



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

**St Luke's Hospice Plymouth  
Consolidated Financial Statements  
Year Ended 31 March 2009**

# St Luke's Hospice Plymouth

## Consolidated Financial Statements

Year Ended 31 March 2009

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

**Year Ended 31 March 2009**

## **Trustees**

Mr G Price  
Mr G Northcott  
Mr R F Pursell  
Dr M Taylor  
Mrs M Billing  
Mrs A Broad  
Mr S Elford  
Mrs J Wills  
Mrs L Potter  
Mr D James  
Mr CT Lewis

## **Company Secretary**

Mrs S A Taylor

## **Auditors**

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

## **Registered Office**

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

## **Registered Company Number**

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  
4 Old Town Street  
PLYMOUTH  
PL1 1DD

## **Investment Managers**

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

# St Luke's Hospice Plymouth

## Board of Trustees' Report

### Year ended 31 March 2009

The Board presents its report and the audited consolidated financial statements for the year ended 31 March 2009. 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 (1985), 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 27 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 Board of Management) and has a formally agreed Governance policy that is reviewed annually. The Hospice was inspected by the Healthcare Commission in the year as part of its annual inspection programme.

|  |   |
|--|---|
| Chair  | Mr G Price  |
| Vice Chair                                   | Mr Guy Northcott  |
| Hon Treasurer                                | Mr Guy Northcott BscEcon, FCA, DChA<br>Mr P Tremlett (up to 10/09/2008) |
| Principal employees:                         |   |
| - Chief Executive                            | Mrs S Taylor BSc FCA  |
| - Medical Director                           | Dr M Burnell-Nugent MA MB.B.Chir.                                       |
| - Director of Hospice Services               | Mrs F Dee RGN BSc MSc   |
| - Director of Community Services             | Mr G Lillie RGN RMN BSc. MSc  |
| - Director of HR & Staff Development         | Mr Steve Statham FCIPD  |
| - Director of Finance and Trading            | Mr Andrew Holland ACMA  |
| - Director of Fundraising and Communications | Mr Robert Parsons   |

# St Luke's Hospice Plymouth

## Board of Trustees' Report (continued)

### Trustees

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

Mr R F Purssell

Mrs J Dyson (resigned 10/09/2008)

Mr G Price

Mrs M Billing

Mrs A Broad

Mr S Elford

Dr M Taylor

Mrs J Wills

Mr P Tremlett (resigned 10/09/2008)

Mrs L Potter

Mr G Northcott (appointed 13/01/2009)

Mr D James (appointed 19/05/2009)

Mr T Lewis (appointed 08/07/2008)

Mr Stevens (appointed 13/05/08, resigned 11/11/08)

## 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.

### Strategic goals

- To be the provider of Specialist Palliative Care in the Community we serve
- To be the provider of Education and Support to enable the provision of End of Life Care for our Community
- To work in Partnership to ensure excellent End of Life Care
- To be a National Leader in Specialist Palliative Care
- To increase resources into the Service through Innovation and Enterprise
- To be an "Employer of Distinction" achieving Best Practice professionally throughout the service

### Our vision

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

### Our mission is to ensure that

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

### Our values mean that we will:

- Use the skills and knowledge of our staff to bring about improvements to services
- Be ambitious for our population
- Challenge and change existing practice

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

- Recognise that we are operating in a changing environment and adapt to, and embrace, those changes
- Not lose sight of the values that have been core to our care since the beginning
- Have the courage to do things differently
- Encourage patients and carers to tell us their experiences and involve them in improving our services.
- Ensure patients and carers are well informed about available choices and influence service development
- Be an open organisation
- Be committed to making decisions close to service delivery (as far as practicable)
- Shift the balance of services to patients' homes, considering quality and value for money
- Maximise the resources available to us in respect of both staff and money, to achieve the best results for patients
- Value and empower staff
- Help staff realise their potential through personal development
- Create a culture of mutual respect
- Be a learning organisation, encouraging innovation, risk taking, research, evaluation and the spread of good practice.

Our Mission and Values can be summarised as:

**"Fairness" "Helping" "Evolving" "Listening" "Professionalism"**

### **The services we provide**

Patients, for whom curative treatment is not possible, need active, total care, by a multi-professional team; who will consider their physical, emotional, social and spiritual symptoms. This care is called "specialist palliative care". In addition to paid staff, patients are supported by a team of over 800 volunteers.

St Luke's Hospice Plymouth the charity has worked hard over the years to ensure terminally ill patients receive good care in the local area, regardless of which organisation is caring for them. One result of this work is that the charity now manages specialist palliative care services for the local NHS. This overall Service, St Luke's Services, has been summarised into five areas for the purpose of the accounts, as below.

### **Inpatient Care**

Our 20 bed in-patient unit lies at the centre of our activities. Patients stay on average 11.5 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.

### **Community Services**

The **St Luke's Community Specialist Palliative Care Service** is a multi-disciplinary service offering home based support and advice on pain and symptom management and giving emotional and psychological support to people with cancer or life threatening illnesses, and their families. The **Day Hospice service** provides support to patients with life threatening illness, offering access to advice, activities, emotional and social support, complementary therapies, respite for carers and other support such as hairdressing and chiropody. **St Luke's Befriending Service** offers companionship and emotional and practical support to patients and families at home. The management of the **Marie Curie Service**, providing palliative nursing care support to patients and their carers at home, was transferred to Marie Curie in the year. St Luke's continues to work closely with this service, and the management continues to be based at our Pearn site.

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

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

# St Luke's Hospice Plymouth

## Board of Trustees' Report (continued)

### 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**) an increase of two posts during the year. The funding for the original posts in the Hospital and the community has now been picked up by the NHS. Devonport Regeneration Committee has funded one post, and St Luke's has used some restricted funds and some charity funds to pump prime the fourth post.

### 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. Outpatient appointments for **Complementary Therapies** are also available to patients and carers. In the year the management and operation of the **Outreach ("Triangle") Centres** was transferred to the Mustard Tree (Plymouth Hospitals NHS Trust). St Luke's was the key driver in establishing these centres, along with its NHS partners. With the Outreach Centres' value proven and with developments at the Mustard Tree, it was agreed their future lay better completely within the Mustard Tree service.

