

St. Leonard's Hospice York

(A company limited by guarantee)

Registered Charity No. 509294

Company No. 01451533

Annual Report and Consolidated Financial Statements

for the year ending 31 March 2019



St. Leonard's Hospice York

Contents	Page
Chair's Foreword	1
Chief Executive's Foreword	2
Trustees' Annual Report	3-17
Independent Auditors' Report	18-20
Consolidated Statement of Financial Activities	21
Balance Sheets	22
Statements of Cash Flows	23
Accounting Policies	24 -29
Notes to the Financial Statements	29-43

St. Leonard's Hospice York

Report and financial statements for the year ending 31 March 2019

Chair's foreword

The trustees' annual report and consolidated financial statements provide a summary of what has been achieved in the last year and outline our strategy for the future.

This year has been unprecedented in the scale of change and transition that our organisation has gone through, but we have continued to be consistent in our commitment to providing outstanding care for our patients and their families across all our services.

During the year, following a thorough and independently led recruitment processes, the Board were pleased to appoint, as our new Chief Executive, Emma Johnson who was previously our Director of Clinical Services. We also strengthened our Senior Management Team (SMT) by the appointment of Karen Johnson as Deputy Chief Executive and the appointment of a Director of People. We have appointed a new Director of Clinical Services to replace Emma in that role. Our Board of Trustees look forward to working closely with the SMT to continue to develop the strategic plan for our future.

In 2019 we will see the retirement of Christine Kirk the Vice Chair of the Board of Trustees. Christine has given over 12 years of exceptional support to St Leonards and we thank her for her outstanding contribution in the number of roles she has undertaken in that period.

In this year we have grown our retail operation by opening two new shops in York and Easingwold which will support our ongoing need for income to support the increasing demands required for our services.

St Leonards supports a population of around 360,000 people and we are constantly looking at ways in which we can further improve accessibility to our In Patient Unit , increasing range of services offered by our Sunflower Centre, and the supporting growing demand by patients and their families for the provision of our expanding Hospice at Home Service.

Overall, income was higher than budgeted this year mainly as a result of strong levels of legacy income. Our financial performance means that we will be able to draw on our reserves in the next 2-3 years to further support service development in line with our strategic aims. Specifically, we will be looking at working collaboratively with other healthcare providers and clinical commissioning groups to ensure our services meet the needs of our local community in the future.

Finally, on behalf of the Board of Trustees, I would like to thank our donors and supporters for their ongoing support in our fundraising, our excellent staff for their unwavering commitment to patient care and our volunteers without which our objective of providing outstanding patient care would not be possible.

David Dickson
Chair of Trustees

St. Leonard's Hospice York

Report and financial statements for the year ending 31 March 2019

Chief Executive's foreword

Having worked at St Leonard's Hospice since January 2012 as the Director of Clinical Services, it was with a great sense of pride and privilege that I was appointed Chief Executive on February 1 2019.

2018 was a challenging year for Trustees, staff and volunteers at St Leonard's as we worked together to continue to provide excellent care for our patients and their families whilst dealing with the death of our former Chief Executive, Martyn Callaghan and the uncertainty that it brought for many. We demonstrated how strong the team is collectively and how committed it is to the purpose of the hospice by ensuring our services and care continued to develop and support patients and their families.

As a senior management team and Board of Trustees we worked to support each other to ensure that we were able to provide strong interim leadership under the Acting Chief Executive Karen Johnson. I would like to personally thank Karen and all members of the senior management team and Board of Trustees for their unwavering commitment, support and vision that has brought us to the end of the year in a strong position with a clear focus on the future.

In November 2018 we reviewed our mission and developed our first formal strategic plan. We have outlined some clear, ambitious aims that we will work with staff to achieve. We have strengthened our governance and workforce/people arrangements and made key appointments into the organisation to ensure compliance, risk and governance are central to all our work.

2019 will see us embed our strategic plan across the organisation and identify work streams in finance, income generation and across clinical services to ensure that we are fit for the future and prepared both financially and from a workforce perspective to deal with the expected increased demand for our care that we will see. We have a longer term focus on ensuring our financial sustainability and this will be achieved through a combination of strong financial management, pathway and process redesign and increasing marketing and legacy strategies.

By ensuring we are working in a collaborative way with our partners we will continue to develop our understanding of the future demands and opportunities for our clinical services and ensure that we are well placed to develop services to meet patients' needs in the workforce. Our staff and volunteers are key to achieving all of this and the appointment of a Director of People in April 2019 demonstrates our commitment and belief that our people are our greatest asset and central to achieving our strategic aims.

Finally, on behalf of the senior management team I would like to thank our Trustees, staff, volunteers, donors and supporters for their continued commitment and support for St Leonard's Hospice without which our work would not be possible.

Emma Johnson
Chief Executive

St. Leonard's Hospice York

Report of the Trustees for the year ending 31 March 2019

The Trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2019, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) (effective 1 January 2015).

Our purpose and activities

The charitable purpose of St. Leonard's Hospice York is to promote the relief of sickness by such charitable means as the charity shall from time to time think fit.

Our mission is to provide excellent care and support to those living with life-limiting illness and to the people they care about, to enrich their lives and to contribute to the ongoing development of end-of-life care.

St Leonard's Hospice cares for patients who have active, progressive and advanced illnesses. It is made up of people, both paid and voluntary, who use a wide variety of skills to the benefit of the patients and their families. Our aim is to maintain and enhance their quality of life. We place the patient at the centre of everything we do. We recognise that patients have the right to be consulted and to be involved in decisions about their care.

We believe that our patients should receive holistic care, meaning that in addition to their physical problems, their psychological, emotional and spiritual needs should be met in the course of their care.

Our aim is to create an environment of openness and honesty where feelings can be shared and received with sensitivity and understanding.

We aim to provide a supportive and caring atmosphere where everyone is valued.

Through participating in research and education we are open to receiving from others, the benefit of their expertise and experience and in turn we are committed to sharing the knowledge and skills we have learnt.

In shaping our objectives for the year and planning our activities, the Trustees have considered the Charity Commission's guidance on public benefit, including the guidance 'public benefit: running a charity (PB2)'. St Leonard's benefits the public by providing specialist palliative care, without charge, for those with life-limiting illnesses, living in its catchment area. The catchment area includes, but is not exclusive to, the communities of Easingwold, Pocklington, Selby, Sherburn in Elmet, Stamford Bridge, Tadcaster, North and West Ryedale and York.

The hospice has 20 in-patient beds, day patient, drop-in and out-patient facilities, a lymphoedema clinic and also provides a bereavement service. Our Hospice@Home service provides or supplements care for patients in their own homes.

During the year ended 31 March 2019, St Leonard's cared for 288 (2018: 316) in-patients and their families, providing to patients in total 5,547 (2018: 5,366) days of specialist palliative care.

St. Leonard's Hospice York

Report of the Trustees for the year ending 31 March 2019

Our Hospice@Home service, which works collaboratively with other primary care services and enables people to remain in their own homes, cared for 372 patients during the year (2018: 404).

Following the opening of the Sunflower Centre in January 2016, we have continued to develop and enhance the service to meet the needs of patients and their carers and families. During the year ending 31 March 2019, 139(2018: 175) patients were referred and benefitted from the range of services we offer. We saw over 1,100 attendances at drop in for patients (638) and family members (469) and delivered 334 complementary therapy sessions.

78 (2018: 122) patients were helped by the Lymphoedema service with 310 (2018: 387) appointments attended during the year.

The much-needed refurbishment of bathroom facilities during the year meant that services at our main site were partially reduced at times. Whilst we worked hard to minimise the effect of the work on the services we provide, it inevitably had an impact on our activity data.

The Bereavement service continues to develop and explore new ways of supporting families following the death of a loved one, having moved to a more opt-in approach last year. We have received 55 self-referrals during the year resulting in 494 one to one bereavement visits and 55 telephone sessions. We have had 180 attendances at our drop-in sessions.

St Leonard's is recognised as a hospice that provides teaching, and we provided training, support and supervision for 36 (2018: 34) student nurses and 35 others including medical students, occupational therapy students and social work students. We provided 455 internal delegates with mandatory training, clinical skills updates and specialist training, mentorship updates and updates on national agendas such as the General Data Protection Regulation.

The strategies employed to achieve the charity's aims and objectives are:

- To ensure the care delivered to patients, service users and carers is of a high quality and standard, which is measurable and achievable.
- To provide premises and equipment for patients, services users, volunteers and staff that serve their needs and are appropriate in terms of comfort, meeting standards and are 'fit for the future'.
- To continually review all hospice services including clinical, support and corporate to ensure our care delivery is compliant and 'fit for purpose'.
- To maintain regular and effective dialogue with NHS commissioners, meeting regularly and providing information and data.
- Through high quality governance, ensure the hospice continues to comply with regulators of care, charities, companies, lotteries, fundraising and others. Through effective governance at all levels within the organisation ensure standards, policies and operating procedures meet legislation and reporting systems and are robust and transparent.

