



**Registered Charity No. 280681  
Company Number: 1505753**

**St Luke's Hospice Plymouth  
Consolidated Financial Statements  
Year Ended 31 March 2008**

# St Luke's Hospice Plymouth

## Consolidated Financial Statements

Year Ended 31 March 2008

<b>Contents</b>	<b>Page</b>
Trustees and Advisors	1
Trustees' Report	2
Trustees' Responsibilities	11
Auditors' Report	12
Consolidated Statement of Financial Activities	13
Balance Sheet	14
Consolidated Cash Flow Statement	15
Accounting Policies	16
Notes to the Accounts	18

# **St Luke's Hospice Plymouth Board of Trustees and Advisors**

**Year Ended 31 March 2008**

## **Trustees**

Mr G Price  
Mr P Tremlett  
Mr R F Purssell  
Dr M Taylor  
Mrs M Billing  
Mrs J Dyson  
Mrs A Broad  
Mr S Elford  
Mrs J Wills  
Mrs L Potter

## **Company Secretary**

Mrs S A Taylor

## **Auditors**

Francis Clark  
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**

1505753

## **Registered Charity Number**

280681

## **Solicitors**

Wolferstans Solicitors  
Deptford Chambers  
60/64 North Hill  
PLYMOUTH  
PL4 8EP

Foot Anstey Solicitors  
21 Derry's Cross  
PLYMOUTH  
PL1 2SW

## **Bankers**

HSBC  
4 Old Town Street  
PLYMOUTH  
PL1 1DD

## **Investment Managers**

Brewin Dolphin Ltd  
Ashleigh Court  
Ashleigh Way  
Langage Busienss Park  
PLYMOUTH  
PL7 5JX

# St Luke's Hospice Plymouth

## Board of Trustees' Report

### Year ended 31 March 2008

I

The Council presents its report and the audited consolidated financial statements for the year ended 31 March 2008. The accounts have been drawn up in accordance with appropriate statutory regulations, the company's Memorandum and Articles of Association and Statement of Recommended Practice – Accounting and Reporting by Charities (issued March 2005) ('SORP').

### 1. 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. The maximum liability of each member on the winding up of the company is £1.

#### Organisation of the Charity

There are currently 12 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 trustee training needs are reviewed annually.

#### Governance

The Board of Trustees is the Governing Body. This body consists of the Trustees. 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 Board of Management and has a formally agreed Governance policy that is reviewed annually. The Hospice was inspected by the Healthcare Commission in the year as part of its annual inspection programme.

Chair	Mr G Price
Vice Chair	Vacant
Hon Treasurer	Mr Peter Tremlett Mrs L Wild ACA (up to 31 <sup>st</sup> October 2007)
Principal employees:	
- Chief Executive	Mrs S Taylor BSc FCA
- Medical Director	Dr M Burnell-Nugent MA MB.B.Chir.
- Director of Hospice Services	Mrs F Dee RGN BSc
- Director of Community Services	Mr G Lillie RGN RMN BSc. MSc
- Director of HR & Staff Development	Mr Steve Statham FCIPD
- Director of Finance and Trading	Mr Andrew Holland ACMA
- Director of Fundraising and Communications	Mr Robert Parsons

# St Luke's Hospice Plymouth

## Board of Trustees' Report (continued)

### Trustees

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

Mr R F Purssell	Mrs L Wild (resigned 31/10/2007)
Mr F J W Hodgson (resigned (16/06/2007)	Mrs J Dyson
Mr G Price	Mrs M Billing
Mrs C E Easton (resigned 12/06/2007)	Mrs F Derry-Thomas (resigned 10/07/2007)
Mrs A Broad	Mr S Elford
Dr M Taylor	Mrs J Wills (joined 08/01/2008)
Mr Peter Tremlett (joined 13/11/2007)	Mrs L Potter (joined 08/01/2008)

## 2. 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.

### Strategic goals

1. Ensure good Specialist Palliative Care for all who need it
2. Support good General Palliative Care for all who need it
3. Provide responsive services, both for the community and the individual
4. Modernise relationship with the NHS and other stakeholders
5. Increase resources into End of Life Care
6. Achieve Best Practice professionalism across the organisation

### Our vision

- 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 mission is to ensure that

- There is equitable access to palliative care health services across Plymouth, East Cornwall and South West Devon, and patients receive high quality palliative care services wherever they enter the system
- There is a comprehensive range of hospital, hospice and community services on offer
- There is a seamless interface between the different services and organisations as patients' needs change
- Treatment of all patients is fair regardless of their background or diagnosis
- We strive to reach more patients with palliative care needs, including patients without malignancy, without compromising quality
- We extend the range of services for carers, including bereavement counselling
- We continue to provide holistic care by extending the support offered to carers.
- We provide care services, which are tailored to meet the personal requirements of our patients and carers.

### OUR VALUES mean that we will:

- Use the skills and knowledge of our staff to bring about improvements to services
- Be ambitious for our population
- Challenge and change existing practice
- Recognise that we are operating in a changing environment and adapt to, and embrace, those changes
- Not lose sight of the values that have been core to our care since the beginning
- Have the courage to do things differently
- Encourage patients and carers to tell us their experiences and involve them in improving our services.

## St Luke's Hospice Plymouth Board of Trustees' Report (continued)

- Ensure patients and carers are well informed about available choices and influence service development
- Be an open organisation
- Be committed to making decisions close to service delivery (as far as practicable)
- Shift the balance of services to patients' homes, considering quality and value for money
- Maximise the resources available to us in respect of both staff and money, to achieve the best results for patients
- Value and empower staff
- Help staff realise their potential through personal development
- Create a culture of mutual respect
- Be a learning organisation, encouraging innovation, risk taking, research, evaluation and the spread of good practice.

Our Mission and Values can be summarised as:

**“Fairness” “Helping” “Evolving” “Listening” “Professionalism”**

### **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, patients are supported by a team of over 800 volunteers.

St Luke's Hospice Plymouth the charity has worked hard over the years to ensure terminally ill patients receive good care in the local area, 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 Service, St Luke's Services, has been summarised into five areas for the purpose of the accounts, as below.