## 3. Achievements and performance

### Key activities

|                           |                                       | 2009        | 2008   |
|---------------------------|---------------------------------------|-------------|--------|
| <b>In Patient Care</b>    |                                       |             |        |
| In patient Hospice care   | Patients                              | 344         | 329    |
|                           | Admissions                            | 474         | 434    |
|                           | Deaths                                | 237         | 228    |
|                           | Discharges                            | 238         | 206    |
|                           | Occupied bed days                     | 5,377       | 4,604  |
|                           | Average length of patient stay (days) | 11.5        | 10.8   |
| <b>Community Services</b> |                                       |             |        |
| Community SPC service     | Patients                              | 1,138       | 1,146  |
|                           | Patient visits                        | 5,735       | 5,821  |
|                           | Patient/carer phone calls             | 16,478      | 16,218 |
|                           | Professional liaisons                 | 18,809      | 14,842 |
| Marie Curie Service       | Patients                              | Transferred | 253    |
|                           | Patient visits                        | Transferred | 1,404  |
| Day Care Service          | Patients                              | 91          | 84     |
|                           | Attendances                           | 1,317       | 1,201  |

# St Luke's Hospice Plymouth

## Board of Trustees' Report

Year ended 31 March 2009

### Hospital Services and Medical Outpatients

|                          |                  |       |       |
|--------------------------|------------------|-------|-------|
| Hospital SPC service (*) | Patients         | 891   | 767   |
|                          | Support contacts | 3,208 | 3,040 |
| Medical Outpatients      | Patients         | 184   | 174   |
|                          | Appointments     | 550   | 455   |

### Other Clinical support

|                     |                                      |             |       |
|---------------------|--------------------------------------|-------------|-------|
| Bereavement Support | Contacts (including telephone calls) | 715         | 969   |
| Outreach clinics    | Clients                              | Transferred | 247   |
|                     | Attendances                          | Transferred | 1,689 |
| Lymphoedema         | Patients                             | 327         | 289   |
|                     | Palliative care appointments         | 226         | 360   |
|                     | NHS contracted appointments          | 1,035       | 635   |

(\*) 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 2008/09 – targets

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

1. **To work with colleagues to ensure strong commitment locally to develop services in line with the emerging End of Life Care Strategy** – The Director of St Luke's Community Services has been appointed as the NHS Plymouth clinical champion for End of Life Care and represents St Luke's with Devon PCT. The St Luke's Medical Director is chairing the Derriford Hospital End of Life steering group. The Chief Executive is a member of the NHS Cornwall Specialist Palliative and End of Life Care Programme Board. The co-ordination centre for continuing care is being run from St Luke's premises and the Marie Curie referrals have been moved to this team.
2. **To develop a User Involvement strategy across the service** – initial research undertaken indicates the need for a dedicated post to implement this strategy. Funding is being sought but in the interim, patient focused questionnaires and consultation with volunteers, who have been carers of service users, has been strengthened.
3. **To stabilise current increases in the level of income generation and create opportunities to further develop income streams wherever possible** – there has been extremely satisfactory progress given the state of the economy and new fundraising products have been developed. Work continues on identifying possible trading and social enterprise opportunities.
4. **To complete the implementation of the bereavement strategy** – implementation now completed and bereavement support is available across the service – expansion of the service is on hold until further resources are available
5. **To review the needs of younger patients, in particular with reference to transitional services into adulthood** – some initial reviews completed and the first referrals received. The initial concern is that there will be a need for additional resources to support younger people and therefore cases are to be considered on an individual basis while possible funding avenues are investigated.

# St Luke's Hospice Plymouth

## Board of Trustees' Report (continued)

### Review of 2008/09 – other key developments

- St Luke's continued to play a pivotal role in the development of End of Life Services following the publication of the National End of Life Strategy.
- Refurbishment work has been completed on both sites following the receipt of a £389,000 Department of Health Capital Grant to improve patient facilities
- An awareness campaign "Only with your help..." was launched and has been very successful.
- The hospice has been successfully reassessed and recognised as an "Investor in People"
- The lymphoedema service was restructured and additional staff were recruited so that a full service can be provided under contract to the local NHS providers.
- Work continued on identifying opportunities for developing "paid for" services, including the provision of education and hire of facilities.
- New staff have been recruited into the day hospice with specific skills in creative and beauty therapy
- A 1 day per week non-palliative day care service has been developed and funded to subsidise the running cost of day hospice and provide a service to the local community
- The credit crunch and resulting problems on the high streets have enabled the identification of a number of new shop units so that the trading company can expand its income generation capacity.
- The move to an integrated service is now virtually complete with three year service level agreements in place between the NHS bodies and St Luke's, who manage the service on their behalf
- The IT platform has been upgraded, most significantly involving the virtualisation of the servers.
- The roll out of the Liverpool Integrated care pathway (LICP) within the hospital and the community, continued and a good proportion of local practices and wards are now using the pathway. The existing posts are now being funded by the NHS and two new posts, widening the area covered and focusing on care homes have been funded.
- The trustee body has been strengthened with the appointment of several new trustees, including a treasurer, and further development away days were held.
- Personal/interpersonal Skills Framework Development for Support Staff was piloted and is being used on voluntary basis as additional tool for managers. Further coaching courses have been run, embedding the skills in the organisation

## 4. Financial review.

### Income generation

Total incoming resources increased by 1% to £6,741,431. The recession which hit during the year had a negative impact on donated income but previous investment in awareness of the charity's work and strengthening the fundraising team, meant that bequests were well above budget and fundraising income generated from events and campaigns held up well.

**Fundraising:** Donation and gift income increased by £80,000, (6%), in the year. Bequest income increased by £178,000, an increase of 16%.

**Lottery:** Lottery sales grew by 6% reaching £472,254. Profit increased by £9,000 in the year.

**Shops:** The retail team achieved another year of profit growth, up from £416,000 in 2007/08 to £454,000 in 2008/09. Two new shops opened in the year, and further expansion is planned for 2009/10.

**Grants:** these showed a drop of 16% in the year. If the one off capital grant from the Department of Health of £379,855 in 2007/08 were excluded the grants would show an increase of 2.0%.

**Investment performance:** Performance was affected by the downturn in stock market in the year. Investments performed in line with benchmarks given the risk profile of the investments.

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

# **St Luke's Hospice Plymouth**

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

### **Expenditure**

Expenditure was tightly controlled, and services were constantly reviewed to achieve service improvements combined with efficiency.

The cost of direct charitable expenditure increase by 5.1% in the year. There were some savings made in Day Care, Bereavement and Marie Curie in the year. Education services grew 37% (£93k) due to additional staffing to support the rollout of the Liverpool Care Pathway. This growth was funded by grants. The costs of the in patient unit increased by 12%. This above inflation growth reflects extra nursing and doctor costs as the unit returned to normal occupancy following the building work interruptions of the previous year. The cost per occupied bed night fell from £514 to £494.

Fundraising costs increased in the year by 32% (£174,000), following the strategic increase in investment in fundraising.

### **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 840 volunteers over the year was the equivalent of 145 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 £1,155,000.

### **Deficit & funds**

The deficit for the year before loss on investments was £73,438. A deficit budget was set for 2008/9, assuming some reliance on historical reserves.

Investments, in common with the rest of the global economy, fell in value. A loss on investments of £169,025 was incurred, giving a total net deficit for the year of £242,463.