St. Leonard's Hospice York

Report of the Trustees for the year ending 31 March 2019

- To be aware of and respond to the ever-changing health and social care landscape relating to service delivery for the communities we serve.
- To ensure the hospice maintains its high reputation with the local community and those who support us financially.
- To further develop our fundraising, communication and income generation strategies to enable us to support our expanding patient care user numbers and requirements and the associated costs.
- To ensure we have a workforce which includes Trustees and volunteers that meets the developing needs of the hospice.

During the year ended 31 March 2019, our key achievements were:

- We appointed a new Chief Executive.
- We continued to deliver patient care and support to a high standard both within the hospice for in-patients and those attending the Sunflower Centre and in the community through our Hospice@Home service.
- The staff changing areas and visitor toilets were refurbished to a high standard to create brighter more modern facilities.
- Toilets in the Sunflower Centre were refurbished to improve accessibility for patients and create a more modern look in keeping with the communal areas.
- The Clinical Nurse Specialist role supporting Pocklington Group GP Practice continued to provide care of a high standard and improve access to hospice services for patients.
- Carers support workshops were provided for people caring for patients with life limiting illness to offer support, guidance and information.
- The work supporting homeless people at the end of life was progressed. With support from the University of York Department of Health Sciences, a special interest group of nurses, homeless charity support workers, general practitioners, consultant in palliative medicine and specialist nurses was brought together to identify patients who may be in the last year of life and start to progress work on improving access to services and care.
- The new senior sisters appointed to lead the in-patient unit and Hospice@Home services had a positive impact in both services.
- We contributed to the development of a Strategy for End of Life Care across the Vale of York in partnership with clinical commissioning group colleagues.

St. Leonard's Hospice York

Report of the Trustees for the year ending 31 March 2019

- We secured funding for a project to scope the challenges and opportunities associated with Fast Track funded care provision in the Vale of York. This project will be led by hospice staff and will commence April 2019.
- We contributed as a member of the Primary Care Home steering group shaping the future of services across primary care.
- We undertook a staff survey and formed a staff well-being group to focus on our employees.
- We developed a workforce strategy for the future which will be expanded beyond the clinical team.
- We appointed a Director of People to progress our commitment to developing our staff and positioning the hospice as an employer of choice within the local area.
- We increased incident reporting through the use of our T100 health & safety software.
- We opened 2 new retail outlets that are already proving successful in the local communities.
- Work is on-going to redevelop the staff rest and dining area to create a larger and brighter environment with different areas for eating and rest breaks. This work is due for completion in May 2019.
- Plans are being finalised for the refurbishment of in-patient unit treatment and drug rooms to create better use of space.
- Our education and development programme including induction, corporate induction, mandatory training, communication and specialist training continues to be delivered to all staff and volunteers.
- The fundraising team were presented with a community award during the year by local media.
- Our community fundraising team expanded to support the Selby, Tadcaster and East Riding/Pocklington area.
- We launched a Business Club for local enterprises, hosting successful lunch and breakfast events in partnership with local hospitality businesses to raise awareness of the Club and how it will provide mutual benefit for the hospice and local businesses.
- We continued to provide professional placements for a large number of students. These included Nurses, Social Workers, Occupational Therapists, Physiotherapists and Doctors. These placements are well received and evaluated.

St. Leonard's Hospice York

Report of the Trustees for the year ending 31 March 2019

Our volunteers

The charity gratefully accepts the unstinting help of 261 (2018: 245) volunteers in the hospice and 316 (2018: 316) volunteers in its shops. Volunteers undertake a variety of roles at St Leonard's and without them we would not be able to continue to provide the high standard of care to patients and families without employing additional staff. This time donated by volunteers was the equivalent to 49 (2018: 46) full time equivalent staff. We would like to thank all our volunteers for their continued loyal support and service.

Financial review

The Trustees are pleased with the charity's financial performance for the year ended 31 March 2019.

The results on the Consolidated Statement of Financial Activities show an operating surplus of £1,421,278 (2018: £2,140,579).

Movements on investment assets increased the surplus to £1,741,226 (2018: £2,141,240).

The value of the charity's investments rose by £319,948 during the year as a result of market movements (2018: £661).

Although lower than in the previous financial year, overall income was higher than expected as a result of exceptional levels of legacy income. St Leonard's is fortunate to have been the beneficiary of significant individual legacies in both the current and previous financial year. The Board of Trustees and the senior management team are currently working in consultation with clinical commissioning groups and local healthcare providers to plan future services to ensure that local population needs are met. The exceptional levels of legacy income received in the last two financial years have put St Leonard's in the best possible position to plan for the future.

Annual expenditure increased by £376,735 due to an increase in the cost of providing care in developing services and the expansion of the retail operation, but remained within budget.

The trading subsidiary company, St Leonard's Hospice Enterprises Limited, continues to sell bought in goods and the Trustees are pleased with its contribution to the funding of the hospice.

Principal funding sources

With the exception of the funding that it receives from local Clinical Commissioning Groups (CCGs), St Leonard's is entirely dependent on the support of the general public through donations, community fundraising, legacies, the weekly prize draw, fundraising events and charity shops.

In this financial year, the hospice received funding totalling £1,545,817 (2018: £1,498,763) from Clinical Commissioning Groups towards the cost of patient care. This included £340,000 (2018: £340,000) from the Vale of York CCG and City of York Council Better Care Fund to meet the cost of the extended Hospice@Home service which operates every day up until midnight, including weekends and bank holidays. The CCG will continue to fund the extended service in 2019/20. St Leonard's received £67,242 (2018: £33,621) from Humber NHS Foundation Trust to provide specialist nursing services to the Pocklington Group GP Practice.

St. Leonard's Hospice York

Report of the Trustees for the year ending 31 March 2019

Investment powers and policy

In accordance with the Articles of Association, the Trustees have the power to invest in such investments, securities or property as they see fit. The policy of the Board of Trustees is to invest the monies of the charity in a broad based portfolio. The Trustees' aims are to achieve long term capital and income growth which keeps pace with the underlying rate of inflation. The Trustees regularly review, at least on an annual basis, the proportion of the investments held in different asset classes. The performance of the portfolio is monitored and assessed in comparison to agreed composite benchmarks.

St Leonard's Hospice does not invest in companies which are significantly engaged in, i.e. derive more than 10% of their revenue or profits from the manufacture of tobacco products. Fund managers appointed by the hospice are encouraged to actively engage in Environmental, Social and Governance (ESG) issues.

The hospice's investments are overseen by the Finance & Investment Committee. Surplus resources are invested either in cash, the Sarasin Alpha CIF (Common Investment Fund) for Endowments, the BlackRock Sterling Liquidity Fund, the CCLA COIF Charities Deposit Fund or the LF Ruffer Total Return Fund C inc. The overall value of the hospice portfolio increased by £319,948 as a result of positive market movements although performance was very slightly below benchmark. The Finance & Investment Committee will continue to monitor the performance of investment managers in the coming year.

Reserves policy

In assessing the appropriate level of reserves to be maintained by the hospice, the Trustees take historic and forecast levels of income and expenditure and their volatility, as well as working capital and capital expenditure, into account. This has resulted in a current policy of maintaining the level of free reserves in the range of 18 to 36 months forward expenditure, with 24 months being the usual level. The board reviews the policy on reserves annually.

The current level of funds held by the charity at the year end amounted to £19,670,734 (2018: £17,929,508) and included restricted funds of £18,691 (2018: £29,162). After deducting restricted funds and funds held as functional assets, the charity had free reserves of £14,981,343 (2018: £13,369,700). This represents 25 months forward expenditure which is an increase of 1 month compared to the last year end.

The Board of Trustees and senior management team plan to draw on free reserves in the next two to three years to improve access to care and support for patients and their families through a number of initiatives. Plans include, if possible, the reconfiguration of the in-patient unit to achieve an increased number of single en-suite rooms. Reserves will also be used to underpin service developments as St Leonard's works collaboratively with other healthcare providers and clinical commissioning groups to develop services in line with local population needs.

Income generation activities

Thousands of people continue to support the charity by taking part in events, making donations of money or goods to one of our shops, leaving gifts in wills or participating in our Weekly Prize Draw.

Fundraising successes in 2018/19 included our Strictly St Leonard's ballroom dancing event, our Sunflower Ball, our three 'Light Up A Life' Events, and our first very successful Lights On The Lake event held in March at Rowntree Park and attended by over a thousand people.