### **Inpatient Care**

Our 20 bed in-patient unit lies at the centre of our activities. Patients stay on average 11 days. A multi-disciplinary team provides comprehensive care, both to provide terminal care (under 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.

### **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 cancer or 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. **St Luke's Befriending Service** offers companionship and emotional and practical support to patients and families at home. The **St Luke's Marie Curie Service** provides palliative nursing care support to patients and their carers at home.

### **Hospital Services and medical outpatients**

The **Hospital Specialist Palliative Care team** provides specialist support and advice at Derriford Hospital. This service is largely funded by Plymouth Hospitals NHS trust. Medical outpatient services are offered at Pearn, and at the Hospice site, including Medical led Pain and Palliative Care Clinics.

# St Luke's Hospice Plymouth

## Board of Trustees' Report

Year ended 31 March 2008

### Education

**Education** of non-Hospice staff takes place throughout the Hospice, including placements for medical students, student nurses, Specialist Registrars, SHOs, other visitors (for example social workers) and work experience. We also provide specialist courses for health care professionals and provide education work into schools. In addition we employ two posts to roll out the Liverpool Integrated Care Pathway (**LICP**), one based at the Hospital and the other based in the community. The latter post is funded by Macmillan Cancer Support.

### Other Clinical Support

The **Outreach ("Triangle") Centres** are run in conjunction with the Mustard Tree (Plymouth Hospitals NHS Trust) and the Primary Care Trusts (Cornwall PCT and Devon PCT). They offer a drop-in service providing support for patients who are seeking advice or support with their illness, including complementary therapies. Three centres operated during the year running one day a week each at Tavistock, Kingsbridge and Liskeard. The **Lymphoedema service** provides specialist care both for palliative care patients (charity funded) and for non-palliative care patients (NHS funded). **A Bereavement Service** is offered to the loved ones of all patients cared for by St Luke's. Outpatient appointments for **Complementary Therapies** are also available to patients and carers.

## 3. Achievements and performance

### Key activities

		2008	2007
<b>In Patient Care</b>			
In patient Hospice care	patients	329	380
	Admissions	434	492
	Deaths	228	227
	Discharges	206	270
	occupied bed days	4,604	5,287
	average length of patient stay (days)	10.8	11.0
<b>Community Services</b>			
Community SPC service (*)	patients	1,146	1,053
	patient visits	5,821	5,986
	patient/carer phone calls	16,218	15,469
	professional liaisons	14,842	14,488
Marie Curie Service (*)	patients	253	268
	patient visits	1,404	1,782
Day Care Service	patients	84	74
	Attendances	1,201	1081

# St Luke's Hospice Plymouth

## Board of Trustees' Report

Year ended 31 March 2008

### Hospital Services and Medical Outpatients

Hospital SPC service (*)	patients	767	705
	support contacts	3,040	3,162
Hospital Outpatients	patients	785	119
	Appointments	3,089	121
Other medical outpatients	appointments	455	379

### Other Clinical support

Bereavement Support	contacts (including telephone calls)	969	834
Outreach clinics (*)	clients	247	194
	Attendances	1,689	1,355
Lymphoedema	patients	289	297
	Palliative care appointments	360	317
	NHS contracted appointments	635	806

Some of the costs of the services marked with an asterisk (\*) are incurred by the local Health Trusts and by Marie Curie Cancer Care.

### Review of 2007/08 – targets

A number of objectives were set for the year and performance against these objectives can be summarised as follows:

1. Exert pressure on government and local NHS bodies to increase funding
  - National work has continued
  - Locally the pressure has remained and will continue.
  - The indications are that there is unlikely to be additional government funding available for palliative care although there may be some redistribution of resources following the publication of the End of Life strategy.
2. Implement new Fundraising strategy to increase income
  - A new strategy is in place and fundraising income has been increased. A new Director of Fundraising and Communications was appointed in the year using funding provided by a generous donor, which will cover two years employment costs.
3. Embed coaching skills in the organisation
  - The first programme was completed, ensuring a solid core of trained coaches. A second coaching programme was run in the year
4. Implement Service Activity levels monthly review and explanation of variances
  - This information has been produced on a quarterly basis for quarters 2 and 3 with variances against the same period of the previous year. This information has been shared with commissioners.
  - A database manager was appointed in the year using existing budgets and part of their role is to deliver activity information

# St Luke's Hospice Plymouth

## Board of Trustees' Report

### Year ended 31 March 2008

#### 5. Implement new bereavement strategy

- A member of staff has been appointed to lead this cross-service strategy
- New leaflets have been developed and the workload of the staff and volunteer team has been reviewed.

#### Review of 2007/08 – other key developments

- The Hospice was awarded a grant of £379,855 from the Department of Health to improve patient facilities on the two sites. The work was largely completed by the year-end. One impact of this work was that wards had to be closed for refurbishment while the works were carried out, causing a one off fall in the number of occupied bed days in the year.
- The day hospice is now established on the Pearn site and after much hard work, has settled down with excellent resources and systems in place.
- The volunteer home support team has been reviewed and a new lead appointed
- The celebration of Hospice Silver Jubilee provided extensive media coverage
- Consolidation of maintenance, kitchen, grounds, reception and domestics under one team lead by the Director of HR
- Completion of pay modernisation and job evaluation programme
- An employee survey was circulated and findings have been acted upon.
- A review of community team workload and working practices resulted in several new initiatives including implementation of a duty member to triage referrals.
- The move to an integrated service is now virtually complete with service level agreements in place between the NHS bodies and St Luke's, who manage the service on their behalf
- The IT platform was upgraded, most significantly involving the virtualisation of the servers.

#### 4. Financial review.

Overall a very tight budget was set, with authority to increase fundraising activities to bridge some of the budgeted deficit. This was achieved in the year.