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

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

- We are, and are likely to remain into the future, a large local charity, with a need for the infrastructure of a large charity but not the level of resources enjoyed by national charities. We provide local care, support and education. We are committed to equality of opportunity and access to services and we aim to provide a service that is tailored to the needs of the individual and focused on those with the greatest need.
- As a medium sized organisation, being able to spread our overhead over a larger base of services would improve our efficiency. Opportunities to achieve this will be explored over this year, including the development of services that are fully funded by the statutory sector and those which can be run as profitable businesses (social enterprises).
- A key task for the year is to build on recent investment and successes in fund-raising to enable us to generate additional income towards our services. Once we have secured all sources of income we can protect existing services, rebuild reserves and develop some of the expanded services needed
- The maintenance and development of strong, supportive, professional relationships with stakeholder organisations is key to our continued success.
- A major task for the year is lobbying the government and the local PCTs, to protect the current NHS contribution to the specialist service. We also need to ensure that there is a better understanding of, and funding for, the work we do in supporting the wider care for patients with advanced life-limiting illness and meeting the needs of the local population.
- 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 bring strategic opportunities and threats in the coming months as local strategies are developed based on the national work and the local strategic health authority guidance. St Luke's is closely involved in the development of the local End of Life care strategy, supporting, advising and providing education for generalist teams caring for the dying in the home, nursing home and hospital.

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

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

- Now that the service is fully integrated we have been moving towards a shared culture, embedding shared values and systems. The "Mission, Vision, Values" of the organisation has been successfully reviewed with staff, volunteers and other stakeholders this year. The impact on morale and team working has been great and the programme will be continued. One key project that must be progressed, but which has been difficult in the light of the NHS delivery issues on a national shared patient data system (NPFIT), is the upgrading of a shared palliative care patient record system to enable the whole team to access information to support a patient, wherever they are.
- 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. 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 2009/10 financial year**

1. To further develop our expertise as a provider of Specialist Palliative Care in the community we serve.
2. 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 care workforce.
3. 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. 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.
  - Increase income into the service through innovation, investigation and implementation of a social enterprise closely aligned with palliative care, working with key stakeholders to ensure local and national fit.
  - Expansion and diversification of trading to explore innovative models including mobile trading, larger shops, e-trading and gift aid reclaim.
  - Investigate where appropriate the charging for services not linked with our core charitable objectives, allowing us to expand some services to meet local needs without using charitable funds.

#### **Financial strategy**

A tight expenditure budget has been set, which includes savings that can be made over the year by increasing efficiency in service delivery. This is combined with a challenging fundraising target. However, this still results in a deficit budget, which will reduce free reserves by approximately £225,000. Without a real cut in services, it will therefore be necessary to draw on historical reserves unless income, in particular legacy income, can be increased. Development of income is therefore a key task for the year and progress will be regularly reviewed. The opportunities for developing further fully funded services, generating surpluses or allowing overheads to be spread over a larger base, are being investigated. Service levels will also be reviewed in conjunction with other service providers to identify any services that could be reduced by accessing alternative provision in order to achieve cost savings.

# **St Luke's Hospice Plymouth**

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

### **Investments**

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

### **Risks**

Organisational Risk was reviewed by both the Board of Management and the Trustees in the year as part of the Hospice Governance process. Funding and financial stability remain the key risk areas. Work undertaken in the year has been successful in keeping these risks under control.

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

### **Reserves policy**

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

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

In the 2009/10 budget free reserves are forecast to drop by a further £225k to 4.2 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 as auditors for the ensuing year will be proposed at the Annual General Meeting.

**By order of the Board**

**G Price**  
**Chair**

# **St Luke's Hospice Plymouth**

## **Statement of Trustees' Responsibilities**

**Year Ended 31 March 2009**

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 2009**

We have audited the financial statements of St Luke's Hospice Plymouth for the year ended 31 March 2009, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the charity's members as a body in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charity's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

The Trustees' (who are also directors of St Luke's Hospice Plymouth for the purposes of company law) responsibilities for preparing the 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 1985. We also report to you if, in our opinion, the information given in the Trustees' Report is consistent with the financial statements.

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

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

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

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

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

#### **Opinion**

In our opinion:

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company and group as at 31 March 2009 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' report is consistent with the financial statements.

Francis Clark, Chartered Accountants  
PLYMOUTH  
3 August 2009

**Registered Auditors**

**St Luke's Hospice Plymouth**  
**Consolidated Statement of Financial Activities**  
(Incorporating Income and Expenditure Account & Statement of Recognised Gains & Losses)

Year Ended 31 March 2009

|   | Notes | Unrestricted Funds<br>£ | Designated Funds<br>£ | Restricted Funds<br>£ | Total Funds<br>2009<br>£ | Total Funds<br>2008<br>£ |
|---|-------|-------------------------|-----------------------|-----------------------|--------------------------|--------------------------|
| <b>Incoming resources</b>   |       |                         |                       |                       |                          |                          |
| <b>Incoming resources from generated funds:</b>                   |       |                         |                       |                       |                          |                          |
| <b>Voluntary income:</b>  |       |                         |                       |                       |                          |                          |
| Donations and gifts   |       | 1,231,584               | -                     | 125,292               | <b>1,356,876</b>         | 1,277,255                |
| Bequests  |       | 1,280,382               | -                     | -                     | <b>1,280,382</b>         | 1,102,645                |
| <b>Activities for generating funds:</b>                           |       |                         |                       |                       |                          |                          |
| Shops   |       | 1,414,783               | -                     | -                     | <b>1,414,783</b>         | 1,306,522                |
| Lottery   |       | 472,254                 | -                     | -                     | <b>472,254</b>           | 446,567                  |
| Investment income   | 3     | 92,291                  | -                     | -                     | <b>92,291</b>            | 82,082                   |
| <b>Incoming resources from charitable activities:</b>             |       |                         |                       |                       |                          |                          |
| Public sector funding   | 4     | 1,655,092               | -                     | 143,849               | <b>1,798,941</b>         | 2,144,042                |
| Other Income  |       | 269,654                 | -                     | 56,250                | <b>325,904</b>           | 313,654                  |
| <b>Total incoming resources</b>                                   |       | <b>6,416,040</b>        | <b>-</b>              | <b>325,391</b>        | <b>6,741,431</b>         | <b>6,672,767</b>         |
| <b>Resources expended</b>   |       |                         |                       |                       |                          |                          |
| <b>Cost of generating funds:</b>                                  |       |                         |                       |                       |                          |                          |
| Shops   |       | 961,109                 | -                     | -                     | <b>961,109</b>           | 890,226                  |
| Lottery   |       | 256,571                 | -                     | -                     | <b>256,571</b>           | 239,936                  |
| Fundraising & publicity   |       | 681,296                 | 9,754                 | 28,767                | <b>719,817</b>           | 541,994                  |
| Investment & other  |       | 66,682                  | 4,462                 | 5,931                 | <b>77,075</b>            | 65,916                   |
| <b>Charitable activities:</b>                                     |       |                         |                       |                       |                          |                          |
| In patient care   |       | 2,478,232               | 60,492                | 119,264               | <b>2,657,988</b>         | 2,364,700                |
| Community Services  |       | 1,181,592               | 21,476                | 61,668                | <b>1,264,736</b>         | 1,333,457                |
| Hospital Services & Medical                                       |       |                         |                       |                       |                          |                          |
| Outpatients   |       | 189,729                 | 2,649                 | 5,323                 | <b>197,701</b>           | 269,889                  |
| Education   |       | 194,354                 | 12,797                | 139,500               | <b>346,651</b>           | 253,193                  |
| Other clinical support  |       | 142,486                 | 4,648                 | 129,078               | <b>276,212</b>           | 230,025                  |
| <b>Governance costs</b>   |       | <b>39,406</b>           | <b>279</b>            | <b>371</b>            | <b>40,056</b>            | <b>37,343</b>            |
| <b>Other resources expended</b>                                   |       | <b>-</b>                | <b>-</b>              | <b>16,953</b>         | <b>16,953</b>            | <b>-</b>                 |
| <b>Total resources expended</b>                                   | 6     | <b>6,191,457</b>        | <b>116,557</b>        | <b>506,855</b>        | <b>6,814,869</b>         | <b>6,226,679</b>         |
| Net (outgoing) / incoming resources for the year before transfers |       | 224,583                 | (116,557)             | (181,464)             | <b>(73,438)</b>          | 446,088                  |
| Transfer between funds  |       | (106,000)               | 106,000               | -                     | <b>-</b>                 | -                        |
| <b>Net (outgoing) / incoming resources</b>                        |       | <b>118,583</b>          | <b>(10,557)</b>       | <b>(181,464)</b>      | <b>(73,438)</b>          | <b>446,088</b>           |
| Losses on investment assets                                       |       | (169,025)               | -                     | -                     | <b>(169,025)</b>         | (69,616)                 |
| <b>Net movement in funds</b>                                      |       | <b>(50,442)</b>         | <b>(10,557)</b>       | <b>(181,464)</b>      | <b>(242,463)</b>         | <b>376,472</b>           |
| Funds at 1/4/2008   |       | 158,659                 | 3,978,153             | 1,644,373             | <b>5,781,185</b>         | 5,404,713                |
| <b>Funds at 31/03/2009</b>  |       | <b>108,217</b>          | <b>3,967,596</b>      | <b>1,462,909</b>      | <b>5,538,722</b>         | <b>5,781,185</b>         |

