

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

The Hospital of God at Greatham

Trustees' Annual Report and Accounts
for the year ended
31 October 2021

A place to live, a place to love, a place to belong

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Introduction

Message from the chair - Lois Neal

Welcome to our report for November 2020 until October 2021. It has been a year in which the charity has experienced the depths of the COVID-19 pandemic and begun to emerge into its legacy that is living with a highly transmissible viral infection and move to recover our collective wellbeing. While the challenge at the start of the pandemic was to maintain our provision for those in need the challenge through to late 2021 has been to recognise the impact of the situation on our systems and processes and the consequential hiatus in our plans for improvement and further development.

The priority for the Charity has been to maintain a safe environment for our residents and those seeking to use our community services, and also our staff team. The resourcefulness of our staff in adapting their working practices to fit in with changing situation and guidance has been the bedrock to our flexibility and our ability to continue to help those in need. Without our front-line care and all staff showing their commitment to others and giving of themselves the Charity would not have been able to maintain its provision. The ongoing support of the local NHS and authorities, our key partners, has been invaluable. Our beneficiaries, their families and volunteers have all shown great thoughtfulness and co-operation in their dealings with the Charity throughout. The Board of Trustees wish to say thank you to all those who have been involved through the 2020-2021 year.

The appointment of a dedicated Chaplain to the Charity has been instrumental in addressing our need to make provision for the spiritual wellbeing of residents, service users and our staff. The practicalities for staff in terms of appropriate pay levels and conditions of employment plus the need to address vacant posts have become particularly important through the pandemic and will continue to exercise the Trustees going forward.

As the Charity began to emerge from the COVID-19 pandemic it became clear that we had limitations and weaknesses in some of the Charity's systems and processes. The provision of residential and nursing care at Gretton Court proved to be particularly difficult through the depths of the pandemic such that the Trustees began to question whether the Charity could continue to provide the quality of care and an environment that those with dementias and co-morbidities deserved. After a lot of consideration and reflection we took the difficult decision to close Gretton Court Nursing home by the 31st of March, 2022.

Our ongoing recovery, which began in late 2021, aims to address the issues we face so that we can ensure our provision is of the highest quality, in sympathy with the existing needs and services in the region, and continue to engage with those who need our help going forward.

The Charity has continued to develop and embed its IT infrastructure to close the gap between day-to-day activities and record keeping that is transparent and easily retrievable. This is especially important in the context of residential care and other community-based services. The reporting of Proprietor's Visits has been overhauled and refocused on the holistic experience of a resident and their relatives. It is proposed to extend this approach over the medium-term to include the other provision and services of the Charity to give the Trustees a full picture of how we are delivering.

Despite the restrictions of the COVID-19 rules, the Charity has continued to maintain its presence in the community. Many of the people who access our services have found the connection, even if only by electronic and virtual means to be helpful to them and look forward to regaining face-to-face support when appropriate. The emotional and mental toll on individuals and their carers cannot be

underestimated. Taking steps to compensate for what has been lost is a feature of our COVID-19 recovery plans.

Going forward the Board of Trustees is charged with making decisions about the breadth of the Charity's future services. It is taking cognisance of the demographics and needs of the region in working towards a conclusion. Our revised management structure is now embedded so we have the skills in place to manage the changes we anticipate will be needed in attaining a stable, viable and impactful future. Although the Charity will change in some areas as a result of the COVID-19 pandemic it will continue to be dedicated to providing care and support services to older people and the dementia community in the North East Region.

Lastly I would like to thank my fellow Trustees for their contributions and input and specifically Chris Dickinson, my predecessor as Chair, who as a Trustee and Chair has been instrumental in negotiating the Charity through these challenging times. We are all very appreciative of your leadership, support and care.

Lois M M Neal

Lois Neal
Chair of Trustees from April 2022

12 July 2022

Introduction

Message from the director - Lawrence McAnelly

Our incredible staff team have continued to work through a year still dominated by the Covid-19 pandemic. Our team have worked tirelessly throughout, our resilience tested to the full, many times.

Our residential and Nursing homes, Stichell House and Gretton Court have operated every minute of every hour of every day. Our day centres, community services and Almshouses have continued to deliver vital and important services, adapting delivery, putting safeguards in place to keep people as safe as we can and importantly being there for people. I couldn't be any prouder of the efforts and achievements of our staff team.

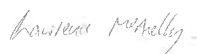
As guidance has changed nationally and in response to the local situation we have quickly changed and adapted our services. We have supported the introduction of the vaccine programme, implemented and adapted testing regimes and monitoring. We have seen the impact of covid -19 in our communities on residents, clients, their families, and our staff. We have only been too aware of the pressures on the health and social care workforce.

Through this we have continued to work on the development of the Charity, continuing to modernise our use of IT systems, improving our communications, data collection and analysis. This has of course been made more challenging because of the pandemic and progress has not been made as quickly as we wanted but we have continued to work to make these changes happen.

We have continued our grants programme for charities, social enterprises and community organisations making a difference across the North-East of England. We know how important small grants can be to help and support these organisations deliver in the community. We have adapted our approach, moving to an online format, making applications easier to complete and improving our administration processes.

We have said goodbye to people and welcomed new staff members to our team, and continue to develop our core infrastructure, using the experience of the previous years to help to pull together our thinking and plans for the future, working as an empowered and collective team.

Finally, I would like to thank our Trustee group, whose support through this difficult period has been unwavering, as a board they have met regularly, continuing to provide support and challenge and through these challenging times, keep the Charity focused on the bigger picture.



Lawrence McAnelly
Director
12 July 2022

Organisational details

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

The registered office is The Estate Office, Greatham Hall, Greatham, Hartlepool, TS25 2HS. The trustees of The Hospital of God at Greatham are directors for the purposes of company law and trustees for the purposes of charity law (hereinafter referred to as “the trustees”).

The trustees who served during the year and up to the date this report was approved (12 July 2022) are:

Co-opted:

- Christopher Dickinson (chair) (resigned 26/04/22)
- Margaret Bousfield (Vice-Chair)
- Robert Eden
- Lois Neal
- Kai Sander
- Patricia Hancock

Ex-officio:

- The Venerable Richard Simpson, Archdeacon of Auckland. (appointed 20 December, 2020)
- Philippa Sinclair (nominee of the Bishop of Durham)

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

The names and addresses of the principal professional advisers are:

- Auditors: William Fortune & Son, Chartered Accountants, Collingwood House, Hartlepool, TS24 7EN
- Banker: Barclays Bank PLC, Stockton Business Centre, The Tees Group North, PO Box 7, Stockton on Tees, TS18 1AH
- Investment Manager: JP Morgan Private Wealth Management Ltd, PO Box 68214, 1 Knightsbridge, London SW1P 9UH
- Solicitors: Archers Law LLP, Lakeside House, Kingfisher Way, Stockton on Tees, TS18 3NB
Solicitors: Ward Hadaway, Sandgate House, 102 Quayside, Newcastle upon Tyne, NE1 3DX
- Pension Scheme Adviser: Barnett Waddingham, Pinnacle, 67 Albion Street, Leeds, LS1 5AA

TRUSTEES' ANNUAL REPORT (INCLUDING THE STRATEGIC REPORT)

About the charity

Our charitable objectives

1. the provision of housing accommodation and extra-care accommodation for beneficiaries.
2. the provision of grants not exceeding £5000 in any one year for such parochial and 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 sufferers of Alzheimer's disease and related disorders. the charity may relieve persons in need by:
 - i. making grants of money to them or for their benefit.
 - ii. providing or paying for goods, services or facilities for them; or
 - iii. making grants of money to other persons or bodies who provide goods, services or facilities to those in need.
4. the appropriation of bungalows, alms houses 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 of the brethren and residents of the charity.

Our vision, mission and values

Our Vision is that older people live independently, live well and enjoy life, that people living with a dementia, their families, and carers live life to the full and that our communities are strong, full of hope and resilience.

Our Mission is to deliver excellent quality care and support, placing people at the heart. To support and empower communities where we work and across the northeast. To be forward thinking, caring, dynamic, a place to belong and a place to be.

Our Values are to be kind, caring and compassionate. We aim to listen, learn and strive for excellence and put people at the heart of everything we do, aiming to ensure that everybody matters all of the time.

What we do

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

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

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

The main charitable activities of the charity are:

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

Our impact

What we delivered and achieved in the year

2020/21 was a challenging year where we continued to work tirelessly to provide vital care and support services. Our homes have been operational every minute, every hour, every day. Our community based services, -Minerva House Day Centre, Hartlepool Day Centre, the Community Pastimes service, The Bridge Dementia Service and our Almshouses in Stockton, Norton and Greatham Hartlepool have all continued, being as accessible as possible to the people we work with.

"The Bridge" – Dementia Advisory Service (Hartlepool)

"I tell everyone about The Bridge and to pop in and meet the girls. From the minute we walked in that door, we could talk freely about anything. We've laughed and cried together."

The Bridge dementia advisory service provides information, advice and support for people living with a dementia, including early onset dementia, and their families. Based in central Hartlepool, our team at The Bridge supported an average 66 people living with memory problems per month, the lowest in any month was 63 and the highest was 70 in a month. We continue to see an increase in people with young onset dementia.

