



Registered Charity No. 280681
Company Number: 01505753

St Luke's Hospice Plymouth

Consolidated Financial Statements

Year Ended 31 March 2015

St Luke's Hospice Plymouth

Board of Trustees' Report

Year ended 31 March 2015

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St Luke's Hospice Plymouth

Board of Trustees' Report

Year Ended 31 March 2015

Reference and Administration Details of Charity, its Trustees and Advisors

Trustees

Mr C Cavanagh
Dr C Davies
Mr S Elford
Dr S Hobbs
Dr J Grose
Mrs C Postle-Hacon
Mr D Shepperd
Mrs L Thomas
Prof S Watson-Fisher
Mrs M Williams
Mrs J Wills

Company Secretary

Mrs S Taylor

Auditors

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

Registered Office

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

Registered Company Number

01505753

Registered Charity Number

280681

Solicitors

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

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

Bankers

Barclays Bank
48 Mutley Plain
PLYMOUTH
BX3 2BB

Investment Managers

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

Charity Website

www.stlukes-hospice.org.uk

St Luke's Hospice Plymouth

Board of Trustees' Report

Year Ended 31 March 2015

The Board presents its annual report and the audited consolidated financial statements for the year ended 31 March 2015. The accounts have been drawn up in compliance with the Statement of Recommended Practice – Accounting and Reporting by Charities (as revised in March 2005) ('SORP'), UK Accounting Standards, the Charities Act 2011, the Companies Act (2006), and in accordance with the company's Articles of Association.

Structure, Governance and Management

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

There are currently 17 members of the Association of the Hospice. Individuals must sign a consent form on becoming a member. Every member shall further, to the best of their ability, the objects, interests and influence of the Association. The Trustees are appointed from the members of the Association. Full responsibility for the running of the Charity is vested in the Trustees, who by reason of the incorporation of the Charity are also Directors of the Company. The Trustees can appoint from the membership to fill any vacancy that arises until the next AGM. There is an induction programme and pack for new trustees in line with Charity Commission good practice and trustees' training needs are reviewed annually.

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

Chair	Mr Stuart Elford
Vice Chairs	Mr David Shepperd MSc
Treasurer	Dr Charlotte Davies M.Chem (Oxon) D.Phil ACA

Senior Executives:

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

St Luke's Hospice Plymouth

Board of Trustees' Report

Year Ended 31 March 2015

Trustees

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

Mr S Elford (Chair) (a)	Mr G Price (Resigned 2 December 2014)
Dr S Hobbs (c,e)	Mr E Van Jaarsfeldt (Resigned 31 May 2015)
Mr D Shepperd (a,f,g)	Mrs M Williams (d,e)
Mrs C Postle-Hacon (c,e)	Mrs J Wills (b,f)
Dr J Grose	Mr G Northcott (Resigned 30 January 2015)
Dr C Davies (appointed 22 July 2014) (a,c,d,g)	Mr C Cavanagh (appt 2 December 2014)(d,f,g)
Mrs L Thomas (appointed 30 September 2014) (c,f)	Prof S Watson-Fisher (appt 3 February 2015) (b)
Prof Glennys Howarth (resigned 20 May 2014)	

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

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

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

- g. SLH Ventures Ltd

In addition, a number of trustees attend operational groups including Health and Safety Committee, Service Development Group, Education Programme Board, Research, Communications Group and Staff Forum.

Risks

Organisational Risk was reviewed by both the Senior Management Team and the Trustees in the year as part of the Hospice Governance process. Risks continue to be monitored and managed. These include: Health and Safety, Internal Financial Risk, Reliance on legacies, Staff resourcing, Clinical risk to patients, Disaster planning, Value for money.