# St Luke's Hospice Plymouth

## Balance Sheet

31 March 2009

|   | Notes | Group            |           | Charity          |           |
|---|-------|------------------|-----------|------------------|-----------|
|   |       | 2009             | 2008      | 2009             | 2008      |
|   |       | £                | £         | £                | £         |
| <b>Fixed assets</b>                                   |       |                  |           |                  |           |
| Tangible  | 11    | <b>3,378,238</b> | 3,512,736 | <b>3,367,218</b> | 3,491,773 |
| Investments   | 12    | <b>773,691</b>   | 781,518   | <b>773,693</b>   | 781,520   |
|   |       | <b>4,151,929</b> | 4,294,254 | <b>4,140,911</b> | 4,273,293 |
| <b>Current assets</b>                                 |       |                  |           |                  |           |
| Stocks  | 13    | <b>10,687</b>    | 15,267    | <b>3,300</b>     | 3,450     |
| Debtors   | 14    | <b>451,636</b>   | 539,872   | <b>493,715</b>   | 608,900   |
| Cash at bank and in hand                              |       | <b>1,376,834</b> | 1,590,212 | <b>1,278,965</b> | 1,500,578 |
|   |       | <b>1,839,157</b> | 2,145,351 | <b>1,775,980</b> | 2,112,928 |
| <b>Creditors: amounts falling due within one year</b> | 15    | <b>452,364</b>   | 658,420   | <b>345,791</b>   | 572,658   |
| <b>Net current assets</b>                             |       | <b>1,386,793</b> | 1,486,931 | <b>1,430,189</b> | 1,540,270 |
| <b>Total assets less current liabilities</b>          |       | <b>5,538,722</b> | 5,781,185 | <b>5,571,100</b> | 5,813,563 |
| <b>Funds</b>  |       |                  |           |                  |           |
| <b>Unrestricted funds:</b>                            |       |                  |           |                  |           |
| Revaluation reserve                                   | 16    | <b>107,458</b>   | 158,532   | <b>107,458</b>   | 158,532   |
| General funds   | 17    | <b>33,137</b>    | 32,505    | <b>33,137</b>    | 32,505    |
| Non-charitable trading funds                          | 17    | <b>(32,378)</b>  | (32,378)  | -                | -         |
| <b>Designated funds</b>                               | 17    | <b>3,967,596</b> | 3,978,153 | <b>3,967,596</b> | 3,978,153 |
| <b>Restricted funds</b>                               | 17    | <b>1,462,909</b> | 1,644,373 | <b>1,462,909</b> | 1,644,373 |
|   |       | <b>5,538,722</b> | 5,781,185 | <b>5,571,100</b> | 5,813,563 |

The consolidated financial statements on pages 13 to 28 were approved by the Trustees on 14 July 2009 and were signed on its behalf by:

**G Price, Chairman**

**G Northcott, Honorary Treasurer**

# St Luke's Hospice Plymouth

## Consolidated Cash Flow Statement

Year Ended 31 March 2009

|   |       | 2009             | 2008      |
|---|-------|------------------|-----------|
|   | Notes | £                | £         |
| <b>Net cash (outflow) / inflow from operating activities</b>                | 23    | <b>(84,229)</b>  | 772,602   |
| <b>Returns on investments and servicing of finance</b>                      |       |                  |           |
| Interest received   |       | 37,082           | 31,172    |
| Investment income received  |       | 55,209           | 50,910    |
| <b>Net cash inflow from returns on investments and servicing of finance</b> |       | <b>92,291</b>    | 82,082    |
| <b>Capital expenditure and financial investment</b>                         |       |                  |           |
| Purchase of tangible fixed assets   |       | (166,214)        | (282,587) |
| Purchase of investments   |       | (346,609)        | (75,682)  |
| Sale of investments   |       | 291,383          | 112,085   |
| Sale of fixed assets  |       | -                | 75,950    |
| <b>Net cash outflow from capital expenditure and financial investment</b>   |       | <b>(221,440)</b> | (170,234) |
| <b>(Decrease)/Increase in cash</b>  | 24    | <b>(213,378)</b> | 684,450   |

# St Luke's Hospice Plymouth

## Notes and Accounting Policies

Year ended 31 March 2009

### 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 Section 230 of the Companies Act 1985, 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 2009

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

### 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 personal pension scheme by the charity to a fund employee. The charity also contributes to the NHS final salary pension scheme of applicable employees. The charity 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 2009

### 2. Net (outgoing)/incoming resources

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

|   | 2009    | 2008     |
|---|---------|----------|
|   | £       | £        |
| Amortisation of leasehold property improvements | 27,220  | 26,214   |
| Depreciation of owned assets                    | 275,492 | 243,733  |
| Auditors' remuneration for audit services       |         |          |
| Charity   | 3,750   | 3,969    |
| Subsidiary                                      | 3,500   | 2,560    |
| Profit on disposal of assets - Charity          | -       | (15,276) |
| Loss on disposal of assets - Trading company    | -       | 578      |
| Rental of shop premises - operating leases      | 265,744 | 268,844  |
|   | <hr/>   | <hr/>    |

