



Registered Charity No. 280681
Company Number: 01505753

St Luke's Hospice Plymouth

Consolidated Financial Statements

Year Ended 31 March 2014

St Luke's Hospice Plymouth

Board of Trustees' Report

Year ended 31 March 2014

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Hospice Inpatient

"This is a special heartfelt thank you to each and every member of the nursing staff who looked after my darling through all his suffering and who helped make him comfortable and happy during his last days. He did appreciate all of your hard work and he loved all the banter and laughs he shared with you! My special thanks also to those (you know who you are!) who shared my tears and were so positive and caring to me and my children. I was going to try and write your names but would hate to have left anyone out! I have spent a whole month coming to the hospice every day to be with K so will miss it in a strange way!! With love to you all."

Carer, October 2013

St Luke's Hospice Plymouth

Board of Trustees' Report

Year Ended 31 March 2014

Reference and Administration Details of Charity, its Trustees and Advisors

Trustees

Mr S Elford
Dr S Hobbs
Dr J Grose
Mr G Northcott
Mrs Postle-Hacon
Mr G Price
Mr D Shepperd
Mr E Van Jaarsfeldt
Mrs M Williams
Mrs J Wills

Company Secretary

Mrs S 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

Investment Managers

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

Charity Website

www.stlukes-hospice.org.uk

St Luke's Hospice Plymouth

Board of Trustees' Report

Year Ended 31 March 2014

The Board presents its annual report and the audited consolidated financial statements for the year ended 31 March 2014. 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'), UK Accounting Standards, the Charities Act 2011, 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.

There are currently 18 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.

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
Vice Chairs	Mr Guy Northcott Bsc Econ, FCA, DChA Mr Gavin Price B Tech (Hons), FSS, FCSI
Treasurer	Mr Guy Northcott Bsc Econ, FCA, DChA

Senior Executives:

Chief Executive	Mrs Sally Taylor BSc PGCE FCA PGDip.
Medical Director	Dr Jeffrey Stephenson BA MB BChir MSc FRCP
Director of Clinical Services	Mr George Lillie RGN RMN BSc. MSc
Deputy Chief Executive	Mr Steve Statham FCIPD MA
Director of Finance	Mrs Kavita Sinnett BA Cert.ITM-PF
Director of Income Generation & Communications	Mr Robert Parsons MinstF

St Luke's Hospice Plymouth

Board of Trustees' Report

Year Ended 31 March 2014

Trustees

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

Mr S Elford (Chair) (a,b,c)	Mr G Price (a,d,g)
Dr S Hobbs (f,d)	Mr E Van Jaarsfeldt (b,c)
Prof G Howarth (resigned 20 May 2014) (b,c)	Mrs M Williams (e,f)
Mrs S Jones (resigned 24 Sept 2013) (d)	Mrs J Wills (b,c)
Mr D Shepperd (appointed 24 September 2013)(g)	Mr G Northcott (a,d,e)
Mrs C Postle-Hacon (appointed 28 January 2014)(f)	Mr A Green (resigned 24 Sept 2013)
Dr J Grose (appointed 26 November 2013)	

The Trustees of St Luke's serve on a number of Board committees as follows:

- a. Chair's Committee
- b. Governance Committee
- c. HR & Remuneration Committee
- d. Finance and Financial Audit Committee
- e. Organisational Risk and Internal Audit Committee
- f. Clinical Review Group

Two Trustees are also Directors of the wholly owned trading subsidiary:

- g. SLH Ventures Ltd

In addition, a number of trustees attend operational groups including Health and Safety Committee, Service Development Group, Education Training & Development Group, Income Generation Group, Research, Environmental Steering Group, Communications Group, User Involvement Steering Group and Staff Forum.

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 between three and 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.

A designated building fund is held equivalent to the value of funds tied up in Hospice buildings. This fund is reduced in value as the buildings are depreciated.

St Luke's Hospice Plymouth

Board of Trustees' Report

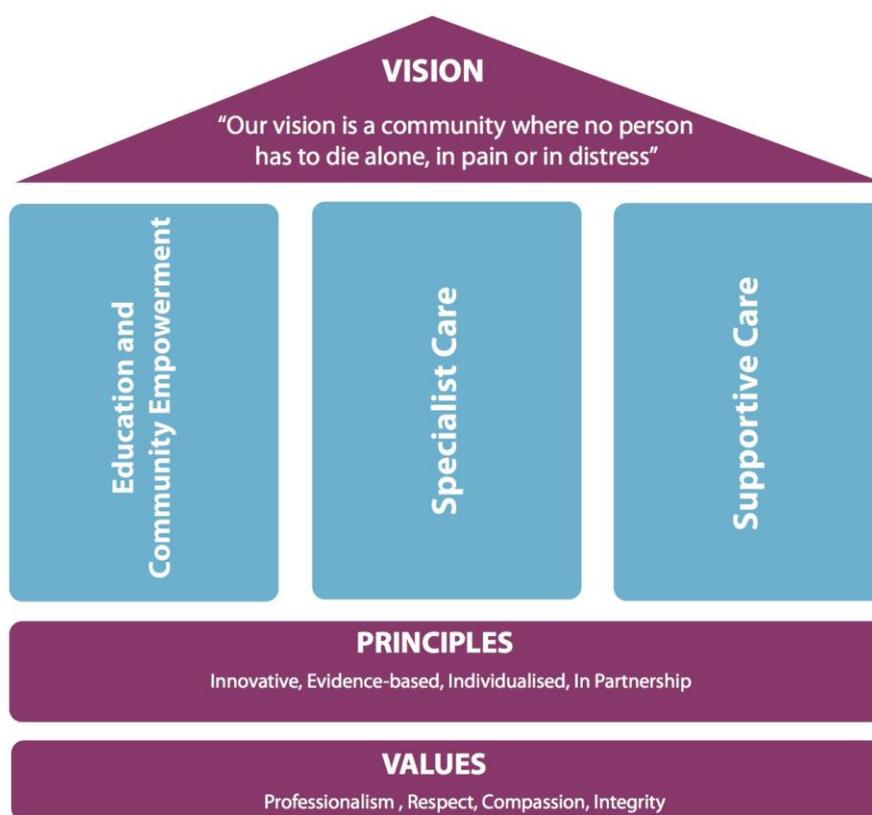
Year Ended 31 March 2014

Objectives and Activities

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' Report continues to evidence how the charity strives to meet need.