- Free reserves in 2007/08 increased in the year by £414,000. This compares with an original budget for 2007/8 of approximately £400,000 deficit on free reserves and is a testament to the team's efforts in increasing income and controlling expenditure.
- Opportunities for developing further fully-funded services, thus allowing the overheads to be spread over a larger base, are being investigated.
- Latest indications, are that there is no additional government funding earmarked for palliative care. There is likely to be some realignment of funding as the PCTs review the services they commission to support patients at the end of life, and this may be both an opportunity and a threat.

#### Income generation

**Fundraising:** Following an increase in investment in fundraising, donation and gift income was up £171,000 (16%) on last year. Bequest income increased by £311,000 (39%).

**Lottery:** Profit increased by £16,000 in the year. This follows four years of falling profits and is a result of the increased investment in lottery promotion, administration and management.

**Shops:** The retail team achieved another year of profit growth, up from £362,000 in 2006/07 to £412,000 in 2007/08.

**Grants:** The whole of the Community nursing budget was transferred to St Luke's from the local Primary Care Trust. As a consequence the level of grant available increased by around £400,000, the level of staff expenditure going through St Luke's books increased by £330,000 and the level of other income fell by about £70,000.

## **St Luke's Hospice Plymouth**

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

The Hospice was successful in attaining a capital grant from the Department of Health of £379,855. The criteria for this grant was to improve the infrastructure for caring for older people and the grant is being spent on improving the facilities for patients at the Hospice site and at the Pearn site.

**Investment performance:** Performance was affected by the downturn in stock market in the year. Funds held by Gerrards (and later Brewin Dolphin) fell in value by 7.7% in the year. Investments performed in line with benchmarks given the risk profile of the investments.

**Other income:** Additional monies were received in the year to pay for the support of Plymouth Medical Students and to second staff into the Hospital team and Community Specialist Palliative Care Team.

#### ***Expenditure***

There has been an overall increase in costs of £882,976 (16.5%). Of this increase £330,000 (6.2%) is the result of a transfer of budgets (with grant) from the NHS. The Cost of Generating Funds has increased by £179,892 (12.0%) in the year. Other costs increased by £373,084 (9.7%).

#### **The cost of volunteers**

St Luke's Hospice is a charity that was founded by volunteers and it continues to rely on significant contribution from volunteers. The contribution of over 800 volunteers over the year was the equivalent of 143 full time staff. Based on the rates for the various jobs this would have cost the Hospice £1,075,000.

#### **Surplus & funds**

There was a surplus for the year of £446,088 before revaluation and disposal of investments. Total funds in the year rose by £376,472 to £5,781,185. The net cash inflow of £772,602 was boosted by investment income.

The Revenue Reserve, effectively the available funds, rose by £439,000 from £1,531,000 to £1,970,000. The movement in funds and an explanation of funds can be found in notes 17 & 18 to the accounts. The Reserves Policy can be found in the Governance section below.

## **5. Plans for future periods**

### **Future strategy of St Luke's.**

A strategic review took place in the year and a number of conclusions were drawn.

- 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.
- As a medium sized organisation, being able to spread our overhead over a larger base of services would improve our efficiency. Opportunities to achieve this will be explored over this year, including the development of services that are fully funded by the statutory sector and those which can be run as profitable businesses.
- A key task for the year is to build on the last year's investment and successes in fund-raising to enable us to generate an additional £500,000 each year towards our services. Once we have secured all sources of income we can protect existing services, rebuild reserves and develop some of the expanded services needed
- The maintenance and development of strong, supportive, professional relationships with stakeholder organisations is key to our continued success.
- A major task for the year is lobbying the government and the local PCTs, to protect the current NHS contribution to the specialist service. We also need to ensure that there is a better understanding of, and funding for, the work we do in supporting the wider care for patients with advanced life-limiting illness.

# **St Luke's Hospice Plymouth**

## **Board of Trustees' Report**

### **Year ended 31 March 2008**

- With the emergence of the End of Life Care Work stream within the Darzi review of the NHS, there is now an emphasis on delivering services for the patient in the last year of life. This will bring strategic opportunities and threats in the coming months as local strategies are developed based on the national work and the local strategic health authority guidance. St Luke's aims to be involved in the development of the local End of Life care strategy, supporting, advising and providing education for generalist teams caring for the dying in the home, nursing home and hospital.

### **Key targets for the 2008/09 financial year**

1. To work with colleagues to ensure strong commitment locally to develop services in line with the emerging End of Life Care Strategy
2. To develop a User Involvement strategy across the service
3. To stabilise current increases in the level of income generation and create opportunities to further develop income streams wherever possible
4. To complete the implementation of the bereavement strategy
5. To review the needs of younger patients, in particular with reference to transitional services into adulthood

### **Financial strategy**

- There is a budgeted deficit on free reserves for 2008/09 of approximately £150,000.
- A deficit of £150,000 is budgeted, leaving 5 months expenditure in free reserves by 31<sup>st</sup> March 2009.
- The priority for the year if funds are available is to rebuild reserves to 6 months running costs based on a risk analysis model.
- We will operate a tight expenditure budget aligned with the continued development of non-statutory income. We will continue close control of resources, keeping a constant watch on the level of deficit and level of reserves.

### **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 Board of Management and the Trustees in the year as part of the Hospice Governance process. Funding and financial stability remain the key risk areas. Work undertaken in the year has been successful in keeping these risks under control.

Other significant areas of risk continue to be 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 2008/09 budget the trustees authorised free reserves to drop by a further £103,000 to 4.2 months

## **St Luke's Hospice Plymouth Board of Trustees' Report (continued)**

running costs. The trustees will continue to review the situation throughout the year.

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.

There were two other funds designated by the trustees.

- a Foundation Fund to cover future planned buildings work
- a Care for Patients at Home Fund to provide start up funding (usually for a 3-year period) for specific new services in the community.

These funds had zero balances at the beginning of the year and were unused in the year. They were closed, by the trustees at their meeting, on 11 March 2008.

