

St Catherine's Hospice Limited

(A CHARITABLE COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL)

FINANCIAL STATEMENTS

for the year ended 31 March 2000



St Catherine's Hospice Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS AND TRUSTEES

Mrs E R Cowley, CBE
Dr M Toynbee
R A S Ames
A Cuppage
The Hon Mrs M Finch Hatton
Dr E Hornung
R Main
J Wilson

Ex Officio member of Council:
Dr J N Mount - Chief Executive

SECRETARY

S J Yates

COMPANY REGISTERED NUMBER

1525404 (England and Wales)

REGISTERED CHARITY NUMBER

281362

REGISTERED OFFICE

Malthouse Road
Southgate
Crawley
West Sussex

St Catherine's Hospice Limited

OFFICERS AND PROFESSIONAL ADVISERS

AUDITORS

Baker Tilly
Chartered Accountants
12 Gleneagles Court
Brighton Road
Crawley
West Sussex

BANKERS

Barclays Bank Plc
90-92 High Street
Crawley
West Sussex

SOLICITORS

Rawlison & Butler
15 Carfax
Horsham
West Sussex

INVESTMENT ADVISORS

Dresdner RCM Global Investors (UK) Limited
P O Box 191
10 Fenchurch Street
London

St Catherine's Hospice Limited

REPORT OF THE DIRECTORS

The Directors submit their report and the financial statements of St Catherine's Hospice Limited for the year ended 31 March 2000.

PRINCIPAL ACTIVITIES

The Hospice is a company limited by guarantee and registered as a charity under the Charities Act 1960.

The principal activity of the company is that of a Hospice caring for the terminally ill.

In addition there is a subsidiary company, St Catherine's Hospice Trading (Sussex) Limited which raises additional funds for the Hospice.

REVIEW OF THE BUSINESS

Legacies continue to make a substantial contribution to the income of the Hospice; this year they were up by £87,971 compared to the previous year. Our operating surplus for the year ended 31 March 2000 is £280,187. Excluding legacies, our gross income for the year was £2,439,309 exceed budgeted income by £174,623.

Once again, we would like to thank the Chief Executive and his team for ensuring rigorous financial control of resources.

Both West Sussex Health Authority and East Surrey Health Authority continue to provide an important financial contribution for the provision of palliative care service in their areas. The contribution from West Sussex Health Authority amounted to £431,423 with a further £124,668 being contributed by East Surrey Health Authority. A further £86,800 was set aside for the drugs budget.

The profit of the trading company amounted to £304,766 which is an increase of 11% on the previous year. The retail division operates from ten shops which continued to maintain their position in the sector. We will continue to consolidate this part of the business whilst reviewing opportunities for other shops as they arise. Income from the Friends amounted to £227,577, which is £2,779 more than the previous year.

We continue to work towards achieving our 12 key priorities as described in our five-year strategic plan, "Partnerships for Patients".

There is a planned workforce of 87 whole time equivalent staff complemented by some 516 volunteers. A second consultant has now been appointed. The national shortage of trained nurses continues to affect nurse recruitment.

Total referrals this year amounted to 627 patients. Demand in the community for our services still exceeds available resources.

Land adjoining the Hospice has been acquired from Crawley Borough Council. This land will be used to erect a permanent Education Centre to replace the current pre-fabricated structure, which has now surpassed its normal working life. Income to support the project will be raised from fundraising appeals.

CLINICAL GOVERNANCE

The organisation has voluntarily adopted the concept of clinical governance. A structure has now been agreed. The Board will receive quarterly reports from a Clinical Governance Sub-Committee. This Sub-Committee comprising trustees and senior managers is chaired by a Board member. The Sub-Committee is advised by the Clinical Management Group (CMG) which is also responsible for implemented actions agreed by the Sub-Committee. Three feeder groups, one each for clinical audit and risk management, IT and computer resources and training, education, personal development and research undertake clinical governance projects in their areas of expertise and report to the CMG.

St Catherine's Hospice Limited

REPORT OF THE DIRECTORS

Baseline monitoring data has been compiled and monitored actions identified for implementation in the forthcoming year commencing 1 April 2000. Clinical governance is very much part of an organisation wide strategy. Our commitment to reporting to the public annually is achieved through the annual report from the Council.

HOSPICE ASSETS

The assets of the Hospice are maintained in three separate funds, defined as follows:

GENERAL FUND

This is an unrestricted fund. The assets of the fund are available to be used for :-

- the day to day running of the Hospice;
- the costs of any capital projects in whole or in part where the cost is not met from any other fund; and
- for any other purposes as the Directors see fit to fulfill the objectives of the Hospice.

Any surplus arising from the day to day running of the Hospice will be held and invested by this fund.

