



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

**St Luke's Hospice Plymouth
Consolidated Financial Statements
Year Ended 31 March 2010**

St Luke's Hospice Plymouth Consolidated Financial Statements

Year Ended 31 March 2010

Contents	Page
Trustees and Advisors	1
Trustees' Report	2
Trustees' Responsibilities	13
Auditors' Report	14
Consolidated Statement of Financial Activities	16
Balance Sheet	17
Consolidated Cash Flow Statement	18
Notes and Accounting Policies	19

St Luke's Hospice Plymouth Board of Trustees and Advisors

Year Ended 31 March 2010

Trustees

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

Company Secretary

Mrs S A Taylor

Auditors

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

Registered Office

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

Registered Company Number

01505753

Registered Charity Number

280681

Solicitors

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

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

Bankers

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

Investment Managers

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

Charity Website

www.stlukes-hospice.org.uk

St Luke's Hospice Plymouth

Board of Trustees' Report

Year ended 31 March 2010

The Board presents its report and the audited consolidated financial statements for the year ended 31 March 2010. The accounts have been drawn up in compliance with the Statement of Recommended Practice – Accounting and Reporting by Charities (as revised in March 2005) ('SORP'), the Charities Act 1993, the Companies Act (2006), and in accordance with the company's Memorandum and Articles of Association.

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

Organisation of the Charity

There are currently 24 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. 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 Hospice was inspected by the Healthcare Commission in the year as part of its annual inspection programme and has subsequently registered with the successor body – the Care Quality Commission.

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

Principal employees:

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

St Luke's Hospice Plymouth

Board of Trustees' Report (continued)

Trustees

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

Mrs M Billing	Mr G Northcott
Mrs A Broad	Mrs L Potter
Dr J Butler (Appointed 14/07/2009)	Mr G Price
Mr S Elford	Mr R Pursell (Resigned 13/10/2009)
Mr D James (Appointed 19/05/2009)	Dr M Taylor
Mrs S Jones (Appointed 13/10/2009)	Mrs J Wills
Mr T Lewis	

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.

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

St Luke's Key Strategic Principles

- To be innovative and efficient within current resources and the relevant evidence base
- To ensure employees have the skills, knowledge and motivation in relation to their roles in order to deliver excellent service
- To continue the process of developing a truly integrated organisation.
- To deliver appropriate care, where needed, to a wider group and to stop delivering services which others can, or do, provide
- To develop the provision of Education and Support to those caring for patients at the End of Life
- To develop additional sources of income and hence achieve sufficient surplus to build reserves to 6 months expenditure and develop new initiatives
- To ensure public involvement and consultation working in partnership with the NHS, Social Services and other stakeholders

Mission Statement

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

Our vision and values

- Our service will be caring and holistic. We will be honest and we will respect and listen to our patients and their carers, treating everyone with courtesy, kindness and empathy. We will be passionate and visionary. We will strive at all times for a quality service that uses resources well.
- Our values can be summarised as Giving Time for Quality Care: Exhibiting Professionalism, Respect, Compassion and Integrity. We achieve this by:

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

Professionalism

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

Respect

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

Compassion

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

Integrity

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

The services we provide

Patients, for whom curative treatment is not possible, need active, total care, by a multi-professional team; who will consider their physical, emotional, social and spiritual symptoms. This care is called "specialist palliative care". In addition to paid staff, patients are supported by a team of over 920 volunteers.

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

(i) Inpatient Care

Our 20 bed in-patient unit lies at the centre of our activities. Patients stay on average 10.8 days. A multi-disciplinary team provides comprehensive care, both to provide terminal care (half our admissions), and to bring symptoms under control, enabling patients to return to their homes or to nursing care. Social work support, Physiotherapy, Occupational Therapy, Spiritual care, and Complementary therapies are provided for patients and their families.

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

(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 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.

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

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

(iii)Hospital Services and medical outpatients

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

(iv)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 professionals and provide education work into schools.

In addition we employ four posts to roll out the Liverpool Integrated Care Pathway (**LICP**) and the Gold Standards Framework (GSF). The funding for three of these posts has been secured from the NHS and the Devonport Regeneration Committee has funded one post.

(v)Other Clinical Support

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.

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

3. Achievements and performance

Key activities

	2010	2009
In Patient Care		
In patient Hospice care		
Patients	409	344
Admissions	503	474
Deaths	255	237
Discharges	243	238
Occupied bed days	5,166	5,377
Average length of patient stay (days)	10.8	11.5

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

		2010	2009
Community Services			
Community SPC service	Patients	1,224	1,138
	Patient visits	5,999	5,735
	Patient/carer phone calls	18,139	16,478
	Professional liaisons	18,987	18,809
Day Care Service	Patients	115	91
	Attendances	1,720	1,317
Hospital Services and Medical Outpatients			
Hospital SPC service (*)	Patients	950	891
	Support contacts	3,606	3,208
Medical Outpatients	Patients	206	184
	Appointments	531	550
Other Clinical support			
Bereavement Support	Contacts (including telephone calls)	554	715
Lymphoedema	Patients	406	327
	Palliative care appointments	399	226
	NHS contracted appointments	1,378	1,035

