

TRUSTEES' ANNUAL REPORT & ACCOUNTS

For the year ended
31 October 2018



Here for Everyone

THE HOSPITAL OF GOD AT GREATHAM

Registered Charity No 1123540

Company No. 6533385

A Limited Company Registered in England and Wales



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Introduction

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

This annual report describes the achievements of The Hospital of God during the last year as well as the charity's ambitions for the future. It describes how we work to achieve our objects and how we bring public benefit to the north east of England.



Chair's foreword



Welcome to my final comments as chair of The Hospital of God at Greatham, ten years has passed almost in the blink of an eye!

Sadly, these are my final comments and observations as I will be retiring after just over ten years as a trustee of The Hospital of God and latterly chair of the board of trustees. It has been an enthralling, learning and developmental experience for me personally and I have no hesitation in recommending to anyone interested in becoming a trustee of this charity, or indeed of any other charity, to go ahead and grasp the opportunity. I do hope that my fellow trustees and colleagues at The Hospital of God feel that my contribution has been worthwhile and effective. I am pleased to report that the charity continues to meet its objectives, and on behalf of myself and the board of trustees I would like to thank all of the staff at The Hospital of God for their hard work in continuing to provide the very highest levels of care to those who use the charity's services. We are not always perfect but we continually seek to learn, develop and strive to be the best we can. I must say a heartfelt thank you to David Granath who has retired this year after 18 years' service as the charity's director. David's passion, knowledge, expertise and commitment have been a driving force in moving the charity onwards. I am pleased to welcome Lawrence McAnelly as our new director. Lawrence brings with him considerable experience as a charity chief executive officer and I am confident that the running and development of The Hospital of God is in safe hands.

It is with great pride that we have been able to continue to provide financial assistance through our grants programme to various organisations in the North East which in turn deliver benefits and services to the local communities they operate in. In our area, which faces many social and economic challenges, we believe that it is vital that local organisations working in our communities continue to be supported.

The provision of care and housing services continues to have a major impact in driving the charity forward. Legal, financial and compliance issues are always there but at the heart of what we do are people - our residents, guests and clients. In my time as a trustee I have experienced many heartwarming moments when meeting some of the wonderful people who live in our homes, access our support services and live in our properties.

I have no doubt that The Hospital of God will continue to change, adapt and evolve to meet the needs of those who use our services, and their families and carers. While we wait for much needed social care reforms to materialise we continue to strive towards meeting the challenge of underfunding and towards finding the most effective and efficient ways of working.

Finally, I must thank my fellow trustees for their support over the years and wish my successor as chair of trustees, Chris Dickinson, all the very best in his new role. I hope that he will have an experience as positive and fulfilling as mine.

J. Michael Poole JP, DL
Chair of Trustees
June 2019

Director's statement



Welcome to our 2017/18 annual report in which we describe the progress of the Hospital of God over the past year and the opportunities and challenges that lie in front of the charity as we move forward. In the last year we have seen the retirement of our director, David Granath, who has committed 18 years of his life to working for The Hospital of God and has seen so many changes and developments. Everyone here wishes David a happy and healthy retirement. I have been incredibly welcomed and supported by everyone involved in the charity from the trustees to team members, our residents, guests and service users, their carers and families. I am genuinely privileged to become the director of this historic charity and look forward to seeing it develop and grow to make an even bigger difference in our communities.

No doubt change brings the opportunity to reflect. However much of the charity's important day to day work - providing care and support for people through our residential homes, almshouses, community based outreach services and day centre services - continues in the same vein, putting people at the heart of everything we do. Relationships are absolutely key to making a positive difference to people's lives. Every moment of every day we are caring for, supporting and providing accommodation for people in our communities and we must strive to do so with kindness, care and compassion, professionalism, honesty and integrity. I have been so impressed to see these very values consistently demonstrated by our team members throughout the time I have been here. We continue to see the impacts of austerity and the challenges that this brings to the delivery of our services and notwithstanding the challenges that people in our community continue to face. The saga of Brexit and the uncertainty that this brings is felt throughout our communities and although it is difficult to anticipate the impact of the ongoing discussions, debates and votes it nevertheless sends a ripple of uncertainty and questioning. Additionally there is the "opportunity cost", what else could have been achieved? The long awaited social care reforms?

The charity continues to support most of its services through its own charitable funds, seeking to add value wherever it can. We are acutely aware that the pressure on adult social care services - the provision of residential care homes and support for older people, often living with increasingly complex needs, and importantly their carers - continues, and demand seems to outstrip supply. Resources are stretched and many providers struggle to continue to provide services and indeed some providers of residential services are struggling to stay afloat. The charity, due to its long history and founding values is able to ride these storms to some extent, but nevertheless change and reform in the social care sector is long overdue.

It is clear to me that the charity's staff team is absolutely key to building good relationships and enabling us to achieve good outcomes for people and other charitable and not for profit community based organisations. Our values in all that we do, our approach and our mission is achieved by the wonderful team of people who work for the charity at every level. They do this, sometimes in the face of very challenging situations and at the most intense and emotional times in people's lives. The care and professionalism they show is inspiring and long may it continue. Anyone who says that working in care is a low skilled occupation, should quite frankly, open their eyes and celebrate the hard work, skills and emotional intelligence that staff in the care sector portrays.

As we continue to move forward, building on our rich and long history we are committed to maximising our impact, staying true to our values and mission and to meet and to support and empower people in our communities and the organisations that exist to support them as best we can. As I said, I have been made so welcome by the team of inspiring people here and I can only thank them all for their contributions, every moment of every day and I very much look forward to building the work of the charity, empowering people and empowering communities.

Lawrence McAnelly
Director
June 2019

Our Charitable Objectives

Our charitable objectives are outlined in the memorandum of association of The Hospital of God:

- 1 The provision of housing accommodation and extra care accommodation for beneficiaries
- 2 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
- 3 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. The charity may relieve persons in need by:
 - a) making grants of money to them or for their benefit;
 - b) providing or paying for goods, services or facilities for them;
 - c) making grants of money to other persons or bodies who provide goods, services or facilities to those in need.
- 4 The appropriation of bungalows, almshouses and other property belonging to the charity for the use of residents and brethren of the charity
- 5 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 care for older people
- nursing care for older people with dementia
- community support services for people with dementia and their carers
- supported almshouse accommodation for older people
- grant funding to other charities.

What we delivered in 2017/18



We provided 25,732 days of residential and nursing care at Stichell House and Gretton Court and their occupancy levels were **98.7%** and **97.2%** respectively.

We supported **241** people with advice at The Bridge dementia advisory service during the year

We provided **13,308** hours of our Community Pastimes service to **93** clients during the year



We had **45,121** almshouse occupancy days available across our 124 almshouses during the year and were occupied for **44,591** days – an occupancy level of 98.8%

We supported **104** people to return to home following a spell in hospital through our Home to Hospital service

We provided carer support to **412** people caring for a loved one with dementia or memory loss

We provided **4,956** days of day care for people with dementia and memory loss during the year in Hartlepool

We provided **47** memory cafes throughout the year plus gatherings, events and outings,



What we achieved in 2017/18

The trustees continue to provide a range of social care and housing services which are accessible and affordable to those people who need them and which are of the best possible quality.

The charity provides residential and nursing care at Stichell House and Gretton Court in Hartlepool for those people who can no longer live independently in their own homes. We continue to find that people living in residential care have increasingly complex needs either due to frailty or cognitive impairment or both. This has implications for the resources and skills required for dignified, safe and effective care.