Reserves policy

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

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

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

St Luke's Hospice Plymouth

Board of Trustees' Report

Year Ended 31 March 2015

Objectives and Activities

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

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

The Three Pillars of St Luke's Service delivery

1. The Provision of Specialist Care

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

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

2. The Provision of Supportive Care Services

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

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

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

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

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

St Luke's Hospice Plymouth

Board of Trustees' Report

Year Ended 31 March 2015

STRATEGIC REPORT – part of the Board of Trustees' Report

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

Achievement and Performance - A Review of 2014/15

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

Key Aim	Action	
Aim 1: Physical Space – Ensure effective utilisation of our facilities.	Investigate alternative options for the moving of services out of our Pearn site. Facilitate the moving of departments following the closing of in-patient beds at the Turnchapel site. Work with architects to redesign areas and convert empty bays.	Alternative offices have been secured and the move from Pearn is scheduled to happen in July 2015. At the Turnchapel site, empty bays are being converted into lymphodema clinics and family accommodation.
Aim 2: Ways of working - Develop a workforce planning strategy for meeting future workforce needs within our clinical services	Set up a cross-organisational working group to review future work force planning needs within Clinical Services.	Meetings held with members of the clinical team and education, and as a result a clinical development pathway for career progression has been put into place.
Aim 3: Hospice without Walls - Oversee key transformational changes to clinical services in line with our 10 year vision.	Develop Crisis Response Nursing team to be operational by October 2014.	Crisis Team recruited and trained in October 2014, and started operations in November 2014.
Aim 4: Workforce development - Introduce interventions to support the development of the workforce	Commence coaching programme for senior management team and heads of department. Develop a matrix to identify the skills, knowledge and development requirements for different levels within the organisation.	Coaching sessions have been delivered for managers and teams in the organisation. Matrix developed for both clinical and non-clinical staff. Organisational Development Manager appointed to drive through workforce development interventions

St Luke's Hospice Plymouth

Board of Trustees' Report

Year Ended 31 March 2015

PERFORMANCE OF OUR SERVICES

In the year ended 31 March 2015, the Charity was able to see some **3231** patients¹ directly. The total cost of our clinical services provision was **£5,460,100** for the year. We reduced the number of beds from 20 to 12 in the year, based on our rationale that we need to reach more people who need end of life specialist support in the community. To this end, we launched our Crisis Services in November 2014. Our external education services indicate our influence on those patients we were not able to see directly. The following table gives more information.

<u>Our clinical activities</u>		
In Patient Care	<u>2015</u>	<u>2014</u>
Patients	228	261
Admissions	287	315
Deaths	165	192
Discharges	122	127
Occupied bed days	4148	4506
Average length of patient stay (days)	14.4	14.4
<i>Our activities have dropped in the year due to reducing the number of beds from 20 to 12.</i>		
Community Services	<u>2015</u>	<u>2014</u>
Patients (referral open)	1293	1301
Patient visits	5734	5682
Patient/carer phone calls	13185	14619
Professional liaisons	14629	16094
Crisis support in the community	<u>2015</u>	<u>2014</u>
Patients – since November 2014	113	NA
Accepted referrals	140	
Patient visits (by professional)	960	
Hospital Services and Medical Outpatients	<u>2015</u>	<u>2014</u>
<i>Hospital SPC service</i>		
Patients	946	951
Support contacts	4263	4282
<i>Medical Outpatients</i>		
Patients	98	123
Attendances	295	366
Other Clinical support	<u>2015</u>	<u>2014</u>
<i>Bereavement Support</i> Contacts (including telephone calls)	394	614
<i>Lymphoedema</i>		
Patients (active)	553	538
Palliative care appointments (attended)	376	249
NHS contracted appointments (attended)	2167	2062
Education	<u>2015</u>	<u>2014</u>
No of internal individuals trained in the year	2085	1590
No of external parties/individuals trained in the year	2287	1481
No of training sessions on National/Regional projects, local forums & conferences etc	460	623

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

St Luke's Hospice Plymouth

Board of Trustees' Report

Year Ended 31 March 2015

Financial review

The organisation made an overall deficit of **£160,366**, which is after crediting gains on investments of £112,946 as the market value of the portfolio increased. This surplus was achieved after charging depreciation of £275,330 on buildings, which are funded by designated reserves.

The deficit for the year, before adjusting for investment gains, for management reporting purposes, was **£273,312**, which was about £250,000 below budget. This deficit includes the final part, **£47,711**, of a Department of Health capital grant awarded last year for renovation works to the In Patient Unit.

This year has seen a continued drop in our fundraising income generation, and fundraising donations has seen the worst drop in income. Legacies, on the other hand, have been good and delivered over **£960,000** in the year, thus reducing somewhat the impact of the drop in fundraising income.

The retail group continues to gradually improve, and there has been a **4.9%** increase in income, and the profitability of the retail group continues to rise steadily this year. Increased efforts over the year to rationalise spending have also been successful, and we hope to see this trend continue over the coming years.

Lottery sales have seen another drop in sales of **5.5%** from previous year, as we have struggled to find canvassers.