### **Auditors**

A resolution to re-appoint Francis Clark as auditors for the ensuing year will be proposed at the Annual General Meeting in accordance with Section 385 of the Companies Act 1985.

**By order of the Board**

**G Price  
Chair**

# **St Luke's Hospice Plymouth**

## **Statement of Trustees' Responsibilities**

**Year Ended 31 March 2008**

Law applicable to Charities in England 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 2008**

We have audited the financial statements of St Luke's Hospice Plymouth for the year ended 31 March 2008, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charity's members as a body in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an 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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective Responsibilities of Directors and Auditors**

The Trustees' (who are also directors of St Luke's Hospice Plymouth for the purposes of company law) responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of Audit Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company and group as at 31 March 2008 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' report is consistent with the financial statements.

Francis Clark, Chartered Accountants  
PLYMOUTH

5 August 2008

**Registered Auditors**

# St Luke's Hospice Plymouth

## Consolidated Statement of Financial Activities

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

Year Ended 31 March 2008

Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total Funds 2008 £	Total Funds 2007 £
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
<b>Voluntary income:</b>					
	1,076,496	-	200,759	<b>1,277,255</b>	1,105,749
	1,102,645	-	-	<b>1,102,645</b>	791,678
<b>Activities for generating funds:</b>					
	1,306,522	-	-	<b>1,306,522</b>	1,222,667
	446,567	-	-	<b>446,567</b>	407,873
3	82,082	-	-	<b>82,082</b>	47,716
<b>Incoming resources from charitable activities:</b>					
2	1,205,650	-	938,392	<b>2,144,042</b>	1,341,986
	180,054	-	133,600	<b>313,654</b>	343,348
<b>Total incoming resources</b>					
	<b>5,400,016</b>	-	1,272,751	<b>6,672,767</b>	5,261,017
<b>Resources expended</b>					
<b>Cost of generating funds:</b>					
	890,226	-	-	<b>890,226</b>	857,165
	239,936	-	-	<b>239,936</b>	215,923
	495,785	9,499	40,753	<b>546,037</b>	423,219
<b>Charitable activities:</b>					
	2,163,637	56,088	144,975	<b>2,364,700</b>	2,218,252
	800,642	26,711	512,384	<b>1,339,737</b>	901,052
	271,173	4,577	5,139	<b>280,889</b>	180,064
	25,528	11,795	215,870	<b>253,193</b>	233,048
	140,159	6,600	127,859	<b>274,618</b>	279,019
<b>Governance costs</b>					
	34,875	1,282	1,186	<b>37,343</b>	35,961
<b>Total resources expended</b>					
5	<b>5,061,961</b>	116,552	1,048,166	<b>6,226,679</b>	5,343,703
Net incoming / (outgoing) resources for the year before transfers					
	338,055	(116,552)	224,585	<b>446,088</b>	(82,686)
Transfer between funds					
	(382,195)	378,325	3,870	-	-
<b>Net incoming / (outgoing) resources</b>					
	(44,140)	261,773	228,455	<b>446,088</b>	(82,686)
(Losses) and Gains on investment assets					
	(69,616)	-	-	<b>(69,616)</b>	51,562
<b>Net movement in funds</b>					
	(113,756)	261,773	228,455	<b>376,472</b>	(31,124)
Funds at 1/4/2007					
	272,415	3,716,380	1,415,918	<b>5,404,713</b>	5,435,837
<b>Funds at 31/03/2008</b>					
	<b>158,659</b>	<b>3,978,153</b>	<b>1,644,373</b>	<b>5,781,185</b>	5,404,713

# St Luke's Hospice Plymouth

## Balance Sheet

31 March 2008

		Group		Charity	
		2008	2007	2008	2007
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible	10	<b>3,512,736</b>	3,560,848	<b>3,491,773</b>	3,519,144
Investments	11	<b>781,518</b>	887,538	<b>781,520</b>	887,540
		<b>4,294,254</b>	4,448,386	<b>4,273,293</b>	4,406,684
<b>Current assets</b>					
Stocks	12	<b>15,267</b>	8,608	<b>3,450</b>	2,600
Debtors	13	<b>539,872</b>	358,232	<b>608,900</b>	480,298
Cash at bank and in hand		<b>1,590,212</b>	905,762	<b>1,500,578</b>	766,641
		<b>2,145,351</b>	1,272,602	<b>2,112,928</b>	1,249,539
<b>Creditors: amounts falling due within one year</b>	14	<b>658,420</b>	316,275	<b>572,658</b>	233,409
<b>Net current assets</b>		<b>1,486,931</b>	956,327	<b>1,525,993</b>	1,016,130
<b>Total assets less current liabilities</b>		<b>5,781,185</b>	5,404,713	<b>5,813,563</b>	5,422,814
<b>Funds</b>					
<b>Unrestricted funds:</b>					
Revaluation reserve	16	<b>158,532</b>	271,804	<b>158,532</b>	271,804
General funds	17	<b>32,505</b>	18,712	<b>32,505</b>	18,712
Non-charitable trading funds	17	<b>(32,378)</b>	(18,101)	-	-
<b>Designated funds</b>	17	<b>3,978,153</b>	3,716,380	<b>3,978,153</b>	3,716,380
<b>Restricted funds</b>	17	<b>1,644,373</b>	1,415,918	<b>1,644,373</b>	1,415,918
		<b>5,781,185</b>	5,404,713	<b>5,813,563</b>	5,422,814

The consolidated financial statements on pages 13 to 28 were approved by the Trustees on 28 July 2008 and were signed on its behalf by:

**G Price, Chairman**

**P Tremlett, Honorary Treasurer**

# St Luke's Hospice Plymouth

## Consolidated Cash Flow Statement

Year Ended 31 March 2008

		2008	2007
	Notes	£	£
<b>Net cash inflow from operating activities</b>	23	<u>772,602</u>	88,877
<b>Returns on investments and servicing of finance</b>			
Interest received		31,172	19,893
Investment income received		<u>50,910</u>	27,823
<b>Net cash inflow from returns on investments and servicing of finance</b>		<u>82,082</u>	47,716
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(282,587)	(361,222)
Purchase of investments		(75,682)	(40,232)
Sale of investments		112,085	401,819
Sale of fixed assets		<u>75,950</u>	-
<b>Net cash (outflow) / inflow from capital expenditure and financial investment</b>		<u>(170,234)</u>	365
<b>Increase in cash</b>	24	<u><u>684,450</u></u>	136,958

# St Luke's Hospice Plymouth

## Accounting policies

Year ended 31 March 2008

### Basis of accounting

The consolidated financial statements have been prepared under the historical cost convention, except for investments, which are included at market value.