The charity provides day care, community support and advice services for people with dementia to enable them to maintain the greatest degree of independence and well-being and to live at home for as long as possible. These services are provided across Hartlepool and County Durham. Our day services operate from Wheatley Hill, Horden, Seaham and Hartlepool. Our community pastimes service operates across Hartlepool and County Durham.

We recognise that people with dementia and their families often need advice and support and in Hartlepool this is available at “The Bridge” dementia advisory service which is run in partnership with the local authority and NHS colleagues. It is encouraging for us to continue to see so much joint working between agencies in the field of dementia and memory loss and we do all we can to encourage this by participating in local initiatives promoting “dementia friendly communities”.

We are passionate about making a difference and are very aware of the needs of those who care for people living with a dementia, and we know only too well the pressure and challenges they can face each day. This is why to complement our approach we believe it is vital to support carers. Our carer support teams provide individual support to families and run memory cafes where people receive advice and support in informal and relaxed settings - often building good, strong peer networks and good relationships between people.

The charity continues its long history of providing semi supported accommodation for older people through our almshouses in Hartlepool, Stockton and Norton. This model of good quality affordable housing supported by wardens helps to enable older people to live independently in a community and helps to reduce the risks of loneliness and isolation. It is a model which we are keen to continue to develop.

Through these activities we are able to provide a complete range of services ranging from informal low level support through to the most complex end of life care for people in our care homes.

The Hospital of God continues to work at virtually full capacity all of the time. We believe that this is because of our reputation and the quality of what we offer.

One of the challenges in the NHS is the problem of delayed discharge from hospital due to a lack of both care home beds and resources to support people in their own homes. Throughout the year we continued to deliver a home from hospital service in partnership with the local clinical commissioning group, successfully supporting people to return home from a period in hospital. Although there are some very positive examples of how this service has proved to be beneficial to people returning home after a stay in hospital, sadly it now faces an uncertain future due to commissioning decisions by the clinical commissioning group.

We continue to meet the requirements of the regulatory framework in which the charity operates. Throughout the year the charity continued to pay a great deal of attention to the standards required by the Care Quality Commission in relation to the care of the vulnerable adults for whom we have responsibility. In particular we have paid considerable attention to governance, audit and improvement in our care homes. It is not enough to provide good, safe, compassionate care but we also have to demonstrate effective quality control systems. We are pleased that our two care homes

are assessed by Care Quality Commission as “good” and are classified by our local authority as being of “grade 1” standard under their quality standards framework.

However, there are risks associated with providing residential care services, particularly in an environment where we are providing 24/7 care for people with sometimes complex health needs against the backdrop of inadequate social care funding. This was brought into sharp focus when, following an equipment failure in one of our homes in December 2016, the charity was charged with two offences under the Health and Social Care Act 2008. The charity fully co-operated with the Care Quality Commission throughout their investigation and pleaded guilty on to both charges at the first opportunity. The outcome of the prosecution was that the charity was fined £24,000 and ordered to pay £14,000 costs to the CQC together with a £170 victim surcharge.

We continued to be genuinely humbled by the support which we receive from family members and remain encouraged by what our service users and families say about our services, for example:

*“The support my father receives is positive. He always comes back happy and generally seems like he enjoys his days so THANK YOU”
The service you provide is amazing”*

*“Best staff and service. Excellent”
“I can only give praise for the help our family has been given since my mam started coming to the centre. Our family was in crisis before mam came and its been invaluable to us all. A very big thank you to all involved”*

“The team are wonderful with dad and very patient. He enjoyed the snooker afternoon and he always enjoys a pint. (Workers name) sat with him one afternoon a few weeks ago, dad had had a fall but all ok. I don’t think he wanted to go out so (Workers name) made him some lunch and a cuppa. They chatted and watched TV. Such an amazing team and service. we are so lucky. Thank you.”

‘I can only say that it’s excellent. My mum loves all the carers and says she doesn’t have anything to complain about. My mum’s health and confidence has improved since living in Stichell House.’

Underpinning the ability of The Hospital of God to move forward is the performance of its investments within the permanent endowment and how these are managed. It is important that the strategic objectives of the charity and those of the endowment are properly aligned and the trustees believe that this has been achieved with our investment managers during the year in question.

Hospital of God Grant Making in 2017/18

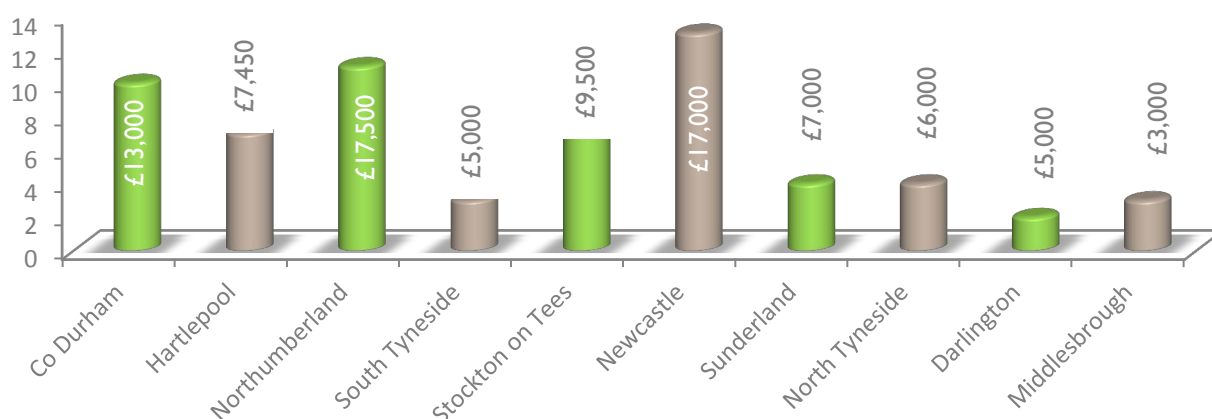
The grant making policy of the charity is to apply funding in a strategic manner in order to make as much impact as possible in our communities.

The Hospital of God grant making criteria are published on our website – the principal criteria being that the project to be funded must enhance the ability of individuals or communities to achieve self-determination, and that applicants show evidence of need and have effective governance arrangements in place.

The tables below show analyses of the grants totaling £90,450 which were made in the year:

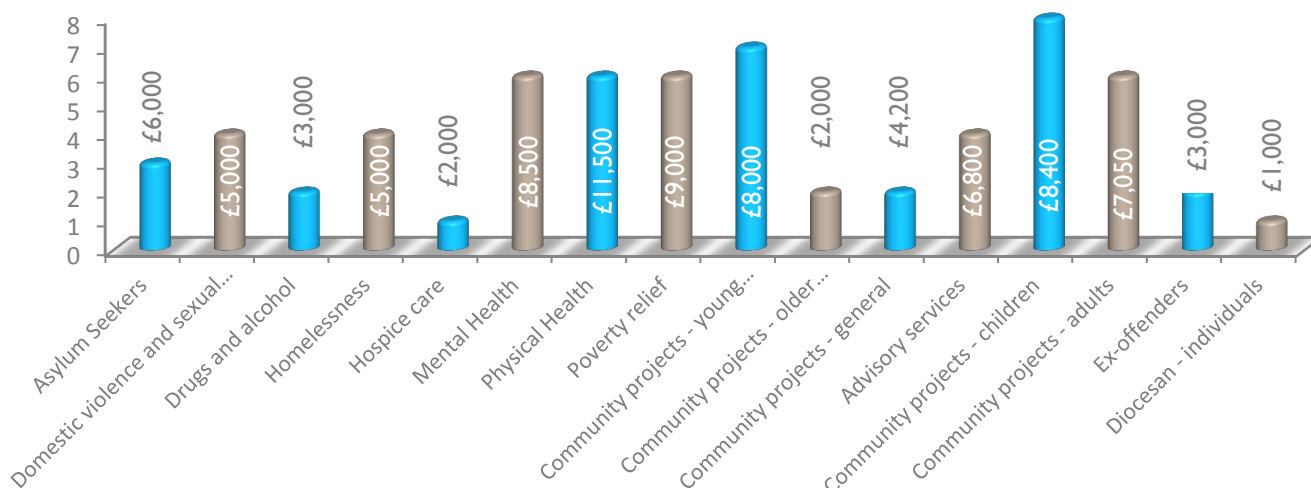
Number of grants awarded by location

(Showing total value of grants awarded in each location)



Number of grants awarded by type of organisation

(Showing total value of grants awarded to each type of organisation)



We continue to reach out to groups that may not know about Hospital of God grants in order to spread our benefit as widely as possible. In particular we attend funders' fairs and use social media in order to publicise our grants programme.