### 3. Investment income

|  | 2009          | 2008          |
|--|---------------|---------------|
|  | £             | £             |
| Income from property investments       | 26,607        | 21,030        |
| Dividends from other investments       | 28,602        | 29,880        |
| Interest receivable and similar income | 37,082        | 31,172        |
|  | <hr/>         | <hr/>         |
|  | <b>92,291</b> | <b>82,082</b> |
|  | <hr/>         | <hr/>         |

### 4. Public sector funding

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

|   | 2009             | 2008             |
|---|------------------|------------------|
|   | £                | £                |
| <b>NHS Trusts:</b>                        |                  |                  |
| Basic funding                             | 646,779          | 593,367          |
| For purchase of drugs                     | 131,719          | 128,757          |
| Lymphoedema Services                      | 84,370           | 56,377           |
| Share of Network Monies                   | 410,000          | 471,477          |
| Community Specialist Palliative Care team | 460,622          | 450,267          |
| To cover pension                          | 31,527           | 30,683           |
| <b>Local government:</b>                  |                  |                  |
| Social Services basic funding             | 33,924           | 33,259           |
| <b>Department of Health</b>               |                  |                  |
| Capital Grant                             | -                | 379,855          |
|   | <hr/>            | <hr/>            |
|   | <b>1,798,941</b> | <b>2,144,042</b> |
|   | <hr/>            | <hr/>            |

# St Luke's Hospice Plymouth

## Notes and Accounting policies

Year Ended 31 March 2009

### 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 chain of retail shops and a lottery. In addition to raising valuable funds, the shops play an important role informing the public about the work of the charity. The taxable profits of the company are paid by Gift Aid to St Luke's Hospice Plymouth and the company also pays interest on loans from St Luke's Hospice Plymouth. Audited accounts are filed with the Registrar of Companies. A summary of the trading results is shown below:

| <b>Profit and loss account</b>                                | <b>2009</b>        | 2008            |
|---|--------------------|-----------------|
|   | £                  | £               |
| <b>Turnover</b>   | <b>1,891,112</b>   | 1,755,914       |
| Cost of sales   | <u>(140,160)</u>   | (131,952)       |
| <b>Gross profit</b>   | <b>1,750,952</b>   | 1,623,962       |
| Operating expenses  | <u>(1,093,957)</u> | (1,019,210)     |
| <b>Operating profit</b>                                       | <b>656,995</b>     | 604,752         |
| Interest payable  | (5,000)            | (5,000)         |
| Interest receivable   | <u>2,025</u>       | 3,126           |
| <b>Net trading profit</b>                                     | <b>654,020</b>     | 602,878         |
| Gift Aid donation to St Luke's Hospice Plymouth               | <u>(649,458)</u>   | (617,155)       |
| <b>Profit / (Loss) on ordinary activities before taxation</b> | <b>4,562</b>       | (14,277)        |
| <b>Tax on profit/(loss) on ordinary activities</b>            | <u>(4,562)</u>     | -               |
|   | <u>-</u>           | <u>(14,277)</u> |
| <br><b>Balance sheet</b>                                      | <br><b>2009</b>    | <br>2008        |
|   | £                  | £               |
| Assets  | <u>231,917</u>     | 218,184         |
| Liabilities   | <u>(264,293)</u>   | (250,560)       |
| Capital   | <u>2</u>           | 2               |
| Reserves  | <u>(32,378)</u>    | (32,378)        |

# St Luke's Hospice Plymouth

## Notes and Accounting policies

Year Ended 31 March 2009

### 6. Analysis of total resources expended

|  | Employment<br>Costs | Other            | Depreciation   | Total<br>Funds<br>2009 | Total<br>Funds<br>2008 |
|--|---------------------|------------------|----------------|------------------------|------------------------|
|  | £                   | £                | £              | £                      | £                      |
| Patient care   | 3,092,292           | 309,980          | 24,755         | <b>3,427,027</b>       | 3,165,337              |
| Costs of generating funds                                      | 951,922             | 797,252          | 19,244         | <b>1,768,418</b>       | 1,520,828              |
| Housekeeping,<br>maintenance,<br>administration and<br>finance | 858,746             | 501,965          | 258,713        | <b>1,619,424</b>       | 1,540,514              |
|  | <b>4,902,960</b>    | <b>1,609,197</b> | <b>302,712</b> | <b>6,814,869</b>       | <b>6,226,679</b>       |

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

The aggregate payroll costs were as follows:

|                    | 2009<br>£        | 2008<br>£        |
|--------------------|------------------|------------------|
| Wages and salaries | <b>4,324,900</b> | 4,087,516        |
| Social Security    | <b>315,150</b>   | 288,115          |
| Pension costs      | <b>262,910</b>   | 224,047          |
|                    | <b>4,902,960</b> | <b>4,599,678</b> |

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 226 (2008: 223). The full time equivalent staff numbers were as follows:

|                                 | 2009<br>f.t.e | 2008<br>f.t.e |
|---------------------------------|---------------|---------------|
| Clinical and direct care        | <b>79</b>     | 76            |
| Direct Support (hotel services) | <b>22</b>     | 21            |
| Office and Administration       | <b>28</b>     | 26            |
| Fund generating teams           | <b>54</b>     | 50            |
| <b>Total staff</b>              | <b>183</b>    | <b>173</b>    |

The number of employees whose emoluments during the year were above £60,000 is as follows: within the £60,000 to £70,000 band: 1 (2008:1), £70,000 to £80,000 band: 0 – (2008:1), £80,000 to £90,000 band: 1 – (2008:0). 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 2009

### 8. Support costs allocation

|                                    | Management    | Finance        | IT             | HR             | Total          |
|------------------------------------|---------------|----------------|----------------|----------------|----------------|
| <b>Cost of generating funds</b>    |               |                |                |                |                |
| Shop                               | -             | 18,669         | 1,260          | -              | <b>19,929</b>  |
| Lottery                            | -             | 18,669         | 3,828          | -              | <b>22,497</b>  |
| Fundraising and Publicity          | 12,497        | 30,974         | 32,164         | 31,673         | <b>107,308</b> |
| Investment and other               | -             | 2,491          | -              | -              | <b>2,491</b>   |
| <b>Charitable activities</b>       |               |                |                |                |                |
| In Patient Care                    | 50,535        | 44,683         | 32,025         | 128,078        | <b>255,321</b> |
| Community Services                 | 20,318        | 17,964         | 28,639         | 51,493         | <b>118,414</b> |
| Hospital services and medical opts | 3,471         | 3,069          | 2,812          | 8,798          | <b>18,150</b>  |
| Education                          | 5,401         | 4,775          | 11,602         | 13,689         | <b>35,467</b>  |
| Other Clinical Support             | 5,670         | 5,014          | 10,859         | 14,371         | <b>35,914</b>  |
| <b>Governance costs</b>            | 694           | 15,557         | 1,406          | 1,760          | <b>19,417</b>  |
| <b>Total</b>                       | <b>98,586</b> | <b>161,865</b> | <b>124,595</b> | <b>249,862</b> | <b>634,908</b> |

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

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 £106,461 (2008: £92,763). Some employees have continued membership of the NHS Pension Scheme. The cost of the group contribution to this scheme for the year was £136,995 (2008: £125,338).

