



**Registered Charity No. 280681  
Company Number: 01505753**

**St Luke's Hospice Plymouth  
Consolidated Financial Statements  
Year Ended 31 March 2011**

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**Consolidated Financial Statements**  
**Year Ended 31 March 2011**

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# **St Luke's Hospice Plymouth**

## **Board of Trustees and Advisors**

**Year Ended 31 March 2011**

### **Trustees**

Mrs M Billing  
Mrs A Broad  
Dr J Butler  
Mr S Elford  
Mrs S Jones  
Mr T Lewis  
Mr G Northcott  
Mr G Price  
Dr M Taylor  
Mrs J Wills

### **Company Secretary**

Mrs S A Taylor

### **Auditors**

Francis Clark LLP  
Chartered Accountants  
North Quay House  
Sutton Harbour  
PLYMOUTH  
PL4 0RA

### **Registered Office**

St Luke's Hospice  
Stamford Road  
Turnchapel  
PLYMOUTH  
PL9 9XA

### **Registered Company Number**

01505753

### **Registered Charity Number**

280681

### **Solicitors**

Foot Anstey Solicitors  
Salt Quay House  
4 North East Quay  
Sutton Harbour  
PLYMOUTH  
PL4 0BN

### **Wolferstans Solicitors**

Deptford Chambers  
60/64 North Hill  
PLYMOUTH  
PL4 8EP

### **Bankers**

Barclays Bank  
48 Mutley Plain  
PLYMOUTH  
BX3 2BB

### **HSBC**

South Devon Commercial Centre  
20 William Prance Rd  
Plymouth International Business Park  
PLYMOUTH  
PL6 5WR

### **Investment Managers**

Brewin Dolphin Ltd  
Vantage Point  
Woodswater Park  
Pynes Hill  
EXETER  
EX2 5FD

### **Charity Website**

[www.stlukes-hospice.org.uk](http://www.stlukes-hospice.org.uk)

# St Luke's Hospice Plymouth

## Board of Trustees' Report

Year ended 31 March 2011

The Board presents its report and the audited consolidated financial statements for the year ended 31 March 2011. The accounts have been drawn up in compliance with the Statement of Recommended Practice – Accounting and Reporting by Charities (as revised in March 2005) ('SORP'), the Charities Act 1993, the Companies Act (2006), and in accordance with the company's Articles of Association.

### Structure, governance and management

St Luke's Hospice Plymouth is a company limited by guarantee and not having a share capital. It was incorporated on 29th May 1980. It is a charity registered in England and Wales. The maximum liability of each member on the winding up of the company is £1.

### Organisation of the Charity

There are currently 26 members of the Association of the Hospice. Individuals must sign a consent form on becoming a member. Every member shall further, to the best of their ability, the objects, interests and influence of the Association. The Trustees are appointed from the members of the Association. Full responsibility for the running of the Charity is vested in the Trustees, who by reason of the incorporation of the Charity are also Directors of the Company. The Trustees can appoint from the membership to fill any vacancy that arises until the next AGM. There is an induction programme and pack for new trustees in line with Charity Commission good practice and trustees' training needs are reviewed annually.

### Governance

The Board of Trustees is the Governing Body. The company secretary (who is the Hospice Chief Executive), and other nominated senior executives act as ex officio members. The Board meets to agree business plans and annual operating plans and to monitor performance against them. It sets the ethos, aims, policies and limits of authority. It appoints and provides support and direction to its senior executives (the Senior Management Team - SMT) and has a formally agreed Governance policy that is reviewed annually. The services delivered by St Luke's are registered with the Care Quality Commission.

Chair	Mr Stuart Elford (elected 12 <sup>th</sup> May 2010), Mr Gavin Price (resigned as chair 12 <sup>th</sup> May 2010)
Vice Chairs	Mr Guy Northcott Mr Gavin Price B Tech (Hons), FSS, FCSI
Hon Treasurer	Mr Guy Northcott BscEcon, FCA, DChA

### Principal employees:

Chief Executive	Mrs Sally Taylor BSc PGCE FCA
Medical Director	Dr Mary Burnell-Nugent MA MB.B.Chir.
Director of Clinical Services	Mr George Lillie RGN RMN BSc. MSc
Deputy Chief Executive	Mr Steve Statham FCIPD MA
Director of Finance	Mr Andrew Holland ACMA
Director of Income Generation and Communications	Mr Robert Parsons MInstF MCIPR

# St Luke's Hospice Plymouth

## Board of Trustees' Report (continued)

Year ended 31 March 2011

### **Trustees**

The following Trustees, who are also Directors, served during the year:

Mrs M Billing	Mr G Northcott
Mrs A Broad	Mrs L Potter (Resigned 8 <sup>th</sup> March 2011)
Dr J Butler	Mr G Price
Mr S Elford	Mr T Lewis
Mr D James (Resigned 13 <sup>th</sup> July 2010)	Dr M Taylor
Mrs S Jones	Mrs J Wills

### **Objectives and activities**

#### ***Objects of the Charity***

The principal object of the charity is to promote the relief of sickness amongst people suffering from terminal illness.

The Charities Act 2006 introduced the requirement for charities to show they provided public benefit. The trustees have reviewed the objects, goals, services and objectives of the charity in the light of this requirement and can confirm that St Luke's Hospice Plymouth serves for the public benefit. This trustees' annual report continues to evidence how the charity strives to meet need.

#### ***St Luke's Key Strategic Principles***

- To be innovative and efficient within current resources and the relevant evidence base  
We aim to continually review our services to ensure that they are delivering what the patients, their loved ones and the other stakeholders need and want. We therefore aim to keep abreast of developments in palliative and end of life care and the research behind those developments. We have limited resources and we want to use them as effectively as possible. We therefore need to ensure that we have a culture which embraces change and which values innovation and lateral thinking
- To ensure employees have the skills, knowledge and motivation in relation to their roles in order to deliver excellent service  
The strength of St Luke's is its staff – both paid and unpaid. It is they who deliver the care and the support services that facilitate and fund that care. We therefore ensure that our recruitment processes are designed to attract high quality applicants and that all staff have the best and most appropriate induction, training, development, support, communication and encouragement possible, and that they are motivated to constantly achieve a quality service
- To establish processes and structures that enable clinical staff to work in an integrated way across the service  
St Luke's was one of the first specialist palliative care services to achieve a fully integrated service and is committed to ensuring that a patient is supported by the whole service in the most appropriate way for them. We believe that staff should be able to work across all locations so that the focus is the patient not the place. We recognise that the person with advanced incurable illness spends most of their time at home and therefore key relationships are with the community services. We also recognise that there are key relationships with Hospital specialists and ward staff. Our aim is to ensure continuity of care so that the patient is equally supported when at home, in hospital, in hospice, day hospice or out-patient services. Bereavement, befriending, spiritual, and therapeutic support should be available to all and patient care information needs to be shared amongst the team
- To deliver appropriate care, where needed, to a wider group, to stop delivering services which others can, or do, provide and to ensure public involvement and consultation working in partnership with the NHS, Social Services and other stakeholders

# St Luke's Hospice Plymouth

## Board of Trustees' Report (continued)

Year ended 31 March 2011

We recognise that services around us are constantly changing. Palliative care is now recognised as the right of the patient and government policy stresses the values we have always espoused: The importance of the End of Life care and the patients right to privacy, comfort and dignity are now priorities. The education we have been delivering has improved care of the dying in all settings. It is vital therefore that we constantly reassess what we need to deliver and do not duplicate what can now be delivered by the statutory services. Working in partnership with the NHS, Social Services and other care providers we can ensure that patients receive excellent care and that we only provide that which is not available elsewhere. By consulting with patients and carers directly and through review of research into patients' experiences, we can aspire to remain in the vanguard, innovating, as a charity should rather than becoming entrenched in historic service models.