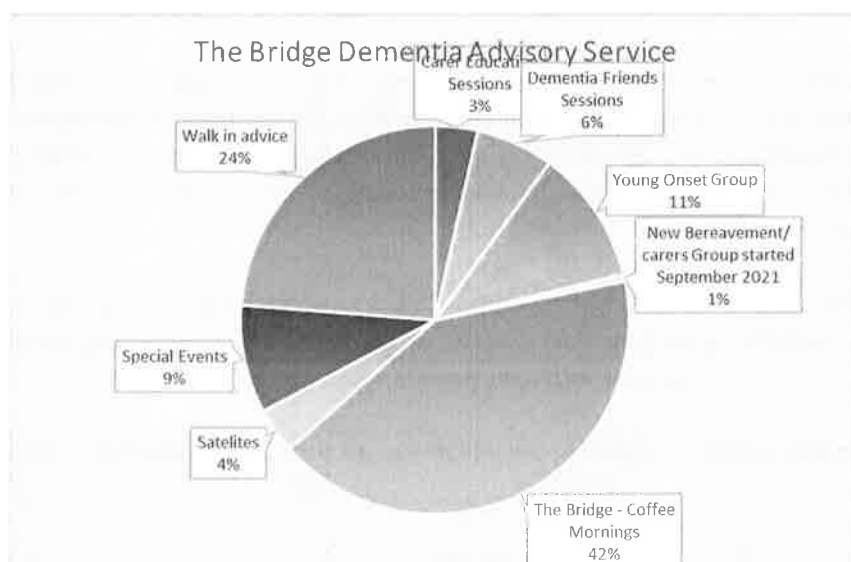
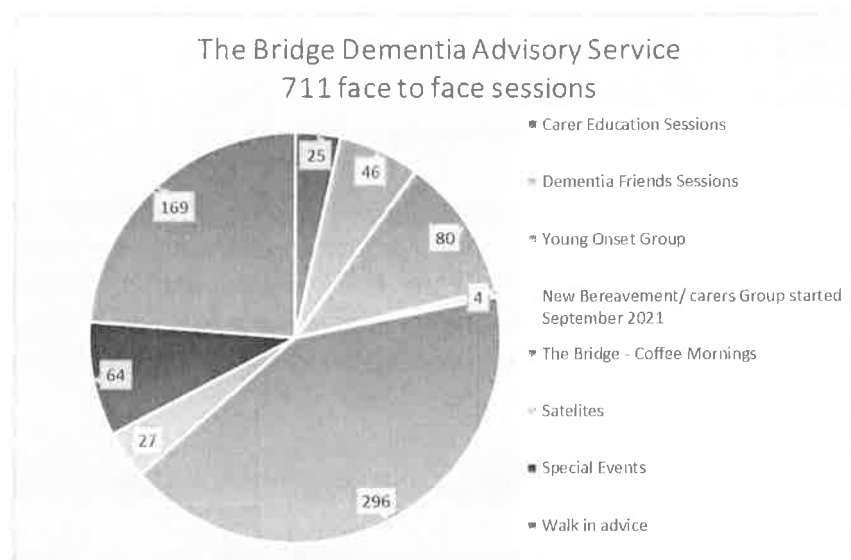
An incredibly important part of the work of The Bridge is to provide support and peer support for family carers of people living with memory problems. This can be as simple as being there to listen, to enabling people to meet in groups with their peers.

" Prior to using this service we didn't know which way to turn. Thank goodness for their support."

The Bridge supported on average 132 family carers per month, directly, ranging from 113 at the beginning of the reporting period to 163 at the end, showing a significant increase as the service strived to meet demand.

The delivery of support has continued to adapt this year, continuing making regular weekly telephone calls, zoom calls and doorstep visits to support people and importantly their carers through an incredibly difficult time. As the lockdown restrictions eased the service delivered face to face interventions, providing safe spaces for small groups of people to meet and re-connect.

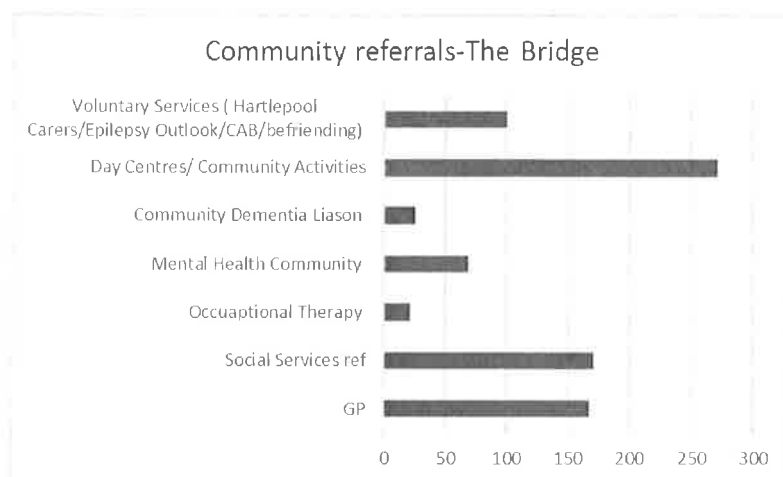
Through the year the service provided 4,615 interventions, a combination of a range of safe face to face group activities and walk-ins (711) as the restrictions lifted and telephone support, home shopping visits and mailings (3,904).



"I was struggling to look after my husband, once The Bridge came on board life became easier and I knew I was not on my own."

One of the strengths of The Bridge is how it works in the heart of the community, building strong networks with a range of partners and importantly "joining the dots"; providing a pathway to a range of other agencies for support, including GP's, Community Services, specialist dementia services and occupational health services.

The Bridge made 823 referrals to enable people living with dementia and their families gain access to help and support in the community.



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

Our Hartlepool day centre provided therapeutic care and support for people living with a dementia at Heather Grove in Hartlepool. This service at the beginning of the reporting period provided therapeutic group and social activities for people living with a dementia and support for family carers through the Charity's Family support worker. The service was delivered 6 days per week. The service re-opened its doors, in a safe, reduced format, to enable people to access the centre in October 2021, when lockdown initially eased.

Group sizes have reduced to small "bubbles" to enable services to be delivered as safely as possible as well as testing regimes and the use of PPE to reduce the risk of infection. Our support for families continuing, and perhaps being more important than ever.

We have continued our telephone support and continued to work closely with partners, including the local authority, other Voluntary and Community Sector organisations and those from the private sector.

The service continues to be person centred, delivering good outcomes for people living with a dementia and their families.

From the period 1st of November 2020 to the 31st of October 2021, the service delivered 1347 sessions for people living with a dementia, providing a range of stimulating and social activities. Delivery was adapted in line with Covid 19 guidance to reduce the risk of infection, including smaller groups, bubbles, staff testing and continued use of PPE. The service through this period supported 283 family members, listening, providing practical and emotional support for family carers. There were 41 new direct referrals

Community Pastimes- One to one community support for people living with a dementia

“The service has provided my husband and myself with an extended family, every week my husband looks forward to Shaune taking him out. He is much more motivated and happier. His mental health has improved dramatically due to Shaune”

The “Community Pastimes” service provides bespoke one to one community-based support for people living with a dementia. Covid-19 impacted significantly, and as guidelines changed and lockdown eased, we have been able to adapt and develop the service, providing one to one support in the community. Including one to one/face to face and further telephone support for families and carers of people living with a dementia and doorstep visits, pharmacy collections and food parcels.

“ I have no complaints your service is 5 star just wish my sister could spend more days, she’s always happy when she has been with pastimes, nothing is too much for anyone, I’m grateful to you all, your all amazing”- Family carer

Through the year the service delivered **1,984** sessions of support with people living with a dementia, providing **5,943** hours of support in **Hartlepool and East Durham**. This is despite the impact of the lockdown, but including with those clients who live in care homes.

“First class service, wonderful staff who are so engaging, well done”- Guest’s daughter

“The service gives my brother freedom to choose where he likes to visit”- Guest’s sister

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

The continued development of the east Durham Hub at Minerva House makes the best use of the building at Minerva House to provide a range of person-centred activities for people living with a dementia. Again, working within updated guidelines and operating in “bubbles”, our staff team have responded to these challenges magnificently, developing new ways of working, which are very individually outcome focused.

The East Durham Dementia Hub is also the base for our team of family support workers, we know that the support for carers is so vital and even more so now.

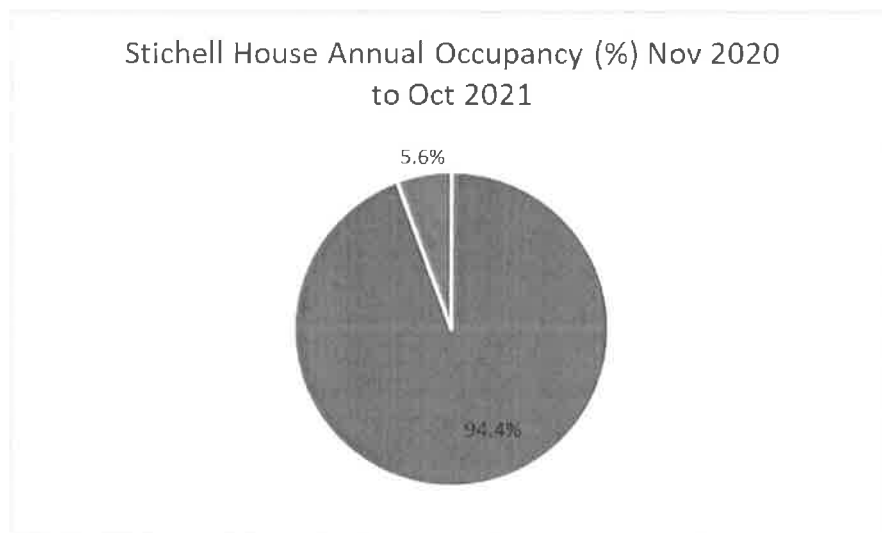
The ongoing development of the Hub is to provide a focal point for Dementia Service in East Durham.