# St Luke's Hospice Plymouth

## Notes and Accounting policies

Year Ended 31 March 2009

### 11. Tangible fixed assets

#### Group

|                          | Freehold<br>land and<br>buildings<br>£ | Equipment<br>and<br>furniture<br>£ | Shop<br>fixtures<br>and fittings<br>£ | Motor<br>vehicles<br>£ | Total<br>£       |
|--------------------------|--|------------------------------------|---------------------------------------|------------------------|------------------|
| <b>Cost or valuation</b> |  |                                    |                                       |                        |                  |
| At 1 April 2008          | 5,151,891                              | 836,186                            | 117,629                               | 118,063                | 6,223,769        |
| Additions                | -                                      | 130,556                            | 3,678                                 | 33,980                 | 168,214          |
| Disposals                | -                                      | (70,344)                           | (1,163)                               | (37,430)               | (108,937)        |
| <b>At 31 March 2009</b>  | <b>5,151,891</b>                       | <b>896,398</b>                     | <b>120,144</b>                        | <b>114,613</b>         | <b>6,283,046</b> |
| <b>Depreciation</b>      |  |                                    |                                       |                        |                  |
| At 1 April 2008          | 1,790,360                              | 705,710                            | 100,105                               | 114,858                | 2,711,033        |
| Charge for year          | 200,756                                | 80,284                             | 12,567                                | 9,105                  | 302,712          |
| Disposals                | -                                      | (70,344)                           | (1,163)                               | (37,430)               | (108,937)        |
| <b>At 31 March 2009</b>  | <b>1,991,116</b>                       | <b>715,650</b>                     | <b>111,509</b>                        | <b>86,533</b>          | <b>2,904,808</b> |
| <b>Net book value</b>    |  |                                    |                                       |                        |                  |
| <b>At 31 March 2009</b>  | <b>3,160,775</b>                       | <b>180,748</b>                     | <b>8,635</b>                          | <b>28,080</b>          | <b>3,378,238</b> |
| At 31 March 2008         | 3,361,531                              | 130,476                            | 17,524                                | 3,205                  | 3,512,736        |

#### Charity

|                          | Freehold<br>land and<br>buildings<br>£ | Equipment<br>and<br>furniture<br>£ | Motor<br>vehicles<br>£ | Total<br>£       |
|--------------------------|--|------------------------------------|------------------------|------------------|
| <b>Cost or valuation</b> |  |                                    |                        |                  |
| At 1 April 2008          | 5,151,891                              | 828,605                            | 94,978                 | 6,075,474        |
| Additions                | -                                      | 129,187                            | 33,980                 | 163,167          |
| Disposals                | -                                      | (67,554)                           | (37,430)               | (104,984)        |
| <b>At 31 March 2009</b>  | <b>5,151,891</b>                       | <b>890,238</b>                     | <b>91,528</b>          | <b>6,133,657</b> |
| <b>Depreciation</b>      |  |                                    |                        |                  |
| At 1 April 2008          | 1,790,360                              | 698,363                            | 94,978                 | 2,583,701        |
| Charge for the year      | 200,756                                | 79,693                             | 7,273                  | 287,722          |
| Disposals                | -                                      | (67,554)                           | (37,430)               | (104,984)        |
| <b>At 31 March 2009</b>  | <b>1,991,116</b>                       | <b>710,502</b>                     | <b>64,821</b>          | <b>2,766,439</b> |
| <b>Net Book value</b>    |  |                                    |                        |                  |
| <b>At 31 March 2009</b>  | <b>3,160,775</b>                       | <b>179,736</b>                     | <b>26,707</b>          | <b>3,367,218</b> |
| At 31 March 2008         | 3,361,531                              | 130,242                            | -                      | 3,491,773        |

# St Luke's Hospice Plymouth

## Notes and Accounting policies

Year Ended 31 March 2009

### 12. Investments

#### Group

|                         | <b>Listed</b>  |
|-------------------------|----------------|
| <b>Valuation</b>        | <b>£</b>       |
| At 1 April 2008         | 781,518        |
| Additions               | 452,581        |
| Disposals               | (342,803)      |
| Revaluation             | (117,605)      |
| <b>At 31 March 2009</b> | <b>773,691</b> |

Under historical cost principles, the historical cost of investments at 31 March 2009 was £777,714 (2008: £622,988).

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:

|                         | <b>Government<br/>Stock</b> | <b>Direct<br/>Investments</b> | <b>Unit Trusts &amp;<br/>Investment<br/>Companies</b> | <b>Total</b>   |
|-------------------------|-----------------------------|-------------------------------|---|----------------|
|                         | £                           | £                             | £   | £              |
| UK Investments          | 121,373                     | 426,281                       | 201,026   | 748,680        |
| Overseas Investments    | -                           | 3,536                         | 21,475  | 25,011         |
| <b>At 31 March 2009</b> | <b>121,373</b>              | <b>429,817</b>                | <b>222,501</b>  | <b>773,691</b> |

No restrictions exist on the realisation of these assets. The following material investments were held at the 31 March 2009:

| <b>Holding</b>                                | <b>Investment</b> | <b>Market Value</b> |
|---|-------------------|---------------------|
|   | £                 |                     |
| STANDARD LIFE INVS GLOBAL IDX LKD BD RETL INC | <b>70,000</b>     | <b>81,830</b>       |
| UK GOV STOCK 26/07/16                         | <b>28,000</b>     | <b>78,529</b>       |
| BLACKROCK AM UK CHARISHARE ACC                | <b>7,146</b>      | <b>47,239</b>       |
| UK GOV STOCK 16/04/20                         | <b>15,000</b>     | <b>42,845</b>       |
| THAMES RIVER OVERSEAS INVEST FUND             | <b>3,000</b>      | <b>41,190</b>       |
| TESCO ORD GBPO.05                             | <b>12,150</b>     | <b>40,508</b>       |

### 13. Stock

|                  | <b>Group</b>  |        | <b>Charity</b> |       |
|------------------|---------------|--------|----------------|-------|
|                  | <b>2009</b>   | 2008   | <b>2009</b>    | 2008  |
|                  | £             | £      | £              | £     |
| Goods for resale | <b>5,608</b>  | 9,792  | <b>700</b>     | 850   |
| Stationery stock | <b>5,079</b>  | 5,475  | <b>2,600</b>   | 2,600 |
|                  | <b>10,687</b> | 15,267 | <b>3,300</b>   | 3,450 |