Our Business Plan Objectives – our vision



The Three Pillars of St Luke's Service delivery

1. The Provision of Specialist Care

At the core of what we do is the provision of specialist care services. The focus of these services is on complex symptom control/terminal care. The service we provide will include:

- Inpatient care service
- Community based advisory service (includes outpatients)
- Hospital based specialist advisory service
- Crisis response service
- Telephone advice and support

St Luke's Hospice Plymouth

Board of Trustees' Report

Year Ended 31 March 2014

2. The Provision of Supportive Care Services

We know from dealing with our patients and their carers, they are often in need of supportive care. This support can be in many forms and does not all need to be delivered by paid staff. Some examples of the services we may run include:

- Domiciliary Care
- Spiritual Care
- Social Workers
- Bereavement service
- Volunteers in Partnership
- Improving/creating care environments for EOL care

3. The Education /Support of Other Providers and our Community

The End of Life Care Strategy for England (2008) identified workforce development as one of the essential factors to the future success of the strategy's implementation. We are in a unique position to provide this education and have already seen the impact some of our education projects are having on the end of life care provided by other organisations, for example, the Six Steps programme aimed at care homes and domiciliary care agencies.

As part of the community in which we live, we will play a role in raising awareness and empowering the community to support itself. This will be achieved in a number of ways such as raising public awareness, and working with community groups to enable them to better support people at the end of life in their communities. In the ongoing development of this approach, wider public engagement, clear understanding of community development principles and partnership working will be critical.

The Services we provide – Our Activities

St Luke's provides specialist care for those with advanced life limiting illness. This may be either malignant disease or non-malignant life limiting illness (e.g. motor neurone disease, end stage heart and lung disease). St Luke's covers an approximate population of 450,000 and sees people in St Luke's premises, their own homes or care homes and in the hospitals within the catchment area. The integrated service offers support and care for patients facing an incurable life-threatening condition in particular for: management and monitoring of persistent symptoms, management of complex emotional/psychological issues, management of complex family/social issues, and end of life care. In addition to providing advice, support and care to patients, their carers and other healthcare professionals, St Luke's also provides palliative care education and specialist training for medical students, doctors, nurses and other health and social care professionals. Support can be in many forms and does not all need to be delivered by paid staff. In addition to paid staff, St Luke's is supported by a team of over 1,600 volunteers. The overall integrated service, St Luke's Services, has been summarised into five areas for the purpose of the accounts, as below.

(i) Inpatient Care

- The in-patient unit is situated in the main hospice building at Turnchapel. The unit can admit up to 20 patients with life-threatening illness
- A multi-disciplinary team provides comprehensive care, both to provide terminal care 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. The approach to care is holistic and centred on the needs of the individual patient. Physical, emotional, spiritual and psychosocial needs are considered.

St Luke's Hospice Plymouth

Board of Trustees' Report

Year Ended 31 March 2014

(ii) 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 specialist nurses and other specialist team members (including Social Workers and Occupational Therapists) offer support, information and advice on managing pain and other symptoms for patients with life threatening illness in their own homes.
- The community team works with local health and social care services in order to arrange community and nursing home care; providing advice, information and emotional support. In-patient and outpatient assessment, and home assessment prior to discharge are also available. They also provide information and advice on benefits available. Complementary therapy outpatient appointments are also available for all patients and some carers.
- We have taken the difficult decision in the year of closing our Day Care Services at the Atrium on 31 March 2014. We have reached this decision because this is not a specialist service and many of the recent referrals are for patients with generalist needs rather than the need for hospice care

(iii) Hospital Services and medical outpatients

- St Luke's Hospital Palliative Care Team operates in Derriford Hospital. The specialist nurses and doctors offer support, information and advice on managing pain and other symptoms for patients with life threatening illness in the hospital setting when requested by the patient's consultant. They are based in the oncology department although patients are supported throughout the hospital. The team works 9 to 5 Monday- Friday. Out of hours telephone advice is available from the medical and nursing team at the in-patient unit.
- There are Specialist Palliative Care clinics held at Pearn taking direct referrals and doing follow-up for discharged in-patients. There is a Pain Clinic at Turnchapel taking direct referrals and follow-ups.

(iv) Other Clinical Support

- The Lymphoedema service provides specialist care both for palliative care patients (charity funded) and for other patients (NHS funded). It is accessed by direct referral from a health care professional to the specialist nurse.
- 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.

(v) 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 staff to roll out End of Life Care education for professionals supporting patients in the community, care homes and hospitals.

St Luke's Hospice Plymouth

Board of Trustees' Report

Year Ended 31 March 2014

STRATEGIC REPORT – part of the Board of Trustees' Report

This strategic report forms part of the Board of Trustees' Report. It aims to provide some context for the financial accounts, and also provides a brief analysis of the charity's performance and its financial position.

Achievement and Performance - A Review of 2013/14

A brief review of the last year is provided below. The four key aims last year were achieved successfully as shown below:

Aim 1: Develop a service specification for a hospice at home scheme	Actions: Set up a working group to develop a service model for hospice at home. Model to be presented to SMT/BOT for approval by December 2013 Develop a full costing model so that a financial feasibility study can be investigated	This has been developed and presented to the Board in January 2014. The Board has agreed to set up a crisis response service later in the year. A costing model was developed and indicated an annual spend of £600,000. An amount has been set aside for this purpose by the Board as a designated reserve to fund this activity later this year.
Aim 2: Embed the principles of the productive series within Community and IPU services	Action: Following training in Feb/March /April 2013 complete 2 modules of the productive series by March 2014	This has been successfully carried out, and the results have been very visible to date, as valuable nursing time has been freed up for more patient facing activities. This will continue to be embedded by completing further modules in the coming months.
Aim 3: Increase efficiency and capacity of our recycling and distribution centre to enable the business to grow over the next 3 years	Actions: Redesign and relay the workflow process of our recycling distribution and warehousing function utilising lean methodology.	The redesign at the distribution centre has been carried out to improve workflow processes and efficient deliveries to our retail units.
Aim 4: Enhance the volunteering experience and ensure volunteers have the skills to carry out their role effectively and are recognised.	Action: Arrange an event to recognise Volunteer contribution by August 2013.	A Party in the Park summer event was organised and was well attended by our volunteers.