From the period 1st of November 2020 to the 31st of October 2021, the service delivered 4,119 sessions for people living with a dementia, providing a range of stimulating and social activities. Delivery was adapted in line with Covid 19 guidance to reduce the risk of infection; including smaller groups, bubbles, staff testing and continued use of PPE. The service through this period supported 380 family members, listening, providing practical and emotional support for family carers. There were 31 new direct referrals

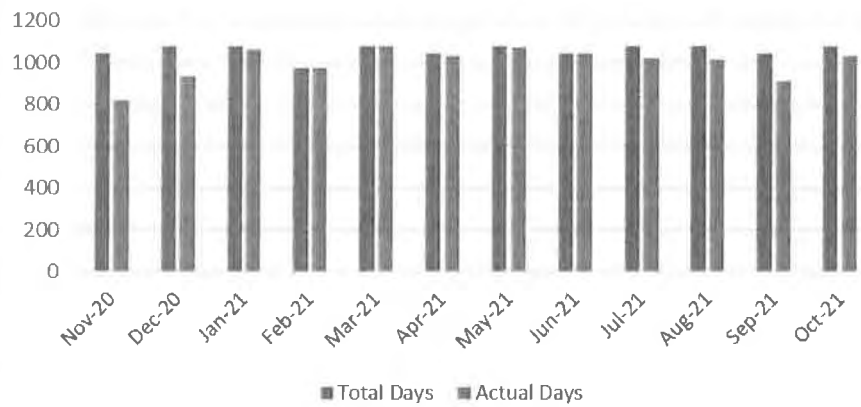
Stichell House residential home and Gretton Court Dementia Nursing Home

During this year, the Charity has two homes in the Hartlepool area. Stichell House Residential, home to 35 residents and Gretton Court Nursing Home, home to 37 residents. Again, in this year it is testimony to those staff teams that they have continued to provide care, support for residents and their families. They have been carer, family and friend. Their ability and their dedication is unquestionable. It is also important to reference and thank family members for their continued understanding and support through this period, including the establishment of "essential carers".

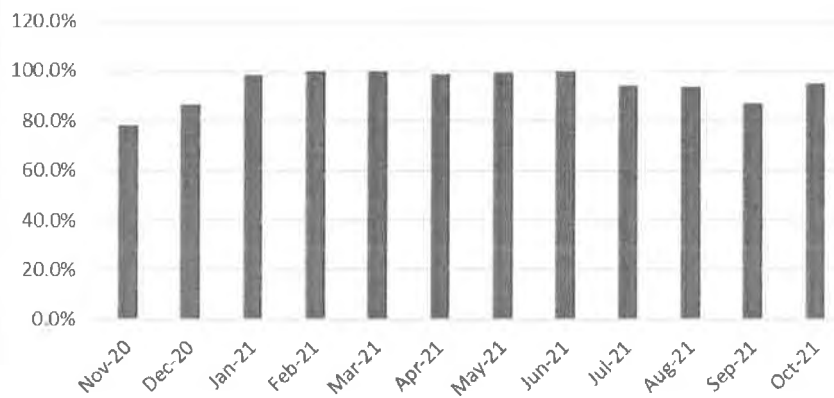
Stichell House residential home in Greatham, Hartlepool is home for up to 35 people. The home had an occupancy rate throughout the year of **94.4%** providing **12,054** days of residential care.



Stichell House Occupancy (days) Nov 2020 to Oct 2021

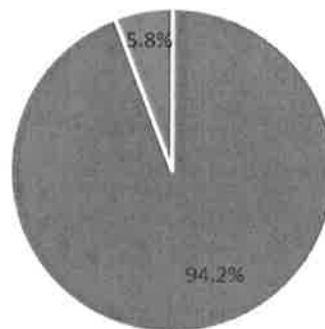


Stichell House Occupancy (%) Nov 2020 to Oct 2021

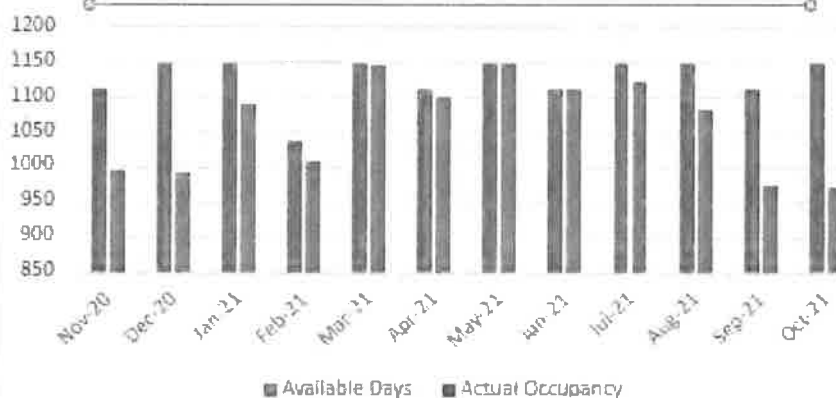


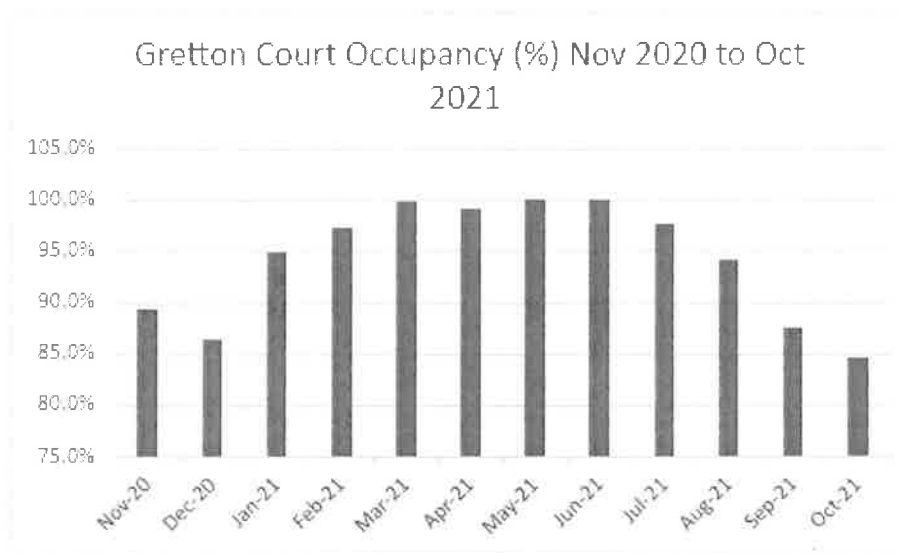
Gretton Court nursing home in Hartlepool provides nursing care for 37 people who are living with a dementia and often with complex health needs. The home achieved a 94.2% occupancy rate throughout the year providing, 12,729 days of residential nursing care.

Gretton Court Annual Occupancy (%) Nov 2020 to Oct 2021



Gretton Court Occupancy (days) Nov 2020 to Oct 2021





Both homes are rated by the Care Quality Commission as “Good” and continue to achieve a level 1 standard approved by Hartlepool Borough Council as part of its annual Quality Standards Framework.

The Charity in this period started to consider the future of Gretton Court Nursing Home due to the pressures on nursing care, the workforce crisis and the ability to recruit good nurses and staff members, the age of the building and the level of risk to the Charity. In October 2021, the Trustees decided to review the options for Gretton Court Nursing Home and in December 2021 took the very difficult decision to close the nursing home part of the building and maintain the day centre provision and plan to consider the future use of the site.

This decision was shared with residents, their families, staff members, local authority and health partners in January 2022 and the home was formally closed at the end of March 2022.

Almshouses - supporting older People to live independently

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

The Almshouses are situated in Stockton Town centre, Hartburn and Norton and in the village of Greatham, Hartlepool.

Grants – supporting the community

“The Hospital of God provided Hartlepool Baby Bank with its first ever source of grant funding in 2019 and this funding helped us to grow from a constituted group into a registered Charity. Since then, we have grown and now support around 100 families a week across Hartlepool. We are so thankful for The Hospital of God for their continued support.” - Emilie de Bruijn, Trustee of Hartlepool Baby Bank

The Hospital of God at Greatham has a long and proud philanthropic history of working with vulnerable people living in the North-East of England.

Through our small grants programme, we provide funding to local community-based organisations who are based within the Hospital of God's geographical area of focus which covers Stockton to Northumberland. The aim of the funding is to empower local communities to help and support themselves creating and building on their strengths and assets, with a particular focus on those who are experiencing disadvantage. The grants programme also supports smaller and emerging local based groups with core and activity funding.

Within this reporting period, we supported

- **60** voluntary and community sector organisations with grants totaling **£100,000**
 - **26** of these organisations were supported with small Covid-19 emergency grant funding totaling **£26,000**
 - **34** of these organisations were supported with grants totaling **£74,000** in our Autumn 2021 funding round.