- To develop the provision of Education and Support to those caring for patients at the End of Life  
We aim to influence the care of all those at the End of Life and therefore we need to share our expertise so that excellent care is available to all and not just those with specialist needs. The establishment of a strong education department and a public awareness strategy means that we can support both health and social care professionals and carers. We can also reach out to the general public increasing their awareness of death and dying and ensuring that they are more able to cope with their own and their loved ones diagnosis, disease progression and death
- To develop additional sources of income and hence achieve sufficient surplus to build reserves to 6 months expenditure and develop new initiatives  
We can only continue to deliver the current level of specialist palliative care support if we can develop additional sources of income. The need for specialist palliative care is increasing as the population ages and it is now well recognised that the level of support (although not necessarily the identical services) available to cancer patients need to be available to other patients at the end of life. It is therefore important to develop new sources of income and to operate in a commercial manner, utilising effectively all the skills and resources available to the charity

### ***Mission Statement***

St Luke's provides Specialist Palliative Care for the population of Plymouth, South West Devon and East Cornwall and aspires to be a National Leader. We work in Partnership with others, delivering the Education and Support required to ensure the provision of excellent End of Life Care. We aim to increase resources into the Services through Innovation and Enterprise and to be an 'Employer of Distinction', achieving Best Practice professionally throughout the service.

### ***Our vision and values***

Our service will be caring and holistic. We will be honest and we will respect and listen to our patients and their carers, treating everyone with courtesy, kindness and empathy. We will be passionate and visionary. We will strive at all times for a quality service that uses resources well.

Our values can be summarised as Giving Time for Quality Care: Exhibiting Professionalism, Respect, Compassion and Integrity. We achieve this by:

### ***Professionalism***

- Striving for excellence in everything we do.
- Setting high standards and challenging ourselves to do our best.
- Going the extra mile when necessary.
- Remaining patient focused and committed to patient care.
- Adopting a positive approach to our own self-development.
- Being open to change to enhance quality of care.
- Having the courage of our convictions.
- Inspiring creativity, passion, optimism and fun.

# St Luke's Hospice Plymouth

## Board of Trustees' Report

Year ended 31 March 2011

### **Respect**

- Taking time to say "thank you"
- Being fair and treating everyone with respect.
- Embracing diversity; respecting the breadth of cultures, values and traditions.
- Openly recognising and acknowledging the achievement of others.
- Respecting the dignity and rights of all individuals in all dealings.
- Welcoming the opinions and ideas of all people.
- Being prepared to trust and learn from others.

### **Compassion**

- Giving time to listen, and giving time to care.
- Being present for others without judgement.
- Offering hope, comfort and support when required.
- Understanding a position from others' perspective.
- Making the difference.

### **Integrity**

- Being positive and realistic about our abilities.
- Keeping our promises.
- Communicating information honestly, openly and straightforwardly.
- Maintaining high moral and ethical standards.
- Being real.
- Having the personal courage to take the right tough decisions.

### **The services we provide**

Patients, for whom curative treatment is not possible, need active, total care, by a multi-professional team; who will consider their physical, emotional, social and spiritual symptoms. This care is called "specialist palliative care". In addition to paid staff, St Luke's is supported by a team of over 1,400 volunteers.

St Luke's Hospice Plymouth, the charity, has worked hard over the years to ensure patients with advanced life limiting illness receive good care in the local area (Plymouth, South West Devon and East Cornwall), regardless of which organisation is caring for them. One result of this work is that the charity now manages specialist palliative care services for the local NHS. This overall integrated service, St Luke's Services, has been summarised into five areas for the purpose of the accounts, as below.

#### **(a) Inpatient Care**

Our 20 bed in-patient unit lies at the centre of our activities. Patients stay on average 11.6 days. A multi-disciplinary team provides comprehensive care, both to provide terminal care (half our admissions), and to bring symptoms under control, enabling patients to return to their homes or to nursing care. Social work support, Physiotherapy, Occupational Therapy, Spiritual care, and Complementary therapies are provided for patients and their families.

#### **(b) Community Services**

The St Luke's Community Specialist Palliative Care Service is a multi-disciplinary service offering home based support and advice on pain and symptom management and giving emotional and psychological support to people with life threatening illnesses, and their families.

The Day Hospice service provides support to patients with life threatening illness, offering access to advice, activities, emotional and social support, complementary therapies, respite for carers and other support such as hairdressing and chiropody.

The St Luke's Befriending Service offers companionship and emotional and practical support to patients and families at home.

In addition, St Luke's works closely with the End of Life care co-ordination centre and the central Plymouth District Nurses, who are based at our Pearn site.

# St Luke's Hospice Plymouth

## Board of Trustees' Report (continued)

Year ended 31 March 2011

### ***(c) Hospital Services and medical outpatients***

The Hospital Specialist Palliative Care team provides specialist support, education and advice at Derriford Hospital. This service is largely funded by Plymouth Hospitals NHS trust and is based in the Oncology directorate.

Medical outpatient services are offered at Pearn, and at the Hospice site, including Medical led Specialist Palliative Care and Pain Clinics.

### ***(d) Education***

Education of non-St Luke's staff takes place throughout the service, including placements for medical students, student nurses, Specialist Registrars, GP vocational trainees, other visitors (for example social workers) and work experience. We also provide specialist courses for health care and other professionals and deliver management and leadership training for other charities.

In addition we employ a number of posts to roll out End of Life Care education for professionals supporting patients in the community, care homes and hospitals. The funding for these posts was secured from a variety of sources including Primary Care Trusts, the Strategic Health Authority and the Devonport Regeneration Committee.

### ***(e) Other Clinical Support***

The Lymphoedema service provides specialist care both for palliative care patients (charity funded) and for other patients (NHS funded).

A Bereavement Service is offered to the loved ones of all patients cared for by St Luke's. Volunteers provide the majority of the service supported by a bereavement co-ordinator and other team members.

Complementary Therapy outpatient appointments are also available for both patients and carers.

## Achievements and performance

### ***Key activities***

		2011	2010
<b>In Patient Care</b>			
In patient Hospice care	Patients	431	409
	Admissions	497	503
	Deaths	250	255
	Discharges	253	243
	Occupied bed days	5,680	5,166
	Average length of patient stay (days)	11.6	10.8
<b>Community Services</b>			
Community SPC service	Patients	1,694	1,224
	Patient visits	5,839	5,999
	Patient/carer phone calls	19,187	18,139
	Professional liaisons	20,453	18,987
Day Care Service	Patients	88	115
	Attendances	1,982	1,720

# St Luke's Hospice Plymouth

## Board of Trustees' Report (continued)

Year ended 31 March 2011

		2011	2010
<b>Hospital Services and Medical Outpatients</b>			
Hospital SPC service (*)	Patients	1,043	950
	Support contacts	3,895	3,606
Medical Outpatients	Patients	373	206
	Appointments	734	531
<b>Other Clinical support</b>			
Bereavement Support	Contacts (including telephone calls)	684	554
Lymphoedema	Patients	562	406
	Palliative care appointments	161	399
	NHS contracted appointments	1,337	1,378

(\*) Only a portion of the costs of the Hospital Specialist Palliative Care Service are shown in these accounts, the remaining part being incurred by Plymouth Hospitals NHS Trust.

### **Review of 2010/11 – Key Aims**

The Key Aims for 2010/11 were based on the key strategic principles of St Luke's outlined above

- a. To maximise the efficiency of the In-Patient unit.** There has been good progress on this aim. A cross-site working group was set up to review the use of beds and develop a plan to improve efficiency and review decision-making processes around the admission to and discharge from the beds. Bed occupancy has been increased to over 80% and further changes in practice are being implemented. An alternative rota system has been implemented and electronic solutions are being developed to increase flexibility and efficiency. Skill mix in the team is also being reviewed by the team.
- b. To delegate responsibility for decision-making as far down the organisational structure as possible.** Competency frameworks have been developed which will be included in the performance review process for 2011/12. A number of new task groups have been set up (Building project, Patient Record System selection etc) to ensure involvement of all interested staff. Observers are now present at Senior Management Team meetings, which greatly enhance their understanding of the whole service, and budgets are being broken down to team leader level, although this project has taken longer than anticipated to complete. A number of Leadership courses have been run in-house for staff.
- c. To establish processes and structures that allow clinical staff to work in an integrated way across the service.** A new team leader structure has been implemented and the 6 clinical team leaders and the Clinical administration lead meet every 6 weeks. These regular meetings have enhanced cross-site and multidisciplinary working. The Multi-disciplinary teams reviewed cross-site clinical notes and communication. They recommended the Crosscare system, which has now been rolled out. This patient record system now supports integrated service delivery across the organisation and enables all our clinicians to have access to information on St Luke's patients wherever located. There have been some issues with connectivity with the hospital but a solution has been identified following meetings with the hospital IT team