"For what you have done for our Mum this year, you all do a wonderful job and our Mum said "thank you", in her own way. Also, thanks for looking after me in this sad situation."

Family of patient

St Luke's Hospice Plymouth

Board of Trustees' Report

Year Ended 31 March 2014

PERFORMANCE OF OUR SERVICES

In the year ended 31 March 2014, the Charity was able to see some **3288** patients¹ directly. The total cost of our clinical services provision was **£5,250,000** for the year. The cost of our In Patient Unit bed was **£594** per day, which is higher than the £462 per day cost the previous year. This is because there were fewer patient admissions in the year due to renovation works to the IPU bathrooms and other parts of the main hospice building in the year, and so we have not been able to run the full 20 bedded unit throughout the year. Other services have not seen any interruptions, and activity on the whole has not changed much from the previous year. Our external education services indicate our influence on those patients we were not able to see directly. The following table gives more information.

<u>Our clinical activities</u>		
In Patient Care	<u>2014</u>	<u>2013</u>
Patients	261	354
Admissions	315	393
Deaths	192	232
Discharges	127	161
Occupied bed days	4506	5736
Average length of patient stay (days)	14.4	14.5
Our activities have dropped in the year due to major renovation works that were carried out in the main hospice building, so that on average for half of the year we were operating around 10 to 12 IPU beds only.		
Community Services	<u>2014</u>	<u>2013</u>
Patients	1301	1369
Patient visits	5682	4928
Patient/carer phone calls	14619	15383
Professional liaisons	16094	15501
Hospital Services and Medical Outpatients	<u>2014</u>	<u>2013</u>
<i>Hospital SPC service</i>		
Patients	951	1095
Support contacts	4282	4747
<i>Medical Outpatients</i>		
Patients	123	132
Attendances	366	331
Other Clinical support	<u>2014</u>	<u>2013</u>
<i>Bereavement Support</i> Contacts (including telephone calls)	614	616
<i>Lymphoedema</i>		
Patients	561	514
Palliative care appointments	291	282
NHS contracted appointments	2031	1453
Education	<u>2014</u>	<u>2013</u>
No of training sessions on National/Regional projects, local forums & conferences etc	623	682
No of external parties/individuals trained in the year	1481	1839
No of internal individuals trained in the year	1590	910

¹ In rare cases there may be a slight chance of double counting.

St Luke's Hospice Plymouth

Board of Trustees' Report

Year Ended 31 March 2014

Financial review

Over the last few years, the Hospice has made a concerted effort to rebuild its reserves to 6 months' spend, and the Board is pleased to report that it has succeeded this year. The organisation made an overall surplus of **£1,094,146**, which is after crediting gains on investments of £30,269 as the market value of the portfolio increased. This surplus was achieved after charging depreciation of £408,900 on buildings, which are funded by designated reserves.

The surplus for the year, before adjusting for investment gains, for management reporting purposes, was **£1,063,877**, which was remarkably better than budget. This surplus includes a Department of Health capital grant of **£416,040** for renovation works to the In Patient Unit, and an unexpected large one off bequest for **£650,000**.

Perhaps due to a delayed local effect of the economic recession, fundraising and donation income has dropped significantly from last year, as average sponsorship levels have reduced. As a result, our fundraising and donations income has seen a drop of nearly 20%. Legacies, on the other hand, has seen a large rise of 75%, and delivered over **£1.5 million** in the year, thus reducing the impact of the drop in fundraising income.

Investment income has held steady in the year, with income from our investment portfolio growing modestly, and our bank interest growing by 58%, after new cash management procedures were installed.

Our Education department continues to raise public awareness and work with community organisations to better support people at the end of life in their communities, and raised income of **£390,000** (2013, £293,000) in the year to deliver projects relating to implementing End of Life care education across the community, care homes and hospitals.

After investing heavily into the retail group over the last three years, both in terms of infrastructure and workforce development, there has been an **8%** increase in income, and the profitability of the retail group continues to rise steadily this year. Retail sales from donated goods exceeded their targets. Increased efforts over the year to rationalise spending have also been successful, and we hope to see this trend continue over the coming years.

Lottery sales saw a small drop in sales of **4%** from previous year, as we lost two experienced canvassers in the year. We are in the process of supplementing field canvassers with a small telesales team, and hope to regain some of the players that we lost in the year. However, the net surplus was higher than the previous year, an improvement of about **4%**.

The Domiciliary Care Agency has produced a deficit in the year of £49,646, as the business has struggled to appoint a manager. The manager who was appointed in January 2013 left in August 2013, and a new manager was appointed in the autumn, who is working hard to increasing our client base.

Charity expenditure this year has once again been managed really well, after an organisation-wide initiative was launched two years ago, to devolve departmental budgets down to all heads of department. For the year reported, a **1%** efficiency drive was trialled in the year (2013: 2%), and once again most parts of the organisation achieved this. Charity expenditure was below budget by **4%** this year, equating to savings of **£250,000**.

This year has seen an increase in free reserves, from £2,685,873 last year to **£3,331,529**. This represents **6.5** months of expenditure based on budgeted running costs (from 5.3 months in the previous year). As well as this, the Board has been able to set aside another £510,541 for its Crisis Team initiative, which we hope to launch this autumn.

Overall, despite the drop in fundraising income, the financial performance of the organisation for the year has been positive, and quite timely in helping to fund some of the initiatives in our strategy going forward.