Some of the organisations that received funding in Autumn 2021 include:

- **Hartlepool Baby Bank** – collecting and redistributing donations of clothes, toys and equipment for babies and children
- **The Corner House Youth Project** - supporting young people to get involved in their communities, enjoy their lives and achieve their potential through a variety of activities and services
- **Harbour Support Services** – providing assistance to families and individuals affected by domestic abuse
- **Purple Rose Health and Well-Being** – a community organisation based in Stockton which primarily works with Asylum Seekers and Refugee women and children
- **Veterans in Crisis Community Interest Company** – which supports veterans to access a wide range of help and support
- **Cowpen Quay Community Association** – a community organisation which runs the Buffalo Community Centre in Blyth providing lifelong learning and recreational activities
- **Linskill and North Tyneside Community Development Trust** - a not-for-profit organisation which runs the Linskill Centre in North Shields and delivers a wide range of community projects

The Hospital of God's Grants Committee decided to provide every organisation they supported through the Autumn 2021 grants programme with a one-off allocation of £100, specifically to be used on employee and volunteer well-being activities. This is in recognition that 2021 has been a very difficult and challenging time for voluntary and community sector organisations. By supporting the wellbeing of people within these organisations, The Hospital of God hope to contribute to their overall health and resilience and in turn help them to deliver their charitable purpose more effectively.

"We are thrilled to have received the funding from Hospital of God to support our open access youth offer, during what is always a difficult time of year in terms of youth engagement. The money will allow us not only to educate vulnerable young people around dangers such as fireworks and involvement in anti-social behaviour, but also to provide healthy food and a safe place to spend their free time. It will allow us to offer more sessions and support more young people's physical and mental wellbeing, which is always our top priority." - Debbie Jones, Chief Executive of The Corner House Youth Project

Our plans for the future

Covid-19 has put pressure on the charity, but we are determined to learn and develop.

The Covid-19 Pandemic has been a very demanding part of the day-to-day business of the Charity. In our homes, there has been significant increased workloads and pressure, including; testing of residents, staff and visitors, increased monitoring of all activities, the impact on residents' health, supporting upset families living with the stress that the pandemic has brought, staff absence, recruitment and retention, working through the updated guidance and managing the impact and requirements.

As well as the many changes to guidance and policy, impacting on the day to day there is also the longer-term implications, increasing insurance costs, the supply and demand of the employment market, people being able to recover from the demands on the social care workforce.

In our day services, day centres, Community Pastimes and The Bridge Dementia advisory service, we have faced questions of how best to deliver the services, safely for people to meet their needs, how we can continue to offer support through lockdown(s). We made changes to service delivery, successfully changing the way the service has operated. We continue to adapt the service, developing new delivery models and managing the risk that Covid-19 presents.

Our Almshouse provision has continued and come through to this point well. Service delivery adapted, far less social and group activity, a focus on regular calls, listening to people providing individual emotional and practical support.

The pandemic has impacted and highlighted areas for development in and across the Charity and clearly emphasised that change is needed.

Through the demanding period we have identified:

- A lack of capacity in the core infrastructure to support the Charity's activities
- The need to update some of our administrative and financial management systems to make the best use of technology.
- Recruitment difficulties, particularly in our care homes, including managers. Nationally, there is a reported 100,000 + vacancies in care and this is predicted to increase.
- The knock-on effect of staff shortages including continued use of agency staff in our homes. Our team have worked tirelessly for the last 18 months in the most difficult of times. Recovery will take time.
- We need to bring people together and connect. We have not been able to bring people

together, in the same place at the same time for training and to work as a team, we have adapted through the use of technology, our services are about people, and we need to be able to come together.

- That our ability to complete and see through important strategic projects has been severely hampered, i.e., Digital transformation (People planner and Care Planner) and realising a single pay date for all Charity staff.
- We need to increase the opportunities for development of our staff.

The Foundations - reasons to look ahead positively

- We are entering a new chapter for the Charity, one which develops and re-focuses the Charity function and impact in the areas of community services and independent living
- In 2021/2022 the environment is a challenging one, notably staffing, recruitment and retention, the pressure on social care and the slow pace of reform. We are planning our long-term future and we have challenges ahead and key decisions to make.
- We remain focused on providing the best possible person-centred care and support with the people we are here for, in line with our vision, mission and values.
- We have gained momentum in discussing, considering and developing the long-term strategy of the Charity, how we can best support and care for people living with a dementia, their families and carers and how we can enable older people to live well, to live life, independently and healthily.
- We continue to modernise our thinking and approach, working to promote change, make the best use of technology, reduce waste, get the best deals from our suppliers, remove inefficient practices.
- We have taken steps to develop our core infrastructure with a focus on people, developing and promoting a culture where team members are and feel valued.
- The relaxation of the Covid-19 measures means we can bring people together, provide support and develop effective teamwork.
- We have been successful in two tendering exercises (East Durham Day Services and The Bridge Dementia Advisory Service) and had our NHS contract (East Durham dementia Services) continued. We have maintained demand at our homes and supported the actions to combat the spread of Covid-19 infection.
- Both our homes are rated Good by the CQC (Care Quality Commission).
- In short, we have continued to provide services every single day and have the steps in place to continue our current level of delivery.

Building organisational and financial resilience – Recovery

The key objectives for the next 2 years are to strengthen the foundations of the Charity, building organisational and financial resilience, reviewing our provision, moving the culture and approach to being truly person centred and value driven, and planning for the next 5/10/15 years.

We have two key overarching objectives.

- 1) Building organisational resilience - culture and people**
- 2) Building financial resilience - reducing waste, identifying and removing inefficiencies**

1) Building organisational resilience-Culture and people

We have taken the step to develop the infrastructure with the creation of and the appointment to the Head of Operations post. Key areas HR (Human Resources), training and development-i.e., people, from recruitment, retention to development and succession.

Recruitment and retention

We have started with our values-based approach to recruitment, with some good successes. We need to make working for the Hospital of God a good experience, where people feel that they belong, they are valued and can develop.

Leadership, training and development

Leadership needs to be developed at all levels in the Charity, having an approach which engages, motivates, and empowers people.

Person centred care

Putting people at the heart of everything we do goes hand in hand with good person-centred care across all our services. We need to use this mantra again and again across all our services. We will, through good leadership and management, develop and empower our staff to provide person centred care in the community and in our properties.

2) Building financial resilience-reducing waste, identifying and removing inefficiencies

We are in an incredibly positive position thanks to the gift of our endowment. Over the years, we have been fortunate to invest and put additional resource into our services, effectively subsidising the public purse.

However, we should and can run our services so that they contribute to the core infrastructure overheads moving closer towards and achieving full cost recovery.

Property and land

We need to develop a longer-term plan for our property portfolio, to express our aims clearly and plan for future provision and income. We have spent some time considering the return we achieve on our Estate properties, through rental income and examining the commercial use of our properties in Greatham village. We are also aware of our significant role in the village as the major landlord. We have a level of social responsibility.

We have started to consider the potential to build new Almshouses (21st century Almshouses) and looked at the future of Gretton Court, our residential Nursing Home. There is work to do a) to decide if this is the way we want to go and b) to further develop and resource these potential projects. This is part of our 5/10/15 year strategy.

We are also involved in discussion with the Environment Agency about the long-term use of the Greatham Wetlands, the potential to generate income from the selling of Habitat credits and Carbon credits to offset physical development elsewhere in the area.

We are also involved in a Sustainable energy research/viability study for the village of Greatham working with a range of partners and lead by Hartlepower. This would be a significant project, the aim for us to achieve cheaper power for Stichell House, our office buildings and potentially the residents who live in our Almshouses (making properties more affordable).

Revisiting Marketing

At the beginning of the pandemic, we took the decision to freeze the review and development of our trading name and branding, it is time to plan to revisit this. Our approach needs to be reflected in marketing our charity to the best potential staff, clients and residents. As part of our plans for the next 3 years we need to refresh our “brand”, reflecting the good work of the Charity and the good workers of the charity. A place to live, a place to love, a place to belong still resonates.

Charity Governance

We have a committed Board of Trustees who bring their skills, knowledge and experience. They are engaged, thinking and acting strategically and whose support through the pandemic has been exceptional. We need to build on this and recruit further board members and keep this momentum. We have opened the opportunity for “Associates” to become part of the Board, but not as full trustees. This is an area that the Board will progress.

Grant giving and supporting our community

We are again underway with Grant giving through an online portal, aiming to save time and make the process more efficient. We have adapted the criteria and we are attracting more smaller, local based charities, social enterprises, and community groups who make an impact in their communities, across the North-East. We are contributing up to £100,000 per year through our grants programme.

Financial review

Summary

The charity's operations have continued to be impacted by the pandemic this financial year although to a lesser extent than in 2020. The adjustments to service delivery introduced to deal with the restrictions of the pandemic have been eased and the charity has worked to return its service delivery to its pre-pandemic operations.

Total income for the year was £5.029m (2020: £5.022m) and total expenditure on operations was £5.749m (2020: £5.375m). The operating deficit of £719k this year has been funded from unrestricted reserves. The charity is able to invest in its services due to the health of its reserves and the strength of its endowment. The endowment and other investments have performed well this year, generating unrealised gains of almost £3m. As a result, there is an increase in total funds of £2.7m during the year, taking the value to £47.3m from £44.5m in 2020.

Results from charitable activities

The principal source of funding for the charity's activities is the income received from its charitable activities, namely fees, contract payments and grants from its care and community services which accounts for over 80% (£4.16m) of total income for the year to October 2021 with a marginal increase of 2% on 2020.

Income from residential care amounted to £2.7m representing an increase of approximately 3% on the previous year. Income for residential services was supported by a partnership arrangement with the local authority for the provision of rooms to accommodate the discharge from hospital of Covid19-resolved patients which continued until September 2021 at Stichell House and until November 2021 at Gretton Court.