We recognise that grant recipients place great value on grants that repeat for more than one year and the policy of the charity is to allocate up to 10% of its annual grant-making budget to multi-year grants in order to give recipients a little more predictability for the future.



Our Statement of Public Benefit

The Hospital of God provides public benefit by virtue of its objects which are to relieve need, hardship and distress. In particular we work to ensure the independence, health, wellbeing and social integration of the people we work with.

The charity strives to ensure that its services are accessible and affordable by those who need them. For example, the fee rates in our two residential care homes match those set by the local authority and the same rates are charged to all residents regardless of their individual funding status. Where appropriate, the charity encourages and supports people in seeking state funding.

The Hospital of God to a greater or lesser extent subsidises all of its services from charitable income and this is considered to be an appropriate use of the charitable endowment in accordance with the legal objectives of the charity.

Examples of the way in which charitable funds are used to create public benefit during the year are:

- The use of Hospital of God funds to enhance the quality and variety of the service in our care home, nursing home and day centres;
- The operation of a transport service for our four day centres which is subsidised by the charity but 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 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.



An advice session at The Bridge

Further public benefit is provided by making grants to other charities and individuals in need throughout the north east. These grants are made in accordance with the objective of the charity to relieve need, hardship or distress.

It is confirmed that the trustees have given due consideration to Charity Commission guidance on public benefit under the Charities Act 2011.

Financial review of the year

Summary

During the year there were no significant changes in the charity's operating activities and the nature of their funding. This is reflected in the charity's operating income which remains broadly in line with that of the previous year. However a 4% increase in expenditure on charitable activities gave rise to an operating deficit of £94k, as compared with last year's almost break-even position.

The volatile investment market resulted in losses of £493k from investment market movements at 31 October 2018. Consequently the overall reported net deficit for the year was £574k as against the overall net surplus of £2.9m arising in the previous year which was itself due to largely to positive investment market movements in that year.

The charity's endowment continues to provide essential financial support to its charitable activities. The net income from the financial and property investment portfolios continues to bridge the gap between the cost of providing charitable services and the income generated from the provision of those services.

The charity's financial position remains strong, with total funds in excess of £43m and net current assets of £4m.

Results from charitable activities

The principal source of funding for the charity's activities is income generated through the provision of services, predominantly fees, contract payments and grants. This is supported by income from the charity's financial and property investments as noted above.

During the year fee income from the largest of the charity's activities, residential care, increased by approximately 1.6%. The charity has continued to achieve occupancy levels in excess of 95% in its two homes. As mentioned earlier in this report, the charity's current policy is to restrict its residential fee levels to the rates set by the local authority to help ensure that this service remains affordable to all. As the trustees consider these fee levels to be incompatible with the provision of high quality residential care, the charity subsidises this service for all residents from its other sources of income. During the year ended 31 October 2018 expenditure on residential care services exceeded fee income by £236k, representing a subsidy by the charity of approximately 9% of cost.

These accounts include full provision for the £38,170 fine and costs imposed on the charity as a result of the prosecution by the Care Quality Commission referred to on page 10 of this report.

The equipment failure which led to this prosecution brought to light some weaknesses in the charity's quality control systems which have since been extensively reviewed and improved. Throughout the year the charity continued to invest in the quality of all of its services with an emphasis on health and safety compliance. Resources have been directed to the strengthening of the charity's leadership team-led governance, audit and improvement programme. It is recognised that this investment is not a "one-off" but is rather something which will be required on an ongoing and continual basis and as such needs to be considered as part of the ongoing cost of service provision.

Income from community services, including its day care services, remains broadly in line with the prior year at £1.07m. Approximately 81% of this income derives from local authorities and NHS clinical commissioning groups on the basis of either block funding contracts or spot purchase arrangements under a framework contract. Given current public sector austerity measures, this funding is under constant pressure but the charity continues to receive positive feedback from commissioners about 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.

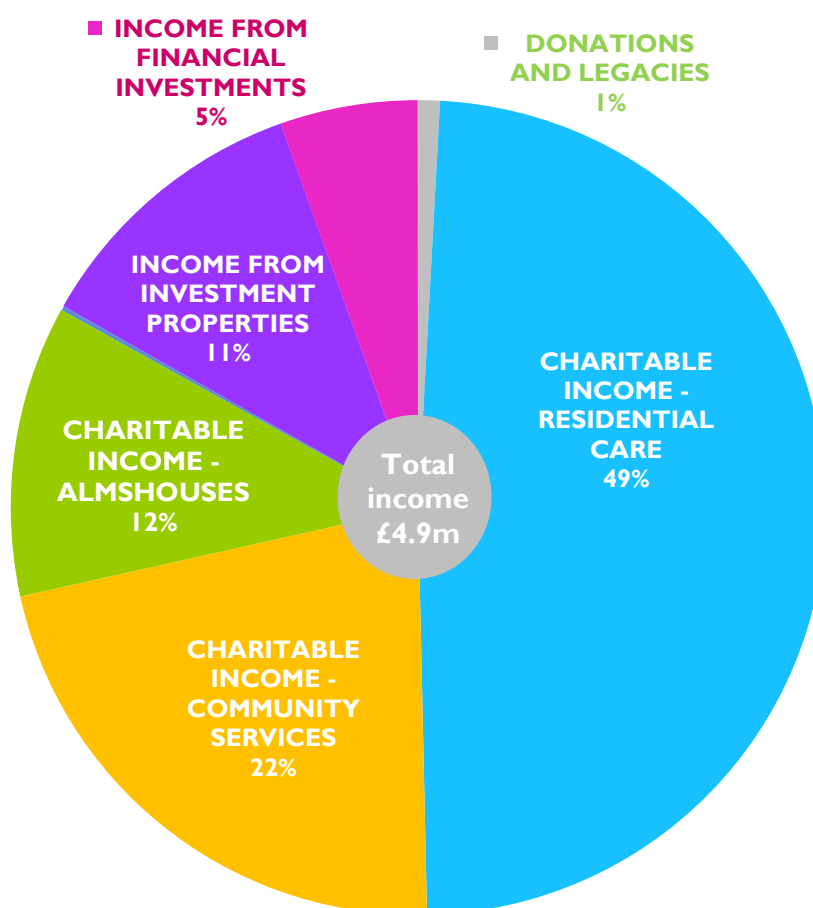
The full cost of providing these community services exceeded the income generated from these services by approximately £270k. This represents a subsidy by the charity of approximately 20% of cost. Factors contributing to this include the “one to one” nature of the charity’s community pastimes service and the cost of providing transportation to guests of the day care services. These services are expensive to run, but to price the services on the basis of full cost would render them unaffordable to most, and at the present time the trustees consider that the benefits to service users from these services justify the use of the charity’s funds in this way.