Plans for future periods

Over the past two years St Luke's Hospice Plymouth has been reviewing and shaping its services to deliver its vision of "A community where no person has to die alone, in pain or distress". We are very aware that our current population will grow significantly over the next 10- 20 years, with an increasing

St Luke's Hospice Plymouth

Board of Trustees' Report

Year Ended 31 March 2014

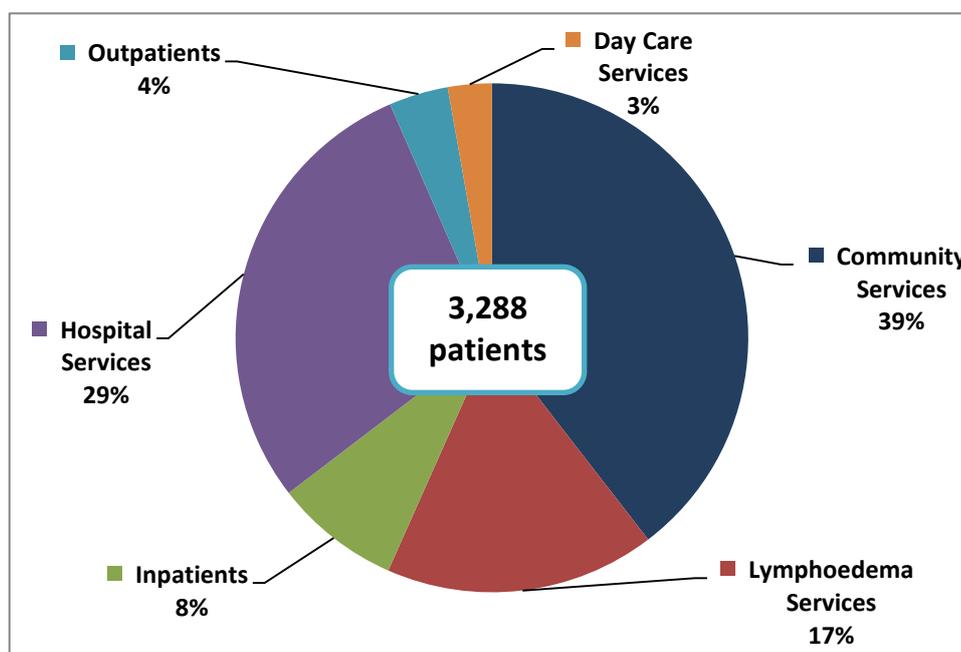
number of people living well into their 80's. It is predicted that by 2035 more than 3.5 million people will be aged 85 and over, an increase of over 2.1 million. Unfortunately with old age comes increasing ill health; with people dying of more than one illness, leading to complications and greater demands on health care services.

St Luke's has developed a clear long term vision and the plans for 2014/15 take this long-term strategy into account. Our priority is to provide specialist care in the last days of life for those who have the greatest need but we also aspire to ensure that everyone has access to appropriate care and support at the end of life, and we therefore provide education, general support services, advice support and care to patients, professionals and carers. 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.

We recognise that we cannot deliver intensive end of life care to everyone and we therefore intend to allocate resources to ensure that we can empower others to support local people at the end of life. In addition the number of people living alone is set to double in the next 20 years; placing further stress on families and social care provision. These predicted changes in our population have been further highlighted in a recent report from 'Help the Hospices Future Ambitions for Hospice Care'; which clearly defines a challenging future for hospices in order to meet the need for specialist end of life care for our future patients and their families.

Research shows that people would like to die at home or within a hospice setting. Mortality data suggests the majority of people don't die in their preferred place of choice. With this in mind St Luke's will be further developing its vision of a "Hospice without Walls" by providing and supporting quality end of life care no matter where, with a greater emphasis on community care within the person's home. We are setting up a Crisis Team in the autumn, and this will be funded initially by St Luke's using a mix of capital/grant bids and redeployment of monies from existing activities. We will be aiming for this service to be commissioned by the NHS within two years of being set up.

As can be seen from the following graph, 3288 patients were seen by our teams in the year 2013/14, across the different services we provide. The most number of patients seen were in their homes, followed by the hospital (more details on these statistics are available on page 10).



St Luke's Hospice Plymouth

Board of Trustees' Report

Year Ended 31 March 2014

To meet our vision, we have reviewed all of our services thoroughly to ensure we provide **specialist care** for as many local people as possible in the last years, months and days of life. We have come to the conclusion that continuing to operate a day care provision is not sustainable. This has been a difficult decision, but we have reached this conclusion because this is not a specialist service and many of the recent referrals are for patients with generalist needs rather than the need for hospice care. Another difficult decision has been to reduce the number of inpatient unit beds from 20 to 12 by next year, once again based on our rationale that we need to reach more people who need end of life specialist support in the community.

Our aim is to continue to develop complementary domiciliary care services managed by SLH Ventures Ltd, a wholly owned subsidiary of St Luke's Hospice Plymouth. As well as contributing to profits, we hope that these services will provide effective support to people at an earlier stage of their disease and enable anticipation of their needs so that later crises can be averted.

Looking ahead, the five year business plan is assuming steady growth in Fundraising income and donations. The recent expansion in the retail group, and subsequent investment in a new warehouse distribution centre, has now begun to reap its benefits, and the Plan assumes that by 2014/2015, the retail group will be contributing just over £1 million in profit to the Charity, with steady but challenging growth targets thereafter.

The Hospice has long relied on generous bequests to help run the service, and over the last five years, annual legacies have ranged from £800,000 to £1,500,000 this year. However, this is a very unpredictable source of income and there is some evidence that legacy income could fall with the demographic changes ahead. The financial plans going forward have assumed a baseline target figure, with one-off larger bequests shown below the line. This should make for a more robust plan, and reduce some of the risks associated with budgeting for large legacy amounts in our longer term plans for the business.

No major changes in expenditure on existing services are budgeted although there is some increase in salary costs. Savings and efficiencies delivered in the last few years have already made a major difference to the charity's performance, and have invested those savings into service provision where possible.

Overall the five-year plan is robust enough to ensure that our free reserves can be sustained to remain within the target level of three to six months expenditure (based on a risk analysis model), while services are reviewed and developed in order to use our limited resources most effectively to deliver care services in line with the needs and preferences of patients living with and dying from advanced incurable illness.