During the year expenditure (including support costs) on residential care services increased by approximately 15% - exceeding income by around £686k. Increased agency costs due to both the impact of covid on staff absence and also the shortage of nursing and care staff available for recruitment, was the main area of increased expenditure. The deficit for the year represents a subsidy by the charity of almost 20% of the full cost of this service.

Income from community services amounted to £0.83m, a reduction of 1.8% on the previous year. The level of day and community service delivery was significantly curtailed during the pandemic, restricted by the number of day service clients who could be accommodated safely in our buildings. Service delivery was adapted with a temporary move to telephone support. Key funding streams continued, however, covid stability payments received in place of the payments from a spot purchase contract with the local authority ended in June 2021 when the process of rebuilding to pre covid service levels was underway.

Expenditure on day and community services (including support costs) decreased by approximately 16% in the year to £1.08m as a result of the closure of two of the charity's smaller day centres towards the end of the previous financial year.

Income from the provision of supported almshouse accommodation amounted to £568k, an increase of 3% from the previous year. Voids had been more difficult to fill during the latter part of the previous year due to the pandemic and some properties remained vacant for significant periods, however, the

level of voids has been reduced in 2021 as the pandemic has eased. Total costs, including support costs, of providing this service was £706k during the year, (which included £100,000 for the upgrade of the almshouses including replacement windows), compared with £570k in the previous year.

During the year, the charity awarded grants totalling £96,620 to other charities, voluntary organisations and to the Newcastle Diocese. These grants, and the associated support costs, continue to be entirely funded from the charity's own resources.

Results from investment activities

The charity holds investments in financial and property assets which generate income and capital gains for use in meeting its charitable objects.

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

The investment objective of the endowment fund's financial investment portfolio is to achieve sustained growth over the medium to long term whilst accepting a moderate level of risk.

During the year ended 31 October 2021 the charity's financial investments generated net income after fees of £79k and unrealised gains on endowment funds of £2.8m (£1.1m 2020), reflecting strong market performance.

Under a total return order granted by the Charity Commission in 2010 the charity is permitted to draw upon capital growth in the endowment's financial investment assets in order to support its charitable activities provided always that the real value of the trust for investment is maintained. In this way trustees ensure that due consideration is given to the needs of both present and future beneficiaries of the charity. Details of the total return approach to the investment of the charity's permanent endowment is given in Note 17 to these accounts which shows that the value of the "trust for investment" at 31 October 2021 was £19.07m (£18.04m 2020) and the value of unapplied total return at that date was £4.01m (£2.27m, 2020). Unapplied total return represents that part of the accumulated unrealised gains on the financial investments which is available for trustees to spend in meeting the charity's objectives or to replenish general reserves.

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

The charity's portfolio of investment properties comprises houses, farms, commercial and other properties located in and around the village of Greatham. The portfolio is managed in-house. The properties are maintained to a high standard and the charity endeavours to be a good landlord. The net income generated from these properties during the year was £365k (£269k 2020), after deducting maintenance and other costs including support costs. Overall, rental income increased by almost 4% during the year, with improved voids as the pandemic restrictions have eased. Expenditure on these properties, principally pre-let repairs and upgrades, decreased by 35%, with 2020 including a replacement programme for doors and windows in Estate Houses.

Financial position

The charity's overall financial position remains strong, with total funds at 31 October 2021 amounting to £47.3m an increase of £2.7m (6%) on the previous year of £44.5m largely due to the unrealised gains on the financial investments during the year.

Of these total funds 91% is represented by the charity's endowment fund assets, primarily its financial and property investments. Of the remaining funds, approx. 2% represents funds held on trust in a restricted fund for the Charity of Emma Simpson for Almshouses. The remaining 7% of funds comprise the charity's unrestricted reserves.

The assets in which the endowment fund is held remains in line with 2020 with over 50% of the assets being held in listed investments, a further 26% held in the form of property, 18% in fixed assets and the remainder in inter-fund balances.

The value of the financial investments held in the Endowment Fund at 31 October 2021 includes unapplied total return of £4.01m (2020: £2.27m) which is available for transfer to unrestricted funds.

The restricted fund represents the assets of the Charity of Emma Simpson for Almshouses which are held and managed by the charity as corporate trustee of the linked charity.

£2.2m of the charity's £3.05m unrestricted funds are held in net current assets with the balance being held in listed investments.

The charity continues to have a good level of liquidity with total net current assets of over £3m at 31 October 2021. The Statement of Cash Flows on Page 42 shows that the cash inflows from the Charity's investments (£1.2m) have more than offset the outflows from its operating activities (£1.08m) this year, giving an increase in the cash balance of £115k.

The trustees have established a reserves policy to ensure that in the unlikely event of all sources of income ceasing at once the charity could operate for a period of three months. Consequently, the minimum level of unrestricted reserves which is considered acceptable is £1,250,000. At 31 October 2021 the charity's unrestricted funds totalled £3.06m. The trustees of the charity have discretion over how all unrestricted funds are used in furtherance of the charitable objectives and retain the ability to redesignate any of the unrestricted funds.

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

The charity has a long-term financial obligation in respect of The Greatham Hospital Pension Scheme, a legacy defined benefit pension scheme for which the charity is the sponsoring employer. This pension scheme is closed to new members but remains open to future accrual for the remaining active members. The most recent comprehensive actuarial valuation of the scheme was carried out as at 31 October 2019, which indicated an actuarial deficit of £230,000 at that date. The charity, as sponsoring employer, has agreed with the trustees of the scheme a deficit recovery plan involving additional contributions which is expected to eliminate the shortfall by November 2024. For the purposes of the financial statements as at 31 October 2021 the valuation of the charity's net obligation, calculated in accordance with Financial Reporting Standard 102, is £153k.

Structure, governance and management

Formation, legal structure and objectives

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

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

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

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

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

Governing body and governance

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

There are three ex-officio trustees, namely the Archdeacons of Auckland and Northumberland and the Bishop of Durham. The archdeacons take up the role of trustee by virtue of their position and hold office for as long as they remain in post. The Bishop of Durham holds office for as long as he or

she remains in post. The Bishop may, and historically has, nominated someone to act on their behalf for as long as the serving Bishop sees fit.

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

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

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

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

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

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

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

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

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

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

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

Statement of public benefit

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

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

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

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

Risk management and principal risks

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

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

These five major risks that have been identified and the measures taken to mitigate them are detailed below. They are included within a full and comprehensive register which is monitored and revised as is necessary.

Identified risk	Mitigating action
Budgetary control and financial reporting • budget does not match key objectives and priorities • decisions made on inaccurate financial projections or reporting • decisions made based on unreliable costing data or income projections • inability to meet commitments or key objectives • poor credit control • poor cash flow and treasury management • non-payment of fees, rent, maintenance contributions etc. by service users or families • insufficient insurance cover • additional pressure on workforce due to Covid-19	• budgets to business planning and objectives • monitor and report in a timely and accurate way through F and P • costing procedures for product or service delivery in place • adequate skills base to produce and interpret budgetary and financial reports • agreed procedures to review and action budget/cash flow variances and monitor and control costs • monitoring of accounts for adverse balances. • use of guarantors, Licence Support Agreements, Clarity regarding deputyship, LPA etc. • regularly review reserves and investment • review of finance team structure-Head of Finance/Team Leader-April 2021-Completed April 2021
High Staff Turnover • loss of experience or key technical skills • recruitment costs and lead time • training costs • operational impact on staff morale and service delivery • business critical staff, burn out and leave • lack of succession planning to key roles	• reviewed interview and assessment processes-Values Based recruitment • fair and open competition for appointment for all posts • agreed job descriptions. • conduct 'exit' interviews • annual review rates of pay • annual staff survey planned- job satisfaction, training, working conditions. • identified need for succession planning in strategic plan. • Covid-19 safe-risk assessments in place

• impact of Covid-19-pressure on staff • recruitment marketplace.	• introduction of employee retention initiatives-employee of the month, improved communications (newsletter) Dec 2021 • introduction of "time and a half" for Christmas and New Year bank Holidays in the care homes. • one off "thank you" payment • development of core infrastructure, including Head of Operations Role
Disaster recovery and planning (inc IT) • computer system failure or loss of data • computer attack-Cyber Crime • destruction of property, equipment, records through fire, flood or similar damage • pandemic-impact of Covid-19 or similar-Reputational damage, financial impact of decrease in demand for services, guidelines make services more difficult to deliver • position of Insurance companies re: Covid-19	• developed IT recovery plan working with ITPS. • data backup procedures and security measures in place and updated 2019• • annual review of insurance cover • business continuity/disaster recovery plan in place (to be reviewed) • updated risk assessments, policies and procedures in place • infection control measures in place • liaison with stakeholders • regular review of measures in place in response to the changing environment and Government laws and guidelines. • insurance Wellbeing assessment/visit completed-no major issues. • updated operational plan in place
Health, safety and environment • staff injury • product or service liability • ability to operate (see Compliance risks) • injury to beneficiaries and the public	• legal requirements met (The Charity Commission, Companies House, CQC, Local Authority, Pension's regulator etc.) • programme of staff training and developed induction • external Health and Safety Support commissioned • Governance, Audit & Improvement process in place (Care Homes) • health and Safety Management Group in place • reports to Board of Trustees. • Croner H and S service purchase, including specific support for Care Homes. • Covid-19 safe-risk assessments in place • employee assistance Programme in place • Chaplain appointed Spring 2021 (Support for Staff Wellbeing)-Start date July 2021
Compliance with legislation and regulations around social care and housing • fines, penalties or censure from licensing or activity regulators • loss of licence to undertake activity (see operational risks)	• identified key legal and regulatory requirements. • allocated responsibility for key compliance procedures • put in place compliance monitoring and reporting including development of governance, audit and improvement policy and procedure

• employee or consumer action for negligence • reputational risks • impact of Covid-19-Infection control, vaccinations and testing	• prepare for compliance visits. • compliance reports obtained from regulators (CQC) and local authority for care homes and service commissioners for other services. • purchase of Croner Service-Social Care • review and development of Governance, Audit & Improvement including input/ membership from Trustees-Spring 2021 • operational plan in place Nov 2021 • closure of Gretton Court Nursing Home March 2022
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Statement of trustees' responsibilities

The trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and UK Generally Accepted Accounting Practice.