Charity expenditure this year has once again been managed really well, after an organisation-wide initiative was launched three years ago, to devolve departmental budgets down to all heads of department. Charity expenditure was below budget by 2% this year, equating to savings of **£104,000**.

This year has seen a drop in free reserves, from **£3,331,529** last year to **£2,847,278**. This represents **5.2** months of expenditure based on budgeted running costs (from 6.5 months in the previous year). A loan of £468,808 was paid off in full in the year.

Overall, despite the drop in income generation, the financial impact has been mitigated due to savings in charity spend as well as an increase in charity income. Key staff has now been recruited in fundraising and lottery, and a new five year income generation strategy will ensure that our income increases gradually over the coming months and years.

Plans for future periods

St Luke's has developed a clear vision, and the plans for 2015/16 take this long-term strategy into account. Our priority is to provide specialist care in the last days of life for those who have the greatest need but we also aspire to ensure that everyone has access to appropriate care and support at the end of life, and we therefore provide education, general support services and advice to patients, professionals and carers. We recognise that we cannot deliver intensive end of life care to everyone and we therefore allocate resources to ensure that we can empower others to support local people at the end of life.

A major task for the coming year is to further develop partnership working with other organisations, both to facilitate service improvement and to protect the current NHS contribution to the specialist service. It is also important to continue involvement in the policy work of Hospice UK, National Council for Palliative Care and the Association for Palliative Medicine. It seems likely that there may be some realignment of NHS funding to support patients at the end of life, and this may be both an opportunity and a threat.

Overall the five-year plan indicates that free reserves should be held at the target level of between three and six months expenditure (based on a risk analysis model). Any level of reserves in excess of six months expenditure will be designated to develop new and improved services in line with the needs and preferences of patients living with and dying from advanced incurable illness

To achieve the Strategic plan there has been a change in the approach to services delivered through SLH Ventures, the wholly owned subsidiary of St Luke's Hospice Plymouth. It has proved difficult to obtain public sector contracts which would create more volume over which to spread overheads and the care for people at home, together with the bank staff support provided by St Luke's Care to the inpatient unit,

St Luke's Hospice Plymouth

Board of Trustees' Report

Year Ended 31 March 2015

community team and the Derriford team, are invaluable to the wider service. We have therefore included an element of subsidy from the charity to the service to reflect the support for patients in the later stages of their journey. We believe that our domiciliary care service provides effective support to people at an earlier stage of their disease and enables anticipation of their needs so that later crises can be averted.

Looking ahead, the business plan is assuming some growth in Fundraising income and donations, with a one-off large scale fundraising event planned in 2016/17. The recent workforce development programme in the Retail group has now begun to reap its benefits, and the plan assumes that by 2016/2017, the retail group will be contributing nearly £1.2 million in profit to the Charity, with steady but challenging growth targets thereafter. The Hospice has long relied on generous bequests to help run the service, and over the last five years, annual legacies (adjusted for outliers) have averaged nearly £1 million. However, there is some evidence that legacy income could fall with the demographic changes ahead. The financial plans going forward have assumed between £600,000 and £750,000 of bequests as a baseline target figure. This should reduce some of the risks associated with budgeting for large legacy amounts in our longer term plans for the business. The Lottery turnover is also budgeted to grow with some further investment in canvassing, second numbers and alternative revenue sources.

The new Crisis intervention service has been rolled out in 2014/15 at an estimated annual cost of £600,000. The initial expenditure has been funded from reserves but we are actively seeking NHS funding to support this venture and are therefore developing clear evidence of effective outcomes from our interventions. No new service developments have been assumed but the full year effect has been included for new posts introduced to support St Luke's vision of "A community where no person has to die alone, in pain or distress".

St Luke's Strategic Objectives for 2015/16

The 4 priorities strategic objectives are as below, and have been extracted from the business plan:

1: Workforce development - To ensure staff and volunteers have the skills, knowledge, motivation and behaviours to deliver a professional and efficient service to all users, now and in the future.
2: To identify and implement transformational change across the service to improve organisational efficiency and meet our vision and strategic aims.
3: Ensure staff has a shared understanding of the vision of St Luke's, its direction, values and standards of behaviour.
4: To invest in innovation and evaluation to develop new and effective ways to enhance our services and respond to emerging needs.