St Luke's Prioritised Aims and Actions for 2014/5

The 4 prioritised aims and their associated actions below are extracted from the business plan:

Key Aim	Action
Aim 1: Physical Space – Ensure effective utilisation of our facilities.	Investigate alternative options for the moving of services out of our Pearn site. Facilitate the moving of departments following the closing of in-patient beds at the Turnchapel site. Work with architects to redesign areas and convert empty bays.
Aim 2: Ways of working - Develop a workforce planning strategy for meeting future workforce needs within our clinical services	Set up a cross-organisational working group to review future work force planning needs within Clinical Services.
Aim 3: Hospice without Walls - Oversee key transformational changes to clinical	Develop Crisis Response Nursing team to be operational by October 2014.

St Luke's Hospice Plymouth

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Year Ended 31 March 2014

services in line with our 10 year vision.	
Aim 4: Workforce development - Introduce interventions to support the development of the workforce	Commence coaching programme for senior management team and heads of department. Develop a matrix to identify the skills, knowledge and development requirements for different levels within the organisation.

Risks

As Trustees, we are aware of the many challenges faced by the Hospice in meeting our future plans. Externally, there are ongoing risks and uncertainties about the NHS reorganisation, and the effects of the Palliative Care Funding Review and the future of the service provision. Given that we are making major changes in our direction of travel e.g. reduction of IPU beds and closure of our day care services, in our efforts to reach more people in need, there is also a risk of potential damage to our reputation, and our ability to generate income. This will be mitigated by major internal and external public relations plans in place to manage the expectations of all our stakeholders. A stakeholder event is planned for later in the year, and we will continue to work closely with the Clinical Commissioning Groups (CCGs).

Internally, with the recent and ongoing changes within the organisation, there is a risk that we disengage with some staff who may struggle with the change management process. To manage this risk there has been an increased focus on communications in the organisation, at all levels, to ensure that information is effectively disseminated through the organisation and that staff understand the direction of travel.

Conclusion

Finally, the Board would like to take this opportunity to thank all the Trustees, the Senior Management team and staff, and the 1600 volunteers, all of whom are dedicated to the charity, and who work so hard and contribute to its success.

Auditors

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

The Trustees' Report, incorporating the Strategic Report, was approved by the Board, and signed on its behalf by

Stuart Elford Chair

"I am writing to say a big thank you to all the staff at St Luke's, especially the lovely nurses for looking after Dad. Everyone always has a smile on their face and such an upbeat attitude, which helped a lot in a very difficult time. Dad was a very proud man who never made a fuss and you made him feel and all the family welcome. The last days with dad were extremely hard and upsetting but there is certainly a feeling of calm within the Hospice. On the front of this card is the place where Dad lived (the farm which my brother now runs)."

Daughter of patient March 2014

"Thank you so much for having me as part of your team over the last 4 months. I really have loved being here and it's been a wonderful learning environment. Please continue to keep up the amazing job that you all do for the patients and their families.

I feel very honoured and proud to have worked with you all at St Luke's."

Doctor in training, February 2014

St Luke's Hospice Plymouth

Statement of Trustees' Responsibilities

Year ended 31 March 2014

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.

Hospital

"I would like to thank you and your team for the care of my mother. You helped my mum greatly, not only with her physical pain but also with the anxiety surrounding her disease and therapy. The palliative care nurses supported mum, myself, dad and my siblings. Their care and knowledge was such a comfort when we were struggling. Anna and Sharon were brilliant. We couldn't have looked back at the end of mum's life with any sense of peace if it hadn't been for your team. Thank you so much". **Carer, June 2013**

St Luke's Hospice Plymouth

Independent Auditors' Report

Year ended 31 March 2014

We have audited the group and parent financial statements of St Luke's Hospice Plymouth for the year ended 31 March 2014, 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 charitable 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 charitable 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 charitable company and the charitable 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 charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 2014

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.

Charles Evans

Senior Statutory Auditor

For and on behalf of Francis Clark LLP

Statutory Auditors

North Quay House

Sutton Harbour

PLYMOUTH

PL4 0RA

St Luke's Hospice Plymouth

Consolidated Statement of Financial Activities

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

Year Ended 31 March 2014

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Funds 2014 £	Total Funds 2013 £
Incoming resources from generated funds:						
Voluntary income:						
Donations and gifts		1,420,466	-	49,513	1,469,979	1,822,159
Bequests		868,962	-	-	868,962	867,695
Large Bequest		650,000	-	-	650,000	-
Activities for generating funds:						
Shops		2,740,975	-	-	2,740,975	2,532,431
Lottery		661,299	-	-	661,299	689,384
Domiciliary care		174,027	-	-	174,027	115,020
Investment income	3	123,455	-	-	123,455	109,652
Incoming resources from charitable activities:						
Public sector funding	4	1,773,621	-	590,752	2,364,373	1,858,333
Other income		506,225	-	429,236	935,461	734,712
Total incoming resources		8,919,030	-	1,069,501	9,988,531	8,729,386
Resources expended						
Costs of generating funds:						
Shops		2,202,240	37,442	-	2,239,682	2,132,571
Lottery		254,652	-	-	254,652	296,738
Domiciliary care		242,500	-	-	242,500	116,379
Fundraising & publicity		821,370	28,307	-	849,677	881,867
Investment & other		24,279	6,000	-	30,279	29,585
Charitable activities:						
In patient care		2,515,109	153,037	7,577	2,675,723	2,652,225
Community Services and other clinical support		1,411,175	184,114	230,797	1,826,086	1,785,251
Hospital Services & Medical Outpatients		246,021	-	9,000	255,021	226,015
Education		114,952	-	378,218	493,170	464,860
Governance costs		57,864	-	-	57,864	76,178
Total resources expended	6	7,890,162	408,900	625,592	8,924,654	8,661,669
Net incoming/(outgoing) resources for the year before transfers		1,028,868	(408,900)	443,909	1,063,877	67,717
Transfer between funds		(969,483)	1,522,372	(552,889)	-	-
Net incoming / (outgoing) resources		59,385	1,113,472	(108,980)	1,063,877	67,717
Gains on investment assets		30,269	-	-	30,269	124,300
Net movement in funds		89,654	1,113,472	(108,980)	1,094,146	192,017
Funds at 1/4/2013		181,875	5,386,488	201,814	5,770,177	5,578,160
Funds at 31/03/2014		271,529	6,499,960	92,834	6,864,323	5,770,177

Note: The total incoming resources include a one-off large legacy for £650,000, and a Department of Health capital grant for renovations works to the inpatient unit.

