–	185,158
Disposals	–	–	–
Fair value movements	1,286,606	–	1,286,606
At 31 October 2019	<u>20,222,195</u>	<u>11,418,250</u>	<u>31,640,445</u>
Impairment			
At 1 November 2018 and 31 October 2019	–	–	–
Carrying amount			
At 31 October 2019	<u>20,222,195</u>	<u>11,418,250</u>	<u>31,640,445</u>
At 31 October 2018	<u>18,750,431</u>	<u>11,418,250</u>	<u>30,168,681</u>

All investments shown above are held at valuation.

Listed investments

The charity's listed investments are largely held within a portfolio of investments managed by the charity's professional fund managers with some additional direct holdings in common investment funds. The managed portfolio holds investments in the form of equities, fixed income securities, hedge funds and commodities all of which are part of publicly traded markets where trading is based upon quoted prices. The fair value of all holdings is based upon the quoted market prices of the various holdings. The managed portfolio also includes foreign currency contracts which act as a hedge against the effect of currency fluctuations within the portfolio. The fair value of foreign currency forward contracts within the managed portfolio is based on the difference between the exchange rate agreed at the inception of the forward contract and the exchange rate prevailing at the reporting date.

An analysis of listed investments by fund is as follows:

	2019 £	2018 £
Permanent endowment fund	19,088,073	17,707,882
Non-permanent endowment funds	147,596	139,242
Total endowment funds	<u>19,235,669</u>	<u>17,847,124</u>
Restricted funds	60,854	56,731
Unrestricted funds	925,672	846,576
	<u>20,222,195</u>	<u>18,750,431</u>

Investment properties

All fixed asset investments are held within the United Kingdom. The investment properties are stated at open market valuation. A full professional valuation was carried out at 31 October 2013 by Thomas Stevenson, Chartered Surveyors. The trustees are of the opinion that this valuation continues to represent the open market value of the portfolio at the balance sheet date. The investment properties are assets of the charity's permanent endowment fund.

The Hospital of God at Greatham

Notes to the Financial Statement (continued)

Year ended 31 October 2019

17. Total return approach to investment of permanent endowment

The charity's listed investments include the charity's managed endowment fund investment portfolio. This portfolio is accounted for on a total return basis in accordance with an order for total return received on 15 November 2010 from the Charity Commission.

During the year the charity made a transfer from unapplied total return to the trust for endowment in order to maintain the real value of the trust for investment. The amount transferred is based on an average of the RPI and CPI indices pertaining during the period since the trust value for endowment was established in 2010.

The movements in the trust for investment and the unapplied total return during the year are as follows:

Endowment investments subject to total return	Trust for investment £	Unapplied total return £	Total £
At 31 October 2018			
Gift component of the permanent endowment	17,524,545	-	17,524,545
Unapplied total return	-	183,337	183,337
Total at 31 October 2018	17,524,525	183,337	17,707,882
Movements in the reporting period			
Investment returns - dividends and interest	-	217,592	217,592
Investment returns – realised and unrealised gains and (losses)	-	1,195,037	1,195,037
Additions to trust for investment	-	-	-
Income repaid to unapplied total return in year	-	100,716	100,716
Less: Investment management costs	-	(133,154)	(133,154)
Total movements in the reporting period before transfers	-	1,380,191	1,380,191
Transfer from unapplied total return to maintain real value of trust for investment	335,997	(335,997)	-
Net movements in the reporting period	335,997	1,044,194	1,380,191
At 31 October 2019			
Gift component of the permanent endowment	17,860,522	-	17,860,522
Unapplied total return	-	1,227,551	1,227,551
Total at 31 October 2019	17,860,522	1,227,551	19,088,073

The Hospital of God at Greatham

Notes to the Financial Statement (continued)

Year ended 31 October 2019

18. Debtors

	2019	2018
	£	£
Trade debtors	402,109	345,535
Prepayments and accrued income	86,174	64,397
	<u>488,283</u>	<u>409,932</u>

19. Creditors: amounts falling due within one year

	2019	2018
	£	£
Mortgage loan	882	791
Trade creditors	323,318	267,668
Accruals and deferred income	152,816	127,623
Social security and other taxes	38,735	38,594
	<u>515,751</u>	<u>434,676</u>

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

	2019	2018
	£	£
Mortgage loan	<u>94,085</u>	<u>94,986</u>

The mortgage loan was transferred to the charity from the Stockton Almshouses Charity during the year ended 31 October 2010. The mortgage loan is secured by a legal charge over the property at Trinity Gardens, Stockton on Tees.