Risks

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

St Luke's Hospice Plymouth

Board of Trustees' Report

Year Ended 31 March 2015

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

Conclusion

Finally, the Board would like to take this opportunity to thank all the Trustees, the Senior Management team and staff, and the 1200 volunteers, all of whom are dedicated to the charity, and who work so hard and contribute to its success.

Auditors

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

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

Stuart Elford
Chair

St Luke's Hospice Plymouth

Statement of Trustees' Responsibilities

Year ended 31 March 2015

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 2015

We have audited the group and parent financial statements of St Luke's Hospice Plymouth for the year ended 31 March 2015, which comprise the group Statement of Financial Activities, the group and parent Balance Sheet, the group and parent Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practices).

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

Respective responsibilities of Trustees and auditors

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

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

Scope of the audit of the financial statements

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

Opinion

In our opinion the financial statements:

- give a true and fair view, of the state of the group's and of the parent company's affairs as at 31 March 2015 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

St Luke's Hospice Plymouth

Independent Auditors' Report

Year ended 31 March 2015

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the group's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Charles Evans

Senior Statutory Auditor

For and on behalf of Francis Clark LLP

Statutory Auditors

North Quay House

Sutton Harbour

PLYMOUTH

PL4 0RA

St Luke's Hospice Plymouth

Consolidated Statement of Financial Activities

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

Year Ended 31 March 2015

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Funds 2015 £	Total Funds 2014 £
Incoming resources from generated funds:						
Voluntary income:						
Donations and gifts		1,396,241	-	47,610	1,443,851	1,469,979
Bequests		964,253	-	-	964,253	868,962
Large Bequest		-	-	-	-	650,000
Activities for generating funds:						
Shops		2,875,153	-	-	2,875,153	2,740,975
Lottery		624,797	-	-	624,797	661,299
Domiciliary care		224,459	-	-	224,459	174,027
Investment income	3	126,763	-	-	126,763	123,455
Incoming resources from charitable activities:						
Public sector funding	4	1,773,622	-	222,423	1,996,045	2,364,373
Other income		580,878	-	240,531	821,409	935,461
Total incoming resources		8,566,166	-	510,564	9,076,730	9,988,531
Resources expended						
Costs of generating funds:						
Shops		2,185,400	38,355	-	2,223,755	2,239,682
Lottery		287,270	-	-	287,270	254,652
Domiciliary care		336,664	-	-	336,664	242,500
Fundraising & publicity		920,588	10,000	-	930,588	849,677
Investment & other		37,005	6,000	-	43,005	30,279
Charitable activities:						
In patient care		2,350,692	193,699	4,362	2,548,753	2,575,258
Community Services and other clinical support		1,498,245	190,214	170,065	1,858,524	1,736,562
Hospital Services & Medical Outpatients		500,750	-	-	500,750	445,011
Education		285,545	12,000	254,527	552,072	493,170
Governance costs		68,660	-	-	68,660	57,864
Total resources expended	6	8,470,819	450,268	428,954	9,350,041	8,924,654
Net (outgoing)/incoming resources for the year before transfers		95,346	(450,268)	81,610	(273,311)	1,063,877
Transfer between funds		(162,543)	224,105	(61,562)	-	-
Net (outgoing)/incoming resources		(67,197)	(226,162)	20,048	(273,311)	1,063,877
Gains on investment assets		112,946	-	-	112,946	30,269
Net movement in funds		45,749	(226,163)	20,048	(160,366)	1,094,146
Funds at 1/4/2014		271,529	6,499,960	92,834	6,864,323	5,770,177
Funds at 31/03/2015		317,278	6,273,798	112,882	6,703,957	6,864,323