Income from the charity’s supported almshouse provision largely equates to the cost of providing this service. In the year under review this activity generated a small surplus of £12k.

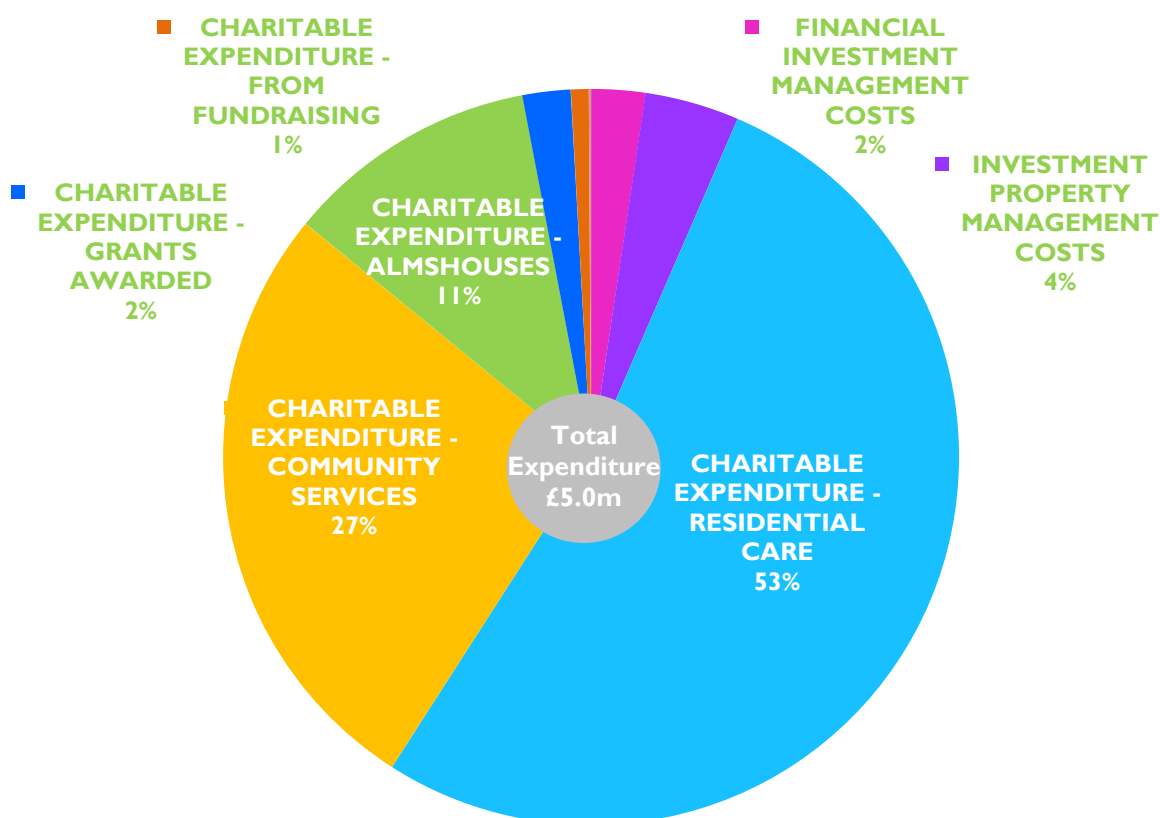
Finally, during the year the charity distributed grants totaling £90k to voluntary organisations. These grants, and the associated support costs, are funded from the charity’s own resources.

An analysis of the charity’s income from charitable activities and expenditure on those activities is shown in the charts below:

Income from charitable activities:



Expenditure on charitable activities:



Results from investment activities

The policy of the charity in relation to its financial investments is to maximise income and capital growth in order to support charitable operations, whilst accepting a moderate level of risk. As the charity currently has sufficient cash reserves in hand, the focus in recent years has been to achieve capital growth rather than income generation.

The trustees employ investment fund managers to manage the financial investment portfolio on a discretionary basis within broad investment parameters set by the trustees. These parameters take account of trustees' views on acceptable levels of risk and the balance between income generation and capital growth.

The investment 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 2018 the charity's financial investments generated income of £250k but sustained an overall capital loss of £493k, reflecting significant market volatility in the final month of the financial year. As the investments represent part of the charity's endowment funds, and as the objective of the portfolio is to achieve sustained growth over the medium to long term, short term fluctuations such as this can be absorbed within the charity's reserves without affecting its ability to deliver services.

Since receiving a total return order from the Charity Commission in 2010 the charity has been permitted to draw upon capital growth in the endowment's financial investment portfolio, 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 2018 was £17.5m and the value of "unapplied total return" at that date was £183k, reflecting the capital loss sustained by the financial investment portfolio in the year. As discussed in the previous paragraph, the long term nature of the financial endowment means that short term market volatility will not impact upon the charity's ability to operate and develop services.

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

The charity's other source of investment income is the income from its investment property portfolio, principally houses, farms and other properties located in and around the village of Greatham. The net rental income from these properties (after deducting maintenance and other costs) amounted to £350k. These funds, together with the income from the financial investments, are used to support charitable activities. These properties are maintained to a high standard to ensure that they are attractive on the rental market and occupancy levels are good. The charity endeavours to be a good landlord.

Financial position

The charity's financial position remains strong, with total funds in excess of £43m and net current assets of £4m, the latter represented by cash at bank and in hand.

The charity holds three different types of reserves – endowment, restricted and unrestricted.

The charity's endowment reserves comprise principally its permanent endowment which is represented by its investment assets (financial and property) and also its functional properties, which are the land and buildings owned by the charity and used directly for charitable or administrative purposes. Except for the unapplied total return on its financial investment portfolio, these reserves are not spendable by the charity, but must instead be retained in perpetuity. It is important to note that this requirement does not restrict the charity from changing the *composition* of its endowment assets. For example, the charity is permitted to sell financial investments and use the proceeds to construct a building for use in direct service delivery. In this situation the new building would become part of the endowment funds and the value would be therefore retained within the endowment funds.

Restricted funds comprise the assets of The Charity of Emma Simpson for Almshouses, which The Hospital of God charitable company holds on trust. Further details of this are given in Note 1 to these accounts.

The charity's unrestricted reserves comprise principally the general fund, an extraordinary repair fund and a development fund. Trustees have complete discretion over how these funds are used in furtherance of the charity's 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. As a result the minimum level of reserves which is considered acceptable is £1.25m. At 31 October 2018 the charity's total unrestricted funds totalled £4.2m, an analysis of which is shown in Note 23 to these accounts.

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 charity continues to have a financial obligation in relation the Greatham Hospital Pension Scheme, a 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 FRS102 valuation of the charity's net obligation as at 31 October 2018 is £92k which is dealt with through its general reserves. Further details of this obligation are included in these accounts at Note 22.

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.



Our strategy and what we intend to achieve in 2018/19

At the core of what we do are the charities values and approach and the passion, commitment and expertise to make a difference to the lives of people in our communities.

Working with team members, and listening to people and carers who use our services and our trustees we have developed a three year strategic plan. This has involved re-visiting our values and approach, identifying key themes and setting a range of strategic objectives and milestones. At the heart of this process has been a drive to empower people at all levels of the charity - work that will very much be ongoing.