21. Provisions for liabilities

	Pensions and similar obligations Note 22
	£
At 1 November 2018	92,000
Increase in provision during the year	2,000
At 31 October 2019	<u>94,000</u>

The Hospital of God at Greatham

Notes to the Financial Statement *(continued)*

Year ended 31 October 2019

22. Pensions and other post-employment benefits

Defined contribution plans

The amount recognised in expenditure as an expense in relation to defined contribution plans was £45,734 (2018: £26,588).

Defined benefit plans

The charity is the sponsoring employer of the Greatham Hospital Pension Scheme ("the scheme"), a defined benefit pension scheme which provides benefits based on final salary and length of service on retirement, leaving service or death. The pension scheme was closed to new members on 14 December 2005.

The scheme is managed by a board of trustees appointed in part by the charity and in part from elections by scheme members. The trustees have responsibility for obtaining valuations of the fund, administering benefit payments and investing the scheme's assets. The trustees delegate some of these functions to their professional advisers where appropriate.

The scheme is subject to the statutory funding objective under the Pensions Act 2004. A valuation of the scheme is carried out at least once every three years to determine whether the statutory funding objective is met. As part of the process the employer must agree with the trustees of the scheme the contributions to be paid to meet the statutory funding objective.

The most recent comprehensive actuarial valuation of the scheme was carried out as at 31 October 2016. This valuation calculated an actuarial deficit of £388,000 as at that date. To eliminate this funding shortfall the trustees and the scheme have jointly agreed a recovery plan whereby the charity must make an additional contribution of £48,000 to the scheme each year, with the first payment in November 2017 and the final payment in November 2026. This will be subject to review at each triennial full actuarial valuation.

As the scheme remains open to future accrual, the employer pays contributions to the scheme for future service benefits. During the year ended 31 October 2019 the employer paid contributions at the rate of 29.6% of gross pensionable salary for active members. Employee who are active members are not required to make any contribution.

The next valuation of the scheme is due as at 31 October 2019 and is currently underway. If this valuation reveals a larger deficit than expected the charity may be required to increase contributions above those set out in the existing schedule of contributions. Conversely if the position is better than expected, it is possible that contributions may be reduced.

The charity expects to pay contributions of around £81,000 in the year to 31 October 2020.

The charity administers the scheme and meets all running costs of the scheme.

The following disclosures have been provided by the scheme actuary to meet the requirements of FRS 102 for the purposes of these accounts.

At 31 October 2019 there was a deficit of £94,000. This deficit is similar to last year. The impact of the lower discount rate (which increased the value placed on the liabilities) has been offset by the deficit contributions paid by the employer, use of the 2019 valuation methodology and better than expected asset returns.

There were no plan amendments, curtailments or settlements during the period.

The Hospital of God at Greatham

Notes to the Financial Statement *(continued)*

Year ended 31 October 2019

Explanation of amounts in the financial statements

The amount recognised in the Statement of Financial Position is as follows:

Amounts recognised in the Statement of Financial Position	As at 31 October 2019 £'000	As at 31 October 2018 £'000
Fair value of assets	3,290	3,083
Present value of funded obligations	(3,384)	(3,175)
Deficit recognised in the Statement of Financial Position	(94)	(92)

The fair value of the scheme's investment assets at 31 October 2019 analysed by major asset class is as follows:

Asset class	31 October 2019 £'000
Diversified growth fund	1,928
Index-linked gilts	663
Corporate bonds	694
Cash	5
Total	3,290

The actual return on the scheme's assets during the year was a gain of £284,000 (2018 loss of £25,000).