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the surplus or deficit of the charity for that period. In preparing these financial statements, the trustees are required to:

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

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

Statements of disclosure to auditors

In so far as the trustees are aware:

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

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

This Trustees' Annual Report, which incorporates the Strategic Report and the Directors' Report required under the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013, was approved by the Board on 12 July 2022 and signed on its behalf by:



Lois Neal
Chair of trustees



Lawrence McAnelly
Chief Executive
Company Secretary

Hospital of God at Greatham

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

Year ended 31 October 2021

Opinion

We have audited the financial statements of The Hospital of God at Greatham (the 'charity') for the year ended 31 October 2021 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 2021 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.

We draw your attention to disclosures made in Note 26 relating to the impact of Covid 19 since the year end. Our opinion is not modified in respect of this matter.

The Hospital of God at Greatham

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

Year ended 31 October 2021

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 Members of the Hospital of God at Greatham (continued)

Year ended 31 October 2021

Responsibilities of the trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

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 Members of the Hospital of God at Greatham (continued)

Year ended 31 October 2021

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

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



Thomas Atkinson (Senior Statutory Auditor)

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

12 July 2022

END

The Hospital of God at Greatham

Statement of Financial Activities (including income and expenditure account)

Year ended 31 October 2021

					2021	2020
	Note	Unrestricted funds £	Restricted funds	Endowment funds £	Total funds £	Total funds £
Income and endowments						
Donations and legacies	5	19,053	–	–	19,053	115,271
Charitable activities	6	4,120,354	36,356	–	4,156,710	4,068,872
Investment income	7	612,444	–	241,287	853,731	838,188
Total income		<u>4,751,851</u>	<u>36,356</u>	<u>241,287</u>	<u>5,029,494</u>	<u>5,022,331</u>
Expenditure						
Expenditure on raising funds:						
Investment management costs	8	(231,099)	–	(157,133)	(388,232)	(446,170)
Expenditure on charitable activities	9,10	(5,302,264)	(46,482)	(12,000)	(5,360,746)	(4,929,336)
Total expenditure		<u>(5,533,363)</u>	<u>(46,482)</u>	<u>(169,133)</u>	<u>(5,748,978)</u>	<u>(5,375,506)</u>
Total income less total expenditure		(781,512)	(10,126)	72,154	(719,484)	(353,175)
Net unrealised gains/(losses) on investments	11	207,845	14,652	2,719,802	2,942,299	1,057,598
Realised gains/(losses) on disposal of fixed assets		122	–	437,738	437,860	14,042
Net income/(expenditure)		<u>(573,545)</u>	<u>4,526</u>	<u>3,229,694</u>	<u>2,660,675</u>	<u>718,465</u>
Transfers between funds	23	498,778	–	(498,778)	–	–
Other recognised gains and losses						
(Increase)decrease in pension fund deficit	21	51,000	–	–	51,000	(110,000)
Net movement in funds		(23,767)	4,526	2,730,916	2,711,675	608,465
Reconciliation of funds						
Total funds brought forward		3,079,197	1,058,401	40,405,225	44,542,823	43,934,358
Total funds carried forward	23	<u>3,055,430</u>	<u>1,062,927</u>	<u>43,136,141</u>	<u>47,254,498</u>	<u>44,542,823</u>

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

The Hospital of God at Greatham

Statement of Financial Position

Year ended 31 October 2021

		2021 £	2020 £
Fixed assets			
Tangible fixed assets	15	8,674,484	8,898,200
Investments	16	35,835,625	32,814,363
		<u>44,510,109</u>	<u>41,712,563</u>
Current assets			
Debtors	18	324,909	407,558
Cash at bank and in hand		3,230,120	3,114,696
		<u>3,555,029</u>	<u>3,522,254</u>
Creditors: amounts falling due within one year	19	<u>(565,634)</u>	<u>(394,892)</u>
Net current assets		<u>2,989,395</u>	<u>3,127,362</u>
Total assets less current liabilities		<u>47,499,504</u>	<u>44,839,925</u>
Creditors: amounts falling due after more than one year	20	<u>(92,006)</u>	<u>(93,102)</u>
Provisions for liabilities	21,22	<u>(153,000)</u>	<u>(204,000)</u>
Net assets		<u>47,254,498</u>	<u>44,542,823</u>
Funds of the charity			
Endowment funds		43,136,141	40,405,225
Restricted funds		1,062,927	1,058,401
Unrestricted funds		3,055,430	3,079,197
Total charity funds	23	<u>47,254,498</u>	<u>44,542,823</u>

These financial statements were approved by the board of trustees and authorised for issue on 12 July 2022, and are signed on behalf of the board by:

Lois M M Neal

Lois Neal
Chair of Trustees from April 2022

The Hospital of God at Greatham

Statement of Cash Flows

Year ended 31 October 2021

	2021 £	2020 £
Cash flows from operating activities		
Net income/(expenditure)	2,660,675	718,465
<i>Adjustments for:</i>		
Depreciation of tangible fixed assets	231,445	239,067
Net valuation (gains)/losses on investments	(2,942,299)	(1,057,598)
Net (gains)/losses on disposal of tangible fixed assets	(437,860)	(14,042)
Dividends, interest and rents from investments	(853,731)	(838,188)
Interest payable and similar changes	10,440	10,541
Increase/(decrease) in accrued liabilities	110,464	(39,495)
<i>Changes in:</i>		
Trade and other debtors – (increase)/decrease	82,649	80,725
Trade and other creditors – increase/(decrease)	60,165	(81,464)
Cash generated from/(used in) operating activities	(1,078,052)	(981,989)
Interest paid	(10,440)	(10,541)
Net cash generated from/(used in) operating activities	<u>(1,088,492)</u>	<u>(992,530)</u>
Cash flows from investing activities		
Dividends, interest and rents from investments	853,731	838,188
Purchase of tangible assets	(22,536)	-
Proceeds from sale of tangible assets	452,667	45,645
Purchases of other investments	(236,096)	(116,320)
Proceeds from sale of other investments	157,133	-
Net cash from investing activities	<u>1,204,889</u>	<u>767,513</u>
Cash flows from financing activities		
Loan repayments	(983)	(883)
Net cash used in financing activities	<u>(983)</u>	<u>(883)</u>
Net increase/(decrease) in cash and cash equivalents	115,424	(225,900)
Cash and cash equivalents at beginning of year	3,114,696	3,340,596
Cash and cash equivalents at end of year	<u>3,230,120</u>	<u>3,114,696</u>

The Hospital of God at Greatham

Notes to the Financial Statements

Year ended 31 October 2021

1. General information

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

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

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

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

2. Statement of compliance

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

3. Accounting policies

Basis of preparation

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

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

Going concern

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

The Hospital of God at Greatham

Notes to the Financial Statements *(continued)*

Year ended 31 October 2021

3. Accounting policies *(continued)*

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 Statements *(continued)*

Year ended 31 October 2021

3. Accounting policies *(continued)*

Tangible assets

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

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

Depreciation

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

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

Investments

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

Investment property

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

Financial instruments

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

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

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

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

The Hospital of God at Greatham

Notes to the Financial Statements (continued)

Year ended 31 October 2021

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 2021 £	Unrestricted Funds £	Total Funds 2020 £
Donations				
Donations and legacies	8,615	8,615	100,055	100,055
Sponsorship and other				
Sponsorship and other income	10,438	10,438	15,216	15,216
	<u>19,053</u>	<u>19,053</u>	<u>115,271</u>	<u>115,271</u>

6. Income from charitable activities

	Unrestricted Funds £	Restricted Funds £	Total Funds 2021 £
Residential care	2,750,111	-	2,750,111
Community services	830,832	-	830,832
Supported almshouses	532,275	36,356	568,631
Other charitable activities	7,136	-	7,136
	<u>4,120,354</u>	<u>36,356</u>	<u>4,156,710</u>

	Unrestricted Funds £	Restricted Funds £	Total Funds 2020 £
Residential care	2,663,237	-	2,663,237
Community services	845,808	-	845,808
Supported almshouses	517,023	35,635	552,658
Other charitable activities	7,169	-	7,169
	<u>4,033,237</u>	<u>35,635</u>	<u>4,068,872</u>

The Hospital of God at Greatham

Notes to the Financial Statements *(continued)*

Year ended 31 October 2021

7. Investment income

	Unrestricted Funds £	Endowment Funds £	Total Funds 2021 £
Income from investment properties	596,550	–	596,550
Interest and dividends	15,894	241,287	257,181
	<u>612,444</u>	<u>241,287</u>	<u>853,731</u>
	Unrestricted Funds £	Endowment Funds £	Total funds 2020 £
Income from investment properties	574,245	–	574,245
Interest and dividends	26,415	237,528	263,943
	<u>600,660</u>	<u>237,528</u>	<u>838,188</u>