# St Luke's Hospice Plymouth

## Board of Trustees' Report

Year ended 31 March 2011

- d. To use our specialist skills, knowledge and experience, to support generalists in further developing their skills to manage their palliative care patients more effectively.** Much educational work has been done in the year in the GPs surgeries, in the care homes and on the hospital wards, focused around the Gold Standards Framework and the Liverpool Care pathway. There has been some engagement with the specialists dealing with patients with conditions like COPD and Heart Disease and a meeting was held to look at how best to co-ordinate care for patients in the last year of life, but further work is needed. It is difficult to evaluate the effectiveness of our contribution to the Strategic Health Authority targets of 10% reduction in deaths in hospitals. However the Hospital team have again increased their patient numbers (referrals are increasing 5% to 10% and St Luke's is in the top 10% of the South West SHA area for hospital referrals and outpatient appointments). The team have continued to fast-track patients home wherever possible. In addition, St Luke's has been a major player in rolling out the End of Life Care register and coordination centre locally. These should have an impact on achieving the patients' preferred place of care
- e. To establish a process for more robust user involvement** A consultation group has been formed. They have identified all the current ways we obtain user feedback and have contributed to a strategy to be presented for approval by the Senior Management Team. By pulling together existing evidence from across the service, and identifying some new mechanisms, of our engagement with users we will be able to evidence how their views are taken into account in planning and developing services
- f. To deliver a robust education programme which reflects what is current in National and Regional Hospice, Palliative and End of Life Care.** We have been very pleased with the progress made in 2010/11, having finalised an Education strategy and appointed a Head of Education. Funding has been secured to deliver a number of education programmes including communication skills training and end of life programmes for nursing homes.
- g. To stabilise the legacy income base and to increase income into the charity through shops and lottery** The key strategy for generating legacy income is a robust awareness strategy and the Promise campaign was launched in the year as a cost-effective way of raising awareness of our services and support to our patients. The campaign included 20 bus signs, a billboard and a direct mail to 8000 people and directly resulted in a substantial new legacy notification. Investment continued in shops and there are now 38 trading units, supported by a new large warehouse enabling us to maximise income from recycling, furniture and gift aid. The investment in the year meant that costs were high, and consequently profits were lower than budget, but the rewards should be there next year. Investment in lottery canvassing has increased the number of members and should result in increased returns next year.

## Financial review

Our charitable activities are categorised under five areas in the statement of financial activities:

In patient care  
Community services  
Hospital services and medical outpatients  
Education  
Other clinical support

At the end of 2009/10, a small surplus was achieved so that the charity's financial reserves were standing close to the 6 month expenditure target agreed by the trustees. A deficit budget was set for 2010/11, assuming some reliance on historical reserves. The recession, volatile financial markets and uncertainty in the national economic and political climate continued to have a negative impact on general donated income but ongoing investment in awareness of the charity's work and strengthening of the fundraising and retail teams, meant that bequests exceeded budget and income generated from events and campaigns held up well. There was major investment in the shops and lottery, which should result in increased income in future years but which depressed the shop profits for the year. Expenditure was tightly

# **St Luke's Hospice Plymouth**

## **Board of Trustees' Report (continued)**

### **Year ended 31 March 2011**

controlled, and services were constantly reviewed to achieve service improvements combined with efficiency. Investments again increased slightly in value this year. The overall outcome was a decrease in free reserves, which now stand at a level equivalent to 5.4 months of service expenditure.

There was an overall surplus for the year 2010/11 of £225,000 but this was after crediting a capital grant received from the Department of Health to improve In-patient facilities of £496,000 and gains on investments of £76,000 as the market value of the portfolio increased. The final result was also after charging depreciation of £201,000 on buildings, which are funded by restricted and designated reserves.

Consequently the adjusted loss on the year's revenue for management reporting purposes was £146,000.

The economic downturn impacted on the donation and gift income which was 5% down (to £1,544,000) on the previous year. Extra effort went into organising fundraising events in order to partly offset the decline in donations. Fortunately, this was partly compensated for by an encouraging increase in legacy income which was well over budget and 1% up (to £1,046,000) on the earlier year.

The main change in grant funding was the receipt of the grant from the Department of Health. The revenue grants total was slightly less than the previous year due to one-off funding streams for end of life education projects. The Social Services grant is now included in the NHS contract.

Other income is mainly attributable to the reimbursed costs of staff seconded to the hospital and to income from food sales and is up by 6%.

Investment income was up 9% despite the continued low interest rates, as additional income was generated from subletting rooms at Pearn.

The income from shops and lottery was also up (by 26% and 7% respectively) following investment in opening new shops and recruiting new lottery members. Expenditure on shops and lottery was also up. Improvements were made to the most run-down shops and new shops were opened. A warehouse was purchased, funded by a mortgage, to improve distribution and maximise recycling income and a new EPOS system was implemented in order to improve efficiency and allow the reclaim of gift aid on donated goods. This shop expenditure accounted for £676,000 of the increase in expenditure over prior year.

The balance of expenditure was only 3% (£193,000) up on prior year which was an excellent result and reflects the hard work put in by the staff in containing cost pressures. The majority of our expenditure is on staff costs which account for 69% of our costs.

After taking account of movements on restricted funds and fixed assets, free reserves have fallen slightly to £2,553,000 which represents 5.4 months of expenditure on Budgeted running costs excluding the costs of fundraising). This is slightly below the target set by the trustees of holding 6 months of expenditure in free reserves. This level of reserves enable the hospice to manage temporary fluctuations in receipt of income and where income seems likely to drop permanently, to develop plans to reduce expenditure or increase income whilst continuing to deliver services.

### **The contribution of volunteers**

St Luke's Hospice Plymouth is a charity that was founded by volunteers and it continues to rely on significant contribution from volunteers. The contribution of over 1,400 volunteers over the year was the equivalent of 102 full time staff; put another way two out of every five hours worked for the Hospice were volunteered. Based on the rates for the various jobs this would have cost the Hospice £1,350,000.

We are extremely grateful to the many volunteers who give their time to raise money for the charity, or who work in our shops, lottery and hospice services to help those we are there for.

# St Luke's Hospice Plymouth

## Board of Trustees' Report (continued)

Year ended 31 March 2011

### Plans for future periods

#### Future strategy of St Luke's

St Luke's positioning as a charity within the health sector remains much as it did last year and can be summarised again as follows:

We are, and are likely to remain into the future, a medium sized charity providing local care, support and education. We are committed to equality of opportunity and access to services and we aim to provide a service that is tailored to the needs of the individual and focused on those with the greatest need.

With the Coalition Government's clear steer on care close to home, work currently being undertaken on palliative care funding, and the Demos report - all building on the priorities established on the publication of the End of Life Care Strategy and the End of Life Care Work stream within the Darzi review of the NHS, there is now an even greater emphasis on delivering services for the patient in the last year of life in their preferred location. This will continue to bring strategic opportunities and threats as local strategies are implemented, based on the national work and the local strategic health authority priorities. St Luke's has been closely involved in the development of the local and national End of Life care strategies, supporting, advising and providing education for generalist teams caring for the dying in the home, nursing home and hospital

As an organisation we aim to keep in the forefront of changes, ensuring that our services are in line with best practice; whilst at the same time, valuing and developing our staff and volunteers. The maintenance and development of strong, supportive, professional relationships with stakeholder organisations is key to our continued success. Through investing in our people we hope to encourage and foster an environment of continuous learning. This can only further improve and ensure the excellence of the care and services we provide.

#### Key Strategic Aims and Action plans for the 2011/12 financial year

The key targets for 2011/12 have been extracted from the detailed action plan included in the business plan for the year and relate to the 6 key strategic principles of St Luke's.