St Luke's Hospice Plymouth

Balance Sheet – Company number 01505753

31 March 2015

		Group		Charity	
		2015	2014	2015	2014
	Notes	£	£	£	£
Fixed assets					
Tangible	11	3,661,775	3,611,855	3,660,903	3,610,111
Investments	12	1,548,807	1,253,457	1,548,809	1,253,459
		5,210,582	4,865,312	5,209,712	4,863,570
Current assets					
Stocks	13	9,062	14,605	1,493	2,379
Debtors	14	638,085	1,060,018	726,092	1,153,113
Cash at bank and in hand		1,449,916	2,021,524	1,275,062	1,856,986
		2,097,063	3,096,147	2,002,647	3,012,478
Creditors: amounts falling due within one year	15	603,689	658,363	480,851	544,685
Net current assets		1,493,374	2,437,784	1,521,796	2,467,793
Total assets less current liabilities		6,703,956	7,303,096	6,731,508	7,331,363
Creditors: amounts falling due after more than one year	16	-	438,773	-	438,773
Net Assets		6,703,956	6,864,323	6,731,508	6,892,590
Funds					
Unrestricted funds:					
Revaluation reserve	17	313,996	266,425	313,996	266,425
General funds	18	30,833	33,371	30,833	33,371
Non-charitable trading funds	18	(27,551)	(28,267)	-	-
Designated funds	18	6,273,797	6,499,960	6,273,797	6,499,960
Restricted funds	18	112,882	92,834	112,882	92,834
		6,703,957	6,864,323	6,731,508	6,892,590

The consolidated financial statements on pages 14 to 29 were approved by the Trustees on 28 July 2015 and were signed on its behalf by:

S Elford, Chairman

C Davies, Treasurer

St Luke's Hospice Plymouth
Consolidated Cash Flow Statement
Year Ended 31 March 2015

		2015	2014
		£	£
	Notes		
Net cash inflow from operating activities	24	418,761	1,334,871
Returns on investments and servicing of finance			
Interest received		18,595	27,549
Investment income received		108,168	95,906
Net cash inflow from returns on investments and servicing of finance	3	126,763	123,455
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(465,919)	(531,958)
Purchase of investments		(525,670)	(233,127)
Sale of investments		343,265	243,773
Net cash (outflow) from capital expenditure and financial investment		(648,324)	(521,312)
Financing	25	(468,808)	(28,766)
(Decrease)/increase in cash	26	(571,608)	908,428

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2015

1. Accounting policies

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in 2005, the Charities Act 2011 and applicable accounting standards.

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

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

Incoming resources

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

Resources expended

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

Fixed assets

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

Freehold Buildings	4%
Equipment and vehicles	33%

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2015

- Leasehold properties, improvements and premiums are depreciated over the period of the lease. Reverse premiums received on the taking over of leasehold properties are amortised over the remaining term of the lease.
- Investments: Listed investments are carried at the closing market value prevailing at the balance sheet date. Unlisted investments are carried at cost, less any provision needed to recognise a diminution in value. The net unrealised gains or losses on the revaluation of investments are taken to the revaluation reserve.

Current Assets

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

Liabilities

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

Funds

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

2. Net incoming resources

Net incoming resources for the year are after charging:

	2015	2014
	£	£
Amortisation of leasehold property improvements	27,276	184,113
Depreciation of owned assets	388,724	428,159
Auditors' remuneration for audit services		
Charity	8,000	6,750
Subsidiary	4,000	3,500
Non audit services	725	620
Rental of shop premises - operating leases	455,048	482,594

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2015

3. Investment income

	2015	2014
	£	£
Income from property	71,712	59,686
Dividends from other investments	36,456	36,220
Interest receivable and similar income	18,595	27,549
	<hr/>	
	126,763	123,455
	<hr/>	

4. Public sector funding

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

	2015	2014
	£	£
NHS Trusts:		
Basic funding	1,773,622	1,773,621
Lymphoedema Services	133,832	133,832
End of Life Care Education Projects	40,880	40,880
Other:		
Capital Grant – Department of Health	47,711	416,040
	<hr/>	
	1,996,045	2,364,373
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St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2015

5. Net income from trading activities of subsidiaries

The taxable profits of SLH Ventures Limited arise from the operation of a lottery and general trading and are paid by Gift Aid to St Luke's Hospice Plymouth. The company also pays interest on loans from St Luke's Hospice Plymouth. Audited accounts are filed with the Registrar of Companies. A summary of the trading results is shown below:

Profit and loss account	2015	2014
	£	£
Turnover	918,766	912,449
Cost of sales	(317,460)	(287,548)
Gross profit	601,306	624,901
Operating expenses	(263,243)	(207,636)
Operating profit	338,063	417,265
Interest payable	(5,000)	(5,000)
Interest receivable	-	-
Net trading profit	333,063	412,265
Gift Aid donation to St Luke's Hospice Plymouth	(332,000)	(410,000)
Profit on ordinary activities before taxation	1,063	2,265
Tax on profit on ordinary activities	347	698
	716	1,567
Balance sheet	2015	2014
	£	£
Assets	208,118	196,678
Liabilities	(235,667)	(224,943)
Capital	2	2
Reserves	(27,551)	(28,267)