St. Leonard's Hospice York

Report of the Trustees for the year ending 31 March 2019

Our community and corporate fundraising within York, Selby, East Riding and Ryedale goes from strength to strength, as we work to develop our links across the wider geographical areas that we offer services within. Ensuring that people are aware of the different services they can access from the hospice.

Plans for our 35th anniversary year in 2020 are taking shape and we have a great calendar of activities to celebrate this milestone, including the opportunity to Win A Wedding, Trek the Great Wall of China and to join together for a service of thanksgiving at York Minster.

During the year we relocated our Heworth furniture shop to larger premises in Layerthorpe and opened an additional unit in Easingwold. Both units have been welcomed by the local community and are trading well.

In 2019/20, we will develop a legacy income strategy, building on our existing activities to ensure that we protect and expand this vital source of income.

Our approach to fundraising and compliance

St Leonard's Hospice is reliant on the goodwill and support of the local community in order to provide its services to patients and their families completely free of charge. The hospice enjoys a privileged status and an excellent reputation and with this comes a responsibility to live up to the very highest standards.

All income generation activities are undertaken within charity law, Charity Commission regulations, HMRC rules, the Gambling Act, local licensing laws, Advertising Standards Authority rules and data protection laws. This list is not exhaustive.

We continue to be registered with, and have paid our levy to the Fundraising Regulator for 3 years, and we are working towards full compliance with the new Fundraising Code of Practice which will be effective from October 2019. We comply with all legislative requirements, but also strive to adopt best practice in all that we do; we are constantly reviewing this approach.

As part of our fundraising efforts, we may work with commercial businesses, where as part of the activity we may promote and advertise their products in return for a donation or agreed share of profits. When we do so, we enter into a commercial participation agreement setting out specifics to protect our privileged reputation and ensure compliance with relevant legislation

St Leonard's has an effective, open and accessible complaints policy, details of which can be found in our reception within our shops and on our website. We received no reportable complaints (2018: none) relating to our fundraising practices in year ending 31 March 2019.

Donor management

Donor management has been a big focus in the year ending March 2019. We achieved full compliance with the new General Data Protection Regulation (Data Protection Act 2018) which came in to force on the 25 May 2018 using the consent route for our legal reason for processing our donor's data. This has led to an anticipated reduced number of donors that we are able to contact for marketing purposes but has resulted in a 'warm' database of contacts who are receptive and have requested our communications. The size and quality of the database continues to grow as we engage with new donors through our activities.

St. Leonard's Hospice York

Report of the Trustees for the year ending 31 March 2019

External fundraisers

We only use the service of one external provider to fundraise on our behalf, Starvale Management and Technologies Ltd (Company No: 3723339), who manage and promote our Weekly Prize Draw. Plans for recruiting players to the St Leonard's Hospice Lottery are discussed in advance at the regular joint business planning meetings with Starvale.

Starvale are licensed and regulated by the Gambling Commission to promote non-remote and remote lotteries and also to supply, install, adapt Gambling Software to promote a lottery. All of the Starvale representatives receive Gambling Commission training (inclusive of vulnerable persons training) and are trained in and adhere to the Fundraising Regulators Rule Book for Face to Face Fundraising. Starvale is audited annually on the Gambling Commission subset of ISO27001:2013. The audit report is available on request.

We have not received any reportable complaints (2018: no complaints) relating to the activity undertaken by Starvale on behalf of the hospice. A complaints log is sent to St Leonard's Hospice each and every Friday.

We have worked with Starvale for over 15 years, with the first draw being held on the 27 June 2003. 2018 saw the 15th Birthday of the 1st draw. To recognise this milestone we launched an online platform for sign up to the weekly prize draw and our biannual seasonal draws.

In the year ending 31 March 2019, 51% (2018: 52%) of the proceeds from weekly draws and seasonal super draws were used to fund the work of the hospice.

Responsibility towards the environment

St Leonard's continues to develop its responsibility towards the environment. During the year ending 31 March 2019, the hospice environment group improved awareness of environmental issues, meeting regularly to review staff suggestions, assess suitability of compostable alternatives (e.g. paper napkins and straws) and other environmental initiatives including a move to recycled paper.

The group has actively led a culture change on recycling, introduced recycling bins to every waste collection point, and has championed an awareness and reduction of single use plastics. Working with the catering department, it has been successful in reducing food waste and reviewing food miles, with the majority of supplies now being sourced locally.

The impact of the work of the group has been demonstrated through increased staff awareness. In the 2018 staff survey, 69% of staff felt St Leonard's is doing all it can to reduce its impact on the environment, an increase of 17% from the last staff survey in 2016.

Plans for future periods

The Process

The 'Vision' of hospice services in the future needs to be responsive in the short term but also needs to be a plan over a two or three year period to align services to ensure they are responsive, 'fit', meet the needs of service users and can be afforded.

Health and social care is a rapidly changing environment with limited resources. People are living longer and with illnesses that are treatable.

St. Leonard's Hospice York

Report of the Trustees for the year ending 31 March 2019

The hospice uses different methods when looking at 'vision'. Initially we look at the Clinical Commissioning Group's strategic plan for end of life care and discuss this with the commissioners and other providers. As part of the annual process we speak with staff, through heads of department, we listen to patients, carers and service users. We have also now been able to speak to local GP's through the Primary Care Home group.

The Trustees play a vital role in formulating the vision through discussions and papers at the Service Development and Governance sub-committees in particular, but also through the annual trustee 'Vision Day' followed by budget proposals and recommendations to the Board of Trustees.

The Plans

- To continue to work collaboratively with the Vale of York Clinical Commissioning Group (CCG) in the formulation of their updated strategy and associated implementation plans and funding proposals for End of Life care.
- To establish the requirements of the local population as part of that strategy especially in relation to community- based services.
- To review hospice income and expenditure and to work towards a balanced budget in future years.
- To significantly review our workforce needs for the future across the whole organisation and to embed and establish the new senior management team.
- To continue to improve the quality of services for our patients with due regard to the CQC's new framework for hospices.

Main objectives and strategies for 2019/2020

- To embed the hospice mission, values, behaviours and strategic aims across all areas of the hospice and identify specific work streams for achieving those aims.
- To deliver the project with the Vale of York Clinical Commissioning Group to establish challenges and opportunities for improved care at the end of life for people eligible for fast track funded care.
- To continue to review IPU bed occupancy, H@H activity and Sunflower Centre usage and review the flexibility of all our services.
- To use data more effectively to support patient care.
- To provide leadership and management development for heads of department and team leaders.
- To review all our human resources/people policies and practices in line with best practice.
- Recruit a Director of Clinical Services to provide strong visible, innovative leadership for the clinical teams.

St. Leonard's Hospice York

Report of the Trustees for the year ending 31 March 2019

- Ensure St Leonard's Hospice is represented on external forums and involved with shaping and defining services for patients in the Vale of York and surrounding areas.
- To refurbish the drug and treatment room areas on the in-patient unit.
- To support the Wilberforce Trust in the development of their new site behind the hospice and with the provision of additional parking for the hospice.
- To review our reserves policy in line with best practice and sector specific guidance.
- To develop a legacy generation strategy to secure and maximise this important source of income in the future.
- To implement and embed EPOS across all retail outlets improving efficiency and responsiveness and increasing gift aid contributions and sign up.

Reference and administrative details

Charity Number: 509294
Company Number: 01451533
Registered Office: 185 Tadcaster Road, York, YO24 1GL

Our advisors

Auditors	Garbutt & Elliott Audit Limited	Triune Court, Monks Cross Drive, Huntington, York, YO32 9GZ
Bankers	National Westminster Bank	1 Market Street, York, YO1 8SR
Solicitors	Hague & Dixon	Bank House, 1 The Square, Stamford Bridge, York, YO41 1AG
Investment Managers	Lupton Fawcett	Stamford House, Piccadilly, York, YO1 9PP
	Sarasin & Partners LLP	Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU
	Ruffer LLP	80 Victoria Street, London, SW1E 5JL
	BlackRock Investment Management (UK) Limited	12 Throgmorton Avenue, London, EC2N 2DL
	CCLA	Senator House, 85 Queen Victoria Street, London, EC4V 4ET

St. Leonard's Hospice York

Report of the Trustees for the year ending 31 March 2019

Key management personnel: St. Leonard's Hospice York

The directors of the charitable company are its Trustees for the purposes of charity law. The Trustees and officers serving during the year and since the year end were as follows:

Trustees and directors:	David Alexander
	Dr Dan Cottingham (Appointed 3 June 2019)
	David Dickson (Chair)
	Alistair Duncan
	Dr Kate Flemming
	Juliette Healey
	Eamonn Keogh (Appointed 3 September 2018)
	Dr Christine Kirk
	David Miller
	Jacqueline Myers
	Dr Lavinia Norton
	Michael Sturge

Company Secretary:	Karen Johnson
--------------------	---------------

Senior Management Team:	Emma Johnson	(Chief Executive) (Appointed 1 February 2019)
	Martyn Callaghan	(RIP 29 June 2018) (Chief Executive)
	Karen Johnson	(Deputy Chief Executive)
	Jenny Brandom	(Director of Clinical Services) (Appointed 1 September 2019)
	Dawn Clements	(Director of Income Generation)
	Dr Bill Hulme	(Medical Director)
	Ingrid Jenner	(Director of People) (Appointed 29 April 2019)

Key management personnel: St Leonard's Hospice Enterprises Limited

Directors:	David Dickson
	Alistair Duncan
	David Miller (Chair)
	Mark Shepherd

Company Secretary:	Karen Johnson
--------------------	---------------

Structure, governance and management

Governing document

St. Leonard's Hospice York is a company limited by guarantee governed by its Articles of Association which were last amended by Special Resolution on 22 November 2010.