Strategic Aim	Key target
<b>To be innovative and efficient within current resources and the relevant evidence base</b>	Review current Medical/Nurse staffing models within in patient unit to ensure best use of resources and plan for the future
<b>To ensure employees have the skills, knowledge and motivation in relation to their roles in order to deliver excellent service</b>	Implement a career progression pathway for all clinical staff
<b>To establish processes that allow clinical staff to work in an integrated way across the service</b>	Use of common assessment tools to be embedded in practice throughout clinical areas

# St Luke's Hospice Plymouth

## Board of Trustees' Report (continued)

Year ended 31 March 2011

Strategic Aim	Key target
<b>To deliver appropriate care, where it is needed, to a wider group and to stop delivering services which others can, and do, provide and to ensure public involvement and consultation working in partnership with the NHS, Social Services and other stakeholders</b>	Consult and communicate with key stakeholders regarding current and future shape and breadth of service
<b>To develop the provision of Education and Support to those caring for patients at the End of Life</b>	Deliver a robust education programme which reflects what is current in National and Regional Hospice, Palliative and End of Life Care.
<b>To develop additional sources of income and hence achieve sufficient surplus to build reserves to 6 months expenditure and develop new initiatives</b>	Increase income through social enterprise

### Financial strategy

Free reserves at 31 March 2011 are below the target level of 6 months budgeted running costs (net of direct fundraising costs). This is disappointing but not surprising in the current financial climate

No real growth in expenditure is budgeted although there is a 9% increase in salary costs over the forecast outturn for 2010/11. This is because delays in recruitment during 2010/11 resulted in savings that are not budgeted to continue in 2011/12. Many of the staff reviews and reorganisations, which were planned to improve efficiency, have now been implemented and there is therefore a full-year effect on the new posts. The budget has been based on the assumption that there are no incremental scale point increases or cost of living increase for staff in July 2011.

There is however an additional cost for increased Employers' National Insurance contributions. Accommodation and Facilities costs are also budgeted at 10% over the prior year forecast, mainly due to increases in depreciation following the Capital Improvements funded by the Department of Health Grant in 2010/11 and the improvements in IT systems which were implemented in 2010/11. There have also been major increases in the rates bills recently as local government have imposed business rates on us.

To achieve the Strategic plan there will be additional expenditure in 2011/12 in developing a Social Enterprise. The aim is to develop one or more complementary services managed by a subsidiary company. This will pass profits to the charity and will enable the charity to spread its overheads (HR, Finance, PR etc) over a larger service base.

Developments in Income Generation will continue. Innovation will continue to play a role, alongside the existing successful income streams.

- Retail has taken the opportunities from the realignments on the high street to expand even further. Despite delays in implementation, retail gift aid is now beginning to contribute to trading income following the successful implementation of an EPOS system during 2010/11. Further specialist and large units are planned and a joint venture with an adjoining hospice is under consideration
- Some opportunities for developing further fully funded or revenue-generating services (both statutory and non-statutory) have been investigated. This has the double advantage of both generating new income and allowing the overheads to be spread over a larger base. Major areas

# St Luke's Hospice Plymouth

## Board of Trustees' Report (continued)

Year ended 31 March 2011

of current interest are the provision of domiciliary care, respite care and back office service provision for other organisations. A business case has been approved for roll out in 2011/12

- A major task for the year is developing relationships with the new GP commissioning consortia and developing partnership working with other hospices, to maintain the current NHS contribution to the specialist service. It is also important to continue involvement in the national funding review and the policy work of Help the Hospices to ensure favourable treatment. It seems likely that there may be some realignment of NHS funding to support patients at the end of life, and this may be both an opportunity and a threat

Overall the five-year plan indicates that free reserves can be rebuilt to the target level of six months expenditure (based on a risk analysis model) while services are reviewed and developed in order to use our resources to deliver care services in line with the needs and preferences of patients living with and dying from advanced incurable illness.

The priority for the year is to invest some resources to further develop services to be commissioned (at full cost) to support patients approaching the end of life. The aim is to ensure effective care before the terminal stage; such that we both minimise the need for specialist intervention and ensure that there is already a relationship with the patient and hence a desire to access or commission our services where required. Other service developments (based on a Peninsula-wide needs assessment and the need to implement NICE guidance) for which additional resources are currently being sought /identified include:

- 7 day a week service in the Hospital
- Additional resources for specialist palliative care advice and support for non-cancer patients
- Development of 24/7 specialist advice line
- A home support resource to enable both a rapid response service (preventing admissions) and additional nursing for the last days of life to facilitate discharge
- Additional Support Services for Carers

### Investments

Investments held by the Charity have been acquired in accordance with the powers available to the Trustees. The hospice holds spare funds as a consequence of its reserves policy and will invest these spare funds in cash, stocks and shares and property. The investment policy is to achieve capital growth over the longer run, subject to a medium degree of risk. The hospice will not hold investments that are deemed by the trustees to be either i) contra to the Objects of the Charity; or ii) held in such strong disregard by the Hospice's stakeholders that investing in them might materially reduce fundraising income. Currently direct investment in Tobacco companies is proscribed.

### Risks

Organisational Risk was reviewed by both the Senior Management Team and the Trustees in the year as part of the Hospice Governance process.

Risks continue to be monitored and managed. These include: Health and Safety, Internal Financial Risk, Reliance on legacies, Staff resourcing, Clinical risk to patients, Disaster planning, Value for money.

### Reserves policy

The Hospice aims to meet its charitable objects both in the short term and over the longer term. In order to avoid the need to make sudden large adjustments in the level of care provided in response to sudden dips or surges in income the Hospice aims to hold some funds in reserve.

The trustees aim to hold six months' budgeted running costs less directly allocated costs of generating funds in reserves. When these funds are available they are designated as a Revenue Reserve.

In the 2011/12 budget free reserves start the year at 5.4 months running costs and then fall slightly in the year. The trustees will continue to review the situation throughout the year.

# **St Luke's Hospice Plymouth**

## **Board of Trustees' Report (continued)**

**Year ended 31 March 2011**

A building fund is held equivalent to the value of funds tied up in Hospice buildings. This fund (including both restricted and designated funds) is reduced in value as the buildings are depreciated.

### **Auditors**

A resolution to re-appoint Francis Clark LLP as auditors for the ensuing year will be proposed at the Annual General Meeting.

**By order of the Board**

**Stuart Elford**  
**Chair**

*12 July 2011*

# **St Luke's Hospice Plymouth**

## **Statement of Trustees' Responsibilities**

**Year Ended 31 March 2011**

Law applicable to Charities in England and Wales requires the officers to prepare financial statements for each financial year, which give a true and fair view of the charity's financial activities during the year and of its financial position at the end of the year. In preparing financial statements giving a true and fair view, the officers should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- make judgements that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its operations.

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

In so far as the officers are aware:

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

# **St Luke's Hospice Plymouth**

## **Independent Auditors' Report**

**Year Ended 31 March 2011**

We have audited the group and parent financial statements of St Luke's Hospice Plymouth for the year ended 31 March 2011, which comprise the group Statement of Financial Activities, the group and parent Balance Sheet, the group and parent Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices).

This report is made solely to the company's members as a body in accordance with Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the consolidated financial statements sufficient to give us reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion**

In our opinion the financial statements:

- give a true and fair view, of the state of the group's and of the parent company's affairs as at 31 March 2011 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which financial statements are prepared is consistent with the financial statements.