St Luke's Hospice Plymouth

Balance Sheet – Company number 01505753

31 March 2014

		Group		Charity	
		2014	2013	2014	2013
	Notes	£	£	£	£
Fixed assets					
Tangible	11	3,611,855	3,692,169	3,610,111	3,691,293
Investments	12	1,253,457	1,233,834	1,253,459	1,233,836
		4,865,312	4,926,003	4,863,570	4,925,129
Current assets					
Stocks	13	14,605	4,895	2,379	775
Debtors	14	1,060,018	861,965	1,153,113	884,022
Cash at bank and in hand		2,021,524	1,113,276	1,856,986	1,037,799
		3,096,147	1,980,136	3,012,478	1,922,596
Creditors: amounts falling due within one year	15	658,363	667,126	544,685	578,876
Net current assets		2,437,784	1,313,010	2,467,793	1,343,720
Total assets less current liabilities		7,303,096	6,239,013	7,331,363	6,268,849
Creditors: amounts falling due after more than one year	16	438,773	468,836	438,773	468,836
Net Assets		6,864,323	5,770,177	6,892,590	5,800,013
Funds					
Unrestricted funds:					
Revaluation reserve	17	266,425	178,987	266,425	178,987
General funds	18	33,371	32,724	33,371	32,724
Non-charitable trading funds	18	(28,267)	(29,836)	-	-
Designated funds	18	6,499,960	5,386,488	6,499,960	5,386,488
Restricted funds	18	92,834	201,814	92,834	201,814
		6,864,323	5,770,177	6,892,590	5,800,013

The consolidated financial statements on pages 18 to 33 were approved by the Trustees on 22 July 2014 and were signed on its behalf by:

S Elford, Chairman

G Northcott, Treasurer

St Luke's Hospice Plymouth
Consolidated Cash Flow Statement
Year Ended 31 March 2014

		2014	2013
		£	£
	Notes		
Net cash inflow from operating activities	24	<u>1,334,871</u>	268,430
Returns on investments and servicing of finance			
Interest received		27,549	17,344
Investment income received		<u>95,906</u>	92,308
Net cash inflow from returns on investments and servicing of finance		<u>123,455</u>	109,652
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(531,958)	(185,889)
Purchase of investments		(233,127)	(135,830)
Sale of investments		<u>243,773</u>	134,981
Net cash (outflow) from capital expenditure and financial investment		<u>(521,312)</u>	(186,738)
Financing	25	<u>(28,766)</u>	(27,424)
Increase in cash	26	<u>908,248</u>	163,920

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2014

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, the Charities Act 2011 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 five 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%

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2014

- 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.
- 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. St Luke's has also set aside a Revenue Reserve to protect against sudden dips in income. As such these funds 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:

	2014	2013
	£	£
Amortisation of leasehold property improvements	184,113	27,276
Depreciation of owned assets	428,159	500,903
Auditors' remuneration for audit services		
Charity	6,750	6,500
Subsidiary	3,500	3,500
Non audit services	620	800
Rental of shop premises - operating leases	482,594	468,665

The organisation is planning to give notice in the current year to exit its leasehold property, by exercising a 10 year break clause. The leasehold was being amortised over a period of 15 years, and £184,113 has been written down, so that only one year remains to be amortised in the current year.

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2014

3. Investment income

	2014	2013
	£	£
Income from property	59,686	57,050
Dividends from other investments	36,220	35,258
Interest receivable and similar income	27,549	17,344
	<u>123,455</u>	<u>109,652</u>

4. Public sector funding

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

	2014	2013
	£	£
NHS Trusts:		
Basic funding	1,201,922	1,201,922
For purchase of drugs	175,292	115,292
Lymphoedema Services	133,832	103,832
Community Specialist Palliative Care team	361,696	361,696
End of Life Care Education Projects	40,880	40,880
Social service funding	34,711	34,711
Other:		
Capital Grant – Department of Health	416,040	-
	<u>2,364,373</u>	<u>1,858,333</u>

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2014

5. Net income from trading activities of subsidiaries

The taxable profits of SLH Ventures Limited 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:

Profit and loss account	2014	2013
	£	£
Turnover	912,449	877,376
Cost of sales	(287,548)	(211,724)
Gross profit	624,901	665,652
Operating expenses	(207,636)	(204,506)
Operating profit	417,265	461,146
Interest payable	(5,000)	(5,000)
Interest receivable	-	2
Net trading profit	412,265	456,148
Gift Aid donation to St Luke's Hospice Plymouth	(410,000)	(455,000)
Profit on ordinary activities before taxation	2,265	1,148
Tax on profit on ordinary activities	698	-
	1,567	1,148
Balance sheet	2014	2013
	£	£
Assets	196,678	130,141
Liabilities	(224,943)	(159,975)
Capital	2	2
Reserves	(28,267)	(29,836)

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2014

6. Analysis of total resources expended

	Employment Costs	Other	Depreciation	Total Funds 2014	Total Funds 2013
	£	£	£	£	£
Patient care	3,293,351	380,888	58,429	3,732,668	3,721,322
Costs of generating funds	1,478,377	1,451,229	112,956	3,042,562	2,913,950
Housekeeping, maintenance, administration and finance	989,854	718,203	440,887	2,148,944	2,026,397
	5,761,582	2,550,320	612,272	8,924,174	8,661,669

7. Trustees' remuneration, staff numbers and costs

The aggregate payroll costs were as follows:

	2014 £	2013 £
Wages and salaries	4,766,477	4,757,430
Social Security	350,165	339,183
Pension costs	644,940	469,499
	5,761,582	5,566,112

Trustees did not receive any remuneration for their services as trustees during the year.