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

Review of 2009/10 – Key Aims

The Six Key Aims for 2009/10 were as follows:

1. To further develop our expertise as a provider of specialist palliative care in the community we serve.
2. To redefine the education strategy; delivering collaborative multi-disciplinary quality education, which reflects what is current nationally and regionally and one which meets the needs of the diverse palliative and end of life workforce
3. To implement and embed the core values of St Luke's, placing the values at the centre of every activity through communication, recruitment, development and focus groups exploring opportunities
4. To further develop integrated working through the implementation of a seamless patient pathway within the service including the development of a consistent standard approach to patient assessment and record keeping which will be the foundation for the automation of records with all stakeholders.
5. To conduct a systematic review of current organisational structures to enable St Luke's to continue to deliver an innovative cost-efficient service against a background of a challenging economic climate.
6. Increase income into the charity through innovation and social enterprise

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

Overall, good progress was made on the key aims –

Key Aim 1. We continued to develop our expertise/link roles in non-malignancies, nominating a MND link, holding discussions re young adults with muscular dystrophy, supporting development of the Renal LICP and delivering a non-malignant education day at Derriford which led to increased non-malignant referrals re liver failure, cardiac, renal, CVE etc. However little progress was made on funding for a dementia specific post.

There was no progress on resourcing additional palliative care beds in the hospital, but partnership working with a nursing home was researched and decided against. The potential for outreach beds in community hospitals is more promising.

Nurse prescribing as a resource for all parts of the service was reviewed and the strategy is being finalised. The hospital team now includes a fully trained independent prescriber,

All Consultants and Associate Specialists are able to cover medical duties across all sites. A formal clinical skills training course has been established and informal secondments to learn differing roles and activities continue. However, skill mix, competencies and job flexibility are being reviewed this year.

Medical Outpatient clinics now have no waiting lists longer than 4 weeks but Nurse led clinics remain under discussion.

Following changes in management of the Marie Curie Service, rapid response provision is under review by the PCT commissioners. Some rapid response outreach is provided in Kingsbridge where the team bring patients to South Hams Hospital as needed. Further research is needed to evaluate the need and effectiveness of rapid response outreach. The future format and collaboration is not clear.

Two national multicentre research trials are currently in progress. (sublingual fentanyl spray and the Edinburgh Pain Assessment tool) and Dr Stephenson published an article on assisted suicide.

Our managerial, awareness-raising and fundraising initiatives have been highlighted and recognised nationally, as has our LICP rollout but there has been disappointing progress in other areas as we have had to prioritise internal restructuring. This is an important area for 2010/11 and subsequent years.

Key Aim 2. A comprehensive education strategy was developed and implemented throughout our services to allow better use of our resources, generate income and respond to opportunities for future.

We ran successful GP palliative care update evenings in Plymouth and Devon and the Community based teams have been working hard in engaging with GP practices by establishing regular GSF/LCP meetings.

We had another successful year further developing the PMS programme and piloting the first SSU, which has been well evaluated.

Preliminary work has started on developing a regional conference, highlighting that there will be some resource issues fulfilling this goal. This objective will be carried over to strategic plans re stakeholder engagement in 2010/2011.

The Education department was successful in securing a DOH bid to be a pilot site to carry out a comprehensive Training Need Analysis of communications training for all staff involved in delivering End of Life Care within Plymouth and surrounding areas. In a recent review by the DOH our team was highly praised for their approach to this project and their work will be shared as an exemplar with the other pilot sites throughout the country.

The LICP team presented prize-winning posters at several national conferences and national conference presentations were given by the Chief Executive, Medical Director and Deputy Chief Executive.

Key Aim 3. Values workshops were carried out, aimed at all staff, trustees and volunteers. The resulting revised "Values of St Luke's – Giving time for quality care" were widely circulated (by newsletter, in team meetings and in-house posters) and have been embedded in the business planning process. Focus groups have been set up to deal with specific operational problems thus empowering all levels of staff to work in accordance with the identified values.

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

Multi disciplinary teams have been set up to review processes and facilitate cross-site clinical note sharing. Improvements have been made in simplifying documentation and a new patient record system has been selected. A restructuring of the medical secretarial function across the service has meant that the team are now effectively led and structured in order to implement and administer the new system which will ensure that patient information is available to all members of the St Luke's team, wherever they or the patient are located.

Key Aim 4. Following a detailed review, a number of Senior Management Team changes have been made to improve the efficiency and effectiveness of St Luke's. The new structure supports integrated service delivery and support services working across the organisation. The Director of Clinical Services is now responsible for the delivery of all patient services and the management of the clinical staff. The Medical Director, who remains the professional lead, providing medical advice to the Senior Management team and the Board of Trustees, supports him in this. A new post – Head of Quality and Compliance has been created, reflecting the importance of the clinical governance agenda and the necessity to comply with all relevant legislation and the requirements of the inspecting bodies including the Care Quality Commission and the Charity Commission.