The Charity has availed itself of paragraph 3(3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the Charity's activities.

The consolidated financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom including the requirements of the SORP. A summary of the more important accounting policies, which have been applied consistently, is set out below.

The Statement of Financial Activities, Balance Sheet and Cash Flow Statement consolidate the financial statements of the Charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate statement of financial activities has been presented for the Charity alone as permitted by Section 230 of the Companies Act 1985, and paragraph 397 of the SORP.

### 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 land and 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.

### Stocks/donated goods

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.

### Investments

Listed investments, with the exception of shares in subsidiary companies, 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.

### Fund accounting

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

# **St Luke's Hospice Plymouth**

## **Accounting policies**

**Year ended 31 March 2008**

represent the net book value of its buildings, a Revenue Reserve to protect against sudden dips in income, a fund for future building/development costs and a fund to expand "Care for Patients at Home". 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.

### **Income**

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.

### **Government and Local Authority grants**

Government and Local Authority grants are taken to the Statement of Financial Activities on a receivable basis.

### **Donations and bequests**

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.

### **Lottery income**

Money raised from lottery members is recognised as income only as it is applied to the draw.

### **Shop income**

Money raised from the charity shops is recognised on receipt.

### **Operating leases**

Costs in respect of operating leases are charged on a straight line basis over the lease term.

### **Resources expended**

Resources expended are, where possible, allocated directly to one of the three 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 salary costs for the remaining costs. All expenditure is accounted for on an accruals basis.

# St Luke's Hospice Plymouth

## Notes to the Accounts

Year Ended 31 March 2008

### 1. Net incoming resources

Net incoming resources for the year are after charging:

	2008	2007
	£	£
Amortisation of leasehold property improvements	26,214	13,110
Depreciation of owned assets	243,733	278,339
Auditors' remuneration for audit services		
Charity	3,969	4,162
Subsidiary	2,560	3,919
Profit on disposal of assets - Charity	(15,276)	-
Loss on disposal of assets - Trading company	578	-
Rental of shop premises - operating leases	268,844	217,908
	268,844	217,908

### 2. Public sector funding

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

	2008	2007
	£	£
<b>NHS Trusts:</b>		
Basic funding	593,367	307,910
For purchase of drugs	128,757	125,473
Section 28a Capital Grants	-	300,000
Lymphoedema Services	56,377	53,189
Share of Network Monies	471,477	415,647
Community Specialist Palliative Care team*	450,267	44,250
To cover pension	30,683	30,111
Other	-	32,800
<b>Social Services:</b>		
Basic funding	33,259	32,606
<b>Department of Health</b>		
Capital Grant	379,855	-
	2,144,042	1,341,986

\* The funding for this service is now paid by grant. Last year the budget was mainly held within the NHS and £66,597 was charged by St Luke's to reimburse the costs of those community staff seconded to the service from the charity.

### 3. Investment income

	2008	2007
	£	£
Income from property investments	21,030	2,988
Dividends from other investments	29,880	24,835
Interest receivable and similar income	31,172	19,893
	82,082	47,716

# St Luke's Hospice Plymouth

## Notes to the Accounts

Year Ended 31 March 2008

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

The Charity has one wholly owned trading subsidiary, which is incorporated in the UK. St Luke's Hospice Plymouth Trading Company Limited operates a chain of retail shops and a lottery. In addition to raising valuable funds, the shops play an important role informing the public about the work of the charity. The taxable profits of the company are paid by Gift Aid to St Luke's Hospice Plymouth and 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>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>1,755,914</b>	1,632,514
Cost of sales	<b>(132,534)</b>	(146,149)
<b>Gross profit</b>	<b>1,623,380</b>	1,486,365
Operating expenses	<b>(1,018,628)</b>	(946,439)
<b>Operating profit</b>	<b>604,752</b>	539,926
Interest payable	<b>(5,000)</b>	(5,000)
Interest receivable	<b>3,126</b>	2,142
<b>Net trading profit</b>	<b>602,878</b>	537,068
Gift Aid donation to St Luke's Hospice Plymouth	<b>(617,155)</b>	(547,759)
<b>(Loss) on ordinary activities before taxation</b>	<b>(14,277)</b>	(10,691)
<b>Balance sheet</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
Assets	<b>218,184</b>	277,688
Liabilities	<b>(250,560)</b>	(295,787)
Capital	<b>2</b>	2
Reserves	<b>(32,376)</b>	(18,101)

# St Luke's Hospice Plymouth

## Notes to the Accounts

Year Ended 31 March 2008

### 5. Analysis of total resources expended

	Employment Costs	Other	Depreciation	Total Funds 2008	Total Funds 2007
	£	£	£	£	£
Patient care	(2,883,395)	(268,713)	(13,229)	<b>(3,165,337)</b>	(2,673,880)
Costs of generating funds	(874,854)	(615,805)	(30,169)	<b>(1,520,828)</b>	(1,377,663)
Housekeeping, maintenance, administration and finance	(841,429)	(472,536)	(226,549)	<b>(1,540,514)</b>	(1,292,160)
	<b>(4,599,678)</b>	<b>(1,357,054)</b>	<b>(269,947)</b>	<b>(6,226,679)</b>	(5,343,703)

Employment costs include payments made to the staff permanent health insurance scheme and training costs.