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

Our key strategic objectives are to:

- Provide a range of services to meet the needs of older people in the North East
- Make life better for people with dementia and their carers
- Maintain the charity's independence and long term sustainability
- Support the communities of the North East to make a difference
- Be a great place to work and belong - our people are key

Our aims - what we want to achieve:

- Excellent, outstanding services people at the heart, outcomes focused, effective, welcoming, accessible and valued by our communities
- Our people are key- a great place to work and belong, good leadership and governance
- Planning and investing for future sustainable solutions and growth- a force for good and 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 - a fit for purpose infrastructure supporting the delivery of efficient, cost conscious, safe, value based services

Our approach-how we will achieve our aims:

- Empower people at every level of the organisation-listen, learn, value, respect, lead
- Collaborate - engage listen to and work with key stakeholders to develop good solutions and achieve great outcomes
- Invest - making the best use of our resources, our buildings, our assets, our development fund
- Transform systems and processes to minimise waste, making the best use of good technology, get the best deals and always achieve value
- Outcomes focused, driving our performance, our decision making, our accountability
- Our values - underpinning every relationships, every intervention, every transaction

Strategic Objective 1 - Excellent, outstanding services

People at the heart, outcomes focused, effective, welcoming, accessible and valued by our communities

The challenges facing the social care system are not of course only ours in isolation...however:

- We have significant strength through our history, independence and standing.
- We are privileged, enabled and empowered to make positive and impactful choices to make a difference and achieve good outcomes

We will:

- Deliver excellence - review our governance, audit and improvement policy and practice to facilitate outstanding quality, learning and development.
- Be pro-active choosing to maintain and develop our existing services.
- Ensure the correct and best funding mechanisms are in place, being flexible and adaptive to change in the funding and commissioning environment.
- Develop new services in line with our aims, test approaches and delivery models, to meet the needs of our communities, to make a difference and achieve good outcomes.
- Work with our residents, guests, client's, their families and carers to facilitate active involvement and co-production
- Build 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
- Develop the effective use of technology to support the achievement of the best outcomes for our residents, guests and service users
- Collaborate and work in partnership, at various levels in our community with various stakeholders - considering each opportunity on its merits

Strategic Objective 2 - Our people are key- a great place to work and belong, good leadership and governance

- People are at the heart of everything we do
- Our employees, at every level are absolutely fundamental to us achieving our aims
- Champions of our values and culture, the ambassadors and the marketing force of the charity.
- Committed to recruiting, retaining and developing the best workforce we can
- Promote a culture of empowerment, where our employees, volunteers and trustees are valued, listened to and have a real sense of belonging
- Position ourselves positively in the marketplace - ensure our salaries, conditions and terms are the best they can be
- Values based recruitment process to ensure we recruit the best team members we can
- Ensure our staff are supported, encouraged to learn and develop
- Empowering leaders at all levels of the organisation, supporting them and all our colleagues to flourish and reach for their potential
- Have a strong, committed and healthy leadership team and plan for succession
- 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 develop our good governance practices

Strategic Objective 3 - Planning and investing for future sustainable solutions and growth - a force for good - here for everyone

Our communities continue to face significant challenges to maintain good health and wellbeing:

- An ageing population, living longer sometimes with complex health needs presents society with increasing challenges
- We are acutely aware of the cost of social care and the pressures on the public purse
- Equally, we know of the impact of loneliness and isolation amongst our communities, older people, people living with a dementia, their families and carers
- 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
- A force for good, here for everyone
- Invest in the development of a reducing loneliness programme - our “building belonging” programme - delivering interventions and activities which reduce loneliness and isolation and help to build a sense of belonging and community
- Make best use of our buildings and physical assets, using 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
- Gain knowledge, develop models that work and where possible provide research, learning and development opportunities
- Collaborate and work with local stakeholders to advise the development of effective social prescribing models, early help and preventative measures
- Consider opportunities to deliver or be part of the delivery of publically funded services where we can deliver well, add value and where there is a clear fit with our objectives and outcomes
- Be open to opportunities including merger and acquisition
- 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 are good homes for their residents
- Review our buildings ensuring they are fit for purpose and making improvements when we can and when viable to do so
- Evaluate the development of “21st century almshouse” providing safe, supportive, sustainable communities, reduce loneliness and build belonging, whilst contributing to our long term sustainability
- Consider the options of 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 manager
- Annually review risk and our investment strategy
- Remain open to the potential of further investment(s) in buildings and land

Strategic Objective 4 - 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

The Hospital of God brings:

- A long history of philanthropy and grant giving
- Supporting many organisations across the North East.
- Continue our commitment to maintaining a grant programme
- Develop our relationship with grantees
- Focus our activity to align with our outcomes

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 outcomes

Strategic Objective 5 - Strengthening foundations - a fit for purpose infrastructure to achieve our mission

- Maintain our levels of delivery, enabling the delivery of efficient, cost conscious, safe and value based services
- Provide a foundation for development
- Ensure we are well managed, well lead, well governed
- Be respected, well known and recognised as a sector leader
- Make the best use of good technology to get the best results
- Embed an outcomes focus approach - monitor, learning and accountability

We will:

- Review our finance and administration role to strengthen our strategic and operational finance functions.
- Review our IT needs making best use of good technology across the organisation.
- Review the business development Function to align it to our plan
- Evaluate outcomes measurement and reporting tools
- Develop a marketing strategy to build awareness to support communications with our most important stakeholders, raise awareness of our work and build connectivity and networks

Resourcing our plans

- Deliver our plan in line with our annual operational budget.
- Commit resource from our development fund to invest in the organisation where this adds value to our existing services, is sustainable, contributes to our goals and supports our strategic objectives
- Replenish our development fund with further drawdowns from investment growth
- Access external funding and support opportunities when it is positive to do so

Reference and administrative details of the charity, its trustees and professional advisers

I) Details of the charity, its trustees and advisers

The charity is The Hospital of God at Greatham also known as Greatham Hospital. It is a charity and company limited by guarantee.

The company registration number is 6533385 and the charity registration number is 1123540.

The address of the principal office is: The Estate Office, Greatham, Hartlepool, TS25 2HS

The names of the charity trustees (who are also directors for the purposes of company law) who served during the year and up to the date this report was approved (26 June 2019) are:

Margaret Bousfield
John De Martino (retired 8 June 2019)
Christopher Dickinson
Robert Eden (appointed 12 December 2018)
The Venerable Ian Jagger (resigned 8 June 2019)
The Venerable Geoff Miller (resigned 8 June 2019)
Lois Neal (appointed 27 March 2018)
Annette Nylund
Michael Poole (Chair)
Peter Shields (retired 7 October 2018)
Philippa Sinclair (as nominee of the Bishop of Durham)
Mike Taylerson

The Director of the charity (chief executive and company secretary) is Lawrence McAnelly (appointed 4 June 2018)

The previous Director was David Granath (retired 31 July 2018)

The names and addresses of other relevant organisations are:

- Auditors: William Fortune & Son, Chartered Accountants, Collingwood House, Hartlepool, TS24 7EN
- Banker: Barclays Bank PLC, Stockton Business Centre, The Tees Group (North), P O 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, West Riding House, 67 Albion Street, Leeds, LS1 5AA

2. Structure, governance and management

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

The present company governing document for the charitable company is the memorandum and articles of association dated 13 March 2008.

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 linked Hospital of God charity.

The Hospital of God charity holds the permanent endowment on behalf of the company. The charitable company is corporate trustee of the Hospital of God charity. Income generated from investments within the permanent endowment becomes available for use by the charitable company in furtherance of its objectives.

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. Bishops may and historically have 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 structure 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 the following committees:

- Finance and Property committee which meets four times a year
- Grants committee which meets three times a year

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 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. In addition it has contractual relationships with the local clinical commissioning groups for the funding of community services and nursing services.

There is a relationship with a local charity the Waddington Street Centre in Durham. The Hospital of God provides a house that is managed by Waddington Street Centre as a halfway house for people recovering from mental illness.