Key Aim 5. The Day Hospice now operates two charging non-specialist palliative care days for a wider population. With funding from the Pearn Trustees, further rooms have been sublet, which has generated income, whilst promoting partnership-working and sharing best practice with other organisations with a similar remit.

Utilising the current availability of cheaper shop leases has enabled us to secure new trading units including a 2,800 sq ft prime selling unit. A new electronic point of sale system is being implemented to allow gift aid reclaim on donated goods. Niche shops targeting different segments of our population (bookshops, retro and vintage, furniture, occasion wear etc) are being developed. We have acquired a large vehicle to pilot mobile trading and awareness raising in rural areas.

The Lottery Canvassing Team is being expanded to recruit new members while maximising retention of existing members.

Key Aim 6. A review of fundraising activities resulted in replacement of underperforming products. The Midnight Walk has been expanded and achieved the highest sum raised on the South Coast of England. New events (e.g. the Men's Bike Event) are under investigation. Viral marketing has been established and Investigation is currently underway to enhance online registration.

Funding was obtained to research the establishment of a social enterprise.

A new "wish list" process has been established and clear identification of suitable bids has been implemented. A successful bid was submitted to the Department of Health for capital improvements to the inpatient unit.

4. Financial review.

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

In patient care

Community services

Hospital services and medical outpatients

Education

Other clinical support

The year ended 31 March 2010 generated a surplus before revaluation of investments of £95,985, which is considered very satisfactory, as a deficit budget had been set for 2010 given the volatile financial markets and uncertainty in the national economic and political climate.

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

Total incoming resources increased by 7% from £6,741,431 to £7,148,840. Of our income 27% is from the public sector, so we have to invest heavily in fundraising activities. We spent £4,672,623 on our charitable activities and £2,336,294 to generate extra income through the charity retail division, lottery and fundraising events.

Incoming resources

Donations and Gifts: This source of income saw an increase of 20% to £1,624,968 which represents 23% of our total income. This includes over £190,000 (before gift aid) raised from 'The Midnight Walk' which was one of the biggest events of its type on the South Coast of England.

Bequests: Income streams to the charity such as bequests vary greatly year on year and this year we received £1,033,155.

Shops: As part of the planned expansion programme the retail division opened four new shops in Plymouth and the surrounding area to bring the total at the year end to 28. Total turnover was £1,677,867 representing an increase of 18%. Operational costs increased similarly to £1,161,519 to contribute £516,348 (2009 £453,674) towards our charitable activities. During the year we committed to investing in a point of sale till system at a cost of £150,000 to modernise the system and in the long run enable the charity to take advantage of the gift aid scheme. A down payment of £34,254 is shown in prepayments and the remainder is shown as a capital commitment.

The operation of the shops was transferred into the Charity on 30 November 2009 from the Trading Company.

Lottery: Numbers of players increased in the year resulting in a 7% increase in income to £505,578 with a smaller increase in running costs enabling a £239,317 (2009 £215,683) contribution to our charitable activities.

Public sector funding: Grant income which is primarily from the NHS remained at a similar level of 27% of our total income £1,933,313 and includes a one-off grant of £88,751 for End of Life Care Education projects.

Investment income: The low Bank of England base rate resulted in a decrease of interest receivable on saving type investments and a volatile global economy caused a decrease in dividends declared. Hence investment income decreased by 31% to £63,540.

Other income: Other Income is mainly attributable to costs of seconded staff that have been reimbursed by the acute hospital trust, and food sales

Resources expended

Total expenditure increased by 3.5% to £7,052,855 with 72% of our expenditure being on human resource. Expenditure on employees and support costs involved in charitable activities accounted for 66% of our total expenditure. There were some savings in the reorganisation of services involving other organisations: the Outreach service is now operated by the Cancer Support Team, and the Marie Curie Service is now supported directly by Marie Curie and the PCT.

The shops division, lottery and the fundraising department accounted for 31% of our expenditure. For every £1 we spent on generating income we raised £2.21 of income. Fundraising department expenditure increased by 6% (£46,554) as part of the Hospice's strategic plan to reduce its funding gap.

Expenditure on governance of the charity amounted to 3% of expenditure at £43,938.

Surplus & funds

The surplus for the year before gain on investments was £95,985. The market value of the investment portfolio made a recovery in value from the prior year end. A gain on investments of £216,332 was made, giving a total surplus for the year of £312,317.

After taking account for movements in restricted funds and the funding of the buildings, available funds have increased by £441,313 to £2,625,530, just short of the six months of budgeted running costs (net of direct fundraising costs) we plan to hold in reserves.

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

The Trustees of St Luke's would like to express their gratitude to the staff and volunteers who have worked so hard to achieve this pleasing result.

The contribution of volunteers

St Luke's Hospice Plymouth is a charity that was founded by volunteers and it continues to rely on significant contribution from volunteers. The contribution of over 920 volunteers over the year was the equivalent of 160 full time staff; put another way two out of every five hours worked for the Hospice were volunteered. Based on the rates for the various jobs this would have cost the Hospice £1,265,000.