The change in the fair value of the scheme's assets over the year is as follows:

Change in fair value of scheme assets	As at 31 October 2019 £'000	As at 31 October 2018 £'000
Fair value of scheme assets at the beginning of the year	3,083	3,076
Interest on assets	88	87
Employer contributions paid to scheme in year	81	97
Contributions by scheme participants	0	0
Benefits paid by scheme in year	(158)	(65)
Administration costs	0	0
Change due to settlements	0	0
Return on scheme assets less interest	196	(112)
Fair value of scheme assets at the end of the year	3,290	3,083

The Hospital of God at Greatham

Notes to the Financial Statement *(continued)*

Year ended 31 October 2019

The change in the present value of the scheme's funded defined benefit obligations over the year is as follows:

Change in present value of defined benefit obligations	As at 31 October 2019 £'000	As at 31 October 2018 £'000
Defined benefit obligations of the scheme at the beginning of the year	3,175	3,181
Current service cost	28	32
Contributions by scheme participants	0	0
Past service cost	0	0
Interest cost	90	88
Benefits paid by scheme in year	(158)	(65)
Change due to settlements	0	0
Experience (gain)/loss on defined benefit obligation	(45)	0
Changes to assumptions	294	(61)
Defined benefit obligations of the scheme at the end of the year	3,384	3,175

The net amount recognised in the Statement of Financial Activities is as follows:

Net amount recognised in the Statement of Financial Activities	Year ended 31 October 2019 £'000	Year ended 31 October 2018 £'000
Total income/(costs) recognised in the year, as detailed below	(30)	(33)
Total re-measurement gains/(losses) in the year, as detailed below	53	(51)
Employer contributions	81	97
Net amount recognised in the Statement of Financial Activities	104	13

The Hospital of God at Greatham

Notes to the Financial Statement *(continued)*

Year ended 31 October 2019

The income and costs recognised in the year are as follows:

Costs/(income) recognised in the year	Year ended 31 October 2019 £'000	Year ended 31 October 2018 £'000
Current service cost	28	32
Administration costs	-	-
Interest on liabilities	90	88
Interest on assets	(88)	(87)
Past service cost	-	-
Settlement cost	-	-
Total costs/(income) recognised in the year	30	33

The re-measurement gains and losses recognised in the year are as follows:

Re-measurement losses/(gains) recognised in the year	Year ended 31 October 2019 £'000	Year ended 31 October 2018 £'000
Loss/(gain) on scheme assets in excess of interest	(196)	112
Experience losses/(gains) on liabilities	(45)	-
Losses/(gains) from changes to assumptions	294	(61)
Total re-measurement losses/(gains) recognised in the year	53	51

The Hospital of God at Greatham

Notes to the Financial Statement *(continued)*

Year ended 31 October 2019

Principal assumptions

The principal assumptions used to calculate scheme liabilities in accordance with FRS102 are as follows:

	31 October 2019	31 October 2018
Discount rate	2.00% pa	2.90% pa
Inflation assumption (RPI)	3.00% pa	3.40% pa
Inflation assumption (CPI)	2.10% pa	2.50% pa
Salary increases	3.00% pa	3.40% pa
CPI max 5% pension increases	2.10% pa	2.40% pa
RPI max 2.5% pension increases	2.10% pa	2.30% pa
Discretionary pension increases	1.05% pa	1.20% pa
Post retirement mortality assumption	S3NA tables with CMI 2018 projections using a long term improvement rate of 1.50% pa	S2NA tables with CMI 2015 projections using a long term improvement rate of 1.25% pa
Tax free cash	Members are assumed to take 20% of their pension as cash at retirement	

The Hospital of God at Greatham

Notes to the Financial Statement (continued)

Year ended 31 October 2019

23. Analysis of charitable funds

Unrestricted funds

	At 1 Nov 2018 £	Income £	Expenditure £	Transfers	Gains and losses £	At 31 Oct 2019 £
General fund	1,083,815	4,630,757	(4,722,522)	(232,769)	79,095	838,376
Fundraising fund	39,372	30,755	(27,209)	-	-	42,918
Building Fund	426,611	-	-	-	-	426,611
Development fund	828,800	-	(86,810)	(65,410)	-	676,580
Extraordinary repair fund	1,847,126	7,163	(645,994)	358,452	-	1,566,747
	<u>4,225,724</u>	<u>4,668,675</u>	<u>(5,482,535)</u>	<u>60,273</u>	<u>79,095</u>	<u>3,551,232</u>

Restricted funds

	At 1 Nov 2018 £	Income £	Expenditure £	Transfers	Gains and losses £	At 31 Oct 2019 £
The Charity of Emma Simpson for Almshouses	1,091,497	32,118	(51,220)	-	4,121	1,076,516