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2015

6. Analysis of total resources expended

	Employment Costs £	Other £	Depreciation £	Total 2015 £	Total 2014 £
Patient care	3,597,000	414,415	40,259	4,051,674	3,733,148
Costs of generating funds	1,693,149	1,441,821	82,036	3,217,006	3,042,562
Housekeeping, maintenance, administration and finance	1,015,962	771,695	293,705	2,081,362	2,148,944
	6,306,111	2,627,931	416,000	9,350,042	8,924,654

7. Trustees' remuneration, staff numbers and costs

The aggregate payroll costs were as follows:

	2015 £	2014 £
Wages and salaries	5,394,854	4,926,202
Social Security	373,096	350,165
Pension costs	538,161	485,215
	6,306,111	5,761,582

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 **275** (2014: 257).

The full time equivalent staff numbers were as follows:

	2015 f.t.e	2014 f.t.e
Clinical and direct care	103	89
Direct Support (hotel services)	22	23
Office and Administration	30	29
Fund generating teams	82	76
Total staff	237	217

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** – (2014:0) and within the £70,000 to £80,000 band: **1** – (2014:1). The staff member was in the NHS Pension Scheme, a defined benefit scheme.

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2015

8. Support costs allocation

	Management	Finance	IT	HR	Total 2015	Total 2014
	£	£	£	£	£	£
Cost of generating Funds						
Shops	29,069	56,198	4,271	111,596	201,134	213,903
Lottery	-	-	8,969	9,621	18,590	9,316
Domiciliary care	-	6,743	4,129	19,609	30,481	18,827
Fundraising and Publicity	26,161	67,437	41,856	31,404	166,858	146,146
Investment and other	-	4,495	-	-	4,495	10,830
Charitable activities						
In Patient Care	29,069	33,719	38,866	65,060	166,714	189,625
Community Services	14,534	22,480	28,046	102,488	167,548	129,249
Hospital services and medical opts	8,720	-	9,681	13,220	31,621	22,832
Education	8,721	22,479	14,236	16,164	61,600	59,674
Governance costs	29,069	11,240	2,278	782	43,369	39,160
Total	145,343	224,791	152,332	369,944	892,410	839,562

Support costs are allocated on the following basis: costs are allocated directly where possible for all management, finance, IT and HR spend, and the remaining costs are apportioned on the most appropriate basis such as time spent, or headcount.

9. Taxation

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

10. Pension schemes

The group provides a group personal pension scheme to employees, which is operated by Scottish Life. The scheme is of a defined contribution type. The cost of the contribution to the group scheme for the year was **£299,896** (2014: £267,835). Some employees have continued membership of the NHS Pension Scheme. The cost of the group contribution to this scheme for the year was **£238,265** (2014: £217,380).

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2015

11. Tangible fixed assets

Group

	Leasehold improvements/ Freehold land and buildings £	Equipment and furniture £	Motor vehicles £	Assets under construction £	Total £
Cost or valuation					
At 1 April 2014	6,302,416	1,283,396	164,910	391,340	8,142,061
Additions	-	128,913	53,970	283,036	465,919
Transfer	674,076	-	-	(674,076)	-
At 31 March 2015	6,976,492	1,412,309	218,880	300	8,607,981
Depreciation					
At 1 April 2014	3,295,029	1,091,253	143,924	-	4,530,206
Charge for year	275,330	118,446	22,224	-	416,000
At 31 March 2015	3,570,359	1,209,699	166,148	-	4,946,206
Net book value					
At 31 March 2015	3,406,133	202,610	52,732	300	3,661,775
At 31 March 2014	3,007,387	192,142	20,987	391,340	3,611,857

Charity

	Leasehold improvements/ Freehold land and buildings £	Equipment and furniture £	Motor vehicles £	Assets under construction £	Total £
Cost or valuation					
At 1 April 2014	6,302,416	1,274,102	164,910	391,340	8,132,768
Additions	-	128,913	53,970	283,036	465,919
Transfer	674,076	-	-	(674,076)	-
At 31 March 2015	6,976,492	1,403,015	218,880	300	8,598,687
Depreciation					
At 1 April 2014	3,295,029	1,083,705	143,924	-	4,522,657
Charge for the year	275,330	117,573	22,224	-	415,127
At 31 March 2015	3,570,359	1,201,278	166,148	-	4,937,784
Net book value					
At 31 March 2015	3,406,133	201,737	52,732	300	3,660,903
At 31 March 2014	3,007,388	190,396	20,987	391,340	3,610,111