8. Investment management costs

	Unrestricted Funds £	Endowment Funds £	Total Funds 2021 £
Portfolio management	–	157,133	157,133
Property repairs and maintenance charges	152,125	–	152,125
Support costs	78,974	–	78,974
	<u>231,099</u>	<u>157,133</u>	<u>388,232</u>
	Unrestricted Funds £	Endowment Funds £	Total Funds 2020 £
Portfolio management	–	141,241	141,241
Property repairs and maintenance charges	232,771	–	232,771
Support costs	72,158	–	72,158
	<u>304,929</u>	<u>141,241</u>	<u>446,170</u>

The Hospital of God at Greatham

Notes to the Financial Statements (continued)

Year ended 31 October 2021

9. Expenditure on charitable activities by fund type

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2021
	£	£	£	£
Residential care	2,947,803	—	—	2,947,803
Community services	748,871	—	—	748,871
Supported almshouses	489,285	40,236	—	529,521
Grants	84,620	—	12,000	96,620
Fundraising fund costs	13,529	—	—	13,529
Support costs	1,016,426	6,246	—	1,022,672
Other charitable activities	1,730	—	—	1,730
	<u>5,302,264</u>	<u>46,482</u>	<u>12,000</u>	<u>5,360,746</u>

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total Funds 2020
	£	£	£	£
Residential care	2,547,650	—	—	2,547,650
Community services	955,033	—	—	955,033
Supported almshouses	354,743	34,839	—	389,582
Grants	50,000	—	3,000	53,000
Fundraising fund costs	12,008	—	—	12,008
Support costs	958,099	11,895	—	969,994
Other charitable activities	2,069	—	—	2,069
	<u>4,879,602</u>	<u>46,734</u>	<u>3,000</u>	<u>4,929,336</u>

10. Expenditure on charitable activities by activity type

	Activities undertaken directly	Support costs	Total funds 2021	Total fund 2020
	£	£	£	£
Residential care	2,947,803	488,697	3,436,500	2,995,084
Community services	748,871	329,003	1,077,874	1,276,043
Supported almshouses	529,521	176,030	705,551	570,274
Grants	96,620	28,942	125,562	73,858
Fundraising fund costs	13,529	—	13,529	12,008
Other charitable costs	1,730	—	1,730	2,069
	<u>4,338,074</u>	<u>1,022,672</u>	<u>5,360,746</u>	<u>4,929,336</u>

All grants made were awarded to organisations and no grants were made to individuals. The highest grant awarded to any organisation during the year was £2,000 and no single organisation received more than £2,000 in grants during the year. All grants awarded are unconditional.

The Hospital of God at Greatham

Notes to the Financial Statements (continued)

Year ended 31 October 2021

11. Net unrealised gains on investments

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2021 £
Unrealised gains/(losses) on listed investments	<u>207,845</u>	<u>14,652</u>	<u>2,719,802</u>	<u>2,942,299</u>
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £
Unrealised gains/(losses) on listed investments	<u>(26,526)</u>	<u>(7,016)</u>	<u>1,091,140</u>	<u>1,057,598</u>

12. Net income

Net income is stated after charging:

	2021 £	2020 £
Auditor's remuneration	8,220	8,100
Depreciation of tangible fixed assets	<u>231,445</u>	<u>239,067</u>

13. Staff costs

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

	2021 £	2020 £
Wages and salaries	2,792,106	2,841,260
Social security costs	183,553	182,660
Employer contributions to defined contribution pension schemes	52,070	51,239
Employer contributions to defined benefit pension schemes	72,057	78,738
Operating costs of defined benefit pension scheme	33,573	43,315
	<u>3,133,359</u>	<u>3,197,212</u>

Included in employer contributions to defined benefit schemes is a 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 164 (2020: 182), analysed as follows:

	2021 No	2020 No.
Management and administration	12	11
Care services	149	168
Estate	3	3
	<u>164</u>	<u>182</u>

The Hospital of God at Greatham

Notes to the Financial Statements (continued)

Year ended 31 October 2021

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

	2021 No.	2020 No.
£70,000 to £79,999	1	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 £222,559 (2020: £213,331).

14. Trustee remuneration and expenses

No remuneration was paid to the trustees.

15. Tangible fixed assets

	Freehold property £	Equipment £	Total £
Cost			
At 1 November 2020	13,032,575	210,109	13,242,684
Additions at cost	-	22,536	22,536
Transfer from other charity	-	-	-
Revaluation of almshouse properties	-	-	-
Disposals	(38,038)	(28,200)	(66,238)
At 31 October 2021	12,994,537	204,445	13,198,982
Depreciation			
At 1 November 2020	4,164,646	179,838	4,344,484
Charge for the year	221,391	10,054	231,445
Disposals	(25,776)	(25,655)	(51,431)
At 31 October 2021	4,360,261	164,237	4,524,498
Carrying amount			
At 31 October 2021	8,634,276	40,208	8,674,484
At 31 October 2020	8,867,929	30,271	8,898,200

During the year two leasehold properties were disposed of. The net proceeds from the sales amounted to £450,000 and this sum was added to the Building Fund during the year.

The Hospital of God at Greatham

Notes to the Financial Statements (continued)

Year ended 31 October 2021

16. Investments

	Listed investments £	Investment properties £	Total £
Cost or valuation			
At 1 November 2020	21,396,113	11,418,250	32,814,363
Additions	236,096	—	236,096
Disposals	(157,133)	—	(157,133)
Fair value movements	2,942,299	—	2,942,299
At 31 October 2021	24,417,375	11,418,250	35,835,625
Impairment			
At 1 November 2020 and 31 October 2021	—	—	—
Carrying amount			
At 31 October 2021	24,417,375	11,418,250	35,835,625
At 31 October 2020	21,396,113	11,418,250	32,814,363

All investments shown above are held at valuation.

Listed investments

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

An analysis of listed investments by fund is as follows:

	2021 £	2020 £
Permanent endowment fund	23,096,752	20,322,857
Non-permanent endowment funds	145,145	120,256
Total endowment funds	23,241,897	20,443,113
Restricted funds	68,489	53,858
Unrestricted funds	1,106,989	899,142
	24,417,375	21,396,113

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 Statements *(continued)*

Year ended 31 October 2021

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 each year is based on an average of the RPI and CPI indices prevailing 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 2020			
Gift component of the permanent endowment	18,035,230	-	18,035,230
Unapplied total return	-	2,269,505	2,269,505
Total at 31 October 2020	18,035,230	2,269,505	20,304,735
Movements in the reporting period			
Investment returns - dividends and interest	-	236,096	236,096
Investment returns – realised and unrealised gains and (losses)	-	2,693,199	2,693,199
Additions to trust for investment	-	-	-
Income repaid to unapplied total return in year	-	-	-
Less: Investment management costs	-	(157,133)	(157,133)
Total movements in the reporting period before transfers	-	2,772,162	2,772,162
Transfer from unapplied total return to maintain real value of trust for investment	1,030,329	(1,030,329)	-
Net movements in the reporting period	1,030,329	1,741,833	2,772,162
At 31 October 2021			
Gift component of the permanent endowment	19,065,559	-	19,065,559
Unapplied total return	-	4,011,338	4,011,338
Total at 31 October 2021	19,065,559	4,011,338	23,076,897

The Hospital of God at Greatham

Notes to the Financial Statements (continued)

Year ended 31 October 2021

18. Debtors

	2021	2020
	£	£
Trade debtors	195,107	282,030
Prepaid expenses	83,283	80,932
Accrued income and sundry debtors	46,519	44,596
	324,909	407,558

19. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	295,724	234,051
Accruals and deferred income	225,785	115,321
Social security and other taxes	43,030	44,538
Mortgage loan	1,095	982
	565,634	394,892

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

	2021	2020
	£	£
Mortgage loan	92,006	93,102

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 2020	204,000
Decrease in provision during the year	(51,000)
At 31 October 2021	153,000

The Hospital of God at Greatham

Notes to the Financial Statements *(continued)*

Year ended 31 October 2021

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 £52,070 (2020: £51,239).

Defined benefit plans

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

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

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

The most recent comprehensive actuarial valuation of the scheme was carried out as at 31 October 2019. This valuation calculated an actuarial deficit of £230,000 as at that date. To eliminate this funding shortfall the trustees and the scheme have jointly agreed a recovery plan whereby the charity makes an additional contribution of £48,000 to the scheme each year, with the first payment in November 2020 and the final payment in November 2024. These contributions are expected to eliminate the shortfall by November 2024.

The next valuation of the scheme is due as at 31 October 2022. In the event that this valuation reveals a larger deficit than expected the charity may be required to increase contributions above those set out in the existing schedule of contributions. Conversely if the position is better than expected, it is possible that contributions may be reduced.

As the scheme remains open to future accrual, the employer pays contributions to the scheme for future service benefits. During the year ended 31 October 2021 the employer paid contributions at the rate of 28% of gross pensionable salary for active members in accordance with the schedule of contributions. Employees who are active members are not required to make any contribution.

The charity expects to pay contributions of around £75,000 to the scheme in the year to 31 October 2022, including the agreed deficit recovery payment.

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 2021 there was a deficit of £153,000. This compares to a deficit of £204,000 at the previous review date. The reduction in the deficit over the period is primarily due to the payments made by the charity to the scheme under the recovery plan.