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

The aggregate payroll costs were as follows:

	2008 £	2007 £
Wages and salaries	<b>4,087,516</b>	3,392,028
Social Security	<b>288,115</b>	256,528
Pension costs	<b>224,047</b>	199,490
	<b>4,599,678</b>	3,848,046

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 223 (2007: 201).

The full time equivalent staff numbers were as follows:

	2008 f.t.e	2007 f.t.e
Clinical and direct care	<b>76</b>	69
Direct Support (hotel services)	<b>21</b>	20
Office and Administration	<b>26</b>	24
Fund generating teams	<b>50</b>	45
<b>Total staff</b>	<b>173</b>	158

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 (2007:0), £70,000 to £80,000 band: 1 – (2007:2). Of these staff one was in the Hospice Group Personal Pension scheme, Hospice contributions were 7%, and the other was in the NHS Pension Scheme, a defined benefit scheme.

# St Luke's Hospice Plymouth

## Notes to the Accounts

Year Ended 31 March 2008

### 7. Support costs allocation

	Management	Finance	IT	HR	Total
<b>Cost of generating funds</b>					
Shop	-	15,580	1,170	-	<b>16,750</b>
Lottery	-	15,580	3,951	-	<b>19,531</b>
Fundraising and Publicity	10,113	14,220	18,042	27,515	<b>69,890</b>
<b>Charitable activities</b>					
In Patient Care	45,506	25,629	43,330	123,815	<b>238,280</b>
Community Services	28,315	17,268	24,380	77,041	<b>147,004</b>
Hospital services and medical opts	6,068	4,129	5,398	16,509	<b>32,104</b>
Education	5,056	3,441	4,248	13,757	<b>26,502</b>
Other Clinical Support	5,056	3,441	4,834	13,757	<b>27,088</b>
<b>Governance costs</b>	1,011	7,808	850	2,751	<b>12,420</b>
<b>Total</b>	<b>101,125</b>	<b>107,096</b>	<b>106,203</b>	<b>275,145</b>	<b>589,569</b>

Support costs were allocated on the following basis: costs were allocated directly where possible for IT items, and then apportioned on the basis of salary cost for the remaining costs.

### 8. 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.

### 9. Pension scheme

The group provides a group personal pension scheme to employees, which is operated by Scottish Equitable. The scheme is of a defined contribution type. The cost of the contribution to the group scheme for the year was £92,763 (2007: £89,278). Some employees have continued membership of the NHS Pension Scheme. The cost of the group contribution to this scheme for the year was £125,338 (2007: £103,925).

# St Luke's Hospice Plymouth

## Notes to the Accounts

Year Ended 31 March 2008

### 10. Tangible fixed assets

#### Group

	Freehold land and buildings £	Equipment and furniture £	Shop fixtures and fittings £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 April 2007	5,044,508	745,506	114,312	118,063	6,022,389
Additions	170,984	106,568	5,535	-	283,087
Disposals	(63,601)	(15,888)	(2,218)	-	(81,707)
<b>At 31 March 2008</b>	<b>5,151,891</b>	<b>836,186</b>	<b>117,629</b>	<b>118,063</b>	<b>6,223,769</b>
<b>Depreciation</b>					
At 1 April 2007	1,602,797	667,489	81,559	109,696	2,461,541
Charge for year	190,490	54,109	20,186	5,162	269,947
Disposals	(2,927)	(15,888)	(1,640)	-	(20,455)
<b>At 31 March 2008</b>	<b>1,790,360</b>	<b>705,710</b>	<b>100,105</b>	<b>114,858</b>	<b>2,711,033</b>
<b>Net book value</b>					
<b>At 31 March 2008</b>	<b>3,361,531</b>	<b>130,476</b>	<b>17,524</b>	<b>3,205</b>	<b>3,512,736</b>
At 31 March 2007	3,441,711	78,017	32,753	8,367	3,560,848

#### Charity

	Freehold land and buildings £	Equipment and furniture £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 April 2007	5,044,508	737,925	94,978	5,877,411
Additions	170,984	106,568	-	277,552
Disposals	(63,601)	(15,888)	-	(79,489)
<b>At 31 March 2008</b>	<b>5,151,891</b>	<b>828,605</b>	<b>94,978</b>	<b>6,075,474</b>
<b>Depreciation</b>				
At 1 April 2007	1,602,797	660,492	94,978	2,358,267
Charge for the year	190,490	53,759	-	244,249
Disposals	(2,927)	(15,888)	-	(18,815)
<b>At 31 March 2008</b>	<b>1,790,360</b>	<b>698,363</b>	<b>94,978</b>	<b>2,583,701</b>
<b>Net Book value</b>				
<b>At 31 March 2008</b>	<b>3,361,531</b>	<b>130,242</b>	<b>-</b>	<b>3,491,773</b>
At 31 March 2007	3,441,711	77,433	-	3,519,144

# St Luke's Hospice Plymouth

## Notes to the Accounts

Year Ended 31 March 2008

### 11. Investments

Group	Listed	Unlisted	Property	Total
	£	£	£	£
<b>Valuation</b>				
At 1 April 2007	887,538	-	-	887,538
Additions	75,682	-	-	75,682
Disposals	(93,776)	-	-	(93,776)
Revaluation	(87,926)	-	-	(87,926)
<b>At 31 March 2008</b>	<b>781,518</b>	<b>-</b>	<b>-</b>	<b>781,518</b>

Under historical cost principles, the historical cost of investments at 31 March 2008 was £622,988 (2007: £615,734).

The investment properties were sold in the year.