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

5. Plans for future periods

Future strategy of St Luke's.

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

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

With the publication of the End of Life Care Strategy and the End of Life Care Work stream within the Darzi review of the NHS, there is now an emphasis on delivering services for the patient in the last year of life. This will continue to bring strategic opportunities and threats as local strategies are implemented, based on the national work and the local strategic health authority priorities. St Luke's has been closely involved in the development of the local End of Life care strategies, supporting, advising and providing education for generalist teams caring for the dying in the home, nursing home and hospital.

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

Key targets for the 2010/11 financial year

The key targets for 2010/11 have been extracted from the detailed action plan include in the business plan for the year and relate to the 7 key strategic principles of St Luke's.

	The key strategic principle	In order to:	The key target
1	To be innovative and efficient within current resources and the relevant evidence base	Deliver evidence-based decisions in order to ensure quality and efficiency	A Knowledge Transfer Partnership Associate to be appointed
2	To ensure employees have the skills, knowledge and motivation in relation to their roles in order to deliver excellent service	Where appropriate, devolve budgets to operational management level	Break down budgets to team leader level by July 2010
3	To continue the process of developing a truly integrated organisation	Implement a computerised patient information system to aid integration	Finalise specification and implement new clinical database throughout St Luke's

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

			Services
4	To deliver appropriate care, where needed, to a wider group and to stop delivering services which others can, or do, provide	Use our specialist skills, knowledge and experience to support generalists in further developing their skills to manage their palliative care patients more effectively	Secure funding from local PCTs to allow us to further progress the rollout of the GSF and LCP in all settings
5	To develop the provision of Education and Support to those caring for patients at the End of Life	Implement clinical competency framework with relevant training package	Identify skills and qualifications of all clinical staff for review by SMT by Sept 2010
6	To develop additional sources of income and hence achieve sufficient surplus to build reserves to 6 months expenditure and develop new initiatives	Increase income from shops and trading	Identify 5 new retail units and open for trading, generating additional profit of £100,000
7	To ensure public involvement and consultation working in partnership with the NHS, Social Services and other stakeholders	Establish a process for more robust user involvement	Hold a consultation and education event to include Users of the service as well as other stakeholders

Financial strategy

Free reserves in 2009/10 have increased to 0.3 months short of their target level of 6 months budgeted running costs (net of direct fundraising costs). This is a very satisfactory achievement. Voluntary income is above target, a vindication of the strategy to invest in income generation.

To achieve the Strategic plan there will be additional expenditure in 2010/11, though there is not budgeted to be any real growth in expenditure (ie above inflation) for years 2 to 5 of the strategic plan. Implementation of the strategic plan will entail some changes in how the overall money is spent in future years.

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

- Retail has taken the opportunities from the realignments on the high street to expand further, and new income from retail gift aid will come on stream in 2010/11.
- The opportunities for developing further fully funded or revenue-generating services (both statutory and non-statutory), thus allowing the overheads to be spread over a larger base, are being investigated.
- A major task for the year is lobbying the government and the local NHS, to protect the current NHS contribution to the specialist service. Latest indications, are that there is likely to be some realignment of NHS 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
- Opportunities will be taken to build on successes in existing income generation

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.

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

Risks

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

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

Reserves policy

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

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

In the 2010/11 budget free reserves start the year at 5.7 months running costs, and then fall slightly in the year to 5.4 months 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.

Auditors

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

By order of the Board

**Stuart Elford
Chair**

St Luke's Hospice Plymouth

Statement of Trustees' Responsibilities

Year Ended 31 March 2010

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

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

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

In so far as the officers are aware:

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

St Luke's Hospice Plymouth

Independent Auditors' Report

Year Ended 31 March 2010

We have audited the financial statements of St Luke's Hospice Plymouth for the year ended 31 March 2010, 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 Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an 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 Trustees' Report and 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 2006. 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.

St Luke's Hospice Plymouth

Independent Auditors' Report

Year Ended 31 March 2010

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 2010 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 2006; and
- the information given in the Trustees' report is consistent with the financial statements.

Charles Evans FCA
Senior Statutory Auditor
For and on behalf of Francis Clark LLP
Chartered Accountants and Statutory Auditors
North Quay House
Sutton Harbour
PLYMOUTH
PL4 0RA