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2015

12. Investments

Group

	Listed
Valuation	£
At 1 April 2014	1,253,457
Additions	525,670
Disposals	(351,045)
Revaluation	120,725
At 31 March 2015	1,548,807

Under historical cost principles, the historical cost of investments at 31 March 2015 was **£1,234,768** (2014: £987,032). The investments of the Charity include the 2 £1 shares in SLH Ventures Limited, a company incorporated in England and Wales, which represents the whole of the share capital.

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

	Government stock	Direct investments	Unit trusts & investment companies	Total
	£	£	£	£
UK investments	118,980	505,257	250,995	875,232
Overseas investments	31,643	-	641,932	673,575
At 31 March 2015	150,623	505,257	892,927	1,548,807

No restrictions exist on the realisation of these assets. The following material investments were held at the 31 March 2015:

Holding	Investment	Market Value
Blackrock AM UK Charishare Acc	7,146	103,581
VANGUARD INV UK LT US EQUITY A DIS NAV	3,150	83,908

13. Stock

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Goods for resale	7,569	12,226	-	-
Stationery stock	1,493	2,379	1,493	2,379
	9,062	14,605	1,493	2,379

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2015

14. Debtors

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	76,428	87,873	57,296	76,066
Amounts owed by group company	-	-	112,828	111,265
Taxation recoverable	49,521	60,969	49,521	60,969
VAT recoverable	36,184	62,799	36,184	62,799
Other debtors	11,988	237,110	11,988	237,110
Prepayments and accrued income	463,964	611,267	458,275	604,904
	638,085	1,060,018	726,092	1,153,113

Of the above amounts, £50,000 (2014: £50,000) owed from the company's subsidiary is due after more than one year. The loan is secured by a debenture with a fixed and floating charge.

15. Creditors - Amounts falling due within one year

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Bank loans	-	30,035	-	30,035
Trade creditors	276,509	359,697	175,631	257,438
Amounts owed by group company	-	-	-	-
Other creditors	61,544	60,531	60,909	59,274
VAT due	933	3,089	63	-
Other taxation and social security	105,938	94,375	100,981	91,052
Accruals and deferred income	158,765	110,636	143,269	106,886
	603,689	658,363	480,851	544,685

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

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Bank loans	-	30,035	-	30,035

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

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

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Bank loans	-	438,773	-	438,773

The bank loan, totalling £468,808 as at 31 March 2014, was fully paid off in the year.

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2015

17. Revaluation reserve

Group and Charity	£
Balance at 1 April 2014	266,425
Unrealised gain on revaluation of investment portfolio	120,726
Realised gain on disposal of investments, transferred to general fund	(73,155)
Balance at 31 March 2015	<u>313,996</u>

18. Fund balances	Balance Brought Forward	Incoming Resources	Resources Expended	Transfers	Balance 31 March 2015
Group	£	£	£	£	£
Restricted Funds					
Building Funds	-	47,711	-	(47,711)	-
Other Funds	13,428	47,610	(12,095)	(13,851)	35,092
Project Funds	79,407	415,242	(416,859)	-	77,790
	<u>92,835</u>	<u>510,563</u>	<u>(428,954)</u>	<u>(61,562)</u>	112,882
Designated Funds					
Building Funds	2,929,419	-	(275,330)	752,344	3,406,433
Crisis Team Fund	510,541	-	(174,938)	1,761	337,364
Revenue Reserve	3,060,000	-	-	(530,000)	2,530,000
	<u>6,499,960</u>	<u>-</u>	<u>(450,268)</u>	<u>224,105</u>	6,273,797
Revaluation Reserve	266,425	120,726	-	(73,155)	313,996
General Funds	33,371	8,557,670	(8,470,820)	(89,388)	30,833
Non-charitable trading	(28,267)	716	-	-	(27,551)
At 31 March 2015	<u>6,864,324</u>	<u>9,189,675</u>	<u>(9,350,042)</u>	<u>-</u>	<u>6,703,957</u>

The Hospice Building Fund is held at a level equivalent to the net book value of freehold land and buildings owned by the Hospice. An amount equivalent to the depreciation on the buildings, £275,330 was expended out of this fund in the year. A designated fund for the new crisis team was set up last year, and £174,938 was expended out of this fund in the year.