The average number of full and part time employees and consultants during the year was **256** (2013: 250).

The full time equivalent staff numbers were as follows:

	2014 f.t.e	2013 f.t.e
Clinical and direct care	89	80
Direct Support (hotel services)	23	22
Office and Administration	29	25
Fund generating teams	76	76
Total staff	217	203

The number of employees whose emoluments during the year were above £60,000 is as follows: within the £60,000 to £70,000 band: **0** – (2013:0) and within the £70,000 to £80,000 band: **1** – (2013:1). The staff member was in the NHS Pension Scheme, a defined benefit scheme.

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2014

8. Support costs allocation

	Management	Finance	IT	HR	Total 2014	Total 2013
	£	£	£	£	£	£
Cost of generating Funds						
Shops	25,434	64,977	15,470	108,022	213,903	204,183
Lottery	-	-	1,778	7,538	9,316	11,704
Domiciliary care	-	-	6,579	12,248	18,827	6,394
Fundraising and Publicity	22,891	43,318	49,787	30,150	146,146	135,765
Investment and other	-	10,830	-	-	10,830	10,494
Charitable activities						
In Patient Care	25,434	43,318	48,720	72,153	189,625	178,066
Community Services	12,717	21,659	24,360	70,513	129,249	129,464
Hospital services and medical opts	7,630	-	3,556	11,646	22,832	19,992
Education	7,630	21,660	14,047	16,337	59,674	57,595
Governance costs	25,434	10,830	2,134	762	39,160	58,565
Total	127,170	216,592	166,431	329,369	839,562	812,222

Support costs are allocated on the following basis: costs are allocated directly where possible for all management, finance, IT and HR spend, and the remaining costs are apportioned on the most appropriate basis such as time spent, or 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 **£267,835** (2013: £272,536). Some employees have continued membership of the NHS Pension Scheme. The cost of the group contribution to this scheme for the year was **£217,380** (2013: £196,963).

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2014

11. Tangible fixed assets

Group

	Leasehold improvements/ Freehold land and buildings £	Equipment and furniture £	Motor vehicles £	Assets under construction £	Total £
Cost or valuation					
At 1 April 2013	6,266,192	1,199,040	142,605	2,266	7,610,104
Additions	36,224	84,355	22,308	389,074	531,958
At 31 March 2014	6,302,416	1,283,395	164,913	391,340	8,142,062
Depreciation					
At 1 April 2013	2,886,128	905,538	126,269	-	3,917,935
Charge for year	408,900	185,715	17,657	-	612,272
At 31 March 2014	3,295,028	1,091,253	143,926	-	4,530,207
Net book value					
At 31 March 2014	3,007,388	192,142	20,987	391,340	3,611,855
At 31 March 2013	3,380,063	293,503	16,337	2,265	3,692,169

Charity

	Leasehold improvements/ Freehold land and buildings £	Equipment and furniture £	Motor vehicles £	Assets under construction £	Total £
Cost or valuation					
At 1 April 2013	6,266,192	1,191,241	142,605	2,266	7,602,304
Additions	36,224	82,860	22,308	389,074	530,466
At 31 March 2014	6,302,416	1,274,101	164,913	391,340	8,132,770
Depreciation					
At 1 April 2013	2,886,128	898,614	126,269	-	3,911,011
Charge for the year	408,900	185,091	17,657	-	611,648
At 31 March 2014	3,295,028	1,083,705	143,926	-	4,522,659
Net book value					
At 31 March 2014	3,007,388	215,596	20,987	391,340	3,610,111
At 31 March 2013	3,380,063	292,627	16,337	2,266	3,691,293

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2014

12. Investments

Group

	Listed
Valuation	£
At 1 April 2013	1,233,834
Additions	233,127
Disposals	(243,030)
Revaluation	29,526
At 31 March 2014	1,253,457

Under historical cost principles, the historical cost of investments at 31 March 2014 was **£987,032** (2013: £933,870). The investments of the Charity include the 2 £1 shares in SLH Ventures 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:

	Government stock	Direct investments	Unit trusts & investment companies	Total
	£	£	£	£
UK investments	25,466	629,431	227,275	882,172
Overseas investments	-	-	371,285	371,285
At 31 March 2014	25,466	629,431	598,560	1,253,457

No restrictions exist on the realisation of these assets. The following material investments were held at the 31 March 2014:

Holding	Investment	Market Value £
Blackrock AM UK CharishareAcc	7,146	95,542

13. Stock

	Group		Charity	
	2014	2013	2014	2013
	£	£	£	£
Goods for resale	12,226	4,120	-	-
Stationery stock	2,379	775	2,379	775
	14,605	4,895	2,379	775

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2014

14. Debtors

	Group		Charity	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	87,873	116,861	76,066	91,636
Amounts owed by group company	-	-	111,265	50,000
Taxation recoverable	60,969	39,886	60,969	39,886
VAT recoverable	62,799	39,721	62,799	39,721
Other debtors	237,110	429,370	237,110	429,280
Prepayments and accrued income	611,267	236,127	604,904	233,499
	1,060,018	861,965	1,153,113	884,022

Of the above amounts, £50,000 (2013: £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	
	2014	2013	2014	2013
	£	£	£	£
Bank loans	30,035	28,738	30,035	28,738
Trade creditors	359,697	304,927	257,438	186,474
Amounts owed by group company	-	-	-	45,730
Other creditors	60,531	92,147	59,274	92,147
VAT due	3,089	2,527	-	-
Other taxation and social security	94,375	97,890	91,052	97,890
Accruals and deferred income	110,636	140,897	106,886	127,897
	658,363	667,126	544,685	578,876

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

	Group		Charity	
	2014	2013	2014	2013
	£	£	£	£
Bank loans	30,035	28,738	30,035	28,738

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	
	2014	2013	2014	2013
	£	£	£	£
Bank loans	438,773	468,836	438,773	468,836

The bank loan, totalling £468,808, is secured by a legal charge on two of the properties included in freehold land and buildings, with a NBV of £476,000 and £154,000 respectively. Therefore the proportion of the loan to the assets charged is 74% (2013: 74%).