Date: 19 July 2010

St Luke's Hospice Plymouth

Consolidated Statement of Financial Activities

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

Year Ended 31 March 2010

	Unrestricted Funds	Designated Funds	Restricted Funds	Total Funds 2010	Total Funds 2009
Notes	£	£	£	£	£
Incoming resources					
Incoming resources from generated funds:					
Voluntary income:					
Donations and gifts	1,445,205	-	179,763	1,624,968	1,356,876
Bequests	1,033,155	-	-	1,033,155	1,280,382
Activities for generating funds:					
Shops	1,677,867	-	-	1,677,867	1,414,783
Lottery	505,578	-	-	505,578	472,254
Investment income	3 63,540	-	-	63,540	92,291
Incoming resources from charitable activities:					
Public sector funding	4 1,726,319	-	206,994	1,933,313	1,798,941
Other Income	310,419	-	-	310,419	325,904
Total incoming resources	6,762,083	-	386,757	7,148,840	6,741,431
Resources expended					
Cost of generating funds:					
Shops	1,161,519	-	-	1,161,519	961,109
Lottery	266,261	-	-	266,261	256,571
Fundraising & publicity	733,562	9,754	23,055	766,371	719,817
Investment & other	128,552	6,692	6,899	142,143	77,075
Charitable activities:					
In patient care	2,524,116	61,312	110,518	2,695,946	2,657,988
Community Services	1,098,260	19,169	81,457	1,198,886	1,264,736
Hospital Services & Medical					
Outpatients	207,737	2,868	4,839	215,444	197,701
Education	237,027	11,885	77,610	326,522	346,651
Other clinical support	136,696	4,598	94,531	235,825	276,212
Governance costs	43,372	279	287	43,938	40,056
Other resources expended	-	-	-	-	16,953
Total resources expended	6,537,102	116,557	399,196	7,052,855	6,814,869
Net incoming / (outgoing) resources for the year before transfers	224,981	(116,557)	(12,439)	95,985	(73,438)
Transfer between funds	(252,000)	252,000	-	-	-
Net incoming / (outgoing) resources	(27,019)	135,443	(12,439)	95,985	(73,438)
Gains / (losses) on investment assets	216,332	-	-	216,332	(169,025)
Net movement in funds	189,313	135,443	(12,439)	312,317	(242,463)
Funds at 1/4/2009	108,217	3,967,596	1,462,909	5,538,722	5,781,185
Funds at 31/03/2010	297,530	4,103,039	1,450,470	5,851,039	5,538,722

St Luke's Hospice Plymouth

Balance Sheet

31 March 2010

		Group		Charity	
		2010	2009	2010	2009
	Notes	£	£	£	£
Fixed assets					
Tangible	11	3,174,121	3,378,238	3,173,567	3,367,218
Investments	12	990,606	773,691	990,608	773,693
		4,164,727	4,151,929	4,164,175	4,140,911
Current assets					
Stocks	13	9,086	10,687	3,450	3,300
Debtors	14	525,635	451,636	604,107	493,715
Cash at bank and in hand		1,622,255	1,376,834	1,502,427	1,278,965
		2,156,976	1,839,157	2,109,984	1,775,980
Creditors: amounts falling due within one year	15	470,664	452,364	390,742	345,791
Net current assets		1,686,312	1,386,793	1,719,242	1,430,189
Total assets less current liabilities		5,851,039	5,538,722	5,883,417	5,571,100
Funds					
Unrestricted funds:					
Revaluation reserve	16	296,816	107,458	296,816	107,458
General funds	17	33,092	33,137	33,092	33,137
Non-charitable trading funds	17	(32,378)	(32,378)	-	-
Designated funds	17	4,103,039	3,967,596	4,103,039	3,967,596
Restricted funds	17	1,450,470	1,462,909	1,450,470	1,462,909
		5,851,039	5,538,722	5,883,417	5,571,100

The consolidated financial statements on pages 16 to 32 were approved by the Trustees on 13 July 2010 and were signed on its behalf by:

S Elford, Chairman

G Northcott, Honorary Treasurer

St Luke's Hospice Plymouth

Consolidated Cash Flow Statement

Year Ended 31 March 2010

		2010	2009
	Notes	£	£
Net cash inflow / (outflow) from operating activities	23	<u>163,913</u>	<u>(84,229)</u>
Returns on investments and servicing of finance			
Interest received		6,248	37,082
Investment income received		57,292	55,209
Net cash inflow from returns on investments and servicing of finance		<u>63,540</u>	<u>92,291</u>
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(112,866)	(166,214)
Purchase of investments		(94,383)	(346,609)
Sale of investments and investment properties		225,217	291,383
Net cash inflow / (outflow) from capital expenditure and financial investment		<u>17,968</u>	<u>(221,440)</u>
Increase/(Decrease) in cash	24	<u><u>245,421</u></u>	<u><u>(213,378)</u></u>

St Luke's Hospice Plymouth

Notes and Accounting Policies

Year ended 31 March 2010

1. Accounting convention and basis of consolidation

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 significant 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 the Companies Act 2006, and paragraph 397 of the SORP.

Incoming resources

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

Resources expended

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

Fixed assets

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

Freehold buildings	4%
Equipment and vehicles	33%

St Luke's Hospice Plymouth

Notes and Accounting Policies

Year ended 31 March 2010

- 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 and a Revenue Reserve to protect against sudden dips in income. As such they are not readily available for other purposes.
 - **Unrestricted Funds:** Funds which are expendable at the discretion of the Trustees in the furtherance of the objects of the charity.