There was a net transfer from the Revenue Reserve of £530,000 giving a balance of £2,530,000. It is the intention of the Trustees to have sufficient funds in the Revenue Reserve to cover three to six months budgeted running costs less directly allocated costs of generating funds as part of its risk management strategy. The Revenue Reserve has dropped to **4.7 months** from 5.9 months since last year, with total freely available reserves (including the Revaluation reserve) dropping to **5.2 months** (from 6.5 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 £77,790 with the balance to fund End of Life Education projects.

Other restricted funds are held at the value of any donations for restricted purposes that remain unspent at the year-end.

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2015

19. Analysis of net assets between funds

Group	Tangible fixed assets £	Investments £	Other net assets £	Total £
Restricted funds				
End of Life/Project funds	-	-	77,790	77,790
Other Funds	-	-	35,092	35,092
	-	-	112,882	112,882
Other funds/reserves				
Designated Funds	3,406,433	1,234,811	1,632,553	6,273,797
Revaluation Reserve	-	313,996	-	313,996
Unrestricted Funds	254,469	-	(223,636)	30,833
Non-charitable trading Funds	873	-	(28,424)	(27,551)
	3,661,775	1,548,807	1,380,493	6,591,075
Total	3,661,775	1,548,807	1,493,375	6,703,957

20. Financial commitments

At 31 March 2015 annual commitments under non-cancellable operating leases (including shop premises) were as follows:

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Expiring within one year	245,589	245,132	222,789	245,132
Expiring between two and five years	177,410	256,550	200,210	256,550
Expiring in over five years	11,050	40,000	11,050	40,000
	434,049	541,682	434,049	541,682

21. Share capital

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

22. Related party transactions

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

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2015

23. Income and expenditure account

	2015 £	2014 £
Income	9,021,678	9,924,762
Operating expenses	(9,350,042)	(8,924,654)
Operating (Deficit)/surplus	(328,364)	1,000,108
Investment Income	36,456	36,220
Realised investment (losses)/gains in the year	(7,780)	743
Interest receivable and similar income	18,595	27,549
Excess of expenditure over income for the Year	(281,092)	1,064,620

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 deficit of £273,312 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:

	2015 £	2014 £
Total Incoming Resources (per SOFA)	9,076,730	9,988,531
Realised investment (losses)/gains in the year	(7,780)	743
Income for Companies Act purposes	9,068,950	9,989,274

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

	2015 £	2014 £
Net (outgoing)/incoming resources for the year	(273,312)	1,063,877
Depreciation on tangible fixed assets	416,000	612,272
Decrease/(increase) in stock	5,543	(9,710)
Investment income	(126,763)	(123,455)
Decrease/(increase) in debtors	421,933	(198,053)
(Decrease) in creditors	(24,639)	(10,060)
Net cash inflow from operating activities	418,761	1,334,871

St Luke's Hospice Plymouth

Notes and Accounting policies

Year Ended 31 March 2015

25. Financing

	2015 £	2014 £
(Decrease) in bank loans	(468,808)	(28,766)

Reconciliation of net cash flow to movement in net cash

	2015 £	2014 £
(Decrease)/increase in cash in the year	(571,608)	908,248
Net cash outflow from bank loans	468,808	28,766
	(102,800)	937,014
Change in net debt	(102,800)	937,014
Net cash at 1 April 2014	1,552,716	615,702
Net cash at 31 March 2015	1,449,916	1,552,716

Analysis of changes in net debt

	At 1 April 2014 £	Cash flows	At 31 March 2015 £
Net cash:			
Cash in hand and at bank	2,021,524	(571,608)	1,449,916
Debt:			
Debt due within one year	(30,035)	30,035	-
Debt due after one year	(438,773)	438,773	-
	(468,808)	468,808	-
Net cash	1,552,716	(102,800)	1,449,916

26. Reconciliation of net cash to movement in funds

	2015 £	2014 £
(Decrease)/increase in cash in the year	(571,608)	908,248
Change in net funds resulting from cash flows	(571,608)	908,248
Net funds at 1 April 2014	2,021,524	1,113,276
Net funds at 31 March 2015	1,449,916	2,021,524

27. Analysis of net funds

	2014 £	Cash Flow £	2015 £
Cash at bank and in hand	2,021,524	(571,608)	1,449,916