# **St Luke's Hospice Plymouth**

## **Independent Auditors' Report**

**Year Ended 31 March 2011**

### **Matters on which we are required to report by exception**

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

- 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 group's 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; or

**Charles Evans**

**Senior Statutory Auditor**

On behalf of Francis Clark LLP

Statutory Auditors

North Quay House

Sutton Harbour

PLYMOUTH

PL4 0RA

**30 August 2011**

# St Luke's Hospice Plymouth

## Consolidated Statement of Financial Activities

(Incorporating Income and Expenditure Account & Statement of Recognised Gains & Losses)

Year Ended 31 March 2011

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2011 £	Total Funds 2010 £
<b>Incoming resources</b>						
<b>Incoming resources from generated funds:</b>						
<b>Voluntary income:</b>						
Donations and gifts		1,370,299	-	173,480	<b>1,543,779</b>	1,624,968
Bequests		1,046,071	-	-	<b>1,046,071</b>	1,033,155
<b>Activities for generating funds:</b>						
Shops		2,121,900	-	-	<b>2,121,900</b>	1,677,867
Lottery		538,504	-	-	<b>538,504</b>	505,578
Investment income	3	69,042	-	-	<b>69,042</b>	63,540
<b>Incoming resources from charitable activities:</b>						
Public sector funding	4	1,715,030	-	705,064	<b>2,420,094</b>	1,933,313
Other Income		330,564	-	-	<b>330,564</b>	310,419
<b>Total incoming resources</b>		<b>7,191,410</b>	<b>-</b>	<b>878,544</b>	<b>8,069,954</b>	<b>7,148,840</b>
<b>Resources expended</b>						
<b>Cost of generating funds:</b>						
Shops		1,837,721	-	-	<b>1,837,721</b>	1,161,519
Lottery		310,113	-	-	<b>310,113</b>	266,261
Fundraising & publicity		817,223	9,754	16,188	<b>843,165</b>	766,371
Investment & other		133,870	6,692	6,990	<b>147,552</b>	142,143
<b>Charitable activities:</b>						
In patient care		2,530,820	61,143	89,845	<b>2,681,808</b>	2,695,946
Community Services		1,149,288	19,159	77,873	<b>1,246,320</b>	1,198,886
Hospital Services & Medical						
Outpatients		227,504	2,858	3,494	<b>233,856</b>	215,444
Education		186,574	12,074	143,906	<b>342,554</b>	326,522
Other clinical support		115,159	4,598	126,301	<b>246,058</b>	235,825
<b>Governance costs</b>		<b>31,896</b>	<b>279</b>	<b>291</b>	<b>32,466</b>	<b>43,938</b>
<b>Total resources expended</b>	6	<b>7,340,168</b>	<b>116,557</b>	<b>464,888</b>	<b>7,921,613</b>	<b>7,052,855</b>
Net incoming / (outgoing) resources for the year before transfers		(148,758)	(116,557)	413,656	<b>148,341</b>	95,985
Transfer between funds		81,000	(81,000)	-	-	-
<b>Net incoming / (outgoing) resources</b>		<b>(67,758)</b>	<b>(197,557)</b>	<b>413,656</b>	<b>148,341</b>	<b>95,985</b>
Gains on investment assets		76,325	-	-	<b>76,325</b>	216,332
<b>Net movement in funds</b>		<b>8,567</b>	<b>(197,557)</b>	<b>413,656</b>	<b>224,666</b>	<b>312,317</b>
Funds at 1/4/2010		297,530	4,103,039	1,450,470	<b>5,851,039</b>	5,538,722
<b>Funds at 31/03/2011</b>		<b>306,097</b>	<b>3,905,482</b>	<b>1,864,126</b>	<b>6,075,705</b>	<b>5,851,039</b>

# St Luke's Hospice Plymouth

## Balance Sheet - Company Number: 01505753

31 March 2011

		Group		Charity	
		2011	2010	2011	2010
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible	11	<b>4,023,501</b>	3,174,121	<b>4,022,509</b>	3,173,567
Investments	12	<b>1,052,361</b>	990,606	<b>1,052,363</b>	990,608
		<b>5,075,862</b>	4,164,727	<b>5,074,872</b>	4,164,175
<b>Current assets</b>					
Stocks	13	<b>12,976</b>	9,086	<b>3,320</b>	3,450
Debtors	14	<b>535,947</b>	525,635	<b>621,739</b>	604,107
Cash at bank and in hand		<b>1,633,204</b>	1,622,255	<b>1,481,593</b>	1,502,427
		<b>2,182,127</b>	2,156,976	<b>2,106,652</b>	2,109,984
<b>Creditors: amounts falling due within one year</b>	15	<b>657,048</b>	470,664	<b>548,869</b>	390,742
<b>Net current assets</b>		<b>1,525,079</b>	1,686,312	<b>1,557,783</b>	1,719,242
<b>Total assets less current liabilities</b>		<b>6,600,941</b>	5,851,039	<b>6,632,655</b>	5,883,417
<b>Creditors: amounts falling due after more than one year</b>	16	<b>525,236</b>	-	<b>525,236</b>	-
<b>Net Assets</b>		<b>6,075,705</b>	<b>5,851,039</b>	<b>6,107,419</b>	<b>5,883,417</b>
<b>Funds</b>					
<b>Unrestricted funds:</b>					
Revaluation reserve	17	<b>305,792</b>	296,816	<b>305,792</b>	296,816
General funds	18	<b>32,019</b>	33,092	<b>32,019</b>	33,092
Non-charitable trading funds	18	<b>(31,714)</b>	(32,378)	<b>-</b>	-
<b>Designated funds</b>	18	<b>3,905,482</b>	4,103,039	<b>3,905,482</b>	4,103,039
<b>Restricted funds</b>	18	<b>1,864,126</b>	1,450,470	<b>1,864,126</b>	1,450,470
		<b>6,075,705</b>	5,851,039	<b>6,107,419</b>	5,883,417

The consolidated financial statements on pages 17 to 33 were approved by the Trustees on 12 July 2011 and were signed on its behalf by:

**S Elford, Chairman**

**G Northcott, Honorary Treasurer**

**St Luke's Hospice Plymouth**  
**Consolidated Cash Flow Statement**  
Year Ended 31 March 2011

		2011	2010
	Notes	£	£
<b>Net cash inflow from operating activities</b>	24	<u>594,770</u>	<u>163,913</u>
<b>Returns on investments and servicing of finance</b>			
Interest received		4,602	6,248
Investment income received		<u>64,440</u>	<u>57,292</u>
<b>Net cash inflow from returns on investments and servicing of finance</b>		<u>69,042</u>	<u>63,540</u>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(1,228,260)	(112,866)
Purchase of investments		(57,290)	(94,383)
Sale of investments and		<u>82,051</u>	<u>225,217</u>
<b>Net cash (outflow)/inflow from capital expenditure and financial investment</b>		<u>(1,203,499)</u>	<u>17,968</u>
<b>Financing</b>	25	550,636	-
<b>Increase in cash</b>	26	<u>10,949</u>	<u>245,421</u>

# St Luke's Hospice Plymouth

## Notes and Accounting policies

Year Ended 31 March 2011

### 1. Accounting policies

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005 and applicable accounting standards.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The charity has availed itself of Paragraph 4(1) of Schedule 1 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

### Incoming resources

- Income is attributable to the principal activity of providing a service for the care of people suffering from terminal illness and related services and comprises donations, grants, education fees, fundraising and bequests.
- **Voluntary Income:**
  - General donations are accounted for when received.
  - Bequests are recognised when their entitlement, certainty and measurability have been established. Bequests in the form of investments or property are credited at the lower of probate or market value.
- **Activities for generating funds:**
  - Shops income: money raised from the charity shops is recognised on receipt.
  - Lottery income: Money raised from lottery members is recognised as income only as it is applied to the draw.
- **Incoming resources from Charitable activities:**
  - Public sector funding: grants are taken to the Statement of Financial Activities on a receivable basis.

### Resources expended

- Resources expended are, where possible, allocated directly to one of the four cost centres for generating funds, the five services, or the governance costs in line with SORP 2005 requirements. Accommodation costs are apportioned on the basis of space used, and support costs are allocated directly where possible, and then apportioned on the basis of computers per team for IT costs and headcount for the remaining costs. All expenditure is accounted for on an accruals basis.
- Operating leases: Costs in respect of operating leases are charged on a straight line basis over the lease term.

### Fixed assets

- **Tangible Fixed Assets:** The cost of tangible fixed assets is their purchase cost, together with any incidental expenses of acquisition.
- Depreciation is calculated so as to write off the cost of tangible fixed assets less their estimated residual values on a straight-line basis, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Freehold buildings	4%
Equipment and vehicles	33%
- Leasehold properties, improvements and premiums are depreciated over the period of the lease. Reverse premiums received on the taking over of leasehold properties are amortised over the remaining term of the lease.