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

	Government Stock	Direct Investments	Unit Trusts & Investment Companies	Total
		£	£	£
UK Investments	123,064	334,898	195,959	653,921
Overseas Investments	-	-	127,597	127,597
<b>At 31 March 2008</b>	<b>123,064</b>	<b>334,898</b>	<b>323,556</b>	<b>781,518</b>

No restrictions exist on the realisation of these assets. The following material investments were held at the 31 March 2008:

Holding	Investment	Market Value £
UK (GOVT OF) 4.25% STK 07/03/2011 GBP100	80,000	80,816
M&G SECURITIES LRD CHARIFUND ACC	663	79,106
BLACKROCK AM UK CHARISHARE ACC	7,146	68,745
UK (GOVT OF) 5% STK 07/09/2014 GBP100	40,000	42,248
MONKS INV TRUST ORD GBPO.05	12,500	40,719

### 12. Stock

	Group		Charity	
	2008	2007	2008	2007
	£	£	£	£
Goods for resale	9,792	6,578	850	800
Stationery stock	5,475	2,030	2,600	1,800
	<b>15,267</b>	<b>8,608</b>	<b>3,450</b>	<b>2,600</b>

# St Luke's Hospice Plymouth

## Notes to the Accounts

Year Ended 31 March 2008

### 13. Debtors

	Group		Charity	
	2008	2007	2008	2007
	£	£	£	£
Trade debtors	<b>59,328</b>	170,408	<b>58,491</b>	169,931
Amounts owed by group company	-	-	<b>159,548</b>	207,671
Taxation recoverable	<b>53,146</b>	26,824	<b>48,829</b>	22,972
Other debtors	<b>10,102</b>	4,523	<b>7,352</b>	1,369
Prepayments and accrued income	<b>417,296</b>	156,477	<b>334,680</b>	78,355
	<b>539,872</b>	358,232	<b>608,900</b>	480,298

Of the above amounts, £50,000 (2007: £50,000) owed from the company's subsidiary is due after more than one year. The loan was secured by a debenture with a fixed and floating charge and was repaid during the year.

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

	Group		Charity	
	2008	2007	2008	2007
	£	£	£	£
Trade creditors	<b>485,914</b>	204,952	<b>400,622</b>	124,401
Other taxation and social security	<b>86,319</b>	82,850	<b>85,819</b>	82,600
Accruals and deferred income	<b>86,187</b>	28,473	<b>86,217</b>	26,408
	<b>658,420</b>	316,275	<b>572,658</b>	233,409

### 15. Contingent Liabilities

During the year the charity received a grant from the Department of Health for capital work at the Hospice. At the year end £86,880 was carried forward to use in 2008/09. If this amount is not used it will be repayable to the grant provider.

### 16. Revaluation reserve

Group and Charity	
Balance at 1 April 2007	271,804
Unrealised gain on revaluation of investment portfolio	(87,925)
Realised gain on disposal of investments, transferred to general fund	(25,347)
<b>Balance at 31 March 2008</b>	<b>158,532</b>

# St Luke's Hospice Plymouth

## Notes to the Accounts

Year Ended 31 March 2008

### 17. Fund balances

Group	Balance Brought Forward	Transfers	Incoming Resources	Resources Expended	Balance 31 March 2008
	£	£	£	£	£
<b>Restricted Funds</b>					
Building Funds	1,256,330	17,000	153,984	(73,937)	<b>1,353,377</b>
Other Funds	78,039	(13,130)	384,455	(191,168)	<b>258,196</b>
Network/Project Funds	81,549	-	734,312	(783,061)	<b>32,800</b>
	<b>1,415,918</b>	<b>3,870</b>	<b>1,272,751</b>	<b>(1,048,166)</b>	<b>1,644,373</b>
<b>Designated Funds</b>					
Building Funds	2,185,380	(60,675)	-	(116,552)	<b>2,008,153</b>
Revenue Reserve	1,531,000	439,000	-	-	<b>1,970,000</b>
	<b>3,716,380</b>	<b>378,325</b>	<b>-</b>	<b>(116,552)</b>	<b>3,978,153</b>
<b>Revaluation Reserve</b>	271,804	(25,347)		(87,925)	<b>158,532</b>
<b>General Funds</b>	18,712	(356,848)	3,659,285	(3,288,644)	<b>32,505</b>
<b>Non-charitable trading</b>	(18,101)	-	1,759,040	(1,773,317)	<b>(32,378)</b>
<b>At 31 March 2008</b>	<b>5,404,713</b>	<b>-</b>	<b>6,691,076</b>	<b>(6,314,604)</b>	<b>5,781,185</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, £190,490 was expended out of this fund in the year and an amount equivalent to £153,984 was transferred into the fund representing income from the Department of Health capital grant (total grant £379,855).

There was a net transfer into the Revenue Reserve of £439,000, giving a balance of £1,970,000. 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 risen to an equivalent of 5.3 months.

Central government has allocated resources to go direct to Specialist Palliative care via the Cancer Networks. Some of these funds are restricted and the balance on these funds is held as Network/Project Funds. These funds also include the unspent amounts from other funded projects. The balance carried forward at the year end was £32,800.

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 to the Accounts

Year Ended 31 March 2008

### 18. Analysis of net assets between funds

Group	Tangible fixed assets £	Investments £	Other net assets £	Total £
<b>Restricted funds</b>	<b>1,353,377</b>	-	-	<b>1,353,377</b>
Network/Project funds	-	-	32,800	<b>32,800</b>
Other Funds	75,104	-	183,092	<b>258,196</b>
	<u>1,428,481</u>	<u>-</u>	<u>215,892</u>	<u><b>1,644,373</b></u>
<b>Other funds/reserves</b>				
Designated Funds	2,084,255	622,986	1,270,912	<b>3,978,153</b>
Revaluation Reserve	-	158,532	-	<b>158,532</b>
Unrestricted Funds	-	-	32,505	<b>32,505</b>
Non-charitable trading Funds	-	-	(32,378)	<b>(32,378)</b>
	<u>2,084,255</u>	<u>781,518</u>	<u>1,271,039</u>	<u><b>4,136,812</b></u>
<b>Total</b>	<b><u>3,512,736</u></b>	<b><u>781,518</u></b>	<b><u>1,486,931</u></b>	<b><u>5,781,185</u></b>

### 19. Financial commitments

At 31 March 2008 annual commitments under non-cancellable operating leases (shop premises) were as follows:

	Group		Charity	
	2008 £	2007 £	2008 £	2007 £
Expiring within one year	<b>28,615</b>	16,250	<b>2,665</b>	-
Expiring between two and five years	<b>79,116</b>	105,179	<b>3,766</b>	4,479
Expiring in over five years	<b>229,661</b>	194,800	<b>80,000</b>	80,000
	<u><b>337,392</b></u>	<u>316,229</u>	<u><b>86,431</b></u>	<u>84,479</u>

### 20. Share capital

The company is limited by guarantee and is a registered charity. The registered office is in England.