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2010

2. Net incoming / (outgoing) resources

Net incoming / (outgoing) resources for the year are after charging:

	2010	2009
	£	£
Amortisation of leasehold property improvements	27,276	27,220
Depreciation of owned assets	289,020	275,492
Auditors' remuneration for audit services		
Charity	4,259	3,750
Subsidiary	4,040	3,500
Loss on disposal of assets - Charity	686	-
Rental of shop premises - operating leases	335,343	265,744
	<u>335,343</u>	<u>265,744</u>

3. Investment income

	2010	2009
	£	£
Income from property investments	34,314	26,607
Dividends from other investments	22,978	28,602
Interest receivable and similar income	6,248	37,082
	<u>63,540</u>	<u>92,291</u>

4. Public sector funding

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

	2010	2009
	£	£
NHS Trusts:		
Basic funding	674,299	646,779
For purchase of drugs	134,617	131,719
Lymphoedema Services	86,716	84,370
Share of Network Monies	411,936	410,000
Community Specialist Palliative Care team	470,756	460,622
To cover pension	31,527	31,527
End of Life Care Education Projects	88,751	-
Local government:		
Social Services basic funding	34,711	33,924
	<u>1,933,313</u>	<u>1,798,941</u>

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2010

5. Net income from trading activities of subsidiaries

The Charity has one wholly owned trading subsidiary, which is incorporated in England and Wales. St Luke's Hospice Plymouth Trading Company Limited operates a lottery and until November 2009 operated a chain of retail shops. The chain of retail shops were transferred into the Charity on 30 November 2009. 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:

Profit and loss account	2010	2009
	£	£
Turnover	1,639,328	1,891,112
Cost of sales	(143,348)	(140,160)
Gross profit	1,495,980	1,750,952
Operating expenses	(902,336)	(1,093,957)
Operating profit	593,644	656,995
Interest payable	(5,000)	(5,000)
Interest receivable	50	2,025
Net trading profit	588,694	654,020
Gift Aid donation to St Luke's Hospice Plymouth	(588,678)	(649,458)
Profit / (Loss) on ordinary activities before taxation	16	4,562
Tax on profit/(loss) on ordinary activities	(16)	(4,562)
	-	-
 Balance sheet	 2010	 2009
	£	£
Assets	132,908	231,917
Liabilities	(165,284)	(264,293)
Capital	2	2
Reserves	(32,378)	(32,378)

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2010

6. Analysis of total resources expended

	Employment Costs	Other	Depreciation	Total Funds 2010	Total Funds 2009
	£	£	£	£	£
Patient care	3,114,219	303,358	46,242	3,463,819	3,427,027
Costs of generating funds	1,083,228	921,268	15,376	2,019,872	1,768,418
Housekeeping, maintenance, administration and finance	879,598	434,888	254,678	1,569,164	1,619,424
	5,077,045	1,659,514	316,296	7,052,855	6,814,869

7. Trustees' remuneration, staff numbers and costs

The aggregate payroll costs were as follows:

	2010 £	2009 £
Wages and salaries	4,469,729	4,324,900
Social Security	320,106	315,150
Pension costs	287,210	262,910
	5,077,045	4,902,960

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

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

	2010 f.t.e	2009 f.t.e
Clinical and direct care	77	79
Direct Support (hotel services)	22	22
Office and Administration	29	28
Fund generating teams	62	54
Total staff	190	183

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 (2009:1), £70,000 to £80,000 band: 1 – (2009:0), £80,000 to £90,000 band: 1 – (2009:1). 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 and Accounting policies

Year Ended 31 March 2010

8. Support costs allocation

	Management	Finance	IT	HR	Total
Cost of generating funds					
Shop	-	18,895	1,260	-	20,155
Lottery	-	18,894	4,661	-	23,555
Fundraising and Publicity	14,882	33,147	40,714	35,196	123,939
Investment and other	-	2,580			2,580
Charitable activities					
In Patient Care	54,968	46,189	30,659	130,007	261,823
Community Services	21,386	17,971	23,458	50,580	113,395
Hospital services and medical opts	4,291	3,606	2,952	10,149	20,998
Education	6,226	5,232	15,977	14,726	42,161
Other Clinical Support	4,897	4,115	6,782	11,579	27,373
Governance costs	827	16,177	1,378	1,955	20,337
Total	107,477	166,806	127,841	254,192	656,316

Support costs are allocated on the following basis: costs are allocated directly where possible for IT items and then on the basis of computers per team; finance costs are apportioned partly on the basis of time taken to support income generation, and partly on a headcount basis; the remaining costs are apportioned on the basis of headcount.

9. Taxation

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

10. Pension schemes

The group provides a group personal pension scheme to employees, which is operated by Scottish Life. The scheme is of a defined contribution type. The cost of the contribution to the group scheme for the year was £129,248 (2009: £106,461). Some employees have continued membership of the NHS Pension Scheme. The cost of the group contribution to this scheme for the year was £141,578 (2009: £136,995).