Appointment of Trustees

The Board of Trustees consists of local people that collectively have the skills, expertise and experience to ensure that the hospice is managed effectively.

St. Leonard's Hospice York

Report of the Trustees for the year ending 31 March 2019

Where a vacancy arises, individuals from the local community who have the attributes necessary to maintain the desirable balance of skills expertise and diversity on the board, are identified by the Membership Committee and invited by the Trustees to join the Board of Trustees. The Board of Trustees consider this approach to the recruitment of Trustees to be more appropriate in ensuring the effective governance of the hospice than advertising. Trustees are, if appropriate, re-appointed by the board at the end of each three-year term and Trustees must retire after serving for 12 consecutive years. The maximum term of service exceeds the 9 years recommended by the Charity Governance Code. However, the Board of Trustees have agreed that a slightly longer maximum term of service is more appropriate for a local service delivery charity like St Leonard's and enables it to achieve the optimum balance of skills and experience on the board.

Trustee induction and training

St Leonard's operates an induction process for new Trustees to prepare them for their role. Trustees participate in in-house training programmes and attend external courses as necessary. They also attend meetings and conferences with their counterparts from other UK hospices and charities.

Organisation and governance

The Board of Trustees administers the charity. The board normally meets quarterly and in addition holds an annual 'Vision' (strategy) day. There are sub-committees that normally meet between 2 and 6 times a year covering finance, investment, governance, membership, human resources, income generation, education & workforce development and service development. Sub-committees are made up of Trustees with the appropriate knowledge and experience, along with outside advisors be they paid or voluntary where the committee deem it necessary.

The board reviews its performance annually through a confidential board consultation and review exercise conducted by a trustee member of the Membership Committee.

The Board of Trustees endeavour to comply, wherever possible, with the principles and recommended practice of the Charity Governance Code. St Leonard's benchmarked its policies, practices and procedures against the code in 2018/19 and is either compliant with the code, has identified where further work needs to be done, or has explained any departures in this report. In 2019/20, the Membership Committee will review its policy on advertising for board and committee members, discuss external board evaluation and agree board policy and objectives on diversity.

The Chief Executive and senior management team are appointed by the Trustees to manage the day-to-day operations of the charity. To facilitate effective operations the Chief Executive and the senior management team under the direction of the Chief Executive have delegated authority for operational matters under the scheme of delegation.

Related parties and co-operation with other organisations

None of the Trustees receive remuneration or other benefit from their work with the charity.

Any connection between a trustee, co-opted committee member or member of the senior management team, and a supplier, funder, supporter, organisation working collaboratively with or beneficiary of the charity must be disclosed to the Board of Trustees in the same way as any other contractual relationship with a related party.

St. Leonard's Hospice York

Report of the Trustees for the year ending 31 March 2019

During the year, the Trustees made personal unconditional donations including donated goods under the retail gift aid scheme totalling £2,017 (2018: £996) to the charity. In addition, donations totalling £5,000 (2018: £500) were received from Charitable Trusts which had a common trustee with the hospice and event sponsorship income of £3,000 (2018: £3,000) from a local business of which a trustee is a director.

St Leonard's works collaboratively with a number of organisations including other local hospices and local healthcare providers. In doing so, our aim is to improve palliative and end of life care for local people.

The hospice is also represented on:

- NHS Vale of York Clinical Commissioning Group - End of Life Locality Group
- East Riding and Humber Clinical Commissioning Groups – End of Life Locality Groups
- York Primary Care Home Steering Group
- Member of Hospice UK
- Yorkshire Hospices Forum
- Forum of Hospice Chairman

The charity's wholly-owned subsidiary company, St Leonard's Hospice Enterprises Limited, trades on the charity's behalf to generate income from trading activities including the sale of Christmas cards and fancy goods which are outside the charity's objects and are for commercial and fundraising purposes.

Pay policy for senior staff

The pay of the Chief Executive and senior management team is reviewed annually and is normally increased in line with that in local NHS Trusts and similar charities.

Risk management

The Trustees have identified resources and established review systems to manage organisational risk.

The Governance sub-committee of the board receives regular reports covering the management of clinical, health & safety, information and other risks, along with notification of any matters reported to any regulatory authority. Financial risks are reported via the Finance Committee.

The Trustees maintain a register of the risks faced by the charity and its subsidiary. The risk register is continually reviewed by the senior management team and by the Governance Committee on a quarterly basis. The risk register records the risks that may arise in each area of the charity's operation, along with the policies, systems and procedures in place to mitigate them.

Risks are identified, assessed, and scored according to their likelihood and impact. Appropriate steps are then taken to mitigate them in day to day operations.

St. Leonard's Hospice York

Report of the Trustees for the year ending 31 March 2019

The principal risks and uncertainties faced by the charity at the time of writing are as follows:

- Dependency on variable and volatile income streams with a high proportion of income coming from legacies.
- Potential reputational damage in the event of an unanticipated negative event.
- Recruitment and retention of clinical staff given the national shortage of qualified doctors and nurses.
- Computer network failure as a result of a cyber attack.

Trustees' responsibilities in relation to the financial statements

The charity Trustees (who are also directors of St. Leonard's Hospice York for the purposes of company law) are responsible for preparing a trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the charity Trustees to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

St. Leonard's Hospice York

Report of the Trustees for the year ending 31 March 2019

Statement as to disclosure to our auditors

In so far as the Trustees are aware at the time of approving our trustees' annual report:

- there is no relevant information, being information needed by the auditor in connection with preparing their report, of which the group's auditor is unaware, and
- the Trustees, having made enquiries of fellow directors and the group's auditor that they ought to have individually taken, have each taken all steps that he/she is obliged to take as a director in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The auditors, Garbutt & Elliott Audit Limited, are deemed to be re-appointed annually under section 487(2) of the Companies Act 2006.

The Trustees' Report which includes the Strategic Report, was approved by the Board of Trustees and signed on its behalf by:

David Dickson
Chair of Trustees

.....David Dickson

St. Leonard's Hospice York

Independent Auditors' Report to the Members of St. Leonard's Hospice York

Opinion

We have audited the financial statements of St. Leonard's Hospice York (the "parent charity") and its subsidiary (the "group") for the year ended 31 March 2019, which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Statement of Cash Flows and the related Notes to the Financial Statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2019 and of 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 requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's and parent charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

St. Leonard's Hospice York

Independent Auditors' Report to the Members of St. Leonard's Hospice York

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' report (incorporating the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters in relation to which 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;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not obtained all the information and explanations necessary for the purposes of our audit.

Responsibilities of the Trustees

As explained more fully in the trustees' responsibilities statement, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

St. Leonard's Hospice York

Independent Auditors' Report to the Members of St. Leonard's Hospice York

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities]. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's members those matters we are required to state to them in an auditor's 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's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alan Sidebottom (Senior Statutory Auditor)

For and on behalf of Garbutt & Elliott Audit Limited
Chartered Accountants
Statutory Auditors

12.9.19.....