# St Luke's Hospice Plymouth

## Notes to the Accounts

Year Ended 31 March 2008

### 21. Related party transactions

The following related party transactions took place in the year. All of these were arms length transactions. 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 & Chairman	Gerrards and Brewin Dolphin	Divisional Manager	£5,164	Administration of Hospice investment portfolio
Dr Mark Taylor	Trustee	Plymouth Hospitals NHS Trust	Consultant Anaesthetist	£271,699 income £33,174 expenditure	Secondments, PMS money, salary charges & electric testing.
Ann Broad	Trustee	Plymouth Teaching Primary Care Trust	Non Executive Director	£829,102 income £330,996 expenditure	NHS grant, salary recharges and Hazel House costs
Lindsey Wild	Trustee & Treasurer		Deputy Director of Finance (Capital & Estates)		
Stuart Elford	Trustee	Formedia	Director	£2,938 expenditure	Website microsite

### 22. Income and expenditure account

	Continuing operations	
	2008	2007
	£	£
<b>Income</b>	<b>6,611,715</b>	5,216,289
Operating expenses	(6,226,679)	(5,343,703)
<b>Operating Surplus</b>	<b>385,036</b>	(127,414)
Investment Income	29,880	24,835
Realised investment gains in the year	18,309	7,885
Interest receivable and similar income	31,172	19,893
<b>Excess of income over expenditure for the Year</b>	<b>464,397</b>	(74,801)

The income and expenditure account is presented to ensure compliance with the Companies Act 1985. 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.

# St Luke's Hospice Plymouth

## Notes to the Accounts

### Year Ended 31 March 2008

Of the surplus for the financial year a surplus of £478,674 is dealt with in the accounts of St Luke's Hospice. The Trustees have taken advantage of the exemption available under section 230 of the Companies Act 1985 and not presented an income and expenditure account for the company alone. For Companies Act purposes the gross income of the Group is:

	2008	2007
	£	£
Total Incoming Resources (per SOFA)	6,672,767	5,261,017
Realised investment gains in the year	18,309	7,885
Income for Companies Act purposes	<u>6,691,076</u>	<u>5,268,902</u>

### 23. Reconciliation of net (outgoing) resources to net cash inflow / (outflow) from operating activities

	Continuing operations	
	2008	2007
	£	£
<b>Continuing activities</b>		
Net incoming/(outgoing) resources for the year	446,088	(82,686)
Depreciation on tangible fixed assets	269,947	291,449
Donated fixed assets	(500)	-
(Increase) in stock	(6,659)	(2,596)
Investment income	(82,082)	(47,716)
(Increase) in debtors	(181,639)	(80,196)
Loss/profit on sale of fixed assets	(14,698)	-
Increase in creditors	342,145	10,622
Non cash movement between creditors and fixed assets	-	-
<b>Net cash inflow / (outflow) from operating activities</b>	<u>772,602</u>	<u>88,877</u>

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

	2008	2007
	£	£
Increase in cash in the year	684,450	136,958
Change in net funds resulting from cash flows	684,450	136,958
Net funds at 1 April 2007	905,762	768,804
<b>Net funds at 31 March 2008</b>	<u>1,590,212</u>	<u>905,762</u>

### 25. Analysis of net funds

	2007	Cash Flow	2008
	£	£	£
Cash at bank and in hand	905,762	684,450	1,590,212

**St Luke's Hospice Plymouth**  
**Detailed Income and Expenditure Account**  
**(Charity Only)**

**Year Ended 31 March 2008**

	2008	2007
	£	£
<b>Income</b>		
Income from donations and fund raising	1,277,255	1,105,749
Gift Aid Donation – St Luke's Hospice Plymouth Trading Co Ltd	617,155	547,759
Bequests	1,102,645	791,678
Grant income	2,144,042	1,341,986
Contributions from patients	-	-
Interest and dividends	62,926	47,586
Education fees	137,219	137,450
Net income from property licences and rents	42,030	22,488
Profit on sale of Fixed Assets	15,276	
Food Income	38,099	35,859
Other income	120,235	168,064
	<b>5,556,882</b>	<b>4,198,619</b>
<b>Expenditure</b>		
In-patient, day care and social work salaries	2,847,388	2,372,988
Housekeeping and maintenance salaries	385,281	345,403
Fund raising salaries	329,721	211,146
Education salaries	94,207	26,617
Administration and finance salaries	367,365	364,922
Nursing supplies	159,644	160,506
Provisions	63,825	57,175
Laundry and cleaning	19,505	23,990
Light, heat and power	63,409	67,633
Insurance	32,828	37,652
Rent and rates	80,765	30,609
Telephone and postage	30,953	15,840
Advertising, printing books and stationery	22,117	21,153
Repairs and maintenance	181,094	107,327
Vehicle and travel expenses	74,757	54,703
Legal and professional	14,397	12,561
Fund raising expenses	69,551	85,350
Miscellaneous expenses	15,461	14,215
Depreciation	244,249	247,714
Amortisation of leasehold property improvements	-	13,110
	<b>5,096,517</b>	<b>4,270,615</b>
<b>Surplus/ (Deficit) for the year before transfers between reserves</b>	<b>460,365</b>	<b>(71,996)</b>

**This page does not form part of the statutory financial statements, which are subject to the independent auditors' report on page 12.**