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2014

17. Revaluation reserve

Group and Charity	£
Balance at 1 April 2013	178,987
Unrealised gain on revaluation of investment portfolio	29,526
Realised gain on disposal of investments, transferred to general fund	57,912
Balance at 31 March 2014	<u>266,425</u>

18. Fund balances

Group	Balance Brought Forward	Incoming Resources	Resources Expended	Transfers	Balance 31 March 2014
	£	£	£	£	£
Restricted Funds					
Building Funds	-	416,040	-	(416,040)	-
Other Funds	149,055	40,513	(39,292)	(136,849)	13,427
Project Funds	52,759	612,948	(586,300)	-	79,407
	<u>201,814</u>	<u>1,069,501</u>	<u>(625,592)</u>	<u>(552,889)</u>	92,834
Designated Funds					
Building Funds	2,882,488	-	(408,899)	455,830	2,929,419
Crisis Team Fund	-	-	-	510,541	510,541
Revenue Reserve	2,504,000	-	-	556,000	3,060,000
	<u>5,386,488</u>	<u>-</u>	<u>(408,899)</u>	<u>1,522,371</u>	6,499,960
Revaluation Reserve	178,987	29,526	-	57,912	266,425
General Funds	32,722	8,918,206	(7,890,162)	(1,027,394)	33,371
Non-charitable trading	(29,834)	1,567	-	-	(28,267)
At 31 March 2014	<u>5,770,177</u>	<u>10,018,800</u>	<u>(8,924,654)</u>	<u>-</u>	<u>6,864,323</u>

The Hospice Building Fund is held at a level equivalent to the net book value of freehold land and buildings owned by the Hospice, after deducting the outstanding mortgage secured on them. An amount equivalent to the depreciation on the buildings, £408,899 was expended out of this fund in the year.

There was a net transfer to the Revenue Reserve of £556,000 giving a balance of £3,060,000. In addition, a separate designated fund of £510,541 was set up to fund the Crisis Team project. It is the intention of the Trustees to have sufficient funds in the Revenue Reserve to cover three to six months budgeted running costs less directly allocated costs of generating funds as part of its risk management strategy. The Revenue Reserve has risen to **5.9 months** from 4.9 months since last year, with total freely available reserves (including the Revaluation reserve) rising to **6.5 months** (from 5.3 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 £79,407 with the balance to fund End of Life Education projects.

Other restricted funds are held at 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 2014

19. Analysis of net assets between funds

Group	Tangible fixed assets £	Investments £	Other net assets £	Total £
Restricted funds				
End of Life/Project funds	-	-	79,407	79,407
Other Funds	-	-	13,427	13,427
	-	-	92,834	92,834
Other funds/reserves				
Designated Funds	2,929,419	987,032	2,583,509	6,499,960
Revaluation Reserve	-	266,425	-	266,425
Unrestricted Funds	680,689	-	(647,318)	33,371
Non-charitable trading Funds	1,747	-	(30,014)	(28,267)
	3,611,855	1,253,457	1,906,177	6,771,489
Total	3,611,855	1,253,457	1,999,011	6,864,323

20. Financial commitments

At 31 March 2014 annual commitments under non-cancellable operating leases (including shop premises) were as follows:

	Group		Charity	
	2014	2013	2014	2013
	£	£	£	£
Expiring within one year	245,132	214,142	245,132	214,142
Expiring between two and five years	256,550	305,589	256,550	305,589
Expiring in over five years	40,000	35,000	40,000	35,000
	541,682	554,731	541,682	554,731

21. Share capital

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

22. Related party transactions

There were no related party transactions of any significance that required disclosure during the year. All Trustees have declared an interest when appropriate.

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2014

23. Income and expenditure account

	2014	2013
	£	£
Income	9,924,762	8,676,784
Operating expenses	(8,924,654)	(8,661,669)
Operating Surplus	1,000,108	15,115
Investment Income	36,220	35,258
Realised investment gains in the year	743	4,778
Interest receivable and similar income	27,549	17,344
Excess of income over expenditure for the Year	1,064,620	72,495

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 £1,063,053 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:

	2014	2013
	£	£
Total Incoming Resources (per SOFA)	9,988,531	8,729,386
Realised investment gains in the year	743	4,778
Income for Companies Act purposes	9,989,274	8,734,164

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

	2014	2013
	£	£
Net incoming resources for the year	1,063,877	67,717
Depreciation on tangible fixed assets	612,272	500,903
(Increase) in stock	(9,710)	2,979
Investment income	(123,455)	(109,652)
(Increase) in debtors	(198,053)	(310,462)
(Decrease) in creditors	(10,060)	116,945
Net cash inflow from operating activities	1,334,871	268,430

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2014

25. Financing

	2014 £	2013 £
(Decrease) in bank loans	(28,766)	(27,424)

Reconciliation of net cash flow to movement in net cash

	2014 £	2013 £
Increase in cash in the year	908,248	163,920
Net cash outflow from bank loans	28,766	27,424
	937,014	191,344
Change in net debt	937,014	191,344
Net cash at 1 April 2013	615,702	424,358
Net cash at 31 March 2014	1,552,716	615,702

Analysis of changes in net debt

	At 1 April 2013 £	Cash flows	At 31 March 2014 £
Net cash:			
Cash in hand and at bank	1,113,276	908,248	2,021,524
Debt:			
Debt due within one year	(28,738)	(1,297)	(30,035)
Debt due after one year	(468,836)	30,063	(438,773)
	(497,574)	28,766	(468,808)
Net cash	615,702	937,014	1,552,716

26. Reconciliation of net cash to movement in funds

	2014 £	2013 £
Increase in cash in the year	908,248	163,920
Change in net funds resulting from cash flows	908,248	163,920
Net funds at 1 April 2013	1,113,276	949,356
Net funds at 31 March 2014	2,021,524	1,113,276

27. Analysis of net funds

	2013 £	Cash Flow £	2014 £
Cash at bank and in hand	1,113,276	908,248	2,021,524