Triune Court
Monks Cross Drive
York
YO32 9GZ

St. Leonard's Hospice York

Consolidated Statement of Financial Activities (Including Income and Expenditure Account) for the year ending 31 March 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2019 £	Total Funds 2018 £
Income from:					
Donations and legacies	4	3,486,201	55,318	3,541,519	4,164,246
<i>Income from charitable activities:</i>					
Grants and contract income	5	1,138,775	407,242	1,546,017	1,503,783
<i>Income from other trading activities:</i>					
Shops	6	1,728,435	-	1,728,435	1,582,808
Lottery	7	412,916	-	412,916	414,830
Fundraising activities	8	234,989	-	234,989	162,721
Investment Income	9	308,989	-	308,989	287,043
Total income		7,310,305	462,560	7,772,865	8,115,431
Expenditure on:					
<i>Costs of raising funds:</i>					
Donations and legacies		454,063	-	454,063	405,541
Shops	6	1,311,088	-	1,311,088	1,114,027
Lottery	7	202,580	-	202,580	200,506
Fundraising activities	8	200,832	-	200,832	121,571
Investment Management Costs		62,227	-	62,227	61,443
<i>Expenditure on charitable activities:</i>					
In-patient Care		2,931,809	33,431	2,965,240	2,933,963
Sunflower Centre		360,843	-	360,843	317,232
Hospice@Home		140,346	439,600	579,946	471,156
Education		-	-	-	149,203
Lymphoedema Service		43,378	-	43,378	40,421
Bereavement and Family Support		171,390	-	171,390	159,789
Total expenditure	11	5,878,556	473,031	6,351,587	5,974,852
Net income/(expenditure) before other recognised gains		1,431,749	(10,471)	1,421,278	2,141,579
Realised and unrealised gains on investments	18	319,948	-	319,948	661
Net income/(expenditure)		1,751,697	(10,471)	1,741,226	2,140,240
Transfers between funds		-	-	-	-
Net movement in funds		1,751,697	(10,471)	1,741,226	2,141,240
Total funds brought forward		17,900,346	29,162	17,929,508	15,788,268
Total funds carried forward	23	19,652,043	18,691	19,670,734	17,929,508

The Statement of Financial Activities includes all gains and losses recognised in the year.

A fully detailed Statement of Financial Activities for the year ending 31 March 2018 is shown at note 29.

St. Leonard's Hospice York

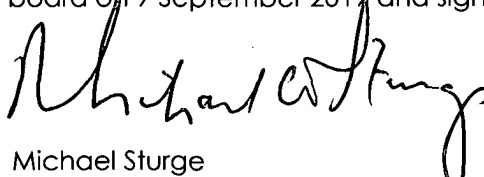
Balance Sheets as at 31 March 2019

		Charity		Group	
	Notes	2019	2018	2019	2018
		£	£	£	£
Fixed assets					
Tangible assets	17	4,670,700	4,530,646	4,670,700	4,530,646
Investments	18	12,492,598	10,717,175	12,492,598	10,717,175
Investment properties	18	95,000	95,000	95,000	95,000
Cash deposits		3,992	24,734	3,992	24,734
Non-charitable trading subsidiary	18	100	100	-	-
Total fixed assets		17,262,390	15,367,655	17,262,290	15,367,555
Current assets					
Stock	19	212	122	16,750	16,042
Debtors	20	2,448,544	2,269,169	2,424,760	2,243,934
Cash at bank and in hand		328,898	563,861	386,030	624,917
Total current assets		2,777,654	2,833,152	2,827,540	2,884,893
Liabilities					
Creditors falling due within one year	21	(417,242)	(320,574)	(419,096)	(322,940)
Net current assets		2,360,412	2,512,578	2,408,444	2,561,953
Net assets		19,622,802	17,880,233	19,670,734	17,929,508
The funds of the charity					
Unrestricted Funds:					
Unrestricted income funds		19,604,111	17,851,071	19,604,111	17,851,071
Non-charitable trading funds		-	-	47,932	49,275
		19,604,111	17,851,071	19,652,043	17,900,346
Restricted income funds	10	18,691	29,162	18,691	29,162
Total charity funds	23	19,622,802	17,880,233	19,670,734	17,929,508

The notes on pages 24-43 form part of these financial statements.

The financial statements were approved by the board on 9 September 2019 and signed on its behalf by:


David Dickson
Chair of Trustees


Michael Sturge
Trustee

Company registration number: 01451533

St. Leonard's Hospice York

Consolidated Statement of Cash Flows for the year ending 31 March 2019

		2019	2018
	Notes	£	£
Net cash provided by operating activities	28	<u>1,173,362</u>	<u>682,994</u>
Cash flows from investing activities:			
Dividends, interest and rent from investments		309,873	287,089
Purchase of property, plant and equipment		(212,959)	(67,330)
Payments to acquire investments		(3,499,905)	(1,799,926)
Proceeds from the disposal of investments		1,970,000	454,754
Net cash used in financing activities		<u>(1,432,991)</u>	<u>(1,125,413)</u>
Change in cash and cash equivalents in the year		(259,629)	(442,419)
Cash and cash equivalents at the start of the year		649,651	1,092,070
Total cash and cash equivalents at the end of the year		<u>390,022</u>	<u>649,651</u>
Analysis of cash and cash equivalents			
Cash at bank and in hand		1,930	1,930
Notice deposits (less than 3 months)		388,092	647,721
		<u>390,022</u>	<u>649,651</u>

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2019

1. Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

(a) Company information

St. Leonard's Hospice York is a company limited by guarantee, governed by its Articles of Association which were last amended by special resolution on 22 November 2010, and a charity registered in England and Wales. The registered office is 185 Tadcaster Road, York, YO24 1GL.

(b) Accounting convention

The financial statements have been prepared on a going concern basis in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011. The financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments and the Charities SORP (FRS 102) Update Bulletin 2 in full.

St Leonard's Hospice meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

On the grounds that the charitable company's results are consolidated into the charitable company's group accounts the charitable company has taken advantage of certain exemptions conferred by section 1.11 of FRS 102 as follows:

- Exemption from presenting a charitable company statement of cash flows as a primary statement to the financial statements.

(c) Going concern

The Trustees have at the time of approving the financial statements a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

(d) Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary St Leonard's Hospice Enterprises Ltd on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The amount of the surplus for the year dealt with within the charity's Financial Statements is disclosed in note 3.

(e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attaching to the item(s) have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government grants and other grants whether 'capital grants' or 'revenue grants' is recognised when the charity has entitlement to the funds, any performance conditions have been met, it is probable that the income will be received and the amount can be measured reliably and not deferred.

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2019

1. Accounting policies (cont'd)

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the hospice that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy in whole or part, is only considered probable when the amount can be measured reliably and where the hospice is not aware of any potential challenge to the estate. Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material (see note 22).

Income received in advance of fundraising events is deferred until the event has taken place and the criteria for income recognition are met.

(f) **Donated goods, services and facilities**

Donated professional services and facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from use of the item is probable and the economic benefit can be measured reliably.

In accordance with Charities SORP (FRS 102), the value of volunteer time is not recognised in the financial statements. Please refer to the trustees' annual report for more information.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is recognised as expenditure in the period of receipt.

Income from goods donated for sale in the charity's shops is recognised at point of sale. As a result of the high volume of low value donated goods received by the charity, the cost of recognising these items at fair value on receipt would outweigh the benefit of recognising them in the financial statements.

(g) **Investment income**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of interest paid or payable.

Rents from investment properties are included when they are receivable by the charity.

Dividend income from investment funds is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of dividends paid or payable.

(h) **Fund accounting**

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the Trustees have decided at their discretion to set aside for a specific purpose. Restricted funds are donations or other income which the donor or funder has specified are to be used for particular areas of the charity's work.

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2019

1. Accounting policies (cont'd)

(i) **Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following headings:

- Costs of raising funds comprises the costs of raising funds from voluntary income and through fundraising activities including events, charity shops and lotteries and their associated support costs.
- Expenditure on charitable activities includes the cost of caring for patients either as in-patients or out-patients at the hospice or in their own homes through the Hospice@Home service, bereavement and family support and educational activities undertaken to further the purposes of the charity and their associated support costs.
- Investment management costs reflect the cost of managing the hospice's investment portfolio.
- Other expenditure represents those items not falling under any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

(j) **Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include administration, finance, human resources, information systems and governance costs which support the services providing care to patients and families.

These costs have been allocated between the costs of raising funds and expenditure on charitable activities on the basis set out in note 11.

(k) **Operating leases**

Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

(l) **Pensions**

The charity operates a number of pension arrangements for the benefit of employees which include both defined benefit and defined contribution schemes. The assets of the schemes are held separately from those of the charity and are invested in either the NHS Pension Scheme, the Legal and General Workplace Pension Scheme or the personal pension schemes of certain employees, all of which are run independently from the hospice. The charge to the Statement of Financial Activities represents the contributions payable by the charity to the schemes during the year.

The defined benefit NHS scheme is not designed in such a way that allows individual employers to identify their share of the assets and liabilities and the scheme is unfunded. In accordance with FRS 102 the scheme has been accounted for as if it was a defined contribution scheme.

(m) **Staff costs**

The costs of short term employee benefits are recognised as a liability and an expense where settlement of obligations does not fall within the same period.

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2019

1. Accounting policies (cont'd)

(n) **Investments**

Investments (other than investments in subsidiaries) are stated at market value at the balance sheet date.