Endowment funds

	At 1 Nov 2018 £	Income £	Expenditure £	Transfers	Gains and losses £	At 31 Oct 2019 £
Permanent Endowment Fund	37,929,042	218,158	(133,154)	(60,273)	1,195,683	39,149,456
Stockton Relief in Need Fund	149,993	4,454	(5,000)	-	7,707	157,154
	<u>38,079,035</u>	<u>222,612</u>	<u>(138,154)</u>	<u>(60,273)</u>	<u>1,203,390</u>	<u>39,306,610</u>

The Hospital of God at Greatham

Notes to the Financial Statement (continued)

Year ended 31 October 2019

24. Analysis of net assets between funds

				2019
	Unrestricted funds	Restricted funds	Endowment funds	Total funds
	£		£	£
Fixed assets				
Tangible fixed assets	41,961	898,341	8,228,568	9,168,870
Investments – investment properties	-	-	11,418,250	11,418,250
Investments – listed investments	925,672	60,854	19,235,669	20,222,195
	<u>967,633</u>	<u>959,195</u>	<u>38,882,487</u>	<u>40,809,315</u>
Net current assets				
Debtors	488,283	-	-	488,283
Cash at bank and in hand	3,340,596	-	-	3,340,596
Creditors due within one year	(515,751)	-	-	(515,751)
Intra-fund balances	(541,444)	117,321	424,123	-
	<u>2,771,684</u>	<u>117,321</u>	<u>424,123</u>	<u>3,313,128</u>
Total assets less current liabilities	3,739,317	1,076,516	39,306,610	44,122,443
Creditors: amounts falling due after more than one year	(94,085)	-	-	(94,085)
Provisions for liabilities	(94,000)	-	-	(94,000)
Net assets (total funds)	3,551,232	1,076,516	39,306,610	43,934,358
	<u><u>3,551,232</u></u>	<u><u>1,076,516</u></u>	<u><u>39,306,610</u></u>	<u><u>43,934,358</u></u>
				2018
	Unrestricted funds	Restricted funds	Endowment funds	Total funds
	£		£	£
Fixed assets				
Tangible fixed assets	52,450	921,375	8,439,551	9,413,376
Investments – investment properties	-	-	11,418,250	11,418,250
Investments – listed investments	846,576	56,731	17,847,124	18,750,431
	<u>899,026</u>	<u>978,106</u>	<u>37,704,925</u>	<u>39,582,057</u>
Net current assets				
Debtors	409,932	-	-	409,932
Cash at bank and in hand	4,025,929	-	-	4,025,929
Creditors due within one year	(434,676)	-	-	(434,676)
Intra-fund balances	(487,501)	113,391	374,110	-
	<u>3,513,684</u>	<u>113,391</u>	<u>374,110</u>	<u>4,001,185</u>
Total assets less current liabilities	4,412,710	1,091,497	38,079,035	43,583,242
Creditors: amounts falling due after more than one year	(94,986)	-	-	(94,986)
Provisions for liabilities	(92,000)	-	-	(92,000)
Net assets (total funds)	4,225,724	1,091,497	38,079,035	43,396,256
	<u><u>4,225,724</u></u>	<u><u>1,091,497</u></u>	<u><u>38,079,035</u></u>	<u><u>43,396,256</u></u>

The Hospital of God at Greatham

Trustees Annual Report and Accounts for the year ended 31 October 2019

The Hospital of God at Greatham

Notes to the Financial Statement *(continued)*

Year ended 31 October 2019

25. Trustee related party transactions and interests

Robert Eden, who served as trustee during the year, was during the year an employer-nominated trustee of the Greatham Hospital Pension Scheme, of which the charity is the sponsoring employer.

Trustees are reimbursed for their travel on a mileage basis. During the year three trustees were reimbursed mileage costs totalling £828.40.

26. Post balance sheet event

As a result of the 2020 Covid-19 coronavirus outbreak the charity has experienced significant disruption to the delivery of its client-facing social care support services and has faced significant cost increases in many areas of its work, particularly in the delivery of its residential and nursing services. As the virus did not emerge as a threat until after the charity's financial year end, the financial impact of this post-balance sheet event has not been reflected in the figures shown in these financial accounts. At the date of approval of these accounts it is not possible to estimate the full impact of this event on the charity's finances which is likely to be material.

27. Going concern

The trustees consider that the charity is a going concern and that there are no material uncertainties or events which cast doubt upon its ability to continue as a going concern. In this regard the trustees have given due consideration to the post balance sheet event referred to in Note 26.

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