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2010

11. Tangible fixed assets

Group

	Freehold land and buildings £	Equipment and furniture £	Shop fixtures and fittings £	Motor vehicles £	Assets under Construction £	Total £
Cost or valuation						
At 1 April 2009	5,151,891	896,398	120,144	114,613	-	6,283,046
Additions	-	65,224	21,234	18,901	7,507	112,866
Disposals	-	(51,956)	(117,858)	(30,396)	-	(200,210)
At 31 March 2010	5,151,891	909,666	23,520	103,118	7,507	6,195,702
Depreciation						
At 1 April 2009	1,991,116	715,650	111,509	86,533	-	2,904,808
Charge for year	200,817	93,590	7,635	14,254	-	316,296
Disposals	-	(51,483)	(117,644)	(30,396)	-	(199,523)
At 31 March 2010	2,191,933	757,757	1,500	70,391	-	3,021,581
Net book value						
At 31 March 2010	2,959,958	151,909	22,020	32,727	7,507	3,174,121
At 31 March 2009	3,160,775	180,748	8,635	28,080	-	3,378,238

Charity

	Freehold land and buildings £	Equipment and furniture £	Motor vehicles £	Assets under Construction £	Total £
Cost or valuation					
At 1 April 2009	5,151,891	890,238	91,528	-	6,133,657
Additions	-	87,457	17,789	7,507	112,753
Disposals	-	(50,809)	(6,199)	-	(57,008)
At 31 March 2010	5,151,891	926,886	103,118	7,507	6,189,402
Depreciation					
At 1 April 2009	1,991,116	710,502	64,821	-	2,766,439
Charge for the year	200,817	93,132	11,769	-	305,718
Disposals	-	(50,123)	(6,199)	-	(56,322)
At 31 March 2010	2,191,933	753,511	70,391	-	3,015,835
Net Book value					
At 31 March 2010	2,959,958	173,375	32,727	7,507	3,173,567
At 31 March 2009	3,160,775	179,736	26,707	-	3,367,218

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2010

12. Investments

Group

	Listed
Valuation	£
At 1 April 2009	773,691
Additions	95,800
Disposals	(77,298)
Revaluation	198,413
At 31 March 2010	990,606

Under historical cost principles, the historical cost of investments at 31 March 2010 was £797,328 (2009: £777,714). 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	130,249	552,972	226,907	910,128
Overseas Investments	-	41,456	39,022	80,478
At 31 March 2010	130,249	594,428	265,929	990,606

No restrictions exist on the realisation of these assets. The following material investments were held at the 31 March 2010:

Holding	Investment	Market Value £
STANDARD LIFE INVS GLOBAL IDX LKD BD RETL	70,000	85,820
UK GOV STOCK 26/07/16	28,000	84,641
BLACKROCK AM UK CHARISHARE ACC	7,146	71,256

During the year the Charity was gifted a property which was subsequently sold. The property was valued and sold for £130,000.

13. Stock

	Group		Charity	
	2010	2009	2010	2009
	£	£	£	£
Goods for resale	5,543	5,608	850	700
Stationery stock	3,543	5,079	2,600	2,600
	9,086	10,687	3,450	3,300

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2010

14. Debtors

	Group		Charity	
	2010	2009	2010	2009
	£	£	£	£
Trade debtors	181,618	214,309	180,043	213,631
Amounts owed by group company	-	-	80,112	152,470
Taxation recoverable	59,484	33,626	59,484	28,022
Vat Recoverable	16,423	-	16,423	-
Other debtors	30,692	12,045	26,917	5,855
Prepayments and accrued income	237,418	191,656	241,128	93,737
	525,635	451,636	604,107	493,715

Of the above amounts, £50,000 (2009: £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.

15. Creditors - Amounts falling due within one year

	Group		Charity	
	2010	2009	2010	2009
	£	£	£	£
Trade creditors	295,249	301,400	207,475	202,668
Corporation tax	16	-	-	-
Vat due	4,572	-	-	-
Other taxation and social security	96,797	113,652	107,937	108,840
Accruals and deferred income	74,030	37,312	75,330	34,283
	470,664	452,364	390,742	345,791

16. Revaluation reserve

Group and Charity	£
Balance at 1 April 2009	107,458
Unrealised gain on revaluation of investment portfolio	198,485
Realised gain on disposal of investments, transferred to general fund	(9,127)
Balance at 31 March 2010	296,816

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2010

17. Fund balances

	Balance Brought Forward	Transfers	Incoming Resources	Resources Expended	Balance 31 March 2010
Group	£	£	£	£	£
Restricted Funds					
Building Funds	1,269,178	-	-	(84,260)	1,184,918
Other Funds	173,141	-	179,763	(176,967)	175,937
End of Life/Project Funds	20,590	-	206,994	(137,969)	89,615
	1,462,909		386,757	(399,196)	1,450,470
Designated Funds					
Building Funds	1,891,596	-	-	(116,557)	1,775,039
Revenue Reserve	2,076,000	252,000	-	-	2,328,000
	3,967,596	252,000		(116,557)	4,103,039
Revaluation Reserve	107,458	(9,127)	198,485	-	296,816
General Funds	33,137	(242,873)	5,140,552	(4,897,724)	33,092
Non-charitable trading	(32,378)	-	1,639,378	(1,639,378)	(32,378)
At 31 March 2010	5,538,722	(252,000)	7,365,172	(7,052,855)	5,851,039

The Hospice Building Fund is held at a level equivalent to the net book value of freehold land and buildings owned by the Hospice and is partly made up of restricted funds, being the monies raised under building appeals and a bequest. An amount equivalent to the depreciation on the buildings, £200,817 was expended out of this fund in the year.