The investment portfolio, see note 18, is held to generate returns and gains for the group and accordingly is designated as fair value through profit and loss ("FVTPL"). Under this designation the portfolio is re-valued at each period end to its fair value, as determined by reference to quoted market prices and values determined by independent fund managers, with any gains or losses going through the Statement of Financial Activities.

For the purposes of the cash flow statement, the short term cash deposits held for reinvestment within investments have been treated as cash.

Investment properties which are properties held to earn rentals and/or for capital appreciation, are measured using the fair value model and are stated at their fair value at the reporting date. The surplus or deficit on revaluation is recognised in the Statement of Financial Activities.

Investments in subsidiaries are stated at cost and the Trustees review the carrying value annually for indications of impairment.

(o) **Tangible fixed assets**

Individual fixed assets costing more than £2,500 are capitalised and included at cost and are depreciated over their estimated useful economic lives in annual instalments, with a full year's charge in the acquisition year and no charge in the year of disposal as follows:

Freehold buildings	2% Straight Line Basis
Retail property improvements	Over the period of the lease
Plant	5% to 10% Straight Line Basis
Medical equipment	14% to 25% Straight Line Basis
Furniture, fittings and other equipment	10% to 33% Straight Line Basis
Motor vehicles	20% to 25% Straight Line Basis

Buildings are regularly reviewed for indications of impairment. Where there is an impairment, the difference between the assessed recoverable value of the building and its written down cost is charged to the Statement of Financial Activities.

Freehold land is not depreciated.

(p) **Stock**

Stock of bought in goods is valued at the lower of cost and net realisable value.

It is impractical to estimate the fair value of goods donated for sale in the charity's shops due to the high volume of these items and to include it on the balance sheet. The value of these goods to the charity is instead recognised when they are sold in the shops.

(q) **Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2019

1. Accounting policies (cont'd)

(r) **Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity held for working capital. Bank overdrafts are shown within borrowing in current liabilities.

(s) **Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid.

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in the income and expenditure account.

(t) **Creditors, loans and provisions**

Creditors, loans and provisions are recognised where the group has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors, loans and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Financial Liabilities are only derecognised when, and only when, the group's obligations are discharged, cancelled or they expire.

Amounts recognised as provisions are best estimates of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation.

(u) **Critical accounting estimates and judgements**

In the application of the group's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical estimates

Depreciation of tangible assets

Depreciation policies have been set according to management's experience of the useful lives of the assets in each category, something which is reviewed annually.

The charity incurs expenditure on creating tangible fixed assets for use in the charity with costs being incurred over a number of months. The Trustees believe it is possible to segregate these

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2019

1. Accounting policies (cont'd)

costs into identifiable projects, and as such no depreciation is charged on that project until it is brought into use.

Legacies

Legacies are recognised as income when probate has been granted, the charity has established its entitlement to the funds and where sufficient information is available to allow it to measure its entitlement.

2. Legal status of the charity

St. Leonard's Hospice York is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is £1 per member.

3. Financial performance of the charity

The consolidated Statement of Financial Activities includes the results of the charity's wholly owned subsidiary which sells bought-in goods including Christmas cards.

The summary financial performance of the charity alone is:

	2019 £	2018 £
Income	7,703,236	8,078,696
Gift Aid from subsidiary company	36,735	-
	<u>7,739,971</u>	<u>8,078,696</u>
Expenditure	<u>(6,317,340)</u>	<u>(5,974,852)</u>
Net income	1,422,631	2,103,844
Investment gains	319,948	661
Total funds brought forward	17,880,223	15,775,728
Total funds carried forward	<u>19,622,802</u>	<u>17,880,233</u>
Represented by:		
Unrestricted income funds	19,604,111	17,851,071
Restricted income funds	18,691	29,162
	<u>19,622,802</u>	<u>17,880,233</u>

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2019

4. Income from donations and legacies

	2019 £	2018 £
Donations	1,072,611	1,044,307
Legacies	2,422,711	3,118,501
Donated goods and services	46,197	1,438
	<u>3,541,519</u>	<u>4,164,246</u>

St Leonard's is grateful to a number of local businesses for providing goods and services with a total value of £46,197 (2018: £1,438) to the charity without charge during the year. The estimated value of these goods and services is recognised within income as a donation, and an equivalent charge included within the relevant cost heading.

The hospice benefits greatly from the involvement of its many volunteers, details of which are given in the trustees' annual report. In accordance with FRS 102, the economic contribution of volunteers is not recognised in the financial statements.

5. Income from charitable activities

	2019 £	2018 £
Grants and contract income from Clinical Commissioning Groups:		
Inpatient and day services	1,138,575	1,125,142
Hospice@Home	340,000	340,000
Specialist nursing services	67,242	33,621
	<u>1,545,817</u>	<u>1,498,763</u>
Other funding		
Patients' private health plans	200	5,020
Total income from charitable activities	<u>1,546,017</u>	<u>1,503,783</u>

Included within the restricted funds is contract income of £340,000 (2018: £340,000) from Vale of York CCG through the Better Care Fund to fund the extended Hospice@Home service which now operates from 8am to midnight, seven days a week; and £67,242 (2018: £33,621) from Humber NHS Foundation Trust to provide specialist nursing services to the Pocklington Group GP Practice.

Vale of York CCG funds the cost of drugs and other pharmaceutical services provided to hospice patients by York Hospitals NHS Foundation Trust under the arrangements outlined in the Department of Health Executive Letter 94. The funding for this arrangement is not reflected in these financial statements.

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2019

6. Income and expenditure from other trading activities- shops

	2019	2018
	£	£
Income from the sale of donated goods	1,653,948	1,504,984
Income from the sale of bought in goods (through trading subsidiary)	74,487	77,824
Total income from shops	<u>1,728,435</u>	<u>1,582,808</u>
Costs of buying in goods	(29,653)	(34,357)
Staff costs	(778,972)	(658,497)
Other costs	(502,463)	(421,173)
Total expenditure on shops	<u>(1,311,088)</u>	<u>(1,114,027)</u>
Net profit arising from shops	<u>417,347</u>	<u>468,781</u>

The wholly owned trading subsidiary St Leonard's Hospice Enterprises Ltd is incorporated in England and Wales (company number 02589172) and donates all its profits to the charity under the gift aid scheme. St Leonard's Hospice Enterprises Ltd Limited sells bought in goods, including Christmas cards.

The summary financial performance of the subsidiary alone is:

	2019	2018
	£	£
Income	74,487	77,824
Cost of sales and administration costs	(39,096)	(41,089)
Net profit	35,391	36,735
Amount gift aided to the charity	(36,735)	-
Retained in subsidiary	<u>(1,344)</u>	<u>36,735</u>

The assets and liabilities of the subsidiary were:

	2019	2018
	£	£
Current assets	75,642	77,808
Current liabilities	(7,611)	(8,433)
Creditors due after more than one year	(20,000)	(20,000)
Total net assets	<u>48,031</u>	<u>49,375</u>
Aggregate share capital and reserves	<u>48,031</u>	<u>49,375</u>

In the year to 31 March 2019 a donation of £36,735 was made to the parent charitable company. No donation in respect of 2018/19 profits has been recognised in the financial statements of St Leonard's Hospice Enterprises Limited on the basis that no corresponding payment has been made and that, in accordance with FRS 102, no legal obligation to make a donation existed as at 31 March 2019.

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2019

7. Income and expenditure from other trading activities – lottery

	2019 £	2018 £
Income from lottery sales	412,916	414,830
Prizes	(36,687)	(36,746)
Other lottery costs	(165,893)	(163,760)
	(202,580)	(200,506)
Total lottery profits	210,336	214,324

8. Income and expenditure from other trading activities - fundraising activities

	2019 £	2018 £
Fundraising events and activities	166,044	115,918
Provision of placements/training courses	47,985	21,878
Room hire	3,000	3,000
Catering for staff and visitors	15,044	15,683
Industrial injury claims for treating patients with mesothelioma	-	2,812
Generating electricity	2,641	2,870
Miscellaneous income	275	560
Total income from fundraising activities	234,989	162,721
Cost of fundraising events and activities	(200,832)	(121,571)
Surplus on fundraising events and activities	34,157	41,150

9. Investment Income

The charity received investment income from the following sources during the year:

	2019 £	2018 £
Dividends	285,545	274,376
Rents from investment properties	6,300	6,300
Interest on cash deposits	17,144	6,367
	308,989	287,043

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2019

10. Restricted funds

Year ended 31 March 2019

	Movement in Funds				Balance 31 March 2019 £
	Balance 1 April 2018 £	Income £	Expenditure £	Transfer £	
Hospice@Home Service	-	439,600	(439,600)	-	-
Workforce Development	8,555	1,000	(6,000)	-	3,555
Equipment Funds	17,586	18,496	(27,395)	-	8,687
Sundry other funds	3,021	3,464	(36)	-	6,449
	29,162	462,560	(473,031)	-	18,691

Year ended 31 March 2018

	Movement in Funds				Balance 31 March 2018 £
	Balance 1 April 2017 £	Income £	Expenditure £	Transfer £	
Hospice@Home Service	-	392,028	(392,028)	-	-
30 th Anniversary Appeal	348	-	(348)	-	-
Workforce Development	2,000	10,000	(3,445)	-	8,555
Equipment Funds	17,119	13,319	(12,852)	-	17,586
Sundry other funds	2,257	1,034	(270)	-	3,021
	21,724	416,381	(408,943)	-	29,162

In accordance with the Charities SORP (FRS 102), fixed assets purchased using restricted funds have been transferred to general funds once no on-going restriction applies to their use and all conditions relating to the original donations or grants have been discharged.