# St Luke's Hospice Plymouth

## Notes and Accounting policies

Year Ended 31 March 2009

### 14. Debtors

|                                | Group          |         | Charity        |         |
|--------------------------------|----------------|---------|----------------|---------|
|                                | 2009           | 2008    | 2009           | 2008    |
|                                | £              | £       | £              | £       |
| Trade debtors                  | <b>214,309</b> | 59,328  | <b>213,631</b> | 58,491  |
| Amounts owed by group company  | -              | -       | <b>152,470</b> | 159,548 |
| Taxation recoverable           | <b>33,626</b>  | 53,146  | <b>28,022</b>  | 48,829  |
| Other debtors                  | <b>12,045</b>  | 10,102  | <b>5,855</b>   | 7,352   |
| Prepayments and accrued income | <b>191,656</b> | 417,296 | <b>93,737</b>  | 334,680 |
|                                | <b>451,636</b> | 539,872 | <b>493,715</b> | 608,900 |

Of the above amounts, £50,000 (2008: £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        |         |
|------------------------------------|----------------|---------|----------------|---------|
|                                    | 2009           | 2008    | 2009           | 2008    |
|                                    | £              | £       | £              | £       |
| Trade creditors                    | <b>301,400</b> | 485,914 | <b>202,668</b> | 400,622 |
| Other taxation and social security | <b>113,652</b> | 86,319  | <b>108,840</b> | 85,819  |
| Accruals and deferred income       | <b>37,312</b>  | 86,187  | <b>34,283</b>  | 86,217  |
|                                    | <b>452,364</b> | 658,420 | <b>345,791</b> | 572,658 |

### 16. Revaluation reserve

#### Group and Charity

|   | £              |
|---|----------------|
| Balance at 1 April 2009   | 158,532        |
| Unrealised loss on revaluation of investment portfolio                | (6,127)        |
| Realised gain on disposal of investments, transferred to general fund | (44,947)       |
| Balance at 31 March 2009  | <b>107,458</b> |

# St Luke's Hospice Plymouth

## Notes and Accounting Policies

Year Ended 31 March 2009

### 17. Fund balances

| Group                         | Balance Brought Forward | Transfers      | Incoming Resources | Resources Expended | Balance 31 March 2009 |
|-------------------------------|-------------------------|----------------|--------------------|--------------------|-----------------------|
|                               | £                       | £              | £                  | £                  | £                     |
| <b>Restricted Funds</b>       |                         |                |                    |                    |                       |
| Building Funds                | 1,353,377               | -              | -                  | (84,199)           | <b>1,269,178</b>      |
| Other Funds                   | 258,196                 | -              | 119,656            | (204,711)          | <b>173,141</b>        |
| Network/Project Funds         | 32,800                  | -              | 205,735            | (217,945)          | <b>20,590</b>         |
|                               | <b>1,644,373</b>        | <b>-</b>       | <b>325,391</b>     | <b>(506,855)</b>   | <b>1,462,909</b>      |
| <b>Designated Funds</b>       |                         |                |                    |                    |                       |
| Building Funds                | 2,008,153               | -              | -                  | (116,557)          | <b>1,891,596</b>      |
| Revenue Reserve               | 1,970,000               | 106,000        | -                  | -                  | <b>2,076,000</b>      |
|                               | <b>3,978,153</b>        | <b>106,000</b> | <b>-</b>           | <b>(116,557)</b>   | <b>3,967,596</b>      |
| <b>Revaluation Reserve</b>    | 158,532                 | (44,947)       | -                  | (6,127)            | <b>107,458</b>        |
| <b>General Funds</b>          | 32,505                  | (61,053)       | 4,522,903          | (4,461,218)        | <b>33,137</b>         |
| <b>Non-charitable trading</b> | (32,378)                | -              | 1,893,137          | (1,893,137)        | <b>(32,378)</b>       |
| <b>At 31 March 2009</b>       | <b>5,781,185</b>        | <b>-</b>       | <b>6,741,431</b>   | <b>(6,983,894)</b> | <b>5,538,722</b>      |

The Hospice Building Fund is held at a level equivalent to the net book value of freehold land and buildings owned by the Hospice and is partly made up of restricted funds, being the monies raised under building appeals and a bequest. An amount equivalent to the depreciation on the buildings, £200,756 was expended out of this fund in the year.

There was a net transfer into the Revenue Reserve of £106,000, giving a balance of £2,076,000. 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 remained at 4.9 months since last year, though freely available reserves (including the Revaluation reserve) have dipped from 5.3 months to 5.1 months.

Central government has allocated resources to go direct to Specialist Palliative care via the Cancer Networks. Some of these funds are restricted and the balance on these funds is held as Network/Project Funds. These funds also include the unspent amounts from other funded projects. The balance carried forward at the year-end was £20,590.

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 2009

### 18. Analysis of net assets between funds

| Group                        | Tangible fixed assets<br>£ | Investments<br>£      | Other net assets<br>£   | Total<br>£              |
|------------------------------|----------------------------|-----------------------|-------------------------|-------------------------|
| <b>Restricted funds</b>      |                            |                       |                         |                         |
| Building fund                | 1,269,178                  | -                     | -                       | <b>1,269,178</b>        |
| Network/Project funds        | -                          | -                     | 20,590                  | <b>20,590</b>           |
| Other Funds                  | 128,618                    | -                     | 44,523                  | <b>173,141</b>          |
|                              | <u>1,397,796</u>           | <u>-</u>              | <u>65,113</u>           | <u><b>1,462,909</b></u> |
| <b>Other funds/reserves</b>  |                            |                       |                         |                         |
| Designated Funds             | 1,980,442                  | 666,233               | 1,320,921               | <b>3,967,596</b>        |
| Revaluation Reserve          | -                          | 107,458               | -                       | <b>107,458</b>          |
| Unrestricted Funds           | -                          | -                     | 33,137                  | <b>33,137</b>           |
| Non-charitable trading Funds | -                          | -                     | (32,378)                | <b>(32,378)</b>         |
|                              | <u>1,980,442</u>           | <u>773,691</u>        | <u>1,321,680</u>        | <u><b>4,075,813</b></u> |
| <b>Total</b>                 | <u><b>3,378,238</b></u>    | <u><b>773,691</b></u> | <u><b>1,386,793</b></u> | <u><b>5,538,722</b></u> |

### 19. Financial commitments

At 31 March 2009 annual commitments under non-cancellable operating leases (including shop premises) were as follows:

|                                     | Group                 |                | Charity              |               |
|-------------------------------------|-----------------------|----------------|----------------------|---------------|
|                                     | 2009<br>£             | 2008<br>£      | 2009<br>£            | 2008<br>£     |
| Expiring within one year            | <b>68,500</b>         | 28,615         | -                    | 2,665         |
| Expiring between two and five years | <b>192,989</b>        | 79,116         | <b>5,389</b>         | 3,766         |
| Expiring in over five years         | <b>121,146</b>        | 229,661        | <b>80,000</b>        | 80,000        |
|                                     | <u><b>382,635</b></u> | <u>337,392</u> | <u><b>85,389</b></u> | <u>86,431</u> |