# St Luke's Hospice Plymouth

## Notes and Accounting policies

### Year Ended 31 March 2011

- Investments: Listed investments are carried at the closing market value prevailing at the balance sheet date. Unlisted investments are carried at cost, less any provision needed to recognise a diminution in value. The net unrealised gains or losses on the revaluation of investments are taken to the revaluation reserve.

### Current Assets

- Stock: stocks are valued at the lower of cost and net realisable value. Donated goods sold in Charity shops are thus valued (and insured) at zero cost.

### Liabilities

- Pensions: The pension cost charge represents the contributions payable to a group personal pension scheme, and also to the NHS final salary pension scheme of applicable employees. The group has no liability under the schemes other than for the payment of these contributions.

### Funds

- St Luke's Hospice has various types of funds for which it is responsible and which require separate disclosure. These are as follows:
  - **Restricted Funds:** Donations or bequests received which the donor earmarks for specific purposes. Such purposes are within the overall aims of the organisation. These funds may be income only (where the capital must be retained) or income and capital (where the donation and the income there from may be utilised).
  - **Designated Funds:** St Luke's Hospice may at its discretion set aside funds for specific purposes which would otherwise form part of the general reserves of the organisation. Specifically, St Luke's Hospice has set aside funds which represent the net book value of its buildings and a Revenue Reserve to protect against sudden dips in income. As such they are not readily available for other purposes.
  - **Unrestricted Funds:** Funds which are expendable at the discretion of the Trustees in the furtherance of the objects of the charity.

## 2. Net incoming resources

Net incoming resources for the year are after charging:

	2011	2010
	£	£
Amortisation of leasehold property improvements	27,276	27,276
Depreciation of owned assets	378,880	289,020
Auditors' remuneration for audit services		
Charity	5,110	4,259
Subsidiary	4,060	4,040
Loss on disposal of assets - Charity	-	686
Rental of shop premises - operating leases	418,160	335,343

# St Luke's Hospice Plymouth

## Notes and Accounting policies

Year Ended 31 March 2011

### 3. Investment income

	2011	2010
	£	£
Income from property	41,399	34,314
Dividends from other investments	23,041	22,978
Interest receivable and similar income	4,602	6,248
	<u>69,042</u>	<u>63,540</u>

### 4. Public sector funding

During the year the following grants were receivable by the Hospice:

	2011	2010
	£	£
<b>NHS Trusts:</b>		
Basic funding	665,026	664,946
For purchase of drugs	134,537	134,617
Lymphoedema Services	100,216	86,716
Share of Network Monies	410,000	411,936
Community Specialist Palliative Care team	470,756	470,756
End of Life Care Education Projects	108,848	129,631
Social Service funding	34,711	-
<b>Local government:</b>		
Social Services basic funding	-	34,711
<b>Department of Health</b>		
Capital Grant	496,000	-
	<u>2,420,094</u>	<u>1,933,313</u>

# St Luke's Hospice Plymouth

## Notes and Accounting policies

Year Ended 31 March 2011

### 5. Net income from trading activities of subsidiaries

During the year to 31 March 2010 the St Luke's shops were transferred into the charity. The taxable profits of the company arise from the operation of a lottery and general trading and are paid by Gift Aid to St Luke's Hospice Plymouth. The company also pays interest on loans from St Luke's Hospice Plymouth. Audited accounts are filed with the Registrar of Companies. A summary of the trading results is shown below:

<b>Profit and loss account</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>645,244</b>	1,639,328
Cost of sales	<b>(150,867)</b>	(143,348)
<b>Gross profit</b>	<b>494,377</b>	1,495,980
Operating expenses	<b>(201,975)</b>	(902,336)
<b>Operating profit</b>	<b>292,402</b>	593,644
Interest payable	<b>(5,000)</b>	(5,000)
Interest receivable	<b>32</b>	50
<b>Net trading profit</b>	<b>287,434</b>	588,694
Gift Aid donation to St Luke's Hospice Plymouth	<b>(286,770)</b>	(588,678)
<b>Profit on ordinary activities before taxation</b>	<b>664</b>	16
<b>Tax on profit on ordinary activities</b>	<b>-</b>	(16)
	<b>664</b>	-
<b>Balance sheet</b>	<b>2011</b>	<b>2010</b>
	<b>£</b>	<b>£</b>
Assets	<b>168,915</b>	132,908
Liabilities	<b>(200,627)</b>	(165,284)
Capital	<b>2</b>	2
Reserves	<b>(31,714)</b>	(32,378)

# St Luke's Hospice Plymouth

## Notes and Accounting policies

Year Ended 31 March 2011

### 6. Analysis of total resources expended

	Employment Costs	Other	Depreciation	Total Funds 2011	Total Funds 2010
	£	£	£	£	£
Patient care	3,072,032	392,974	67,020	<b>3,532,026</b>	3,463,819
Costs of generating funds	1,412,480	1,174,163	50,467	<b>2,637,110</b>	2,019,872
Housekeeping, maintenance, administration and finance	974,413	516,671	261,393	<b>1,752,477</b>	1,569,164
	<b>5,458,925</b>	<b>2,083,808</b>	<b>378,880</b>	<b>7,921,613</b>	7,052,855

### 7. Trustees' remuneration, staff numbers and costs

The aggregate payroll costs were as follows:

	2011 £	2010 £
Wages and salaries	<b>4,771,651</b>	4,469,729
Social Security	<b>335,295</b>	320,106
Pension costs	<b>351,979</b>	287,210
	<b>5,458,925</b>	5,077,045

Trustees did not receive any remuneration for their services as trustees during the year. Wages and salaries include other employee benefits such as training and a health benefits scheme.

The average number of full and part time employees and consultants during the year was 238 (2009: 226). The full time equivalent staff numbers were as follows:

	2011 f.t.e	2010 f.t.e
Clinical and direct care	<b>76</b>	77
Direct Support (hotel services)	<b>22</b>	22
Office and Administration	<b>29</b>	29
Fund generating teams	<b>74</b>	62
<b>Total staff</b>	<b>201</b>	190

The number of employees whose emoluments during the year were above £60,000 is as follows: within the £60,000 to £70,000 band: 1 – (2010: 0), within the £70,000 to £80,000 band: 1 – (2010:1), £80,000 to £90,000 band: 0 – (2010:1), £90,000 to £100,000 band: 1 – (2010:0) . Of these staff one was in the Hospice Group Personal Pension scheme, Hospice contributions were 7%, and the other two were in the NHS Pension Scheme, a defined benefit scheme.

# St Luke's Hospice Plymouth

## Notes and Accounting policies

Year Ended 31 March 2011

### 8. Support costs allocation

	Management	Finance	IT	HR	Total
	£	£	£	£	£
<b>Cost of generating funds</b>					
Shops	33,762	59,389	48,849	96,546	<b>238,546</b>
Lottery	-	-	3,061	-	<b>3,061</b>
Fundraising and Publicity	10,891	19,158	45,637	31,144	<b>106,830</b>
Investment and other	1,634	2,874	-	4,672	<b>9,180</b>
<b>Charitable activities</b>					
In Patient Care	35,877	63,113	38,054	102,598	<b>239,642</b>
Community Services	15,766	27,731	35,946	45,081	<b>124,524</b>
Hospital services and medical opts	2,872	5,050	5,786	8,211	<b>21,919</b>
Education	4,884	8,591	18,474	13,967	<b>45,916</b>
Other Clinical Support	3,771	6,631	12,901	10,779	<b>34,082</b>
<b>Governance costs</b>	545	958	1,561	1,557	<b>4,621</b>
<b>Total</b>	<b>110,002</b>	<b>193,495</b>	<b>210,269</b>	<b>314,555</b>	<b>828,321</b>

Support costs are allocated on the following basis: costs are allocated directly where possible for IT items and then on the basis of computers per team; the remaining costs are apportioned on the basis of headcount.

### 9. Taxation

The company is a registered charity. As such it is entitled to certain tax exemptions on income and profits from investments and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives provided that these profits and surpluses are applied solely for charitable purposes.

### 10. Pension schemes

The group provides a group personal pension scheme to employees, which is operated by Scottish Life. The scheme is of a defined contribution type. The cost of the contribution to the group scheme for the year was £191,317 (2010: £129,248). Some employees have continued membership of the NHS Pension Scheme. The cost of the group contribution to this scheme for the year was £160,662 (2010: £141,578).