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2019

11. Analysis of expenditure including governance and support costs

For the year ended 31 March 2019	Direct Costs £	Support Costs £	Governance Costs £	Total 2019 £
<i>Costs of raising funds:</i>				
Donations and legacies	390,537	54,773	8,753	454,063
Shops	1,132,450	154,026	24,612	1,311,088
Lottery	202,580	-	-	202,580
Fundraising activities	172,735	24,226	3,871	200,832
<i>Investment management costs</i>	62,227	-	-	62,227
<i>Expenditure on charitable activities:</i>				
In-patient care	2,555,063	353,663	56,514	2,965,240
Sunflower Centre	310,359	43,528	6,956	360,843
Hospice@Home	498,808	69,959	11,179	579,946
Lymphoedema service	37,309	5,233	836	43,378
Bereavement and family support	147,411	20,675	3,304	171,390
Total expenditure	5,509,479	726,083	116,025	6,351,587

Support and governance costs

All governance and support costs are apportioned between the various costs of raising funds and charitable activities according to levels of direct expenditure. This method of apportionment represents a reasonable approximation of the usage of governance and support costs by each activity.

Support costs are included in the above totals as follows:

	HR Health & Safety and Volunteers £	Finance and Information Systems £	Administration £	Total 2019 £
Donations and legacies	23,389	19,196	12,188	54,773
Shops	65,772	53,980	34,274	154,026
Fundraising activities	10,345	8,490	5,391	24,226
In-patient care	151,021	123,945	78,697	353,663
Sunflower Centre	18,587	15,255	9,686	43,528
Hospice@Home	29,874	24,518	15,567	69,959
Lymphoedema service	2,235	1,834	1,164	5,233
Bereavement and family support	8,829	7,245	4,601	20,675
	310,052	254,463	161,568	726,083

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2019

11. Analysis of expenditure including governance and support costs (continued)

For the year ended 31 March 2018	Direct Costs £	Support Costs £	Governance Costs £	Total 2018 £
<i>Costs of raising funds:</i>				
Donations and legacies	354,291	47,568	3,682	405,541
Shops	973,241	130,670	10,116	1,114,027
Lottery	200,506	-	-	200,506
Fundraising activities	106,207	14,260	1,104	121,571
<i>Investment management costs</i>	61,443	-	-	61,443
<i>Expenditure on charitable activities:</i>				
In-patient care	2,563,181	344,141	26,641	2,933,963
Sunflower Centre	277,141	37,210	2,881	317,232
Hospice@Home	411,614	55,264	4,278	471,156
Education	130,347	17,501	1,355	149,203
Lymphoedema service	35,313	4,741	367	40,421
Bereavement and family support	139,595	18,743	1,451	159,789
Total expenditure	5,252,879	670,098	51,875	5,974,852

Support and governance costs

All governance and support costs are apportioned between the various costs of raising funds and charitable activities according to levels of direct expenditure. This method of apportionment represents a reasonable approximation of the usage of governance and support costs by each activity.

Support costs are included in the above totals as follows:

	HR Health & Safety and Volunteers £	Finance and Information Systems £	Administration £	Total 2018 £
Donations and legacies	14,119	17,652	15,797	47,568
Shops	38,784	48,491	43,395	130,670
Fundraising activities	4,233	5,292	4,735	14,260
In-patient care	102,145	127,710	114,286	344,141
Sunflower Centre	11,044	13,809	12,357	37,210
Hospice@Home	16,403	20,508	18,353	55,264
Education	5,194	6,495	5,812	17,501
Lymphoedema service	1,407	1,759	1,575	4,741
Bereavement and family support	5,563	6,956	6,224	18,743
	198,892	248,672	222,534	670,098

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2019

12. Net income for the year

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets	151,996	166,122
Auditors' remuneration:		
- Audit fees	8,270	7,996
- Other fees	1,938	804
Operating lease rentals – land and buildings and equipment	124,655	99,216
Loss on disposal of Fixed Assets	-	4,210

Of the total audit fee, £6,770 (2018: £6,496) related to the charity.

13. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

	2019 £	2018 £
Wages and salaries	4,167,893	3,923,214
Social security costs	353,095	339,015
Pension costs	370,404	315,913
	<u>4,891,392</u>	<u>4,578,142</u>

The number of employees having employee benefits in excess of £60,000, classified within bands of £10,000 is:

	2019	2018
£60,001 - £70,000	1	1
£70,001 - £80,000	2	-
£80,001 - £90,000	1	1
£90,001 - £100,000	-	-
£100,001 - £110,000	-	1

The key management personnel of the charity and the group comprise the Trustees, the Chief Executive, Deputy Chief Executive, Director of Clinical Services, Director of People, Medical Director and Director of Income Generation. The total employee benefits of the key management personnel of the charity including on-costs were £406,869 (2018: £452,158).

The charity Trustees were not paid and did not receive any employee benefits from the charity or its subsidiary in the year (2018: £nil). St Leonard's paid a total of £1,214 (2018: £nil) for 3 Trustees (2018: none) to attend conferences during the year along with associated travel and subsistence costs. No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2019

13. Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel (cont'd)

NHS Pension Scheme

Eligible staff are able to remain in the NHS Pensions Scheme as if they were still in the employment of an employing authority. The NHS Pension Scheme is an unfunded occupational pension scheme backed by the Exchequer, which is open to all NHS employees and employees of approved organisations. The scheme provides pensions, based on final salary, in varying circumstances for employees of participating employers. The scheme receives contributions from employers and employees to defray the costs of pensions and other benefits. The scheme is subject to a full actuarial valuation every four years and an accounting valuation every year. Details of benefits payable, and the basis for valuations under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs/pensions.

In the year ended 31 March 2019, the charity made contributions to the NHS Pension Scheme totalling £197,641 (2018: £181,911). Employer contributions were 14.38% and employee contributions were in the range of 5% to 13.5% of pensionable pay.

Other Pension Schemes

Other employees are entitled to join a defined contribution scheme. The contribution rates to the defined contribution scheme are 9% of pensionable pay for the employer and 5% of pensionable pay for the employees. The charity uses this scheme to meet the requirements of auto-enrolment legislation using the same contribution rates.

In the year ending 31 March 2019, the charity paid contributions to the schemes totalling £172,763 (2018: £134,001).

14. Staff numbers

The average monthly head count and the average monthly number of full-time equivalent staff (including part-time and bank staff) during the year were as follows:

	2019		2018	
	Head Count	Full Time Equivalent	Head Count	Full Time Equivalent
Charitable services	120	88	119	86
Income generation, including shops	63	47	55	40
Support services	17	12	17	12
	200	147	191	138

15. Government grants

Income from government grants comprises grants from local Clinical Commissioning Groups to support the provision of care by the hospice. More information is shown in note 5 to the financial statements.

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2019

16. Taxation

The hospice is a registered charity and as such is a charity within the meaning of schedule 6 of the Finance Act 2010. Accordingly, the hospice is potentially entitled to tax exemption under part 11 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992 in respect of income and gains arising. Given this, no tax charge arises on the charity.

The trading subsidiary is liable to corporation tax on its chargeable profits. Current tax, including UK Corporation and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date. As all profits arising in the subsidiary are gift aided to the parent charitable company within 9 months of the year end, no corporation tax arises.