The Hospital of God absorbed the Fox Almshouses in Norton on 1 February 2008.

The Hospital of God absorbed the work of Hartlepool and East Durham Alzheimer's Trust on 1 April 2008.

The Hospital of God absorbed Stockton Almshouses Charity and Stockton Relief in Need Charity on 12 July 2010.

The Hospital of God became the corporate trustee of The Charity of Emma Simpson for Almshouses on 28 July 2017.

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 Director reports to trustees on any new risks that might arise during the course of the 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
Employee 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 (eg DBS checks) whistle-blowing and raising concerns policy agreed
Information technology - failure of IT systems or cyber-attack that leads to financial loss or paralysis and the inability of the charity to conduct its business.	<ul style="list-style-type: none"> • Review and appraisal of system needs and options undergone • appraise security and authorisation procedures • IT contract providers in place • Annual review of insurance cover for any insurable

	<p>loss</p> <ul style="list-style-type: none"> • Alertness to the ever changing threats caused by criminal and fraudulent activity supported by effective staff awareness training • Investment as necessary in hardware and software required to maintain system security • Robust recovery plan in conjunction with external IT suppliers
Health, safety and environment	<ul style="list-style-type: none"> • Legal requirements met (Charities Commission, Companies House, CQC, local authority, The Pensions Regulator etc.) • Programme of staff training and developed induction • External health and safety support commissioned • GAI process in place (care homes) • Health and safety management group in place • Reports to board of trustees
External risk - demographic considerations and government Policy	<ul style="list-style-type: none"> • Review of demographics monitoring of demand for services • Clear parameters in place around numbers of people accessing services and level of care and support • Individual assessment and risk assessment completed for residents, guests and clients • Continue to gather data and intelligence, established networks and reporting mechanisms in place. • Maintain good levels of performance • Monitor cost/price • Continue to gather intelligence and keep abreast of developments and innovation • Informed decision making

In addition to these five major risks there is a full and comprehensive register in place that is monitored and revised as is necessary.

Statements as to disclosure of information 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.

On behalf of the Trustees

.....

Lawrence McAnelly,
Director/Company Secretary

.....

Date

Statements of trustee's 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.

Auditors

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

On behalf of the trustees

.....

J Michael Poole JP, DL
Chair of trustees

.....

Date

The Hospital of God at Greatham

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

Year ended 31 October 2018

Opinion

We have audited the financial statements of The Hospital of God at Greatham (the 'charity') for the year ended 31 October 2018 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 2018 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.

The Hospital of God at Greatham

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

Year ended 31 October 2018

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 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.

The Hospital of God at Greatham

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

Year ended 31 October 2018

Responsibilities of the trustees

As explained more fully in the trustee's 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.

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.

The Hospital of God at Greatham

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

Year ended 31 October 2018

- 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 trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees 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
Collingwood House
Church Square
Hartlepool
TS24 7EN

26 June 2019

The Hospital of God at Greatham

Statement of Financial Activities (including income and expenditure account)

Year ended 31 October 2018

					2018	2017
	Note	Unrestricted funds £	Restricted funds	Endowment funds £	Total funds £	Total funds £
Income and endowments						
Donations and legacies	5	42,149	–	–	42,149	34,140
Charitable activities	6	4,022,057	30,478	–	4,052,535	3,986,549
Investment income	7	576,968	–	249,545	826,513	827,278
Total income		<u>4,641,174</u>	<u>30,478</u>	<u>249,545</u>	<u>4,921,197</u>	<u>4,847,967</u>
Expenditure						
Expenditure on raising funds:						
Investment management costs	8	(206,971)	–	(119,255)	(326,226)	(355,615)
Expenditure on charitable activities	9,10	(4,649,159)	(40,221)	–	(4,689,380)	(4,493,623)
Total expenditure		<u>(4,856,130)</u>	<u>(40,221)</u>	<u>(119,255)</u>	<u>(5,015,606)</u>	<u>(4,849,238)</u>
Total income less total expenditure		(214,956)	(9,743)	130,290	(94,409)	(1,271)
Net unrealised gains/(losses) on investments	11	16,333	295	(509,497)	(492,869)	1,679,727
Net unrealised gains on tangible fixed assets	15	–	–	–	–	876,492
Net income/(expenditure)		<u>(198,623)</u>	<u>(9,448)</u>	<u>(379,207)</u>	<u>(587,278)</u>	<u>2,554,948</u>
Transfers between funds		67,775	–	(67,775)	–	–
Transfer from other charity		–	–	–	–	209,171
Other recognised gains and losses						
Decrease in pension fund deficit	21	13,000	–	–	13,000	159,000
Net movement in funds		<u>(117,848)</u>	<u>(9,448)</u>	<u>(446,982)</u>	<u>(574,278)</u>	<u>2,923,119</u>
Reconciliation of funds						
Total funds brought forward		4,343,572	1,100,945	38,526,017	43,970,534	41,047,415
Total funds carried forward	23	<u>4,225,724</u>	<u>1,091,497</u>	<u>38,079,035</u>	<u>43,396,256</u>	<u>43,970,534</u>

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derives from continuing activities.

The Hospital of God at Greatham

Statement of Financial Position

Year ended 31 October 2018

		2018 £	2017 £
Fixed assets			
Tangible fixed assets	15	9,413,376	9,668,606
Investments	16	30,168,681	30,435,587
		<u>39,582,057</u>	<u>40,104,193</u>
Current assets			
Debtors	18	409,932	380,609
Cash at bank and in hand		4,025,929	4,079,556
		<u>4,435,861</u>	<u>4,460,165</u>
Creditors: amounts falling due within one year	19	434,676	393,066
Net current assets		<u>4,001,185</u>	<u>4,067,099</u>
Total assets less current liabilities		43,583,242	44,171,292
Creditors: amounts falling due after more than one year	20	94,986	95,758
Provisions for liabilities	21,22	92,000	105,000
Net assets		<u>43,396,256</u>	<u>43,970,534</u>
Funds of the charity			
Endowment funds		38,079,035	38,526,017
Restricted funds		1,091,497	1,100,945
Unrestricted funds		4,225,724	4,343,572
Total charity funds	23	<u>43,396,256</u>	<u>43,970,534</u>

These financial statements were approved by the board of trustees and authorised for issue on 26 June 2019, and are signed on behalf of the board by:

Michael Poole
Chair of trustees

The Hospital of God at Greatham

Statement of Cash Flows

Year ended 31 October 2018

	2018 £	2017 £
Cash flows from operating activities		
Net income	(587,278)	2,554,948
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	255,230	238,392
Net movement on investments	492,868	(1,679,727)
Net gains on tangible fixed assets	-	(876,492)
Dividends, interest and rents from investments	(826,513)	(827,278)
Interest payable and similar changes	10,732	10,786
Accrued (income)/expenses	9,735	87,358
<i>Changes in:</i>		
Trade and other debtors	(29,323)	(97,666)
Trade and other creditors	31,794	29,205
Cash generated from operations	(642,755)	(560,474)
Interest paid	(10,732)	(10,786)
Net cash used in operating activities	<u>(653,487)</u>	<u>(571,260)</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	826,513	827,278
Purchase of tangible assets	-	(35,121)
Proceeds from sale of tangible assets	-	8,767
Purchases of other investments	(225,962)	(238,555)
Proceeds from sale of other investments	-	40,000
Net cash from investing activities	<u>600,551</u>	<u>602,369</u>
Cash flows from financing activities		
Proceeds from borrowings	(691)	(638)
Net cash used in financing activities	<u>(691)</u>	<u>(638)</u>
Net decrease in cash and cash equivalents	(53,627)	30,471
Cash and cash equivalents at beginning of year	4,079,556	4,049,085
Cash and cash equivalents at end of year	<u>4,025,929</u>	<u>4,079,556</u>