# St Luke's Hospice Plymouth

## Notes and Accounting policies

Year Ended 31 March 2011

### 11. Tangible fixed assets

#### Group

	Freehold land and buildings £	Equipment and furniture £	Shop fixtures and fittings £	Motor vehicles £	Assets under Construction £	Total £
<b>Cost or valuation</b>						
At 1 April 2010	5,151,891	909,666	23,520	103,118	7,507	6,195,702
Additions	545,620	366,061	24,740	29,176	262,663	1,228,260
Disposals	-	(53,591)	-	-	-	(53,591)
<b>At 31 March 2011</b>	<b>5,697,511</b>	<b>1,222,136</b>	<b>48,260</b>	<b>132,294</b>	<b>270,170</b>	<b>7,370,371</b>
<b>Depreciation</b>						
At 1 April 2010	2,191,933	757,757	1,500	70,391	-	3,021,581
Charge for year	200,817	146,774	13,661	17,628	-	378,880
Disposals	-	(53,591)	-	-	-	(53,591)
<b>At 31 March 2011</b>	<b>2,392,750</b>	<b>850,940</b>	<b>15,161</b>	<b>88,019</b>	<b>-</b>	<b>3,346,870</b>
<b>Net book value</b>						
<b>At 31 March 2011</b>	<b>3,304,761</b>	<b>371,196</b>	<b>33,099</b>	<b>44,275</b>	<b>270,170</b>	<b>4,023,501</b>
At 31 March 2010	2,959,958	151,909	22,020	32,727	7,507	3,174,121

#### Charity

	Freehold land and buildings £	Equipment and furniture £	Motor vehicles £	Assets under Construction £	Total £
<b>Cost or valuation</b>					
At 1 April 2010	5,151,891	926,886	103,118	7,507	6,189,402
Additions	545,620	389,906	29,176	262,663	1,227,365
Disposals	-	(53,591)	-	-	(53,591)
<b>At 31 March 2011</b>	<b>5,697,511</b>	<b>1,263,201</b>	<b>132,294</b>	<b>270,170</b>	<b>7,363,176</b>
<b>Depreciation</b>					
At 1 April 2010	2,191,933	753,511	70,391	-	3,015,835
Charge for the year	200,817	159,978	17,628	-	378,423
Disposals	-	(53,591)	-	-	(53,591)
<b>At 31 March 2011</b>	<b>2,392,750</b>	<b>859,898</b>	<b>88,019</b>	<b>-</b>	<b>3,340,667</b>
<b>Net Book value</b>					
<b>At 31 March 2011</b>	<b>3,304,761</b>	<b>403,303</b>	<b>44,275</b>	<b>270,170</b>	<b>4,022,509</b>
At 31 March 2010	2,959,958	173,375	32,727	7,507	3,173,567

# St Luke's Hospice Plymouth

## Notes and Accounting policies

Year Ended 31 March 2011

### 12. Investments

#### Group

	<b>Listed</b>
<b>Valuation</b>	<b>£</b>
At 1 April 2010	990,606
Additions	67,481
Disposals	(77,732)
Revaluation	72,006
<b>At 31 March 2011</b>	<b><u>1,052,361</u></b>

Under historical cost principles, the historical cost of investments at 31 March 2011 was £811,600 (2010: £797,328). The investment of the Charity includes the 2 £1 shares in St Luke's Hospice Plymouth Trading Company Limited, a company incorporated in England and Wales, which represents the whole of the share capital.

The portfolio is held as a long term investment. The composition of the portfolio is as administered by Brewin Dolphin Ltd based on an investment policy agreed by the Trustees. The listed securities are made up as follows:

	<b>Government Stock</b>	<b>Direct Investments</b>	<b>Unit Trusts &amp; Investment Companies</b>	<b>Total</b>
	£	£	£	£
UK Investments	137,762	603,540	230,329	971,631
Overseas Investments	-	47,231	33,499	80,730
<b>At 31 March 2011</b>	<b><u>137,762</u></b>	<b><u>650,771</u></b>	<b><u>263,828</u></b>	<b><u>1,052,361</u></b>

No restrictions exist on the realisation of these assets. The following material investments were held at the 31 March 2011:

<b>Holding</b>	<b>Investment</b>	<b>Market Value</b>
		£
Standard Life Invs Global IDX LKD BD Retl	<b>70,000</b>	<b>88,970</b>
UK Gov Stock 26/07/16	<b>28,000</b>	<b>89,256</b>
Blackrock AM UK Charishare Acc	<b>7,146</b>	<b>77,606</b>

### 13. Stock

	<b>Group</b>		<b>Charity</b>	
	2011	2010	2011	2010
	£	£	£	£
Goods for resale	<b>10,226</b>	5,543	<b>570</b>	850
Stationery stock	<b>2,750</b>	3,543	<b>2,750</b>	2,600
	<b><u>12,976</u></b>	<u>9,086</u>	<b><u>3,320</u></b>	<u>3,450</u>

# St Luke's Hospice Plymouth

## Notes and Accounting policies

Year Ended 31 March 2011

### 14. Debtors

	Group		Charity	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	<b>188,589</b>	181,618	<b>184,809</b>	180,043
Amounts owed by group company	-	-	<b>92,448</b>	80,112
Taxation recoverable	<b>51,957</b>	59,484	<b>51,957</b>	59,484
VAT Recoverable	<b>17,109</b>	16,423	<b>17,109</b>	16,423
Other debtors	<b>7,961</b>	30,692	<b>7,961</b>	26,917
Prepayments and accrued income	<b>270,331</b>	237,418	<b>267,455</b>	241,128
	<b>535,947</b>	525,635	<b>621,739</b>	604,107

Of the above amounts, £50,000 (2010: £50,000) owed from the company's subsidiary is due after more than one year. The loan is secured by a debenture with a fixed and floating charge.

### 15. Creditors - Amounts falling due within one year

	Group		Charity	
	2011	2010	2011	2010
	£	£	£	£
Bank loans	<b>25,400</b>	-	<b>25,400</b>	-
Trade creditors	<b>443,804</b>	295,249	<b>343,775</b>	207,475
Corporation tax	-	16	-	-
VAT due	<b>3,840</b>	4,572	-	-
Other taxation and social security	<b>115,296</b>	96,797	<b>115,046</b>	107,937
Accruals and deferred income	<b>68,708</b>	74,030	<b>64,648</b>	75,330
	<b>657,048</b>	470,664	<b>548,869</b>	390,742

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	Group		Charity	
	2011	2010	2011	2010
	£	£	£	£
Bank loans	<b>25,400</b>	-	<b>25,400</b>	-

### 16. Creditors – Amounts falling due after more than one year

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	Group		Charity	
	2011	2010	2011	2010
	£	£	£	£
Bank loans and overdrafts	<b>525,236</b>	-	<b>525,236</b>	-

Included within creditors falling due after more than one year is an amount of £366,159 (2010 - £nil) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.

The bank loan is secured by a legal charge on two of the properties included in freehold land and buildings and a charge over one of the company's Barclays bank accounts.