17. Tangible fixed assets The Charity and the Group

	Freehold Property £	Leasehold Property £	Plant £	Fixtures Fittings & Equip £	Medical Equip £	Motor Vehicles £	Totals £
Cost:							
At 1 April 2018	6,164,106	45,078	51,300	142,136	131,735	139,669	6,674,024
Additions	283,539	4,825	3,686	-	-	-	292,050
Disposals	-	-	-	(4,401)	(23,366)	-	(27,767)
At 31 March 2019	<u>6,447,645</u>	<u>49,903</u>	<u>54,986</u>	<u>137,735</u>	<u>108,369</u>	<u>139,669</u>	<u>6,938,307</u>
Depreciation							
At 1 April 2018	1,748,802	37,119	8,736	126,757	110,182	111,782	2,143,378
Charge for the year	118,115	4,424	3,943	6,087	7,711	11,716	151,996
On Disposals	-	-	-	(4,401)	(23,366)	-	(27,767)
At 31 March 2019	<u>1,866,917</u>	<u>41,543</u>	<u>12,679</u>	<u>128,443</u>	<u>94,527</u>	<u>123,498</u>	<u>2,267,607</u>
Net Book Values							
At 31 March 2019	<u>4,580,728</u>	<u>8,360</u>	<u>42,307</u>	<u>9,292</u>	<u>13,842</u>	<u>16,171</u>	<u>4,670,700</u>
At 31 March 2018	<u>4,415,304</u>	<u>7,959</u>	<u>42,564</u>	<u>15,379</u>	<u>21,553</u>	<u>27,887</u>	<u>4,530,646</u>

Freehold property includes non-depreciable land with a book value of £368,712 (2018: £368,712).

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2019

18. Fixed asset investments

Listed investments

	The Charity and the Group	
	2019	2018
	£	£
Market value at 1 April 2018	10,717,175	9,490,656
Additions	3,499,905	1,299,338
Disposals	(1,970,000)	(500)
	12,247,080	10,789,494
Realised and unrealised investment gains	319,948	661
Investment management costs	(60,886)	(60,177)
Charges within valuation	(13,544)	(12,803)
Market value at 31 March 2019	12,492,598	10,717,175

The historic cost of investments at 31 March 2019 was £9,168,563 (2018: £7,638,658).

UK Investment Property

	The Charity and the Group	
	2019	2018
	£	£
Market Value at 31 March 2019 and 2018	95,000	95,000

The property was valued by Malcolm Stuart Property Consultants LLP on 10 June 2014 on the basis of open market value. The Trustees have considered the fair value of the property with respect to recent market conditions and property transactions in the local area and are of the opinion that the professional valuation still materially represents fair value at the balance sheet date.

The historic cost of investment property at 31 March 2019 was £15,842 (2018: £15,842).

The carrying amount of financial assets measured at fair value through income and expenditure for both the company and group was £12,587,598 (2018: £10,812,175).

Investment in subsidiary

	The Charity	
	2019	2018
	£	£
Shares at cost	100	100

The charity owns 100% of the share capital of St Leonard's Hospice Enterprises Limited.

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2019

19. Stock

	Charity		Group	
	2019	2018	2019	2018
	£	£	£	£
Goods for resale	212	122	16,750	16,042

20. Debtors

	Charity		Group	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	53,749	24,527	55,070	24,527
Amount owed by subsidiary	25,757	25,834	-	-
Other debtors	91,504	47,794	91,504	47,794
Prepayments	78,208	85,074	78,860	85,673
Accrued income	2,199,326	2,085,940	2,199,326	2,085,940
	<u>2,448,544</u>	<u>2,269,169</u>	<u>2,424,760</u>	<u>2,243,934</u>

	Charity	
Amounts Owed by Subsidiary	2019	2018
	£	£
Due within one year	5,757	5,834
Loan repayable after more than one year	20,000	20,000
	<u>25,757</u>	<u>25,834</u>

The loan to the subsidiary is covered by a debenture which provides for interest to be paid quarterly in arrears at the rate of 2.5% above the base rate of the principal bankers of the hospice. The date set for repayment is 31 March 2030. The debenture is secured by a floating charge over all real and personal property of the company.

21. Creditors: amounts falling due within one year

	Charity		Group	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	181,592	100,288	181,592	100,787
Taxes and social security costs	148,473	130,696	148,473	130,696
Other creditors	574	4,576	574	4,576
Accruals	86,603	85,014	88,457	86,881
	<u>417,242</u>	<u>320,574</u>	<u>419,096</u>	<u>322,940</u>

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2019

22. Contingent assets – legacy income

At 31 March 2019, the charity had been notified of 4 (2018: 4) residuary legacies the value of which is uncertain due to either insufficient information being available or due to potential claims on the estate. At the date when the accounts were signed, no further information had been received and so these legacies have not been accrued.

23. Analysis of group net assets between funds

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 31 March 2019 are represented by:			
Tangible fixed assets	4,670,700	-	4,670,700
Investments	12,591,590	-	12,591,590
Current assets	2,808,849	18,691	2,827,540
Current liabilities	(419,096)	-	(419,096)
Total net assets	19,652,043	18,691	19,670,734

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 31 March 2018 are represented by:			
Tangible fixed assets	4,530,646	-	4,530,646
Investments	10,836,909	-	10,836,909
Current assets	2,855,731	29,162	2,884,893
Current liabilities	(322,940)	-	(322,940)
Total net assets	17,900,346	29,162	17,929,508

24. Post balance sheet events

There are no post balance sheet events (2018: no post balance sheet events).

25. Capital commitments (group and charity)

At 31 March 2019, capital commitments amounted to £154,059 (2018: £1,168).

26. Operating Lease Commitments (group and charity)

At 31 March 2019, the group and the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases as follows: -

	2019 Land & Buildings £	2018 Land & Buildings £	2019 Other £	2018 Other £
Due within one year	126,210	95,638	336	1,799
Due between two and five years	129,133	118,856	1,083	-
	255,343	214,494	1,419	1,799

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2019

27. Related party transactions

During the year, St. Leonard's Hospice York conducted the following transactions with its subsidiary, St Leonard's Enterprises Limited:

St. Leonard's Hospice York levied a management charge on St Leonard's Hospice Enterprises Limited amounting to £4,469 (2018: £4,669), a software license charge amounting to £600 (2018: £600) and interest amounting to £633 (2018: £571).

At 31 March 2019, St. Leonard's Hospice York was due £5,757 from St Leonard's Hospice Enterprises Limited (2018: £5,834). In addition to the trading balances St. Leonard's Hospice York was due an amount of £20,000 (2018: £20,000) in respect of a loan in favour of St Leonard's Hospice Enterprises Limited, the interest is secured against the assets of St Leonard's Hospice Enterprises Limited and interest is charged at 2.5% above the base rate of principal bankers.

There were no transactions between the charity and its Trustees during the year that required disclosing as related party transactions under FRS 102.

28. Reconciliation of net movement in group funds to group net cash flow from operating activities

	2019 £	2018 £
Net movement in funds	1,421,278	2,140,579
Adjustments for:		
Dividends interest and rents from investments	(308,989)	(287,043)
Depreciation charges	151,996	166,122
Loss on sale of fixed assets	-	4,210
Investment management charges	74,430	72,980
(Increase)/decrease in stocks	(708)	(2,963)
(Increase)/decrease in debtors	(181,710)	(1,419,638)
Increase/(decrease) in creditors	17,065	8,747
Net cash provided by operating activities	1,173,362	682,994

Analysis of changes in net funds

	At 31 March 2018 £	Cash flow £	At 31 March 2019 £
Cash at bank and in hand	649,651	(259,629)	390,222

St. Leonard's Hospice York

Notes to the Financial Statements for the year ending 31 March 2019

29. Comparative Statement of Financial Activities

Consolidated Statement of Financial Activities (Including Income and Expenditure Account) for the year ending 31 March 2018

	Unrestricted Funds	Restricted Funds	Total Funds 2018
	£	£	£
Income from:			
Donations and legacies	4,121,486	42,760	4,164,246
<i>Income from charitable activities:</i>			
Grants and contract income	1,130,162	373,621	1,503,783
<i>Income from other trading activities:</i>			
Shops	1,582,808	-	1,582,808
Lottery	414,830	-	414,830
Fundraising activities	162,721	-	162,721
Investment Income	287,043	-	287,043
Total income	7,699,050	416,381	8,115,431
Expenditure on:			
<i>Costs of raising funds:</i>			
Donations and legacies	405,541	-	405,541
Shops	1,114,027	-	1,114,027
Lottery	200,506	-	200,506
Fundraising activities	121,571	-	121,571
Investment Management Costs	61,443	-	61,443
<i>Expenditure on charitable activities:</i>			
In-patient Care	2,921,244	12,719	2,933,963
Sunflower Centre	313,384	3,848	317,232
Hospice@Home	78,780	392,376	471,156
Education	149,203	-	149,203
Lymphoedema Service	40,421	-	40,421
Bereavement and Family Support	159,789	-	159,789
Total expenditure	5,565,909	408,943	5,974,852
Net income before other recognised gains	2,133,141	7,438	2,140,579
Realised and unrealised gains on investments	661	-	661
Net income	2,133,802	7,438	2,141,240
Transfers between funds	-	-	-
Net movement in funds	2,133,802	7,438	2,141,240
Total funds brought forward	15,766,544	21,724	15,788,268
Total funds carried forward	17,900,346	29,162	17,929,508