### 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 2009

### 21. Related party transactions

The following related party transactions took place in the year. All of these were arms length transactions. All trustees have declared an interest when appropriate.

| Name           | Role in Hospice                       | Related organisation         | Role in related organisation | Value of transaction   | Type of transaction  |
|----------------|---------------------------------------|------------------------------|------------------------------|--|--|
| Gavin Price    | Trustee & Chairman                    | Brewin Dolphin               | Divisional Manager           | £8,508   | Administration of Hospice investment portfolio             |
| Dr Mark Taylor | Trustee                               | Plymouth Hospitals NHS Trust | Consultant Anaesthetist      | £302,008 income<br>£17,916 expenditure                                   | Secondments, PMS money, salary charges & electric testing. |
| Sally Taylor   | Chief Executive and Company Secretary | Help the Hospices            | Trustee                      | £8,085 income,<br>£3,331 expenditure,<br>plus admin of DOH Capital Grant | Training grant income, training course fee expenditure     |

### 22. Income and expenditure account

|   | Continuing operations |             |
|---|-----------------------|-------------|
|   | 2009                  | 2008        |
|   | £                     | £           |
| <b>Income</b>   | <b>6,675,747</b>      | 6,611,715   |
| Operating expenses                                    | <b>(6,814,869)</b>    | (6,226,679) |
| <b>Operating (Deficit) / Surplus</b>                  | <b>(139,122)</b>      | 385,036     |
| Investment Income                                     | <b>28,602</b>         | 29,880      |
| Realised investment (losses) / gains in the year      | <b>(51,420)</b>       | 18,309      |
| Interest receivable and similar income                | <b>37,082</b>         | 31,172      |
| <b>Excess of expenditure over income for the Year</b> | <b>(124,858)</b>      | 464,397     |

The income and expenditure account is presented to ensure compliance with the Companies Act 1985. The major difference in the figures from those shown in the Statement of Financial Activities is that the interest and investment income have been separately disclosed and realised gains on the disposal of investments has been shown as part of the trading results of the Hospice.

# St Luke's Hospice Plymouth

## Notes and Accounting Policies

### Year Ended 31 March 2009

Of the deficit for the financial year a deficit of £120,314 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 1985 and not presented an income and expenditure account for the company alone. For Companies Act purposes the gross income of the Group is:

|  | 2009             | 2008             |
|--|------------------|------------------|
|  | £                | £                |
| Total Incoming Resources (per SOFA)              | 6,741,431        | 6,672,767        |
| Realised investment (losses) / gains in the year | (51,420)         | 18,309           |
| Income for Companies Act purposes                | <u>6,690,011</u> | <u>6,691,076</u> |

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

|  | Continuing operations |                |
|--|-----------------------|----------------|
|  | 2009                  | 2008           |
|  | £                     | £              |
| <b>Continuing activities</b>                                 |                       |                |
| Net (outgoing) / incoming resources for the year             | (73,438)              | 446,088        |
| Depreciation on tangible fixed assets                        | 302,712               | 269,947        |
| Donated fixed assets   | (2,000)               | (500)          |
| Donated investments  | (105,973)             | -              |
| Decrease / (increase) in stock                               | 4,580                 | (6,659)        |
| Investment income  | (92,291)              | (82,082)       |
| Decrease / (increase) in debtors                             | 88,237                | (181,639)      |
| Profit on sale of fixed assets                               | -                     | (14,698)       |
| (Decrease) / increase in creditors                           | (206,056)             | 342,145        |
| <b>Net cash (outflow) / inflow from operating activities</b> | <u>(84,229)</u>       | <u>772,602</u> |

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

|   | 2009             | 2008             |
|---|------------------|------------------|
|   | £                | £                |
| (Decrease) / increase in cash in the year     | (213,378)        | 684,450          |
| Change in net funds resulting from cash flows | (213,378)        | 684,450          |
| Net funds at 1 April 2008                     | 1,590,212        | 905,762          |
| <b>Net funds at 31 March 2009</b>             | <u>1,376,834</u> | <u>1,590,212</u> |

### 25. Analysis of net funds

|                          | 2008      | Cash Flow | 2009             |
|--------------------------|-----------|-----------|------------------|
|                          | £         | £         | £                |
| Cash at bank and in hand | 1,590,212 | (213,378) | <u>1,376,834</u> |

# **St Luke's Hospice Plymouth**

## **Notes and Accounting Policies**

**Year Ended 31 March 2009**

The following page does not form part of the statutory financial statements which are the subject of the independent auditor's report on page 12.

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

**Year Ended 31 March 2009**

|   | 2009<br>£        | 2008<br>£        |
|---|------------------|------------------|
| <b>Income</b>   |                  |                  |
| Income from donations and fund raising                                    | 1,352,800        | 1,277,255        |
| Gift Aid Donation – St Luke's Hospice Plymouth Trading Co Ltd             | 649,458          | 617,155          |
| Bequests  | 1,280,382        | 1,102,645        |
| Grant income  | 1,798,941        | 2,144,042        |
| Interest and dividends  | 68,659           | 62,926           |
| Education fees  | 90,286           | 137,219          |
| Net income from property licences and rents                               | 47,607           | 42,030           |
| Profit on sale of Fixed Assets  | -                | 15,276           |
| Food Income   | 42,096           | 38,099           |
| Other income  | 193,522          | 120,235          |
|   | <u>5,523,751</u> | <u>5,556,882</u> |
| <b>Expenditure</b>  |                  |                  |
| Patient care team salaries  | 2,950,980        | 2,847,388        |
| Housekeeping and maintenance salaries                                     | 455,343          | 385,281          |
| Fund raising salaries   | 380,433          | 329,721          |
| Education salaries  | 147,672          | 94,207           |
| Administration and finance salaries                                       | 363,766          | 367,365          |
| Nursing supplies  | 198,357          | 159,644          |
| Provisions  | 75,135           | 63,825           |
| Laundry and cleaning  | 25,828           | 19,505           |
| Light, heat and power   | 120,874          | 63,409           |
| Insurance   | 30,641           | 32,828           |
| Rent and rates  | 100,842          | 80,765           |
| Telephone and postage   | 42,678           | 30,953           |
| Advertising, printing books and stationery                                | 37,266           | 22,117           |
| Repairs and maintenance   | 143,878          | 181,094          |
| Vehicle and travel expenses   | 73,960           | 74,757           |
| Legal and professional  | 16,154           | 14,397           |
| Fund raising expenses   | 125,278          | 69,551           |
| Miscellaneous expenses  | 20,382           | 15,461           |
| Depreciation  | 287,722          | 244,249          |
|   | <u>5,597,189</u> | <u>5,096,517</u> |
| <b>(Deficit) / Surplus for the year before transfers between reserves</b> | <u>(73,438)</u>  | <u>460,365</u>   |