# St Luke's Hospice Plymouth

## Notes and Accounting policies

Year Ended 31 March 2011

### 17. Revaluation reserve

Group and Charity	£
Balance at 1 April 2010	296,816
Unrealised gain on revaluation of investment portfolio	72,060
Realised gain on disposal of investments, transferred to general fund	(63,084)
<b>Balance at 31 March 2011</b>	<b><u>305,792</u></b>

### 18. Fund balances

	Balance Brought Forward	Transfers	Incoming Resources	Resources Expended	Balance 31 March 2011
Group	£	£	£	£	£
<b>Restricted Funds</b>					
Building Funds	1,184,918	-	496,000	(84,260)	<b>1,596,658</b>
Other Funds	175,938	-	173,480	(190,039)	<b>159,379</b>
End of Life/Project Funds	89,615	-	209,064	(190,590)	<b>108,089</b>
	<u>1,450,471</u>	<u>-</u>	<u>878,544</u>	<u>(464,889)</u>	<b><u>1,864,126</u></b>
<b>Designated Funds</b>					
Building Funds	1,775,039	-	-	(116,557)	<b>1,658,482</b>
Revenue Reserve	2,328,000	(81,000)	-	-	<b>2,247,000</b>
	<u>4,103,039</u>	<u>(81,000)</u>	<u>-</u>	<u>(116,557)</u>	<b><u>3,905,482</u></b>
<b>Revaluation Reserve</b>	296,816	(63,084)	72,060	-	<b>305,792</b>
<b>General Funds</b>	33,093	144,084	7,195,008	(7,340,166)	<b>32,019</b>
<b>Non-charitable trading</b>	(32,378)	-	664	-	<b>(31,714)</b>
<b>At 31 March 2011</b>	<u>5,851,041</u>	<u>-</u>	<u>8,146,276</u>	<u>(7,921,612)</u>	<b><u>6,075,705</u></b>

The Hospice Building Fund is held at a level equivalent to the net book value of freehold land and buildings owned by the Hospice and is partly made up of restricted funds, being the monies raised under building appeals and a bequest. An amount equivalent to the depreciation on the buildings, £200,816 was expended out of this fund in the year. At the year end an amount of £496,000, being a restricted capital buildings grant received in the year, was held in the fund.

There was a net transfer out of the Revenue Reserve of £81,000, giving a balance of £2,247,000. It is the intention of the Trustees to have sufficient funds in the Revenue Reserve to cover six months budgeted running costs less directly allocated costs of generating funds as part of its risk management strategy. The Revenue Reserve has fallen back to 4.7 months from 5.1 months since last year, with total freely available reserves (including the Revaluation reserve) falling to 5.4 months.

Some NHS and other income is for specific projects and programmes. These funds are treated as restricted and the balance on these funds is held as End of Life/Project Funds. The balance carried forward at the year-end was £108,089, with the balance to fund End of Life Education projects.

Other restricted funds are held at a level equivalent to the net book value of capital goods bought with restricted funds plus the value of any donations for restricted purposes that remain unspent at the year-end.

# St Luke's Hospice Plymouth

## Notes and Accounting policies

Year Ended 31 March 2011

### 19. Analysis of net assets between funds

Group	Tangible fixed assets £	Investments £	Other net assets £	Total £
<b>Restricted funds</b>				
Building Fund	1,596,658	-	-	<b>1,596,658</b>
End of Life/Project funds	-	-	108,089	<b>108,089</b>
Other Funds	84,447	-	74,932	<b>159,379</b>
	<b>1,681,105</b>	-	<b>183,021</b>	<b>1,864,126</b>
<b>Other funds/reserves</b>				
Designated Funds	2,342,396	746,569	816,517	<b>3,905,482</b>
Revaluation Reserve	-	305,792	-	<b>305,792</b>
Unrestricted Funds	-	-	32,019	<b>32,019</b>
Non-charitable trading Funds	-	-	(31,714)	<b>(31,714)</b>
	<b>2,342,396</b>	<b>1,052,361</b>	<b>816,822</b>	<b>4,211,579</b>
<b>Total</b>	<b>4,023,501</b>	<b>1,052,361</b>	<b>999,843</b>	<b>6,075,705</b>

### 20. Financial commitments

At 31 March 2011 annual commitments under non-cancellable operating leases (including shop premises) were as follows:

	Group		Charity	
	2011 £	2010 £	2011 £	2010 £
Expiring within one year	<b>35,158</b>	6,321	<b>35,158</b>	6,321
Expiring between two and five years	<b>343,836</b>	309,216	<b>343,836</b>	309,216
Expiring in over five years	<b>127,500</b>	128,000	<b>127,500</b>	128,000
	<b>506,494</b>	443,357	<b>506,494</b>	443,357

### 21. Share capital

The company is limited by guarantee and has no share capital.

# St Luke's Hospice Plymouth

## Notes and Accounting policies

Year Ended 31 March 2011

### 22. Related party transactions

The following related party transactions took place in the year. All trustees have declared an interest when appropriate.

Name	Role in Hospice	Related organisation	Role in related organisation	Value of transaction	Type of transaction
Gavin Price	Trustee	Brewin Dolphin	Divisional Manager (retired during year)	£6,717	Administration of Hospice investment portfolio
Sally Taylor	Chief Executive and Company Secretary	Help the Hospices Relative	Trustee Relative	£5,176 income, £3,683 expenditure	Training grant, fares income, training course fees, employment of relative expenditure

### 23. Income and expenditure account

	Continuing operations	
	2011	2010
	£	£
<b>Income</b>	<b>8,042,311</b>	7,119,614
Operating expenses	(7,921,613)	(7,052,855)
<b>Operating Surplus</b>	<b>120,698</b>	66,759
Investment Income	<b>23,041</b>	22,978
Realised investment gains in the year	<b>4,265</b>	17,846
Interest receivable and similar income	<b>4,602</b>	6,248
<b>Excess of income over expenditure for the Year</b>	<b>152,606</b>	113,831

The income and expenditure account is presented to ensure compliance with the Companies Act 2006. The major difference in the figures from those shown in the Statement of Financial Activities is that the interest and investment income have been separately disclosed and realised gains on the disposal of investments has been shown as part of the trading results of the Hospice.

Of the surplus for the financial year a surplus of £151,942 is dealt with in the accounts of St Luke's Hospice Plymouth. The Trustees have taken advantage of the exemption available under section 230 of the Companies Act 2006 and not presented an income and expenditure account for the company alone. For Companies Act purposes the gross income of the Group is:

	2011	2010
	£	£
Total Incoming Resources (per SOFA)	<b>8,069,954</b>	7,148,840
Realised investment gains in the year	<b>4,265</b>	17,846
Income for Companies Act purposes	<b>8,074,219</b>	7,166,686

# St Luke's Hospice Plymouth

## Notes and Accounting policies

Year Ended 31 March 2011

### 24. Reconciliation of net incoming resources to net cash inflow from operating activities

	Continuing operations	
	2011	2010
	£	£
<b>Continuing activities</b>		
Net incoming resources for the year	148,341	95,985
Depreciation on tangible fixed assets	378,880	316,296
Donated investments	(10,191)	(131,416)
(Increase) / decrease in stock	(3,890)	1,601
Investment income	(69,042)	(63,540)
(Increase) in debtors	(10,312)	(73,999)
Loss on disposal of fixed assets	-	686
Increase in creditors	160,984	18,300
<b>Net cash inflow from operating activities</b>	<b>594,770</b>	<b>163,913</b>

### 25. Financing

	2011	2010
	£	£
Increase in bank loans	550,636	-

### Reconciliation of net cash flow to movement in net cash

	2011	2010
	£	£
Increase in cash in the year	10,949	245,421
Net cash (inflow) from bank loans	(550,636)	-
	(539,687)	245,421
Change in net debt	(539,687)	245,421
Net cash at 1 April 2010	1,622,255	1,376,834
<b>Net cash at 31 March 2011</b>	<b>1,082,568</b>	<b>1,622,255</b>

### Analysis of changes in net debt

	At 1 April 2010	Cash flows	At 31 March 2011
	£		£
<b>Net cash:</b>			
Cash in hand and at bank	1,622,255	10,949	1,633,204
<b>Debt:</b>			
Debt due within one year	-	(25,400)	(25,400)
Debt due after one year	-	(525,236)	(525,236)
	-	(550,636)	(550,636)
<b>Net (debt)</b>	<b>1,622,255</b>	<b>(539,687)</b>	<b>1,082,568</b>

# St Luke's Hospice Plymouth

## Notes and Accounting policies

Year Ended 31 March 2011

### 26. Reconciliation of net cash to movement in funds

	2011 £	2010 £
Increase in cash in the year	10,949	245,421
Change in net funds resulting from cash flows	10,949	245,421
Net funds at 1 April 2009	1,622,255	1,376,834
<b>Net funds at 31 March 2010</b>	<b>1,633,204</b>	<b>1,622,255</b>

### 27. Analysis of net funds

	2010 £	Cash Flow £	2011 £
Cash at bank and in hand	1,622,255	10,949	1,633,204

### 28. Capital Commitments

Capital commitments on building works commenced, but not completed at the year end were in the region of £275,000.