The Hospital of God at Greatham

Notes to the Financial Statements

Year ended 31 October 2018

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 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 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 2018

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 2018

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 so as 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 2018

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 2018 £	Unrestricted Funds £	Total Funds 2017 £
Donations				
Donations and legacies	30,438	30,438	17,091	17,091
Sponsorship				
Sponsorship income	11,711	11,711	17,049	17,049
	<u>42,149</u>	<u>42,149</u>	<u>34,140</u>	<u>34,140</u>

6. Income from charitable activities

	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>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £
Residential care	2,362,204	-	2,362,204
Community services	1,058,723	-	1,058,723
Supported almshouses	524,876	30,547	555,423
Other charitable activities	10,199	-	10,199
	<u>3,956,002</u>	<u>30,547</u>	<u>3,986,549</u>

The Hospital of God at Greatham

Notes to the Financial Statement *(continued)*

Year ended 31 October 2018

7. Investment income

	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>

	Unrestricted Funds £	Endowment Funds £	Total funds 2017 £
Income from investment properties	540,572	–	540,572
Interest and dividends	25,984	260,722	286,706
	<u>566,556</u>	<u>260,722</u>	<u>827,278</u>

8. Investment management costs

	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>

	Unrestricted Funds £	Endowment Funds £	Total Funds 2017 £
Portfolio management	–	68,172	68,172
Property repairs and maintenance charges	233,938	–	233,938
Support costs	48,361	–	48,361
Depreciation	5,144	–	5,144
	<u>287,443</u>	<u>68,172</u>	<u>355,615</u>

As a result of some changes during the year in the manner in which the investment manager reports product fees and charges, the charity had greater visibility into these fees and charges many of which were previously reflected only in product prices and valuations.

The Hospital of God at Greatham

Notes to the Financial Statement (continued)

Year ended 31 October 2018

9. Expenditure on charitable activities by fund type

	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>

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2017
	£	£	£	£
Residential care	2,118,342	—	—	2,118,342
Community services	1,112,488	—	—	1,112,488
Supported almshouses	290,456	20,668	—	311,124
Grants	108,380	—	—	108,380
Fundraising fund costs	42,681	—	—	42,681
Support costs	792,704	—	—	792,704
Other charitable activities	7,904	—	—	7,904
	<u>4,472,955</u>	<u>20,668</u>	<u>—</u>	<u>4,493,623</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2018	Total fund 2017
	£	£	£	£
Residential care	2,265,864	371,443	2,637,307	2,477,620
Community services	1,069,573	275,411	1,344,984	1,367,860
Supported almshouses	360,244	196,322	556,566	475,158
Grants	90,450	15,956	106,406	122,400
Fundraising fund costs	38,641	—	38,641	42,681
Other charitable costs	5,476	—	5,476	7,904
	<u>3,830,248</u>	<u>859,132</u>	<u>4,689,380</u>	<u>4,493,623</u>

The Hospital of God at Greatham

Notes to the Financial Statement (continued)

Year ended 31 October 2018

11. Net unrealised gains on investments

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2018 £
Unrealised gains/(losses) on listed investments	<u>16,333</u>	<u>295</u>	<u>(509,497)</u>	<u>(492,869)</u>
	Unrestricted Funds	Restricted Funds £	Endowment Funds £	Total Funds 2017 £
Unrealised gains on listed investments	<u>72,037</u>	<u>5,403</u>	<u>1,602,287</u>	<u>1,679,727</u>

12. Net income

Net income is stated after charging:

	2018 £	2017 £
Auditor's remuneration	8,500	8,500
Depreciation of tangible fixed assets	<u>255,230</u>	<u>238,392</u>

13. Staff costs

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

	2018 £	2017 £
Wages and salaries	2,678,956	2,564,973
Social security costs	169,599	158,800
Employer contributions to defined contribution pension schemes	26,588	18,214
Employer contributions to defined benefit pension scheme	96,542	38,208
Operating costs of defined benefit pension scheme	<u>23,854</u>	<u>39,603</u>
	<u>2,995,539</u>	<u>2,819,798</u>

Included in employer contributions to the defined benefit pension scheme is the first 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 178 (2017: 178), analysed as follows:

	2018 No	2017 No
Management and administration	11	11
Care services	164	164
Estate	<u>3</u>	<u>3</u>
	<u>178</u>	<u>178</u>

The Hospital of God at Greatham

Notes to the Financial Statement (continued)

Year ended 31 October 2018

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

	2018 No.	2017 No.
£70,000 to £79,999	0	1

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 £217,437 (2017: £200,916).

14. Trustee remuneration and expenses

No remuneration was paid to the trustees.

15. Tangible fixed assets

	Freehold property £	Equipment £	Total £
Cost			
At 1 November 2017	13,089,483	210,109	13,299,592
Additions at cost	-	-	-
Transfer from other charity	-	-	-
Revaluation of almshouse properties	-	-	-
Disposals	-	-	-
At 31 October 2018	13,089,483	210,109	13,299,592
Depreciation			
At 1 November 2017	3,486,435	144,551	3,630,986
Charge for the year	242,117	13,113	255,230
Disposals	-	-	-
At 31 October 2018	3,728,552	157,664	3,886,216
Carrying amount			
At 31 October 2018	9,360,931	52,445	9,413,376
At 31 October 2017	9,603,048	65,558	9,668,606

The Hospital of God at Greatham

Notes to the Financial Statement (continued)

Year ended 31 October 2018

16. Investments

	Listed investments £	Investment properties £	Total £
Cost or valuation			
At 1 November 2017	19,017,337	11,418,250	30,435,587
Additions	225,962	—	225,962
Disposals	—	—	—
Fair value movements	(492,868)	—	(492,868)
At 31 October 2018	18,750,431	11,418,250	30,168,681
Impairment			
At 1 November 2017 and 31 October 2018	—	—	—
Carrying amount			
At 31 October 2018	18,750,431	11,418,250	30,168,681
At 31 October 2017	19,017,337	11,418,250	30,435,587

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 on the basis of 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:

	2018 £	2017 £
Permanent endowment fund	17,707,882	17,990,078
Non-permanent endowment funds	139,242	140,581
Total endowment funds	17,847,124	18,130,659
Unrestricted funds	903,307	886,678
	18,750,431	19,017,337

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 2018

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 2017			
Gift component of the permanent endowment	17,000,421	-	17,000,421
Unapplied total return	-	989,657	989,657
Total at 31 October 2017	17,000,421	989,657	17,990,078
Movements in the reporting period			
Investment returns - dividends and interest	-	244,501	244,501
Investment returns – realised and unrealised gains and (losses)	-	(508,158)	(508,158)
Additions to trust for investment	-	-	-
Income repaid to unapplied total return in year	-	100,716	100,716
Less: Investment management costs	-	(119,255)	(119,255)
Total movements in the reporting period before transfers	-	(282,196)	(282,196)
Transfer from unapplied total return to maintain real value of trust for investment	524,124	(524,124)	-
Net movements in the reporting period	524,124	(806,320)	(282,196)
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

The Hospital of God at Greatham

Notes to the Financial Statement *(continued)*

Year ended 31 October 2018

18. Debtors

	2018	2017
	£	£
Trade debtors	345,535	323,098
Prepayments and accrued income	64,397	57,511
	<u>409,932</u>	<u>380,609</u>

19. Creditors: amounts falling due within one year

	2018	2017
	£	£
Mortgage loan	791	710
Trade creditors	267,668	238,399
Accruals and deferred income	127,623	117,888
Social security and other taxes	38,594	36,069
	<u>434,676</u>	<u>393,066</u>

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

	2018	2017
	£	£
Mortgage loan	<u>94,986</u>	<u>95,758</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 2017	105,000
Reduction in provision during the year	<u>(13,000)</u>
At 31 October 2018	<u>92,000</u>

The Hospital of God at Greatham

Notes to the Financial Statement *(continued)*

Year ended 31 October 2018

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 £26,588 (2017: £18,214).