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

The Hospital of God at Greatham

Notes to the Financial Statements *(continued)*

Year ended 31 October 2021

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 2021 £	As at 31 October 2020 £
Fair value of assets	3,686,000	3,361,000
Present value of funded obligations	(3,839,000)	(3,565,000)
Net defined benefit asset/(liability)	(153,000)	(204,000)

The fair value of the scheme's investment assets at 31 October 2020 analysed by major asset class is as follows:

Asset class	31 October 2021 £
Diversified growth fund	2,121,000
Corporate bonds	1,080,000
Index-Linked Gilts	483,000
Cash	2,000
Total	3,686,000

The actual return on the scheme's assets during the year was a gain of £369,000 (2020 gain of £102,000).

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 2021 £	As at 31 October 2020 £
Fair value of scheme assets at the beginning of the year	3,361,000	3,290,000
Interest on assets	57,000	65,000
Employer contributions paid to scheme in year	72,000	79,000
Contributions by scheme participants	0	0
Benefits paid by scheme in year	(116,000)	(110,000)
Administration costs	0	0
Change due to settlements	0	0
Return on scheme assets less interest	312,000	37,000
Fair value of scheme assets at the end of the year	3,686,000	3,361,000

The Hospital of God at Greatham

Notes to the Financial Statements *(continued)*

Year ended 31 October 2021

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 2021 £	As at 31 October 2020 £
Defined benefit obligations of the scheme at the beginning of the year	3,565,000	3,384,000
Current service cost	27,000	31,000
Contributions by scheme participants	0	0
Past service cost	0	0
Interest cost	60,000	67,000
Benefits paid by scheme in year	(116,000)	(110,000)
Change due to settlements	0	0
Experience (gain)/loss on defined benefit obligation	0	0
Changes to assumptions	303,000	193,000
Defined benefit obligations of the scheme at the end of the year	3,839,000	3,565,000

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 2021 £	Year ended 31 October 2020 £
Total income/(costs) recognised in the year, as detailed below	(30,000)	(33,000)
Total re-measurement gains/(losses) in the year, as detailed below	9,000	(156,000)
Employer contributions	72,000	79,000
Net amount recognised in the Statement of Financial Activities	51,000	(110,000)

The Hospital of God at Greatham

Notes to the Financial Statements *(continued)*

Year ended 31 October 2021

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

Costs/(income) recognised in the year	Year ended 31 October 2021 £	Year ended 31 October 2020 £
Current service cost	27,000	31,000
Administration costs	-	-
Interest on liabilities	60,000	67,000
Interest on assets	(57,000)	(65,000)
Past service cost	-	-
Settlement cost	-	-
Total costs/(income) recognised in the year	30,000	33,000

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 2021 £	Year ended 31 October 2020 £
Loss/(gain) on scheme assets in excess of interest	(312,000)	(37,000)
Experience losses/(gains) on liabilities	0	0
Losses/(gains) from changes to demographic assumptions	0	0
Losses/(gains) from changes to financial assumptions	303,000	193,000
Total re-measurement losses/(gains) recognised in the year	(9,000)	156,000

The Hospital of God at Greatham

Notes to the Financial Statements *(continued)*

Year ended 31 October 2021

Principal assumptions

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

	31 October 2021	31 October 2020
Discount rate	1.75% pa	1.70% pa
Inflation (RPI)	3.40% pa	3.00% pa
Inflation (CPI)	2.90% pa	2.10% pa
Salary increases	3.40% pa	3.00% pa
Pension increases - discretionary	1.40% pa	1.05% pa
Pension increases - CPI max 5%	2.80% pa	2.10% pa
Pension increases - RPI max 2.5%	2.30% pa	2.10% pa
Post retirement mortality	S3NA tables with CMI 2018 projections using a long term improvement rate of 1.50% pa	S3NA tables with CMI 2018 projections using a long term improvement rate of 1.50% pa
Commutation	Members are assumed to take 20% of their pension as cash at retirement	
Life expectancy at age 65 of male aged 45	24.1	24.0
Life expectancy at age 65 of male aged 65	22.4	22.3
Life expectancy at age 65 of female aged 45	26.5	26.4
Life expectancy at age 65 of female aged 65	24.8	24.7

The Hospital of God at Greatham

Notes to the Financial Statements (continued)

Year ended 31 October 2021

23. Analysis of charitable funds

Unrestricted funds

	At 1 Nov 2020	Income	Expenditure	Transfers	Gains and losses	At 31 Oct 2021
	£	£	£		£	£
General fund	263,789	4,734,277	(5,201,970)	(346,838)	258,967	(291,775)
Fundraising fund	46,126	10,438	(13,528)	-	-	43,036
Building Fund	472,256	-	-	450,000	-	922,256
Development fund	613,124	-	(22,825)	-	-	590,299
Extraordinary repair fund	1,683,902	7,136	(295,040)	395,616	-	1,791,614
	<u>3,079,197</u>	<u>4,751,851</u>	<u>(5,533,363)</u>	<u>498,778</u>	<u>258,967</u>	<u>3,055,430</u>

Restricted funds

	At 1 Nov 2020	Income	Expenditure	Transfers	Gains and losses	At 31 Oct 2021
	£	£	£		£	£
The Charity of Emma Simpson for Almshouses	<u>1,058,401</u>	<u>36,356</u>	<u>(46,482)</u>	<u>-</u>	<u>14,652</u>	<u>1,062,927</u>

Endowment funds

	At 1 Nov 2020	Income	Expenditure	Transfers	Gains and losses	At 31 Oct 2021
	£	£	£		£	£
Permanent Endowment Fund	40,254,824	236,679	(157,133)	(498,778)	3,132,651	42,968,243
Stockton Relief in Need Fund	<u>150,401</u>	<u>4,608</u>	<u>(12,000)</u>	<u>-</u>	<u>24,889</u>	<u>167,898</u>
	<u>40,405,225</u>	<u>241,287</u>	<u>(169,133)</u>	<u>(498,778)</u>	<u>3,157,540</u>	<u>43,136,141</u>

The Hospital of God at Greatham

Notes to the Financial Statements (continued)

Year ended 31 October 2021

24. Analysis of net assets between funds

				2021
	Unrestricted funds £	Restricted funds	Endowment funds £	Total funds £
Fixed assets				
Tangible fixed assets	40,214	853,986	7,780,284	8,674,484
Investments – investment properties	-	-	11,418,250	11,418,250
Investments – listed investments	1,106,989	68,489	23,241,897	24,417,375
	<u>1,147,203</u>	<u>922,475</u>	<u>42,440,431</u>	<u>44,510,109</u>
Net current assets				
Debtors	324,909	-	-	324,909
Cash at bank and in hand	3,230,120	-	-	3,230,120
Creditors due within one year	(565,634)	-	-	(565,634)
Inter-fund balances	(836,162)	140,452	695,710	-
	<u>2,153,233</u>	<u>140,452</u>	<u>695,710</u>	<u>2,989,395</u>
Total assets less current liabilities	3,300,436	1,062,927	43,136,141	47,499,504
Creditors: amounts falling due after more than one year	(92,006)	-	-	(92,006)
Provisions for liabilities	(153,000)	-	-	(153,000)
Net assets (total funds)	3,055,430	1,062,927	43,136,141	47,254,498

				2020
	Unrestricted funds £	Restricted funds	Endowment funds £	Total funds £
Fixed assets				
Tangible fixed assets	30,277	875,883	7,992,040	8,898,200
Investments – investment properties	-	-	11,418,250	11,418,250
Investments – listed investments	899,144	53,837	20,443,132	21,396,113
	<u>929,421</u>	<u>929,720</u>	<u>39,853,422</u>	<u>41,712,563</u>
Net current assets				
Debtors	407,558	-	-	407,558
Cash at bank and in hand	3,114,696	-	-	3,114,696
Creditors due within one year	(394,892)	-	-	(394,892)
Inter-fund balances	(680,484)	128,681	551,803	-
	<u>2,446,878</u>	<u>128,681</u>	<u>551,803</u>	<u>3,127,362</u>
Total assets less current liabilities	3,376,299	1,058,401	40,405,225	44,839,925
Creditors: amounts falling due after more than one year	(93,102)	-	-	(93,102)
Provisions for liabilities	(204,000)	-	-	(204,000)
Net assets (total funds)	3,079,197	1,058,401	40,405,225	44,542,823

The Hospital of God at Greatham

Notes to the Financial Statements *(continued)*

Year ended 31 October 2021

25. Trustee related party transactions and interests

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

Trustees are reimbursed for their travel on a mileage basis. During the year there were no payments of expenses or mileage to trustees (2020: £255).

26. Going concern

The trustees consider that the charity is a going concern and that there are no material uncertainties or events which cast doubt upon its ability to continue as a going concern. In assessing the going concern position of the charity for the year ended 31st October 2021 the trustees have considered the future outlook and in doing so looked at the future operating results, cash flows and facilities available. Based on these facts the going concern basis has been adopted in the preparation of the financial statements.

27. Post balance sheet event

The Trustees decided to review the options for Gretton Court Nursing Home and in December 2021 took the very difficult decision to close the nursing home. The home was formally closed at the end of March 2022. Income from the service was £1.6m during the year ended 31 October 2021 with associated costs of £1.7m. The day centre service will continue to operate from the building so property costs will still be incurred which, for the year ended 31 October 2021, amounted to approximately £0.1m. Redundancy costs including notice and accrued holidays are estimated at £270k

The closure of the nursing home represents a post balance sheet non-adjusting event.

END