There was a net transfer into the Revenue Reserve of £252,000, giving a balance of £2,328,000. 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 increased to 5.1 months from 4.9 months since last year, though freely available reserves (including the Revaluation reserve) have increased to 5.7 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 £89,615, with the balance predominantly to fund End of Life Education projects

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

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2010

18. Analysis of net assets between funds

Group	Tangible fixed assets £	Investments £	Other net assets £	Total £
Restricted funds				
Building Fund	1,184,918	-	-	1,184,918
End of Life/Project funds	-	-	89,615	89,615
Other Funds	86,060	-	89,877	175,937
	1,270,978	-	179,492	1,450,470
Other funds/reserves				
Designated Funds	1,903,143	693,790	1,506,106	4,103,039
Revaluation Reserve	-	296,816	-	296,816
Unrestricted Funds	-	-	33,092	33,092
Non-charitable trading Funds	-	-	(32,378)	(32,378)
	1,903,143	990,606	1,506,820	4,400,569
Total	3,174,121	990,606	1,686,312	5,851,039

19. Financial commitments

At 31 March 2010 annual commitments under non-cancellable operating leases (including shop premises) were as follows:

	Group		Charity	
	2010 £	2009 £	2010 £	2009 £
Expiring within one year	6,321	68,500	6,321	-
Expiring between two and five years	309,216	192,989	309,216	5,389
Expiring in over five years	128,000	121,146	128,000	80,000
	443,357	382,635	443,357	85,389

20. Share capital

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

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2010

21. Related party transactions

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

Name	Role in Hospice	Related organisation	Role in related organisation	Value of transaction	Type of transaction
Gavin Price	Trustee & Chairman	Brewin Dolphin	Divisional Manager	£6,987 expenditure	Administration of Hospice investment portfolio
Dr Mark Taylor	Trustee	Plymouth Hospitals NHS Trust	Consultant Anaesthetist	£275,035 income £21,965 expenditure	Secondments income, telephone, occ health, electric testing expenditure
Sally Taylor	Chief Executive and Company Secretary	Help the Hospices Relative	Trustee Relative	£6,667 income, £5,318 expenditure, plus admin of DOH Capital Grant	Training grant, fares income, training course fees, employment of relative expenditure
David James	Trustee	Plymouth City Council	Councillor	£34,711 income, £48,585 expenditure	Grant/training income, rates, Trade Waste, planning and rent expenditure
Lorna Potter	Trustee	Devon PCT	Consultant	£471,586 income	Grant Income
Sarah Jones	Trustee	University of Plymouth	Director of Finance	£112 income, £2,505 expenditure	Course fees income, Course fees expenditure, plus KTP partnership

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2010

22. Income and expenditure account

	Continuing operations	
	2010	2009
	£	£
Income	7,119,614	6,675,747
Operating expenses	(7,052,855)	(6,814,869)
Operating Surplus/(Deficit)	66,759	(139,122)
Investment Income	22,978	28,602
Realised investment gains/(losses) in the year	17,846	(51,420)
Interest receivable and similar income	6,248	37,082
Excess of income over expenditure for the Year	113,831	(124,858)

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 £113,815 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:

	2010	2009
	£	£
Total Incoming Resources (per SOFA)	7,148,840	6,741,431
Realised investment (losses) / gains in the year	17,846	(51,420)
Income for Companies Act purposes	7,166,686	6,690,011

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

	Continuing operations	
	2010	2009
	£	£
Continuing activities		
Net incoming / (outgoing) resources for the year	95,985	(73,438)
Depreciation on tangible fixed assets	316,296	302,712
Donated fixed assets	-	(2,000)
Donated investments	(131,416)	(105,973)
Decrease / (increase) in stock	1,601	4,580
Investment income	(63,540)	(92,291)
Increase / (decrease) in debtors	(73,999)	88,237
Loss on disposal of fixed assets	686	-
Increase / (decrease) in creditors	18,300	(206,056)
Net cash inflow / (outflow) from operating activities	163,913	(84,229)

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2010

24. Reconciliation of net cash to movement in funds

	2010 £	2009 £
Increase / (decrease) in cash in the year	245,421	(213,378)
Change in net funds resulting from cash flows	245,421	(213,378)
Net funds at 1 April 2009	1,376,834	1,590,212
Net funds at 31 March 2010	1,622,255	1,376,834

25. Analysis of net funds

	2009 £	Cash Flow £	2010 £
Cash at bank and in hand	1,376,834	245,421	1,622,255

26. Capital Commitments

At the year end the Charity had made a commitment to purchase an EPOS system. The amount contracted at the year end amounted to £130,000. Of this amount £34,000 was paid prior to the year end and is included in the accounts as a prepayment. No further amounts are included in the financial statements.