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 in 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 is still open to accrual, the employer pays contributions to the scheme for future service benefits. During the year ended 31 October 2018 the employer paid contributions at the rate of 29.6% of gross pensionable salary for active members.

The next valuation of the Scheme is due as at 31 October 2019. In the event that the 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 £80,000 in the year to 31 October 2019.

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 2018 there was a deficit of £92,000. This compares with a deficit of £105,000 at the previous review date. The deficit is slightly lower than last year due to the impact of a higher discount rate used to calculate the value of the scheme's liabilities and the deficit contributions paid by the employer. The combined effect of these two factors was partially offset by lower 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 2018

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 2018 £'000	As at 31 October 2017 £'000
Fair value of assets	3,083	3,076
Present value of funded obligations	(3,175)	(3,181)
Deficit recognised in the Statement of Financial Position	(92)	(105)

The fair value of the scheme's investment assets at 31 October 2018 analysed by major asset class is as follows:

Asset class	31 October 2018 £'000
Diversified growth fund	1,838
Index-linked gilts	607
Corporate bonds	602
Cash	36
Total	3,083

The actual return on the Scheme's assets during the year was a loss of £25,000 (2017 gain of £151,000).

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 2018 £'000	As at 31 October 2017 £'000
Fair value of scheme assets at the beginning of the year	3,076	2,950
Interest on assets	87	82
Employer contributions paid to scheme in year	97	38
Contributions by scheme participants	0	0
Benefits paid by scheme in year	(65)	(63)
Administration costs	0	0
Change due to settlements	0	0
Return on scheme assets less interest	(112)	69
Fair value of scheme assets at the end of the year	3,083	3,076

The Hospital of God at Greatham

Notes to the Financial Statement *(continued)*

Year ended 31 October 2018

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 2018 £'000	As at 31 October 2017 £'000
Defined benefit obligations of the scheme at the beginning of the year	3,181	3,214
Current service cost	32	33
Contributions by scheme participants	0	0
Past service cost	0	0
Interest cost	88	89
Benefits paid by scheme in year	(65)	(63)
Change due to settlements	0	0
Experience (gain)/loss on defined benefit obligation	0	0
Changes to assumptions	(61)	(92)
Defined benefit obligations of the scheme at the end of the year	3,175	3,181

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 2018 £'000	Year ended 31 October 2017 £'000
Total income/(costs) recognised in the year, as detailed below	(33)	(40)
Total re-measurement gains/(losses) in the year, as detailed below	(51)	161
Employer contributions	97	38,
Net amount recognised in the Statement of Financial Activities	13	159

The Hospital of God at Greatham

Notes to the Financial Statement *(continued)*

Year ended 31 October 2018

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

Costs/(income) recognised in the year	Year ended 31 October 2018 £'000	Year ended 31 October 2017 £'000
Current service cost	32	33
Administration costs	-	-
Interest on liabilities	88	89
Interest on assets	(87)	(82)
Past service cost	-	-
Settlement cost	-	-
Total costs/(income) recognised in the year	33	40

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 2018 £'000	Year ended 31 October 2017 £'000
Loss/(gain) on scheme assets in excess of interest	112	(69)
Experience losses/(gains) on liabilities	-	-
Losses/(gains) from changes to assumptions	(61)	(92)
Total re-measurement losses/(gains) recognised in the year	51	(161)

The Hospital of God at Greatham

Notes to the Financial Statement *(continued)*

Year ended 31 October 2018

Principal assumptions

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

	31 October 2018	31 October 2017
Discount rate	2.9% pa	2.8% pa
Inflation assumption (RPI)	3.4% pa	3.4% pa
Inflation assumption (CPI)	2.5% pa	2.5% pa
Salary increases	3.4% pa	3.4% pa
CPI max 5% pension increases	2.4% pa	2.4% pa
RPI max 2.5% pension increases	2.3% pa	2.3% pa
Discretionary pension increases	1.2% pa	1.2% pa
Post retirement mortality assumption	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 2018

23. Analysis of charitable funds

Unrestricted funds

	At 1 Nov 2017	Income	Expenditure	Transfers	Gains and losses	At 31 Oct 2018
	£	£	£	£	£	£
General fund	1,316,144	4,592,020	(4,590,543)	(250,139)	16,333	1,083,815
Fundraising fund	35,964	42,049	(38,641)	-	-	39,372
Building Fund	426,611	-	-	-	-	426,611
Development fund	898,126	-	-	(69,326)	-	828,800
Extraordinary repair fund	1,666,727	7,105	(213,946)	387,240	-	1,847,126
	<u>4,343,572</u>	<u>4,641,174</u>	<u>(4,843,130)</u>	<u>67,775</u>	<u>16,333</u>	<u>4,225,724</u>

Restricted funds

	At 1 Nov 2017	Income	Expenditure	Transfers	Gains and losses	At 31 Oct 2018
	£	£	£	£	£	£
The Charity of Emma Simpson for Almshouses	<u>1,100,945</u>	<u>30,478</u>	<u>(40,221)</u>	<u>-</u>	<u>295</u>	<u>1,091,497</u>

Endowment funds

	At 1 Nov 2017	Income	Expenditure	Transfers	Gains and losses	At 31 Oct 2018
	£	£	£	£	£	£
Permanent Endowment Fund	38,379,523	245,129	(119,255)	(67,776)	(508,579)	37,929,042
Stockton Relief in Need Fund	<u>146,494</u>	<u>4,416</u>	<u>-</u>	<u>-</u>	<u>(917)</u>	<u>149,993</u>
	<u>38,526,017</u>	<u>249,545</u>	<u>(119,255)</u>	<u>(67,776)</u>	<u>(509,496)</u>	<u>38,079,035</u>

24. Trustee related party transactions and interests

John De Martino, 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.

Robert Eden, who was appointed as trustee on 12 December 2018, was appointed as a trustee of the Greatham Hospital Pension Scheme on 9 June 2019.

Trustees are reimbursed for their travel on a mileage basis. During the year two trustees were reimbursed mileage costs totalling £598.

Care Services & Almshouses Services

Stichell House, Greatham

Stichell House is our acclaimed care home for elderly people in Greatham. We take both private and local authority funded residents

Gretton Court, Hartlepool

Gretton Court is purpose built nursing home providing specialist care for 33 people with a dementia related illness.

Almshouses

We have more than one hundred almshouses for older people in Greatham, Stockton and Norton. These all have warden support and an alarm call system. They range from brand new purpose built units to sensitively adapted older properties some of which are listed buildings.

Grants

We make grants to other charities throughout the north east.

Day Centres in Hartlepool, Seaham Horden and Wheatley Hill

These provide high levels of care on a daily basis to people living in the community with a dementia related illness and support their carers.

Community Pastimes in Hartlepool, County Durham and Stockton

Where we provide support and activities for people with dementia in their own homes or in the community.

The Bridge, Hartlepool

Where we provide an advice and support service for people with dementia and their carers.



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www.hospitalofgod.org.uk

Registered Charity Number 1123540

Registered Company Number 6533385

A Limited Company Registered in England and Wales