Interest and gains arising from the investment of fund assets are to be used for the purposes of the General Fund.

The assets of the General Fund should not be less than a sum equivalent to the total of six months running expenses for the Hospice.

FOUNDATION FUND

This is a restricted fund. The Foundation Fund exists primarily to support the day to day running costs of the Hospice should the assets of the General Fund be less than a sum equivalent to the total of six months running expenses for the Hospice.

Before any capital or income of the Foundation Fund is appropriated the views of the New Horizons Ladies Committee will be sought.

The Directors must approve and finally determine the use of all Foundation Fund assets.

MILLENNIUM FUND

This is a restricted fund. The assets of the fund and the income and gains from the investment of fund assets are to be used for the purposes of the Millennium Fund which are :-

- to meet the cost of relevant capital projects; and
- the running costs of the Hospice in certain circumstances.

A relevant capital project would include but not be restricted to :-

- the provision of an Education Centre;
- purchase of new buildings;
- major extensions or alterations to existing buildings;
- major equipment acquisitions;
- major refurbishing or refurbishing projects.

Should the assets of the General Fund be less than a sum equivalent to the total of six months running expenses for the Hospice, the Millennium Fund may be called upon to support the day to day running costs of the Hospice.

The Directors must approve the use of all Millennium Fund assets.

St Catherine's Hospice Limited

REPORT OF THE DIRECTORS

RESULTS

The General Fund Operating Account shows a surplus for the year of £412,187 (1999 : £7,127) and this has been transferred to the General Fund. The Foundation Fund showed a surplus of £140,462 (1999 : £101,057) for the year, and the Millennium Fund showed a deficit of £129,828 (1999 : surplus £23,313) for the year which arose principally because of the transfer of £132,000 to the General Fund Operating Account to part finance the purchase of land on which a new Education Centre will be built.

MARKET VALUE OF LAND AND BUILDINGS

Freehold land was donated to the Hospice and valued at £60,000 by the Directors in December 1983. All other freehold land and buildings are included in the financial statements at cost or open market value if lower. In the opinion of the Directors, the open market value of the freehold land and buildings are not less than the amounts shown in the financial statements.

DIRECTORS AND TRUSTEES

The members who all served in an honorary capacity during the year were as follows:

Mrs E R Cowley, CBE	Chairman	
Dr M Toynbee	Vice Chairman	
J Wilson, FCIS, ATII, TEP	Hon Treasurer	(appointed 13 December 1999)
A J Ashby, FCA		(resigned 30 September 1999)
R A S Ames		
I Barnard, FCCA		(resigned 4 April 2000)
N Burrough, CBE		(resigned 4 April 2000)
A Cuppage		
The Hon Mrs M Finch Hatten		
Dr R Greene		(resigned 30 September 1999)
Dr E Hornung		
A M Knight		(resigned 4 April 2000)
W E Knighton		(resigned 4 April 2000)
Mrs S H McKenzie, MBE		(resigned 4 April 2000)
R Main		
Dr J H Pendered, MBE		(resigned 4 April 2000)
Cllr Mrs L Paffett	Representing Horsham District Council	(resigned 4 April 2000)
Cllr Mrs B Smith	Representing Crawley Borough Council	(resigned 4 April 2000)
Cllr P Coote	Representing Mid Sussex District Council	(resigned 4 April 2000)

Dr J N Mount, Chief Executive of the Hospice serves as an ex-officio member of the Board of Directors.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

Under the Company's Memorandum and Articles of Association, adopted by special resolution on 4 April 2000 the Trustees Responsibilities are defined as follows:

1. To ensure that the Charity exercises only in the promotion of its Objects which are defined in the Memorandum, Clause 3.
2. To ensure appropriate application of the Charity's powers which are defined in the Memorandum, Clause 4, paras. 4.1 to 4.20.

St Catherine's Hospice Limited

REPORT OF THE DIRECTORS

3. Specifically,

- To act together, only in the Charity's interests and not delegate control of the Charity to others.
- To exercise prudent governance and derive no personal financial or material benefit
- To seek appropriate professional advice when necessary
- To ensure proper records of account of the Charity's finances are maintained and the Charity's property is adequately controlled.
- To ensure all reasonable risks to the Charity's possessions including properties and equipment are covered by suitable insurance.
- To invest prudently and as authorised under the Memorandum.
- To ensure the Charity observes its obligations as to the employment of staff.
- To ensure all activities involving the raising of funds are properly authorised, describe fully what the funds will be used for and that all funds raised are fully accounted for.
- To ensure all activities of the Charity are conducted without fear of public scrutiny.

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the board on 23 October 2000



Mrs E R Cowley, CBE
Chairman

St Catherine's Hospice Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the Directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS' REPORT TO THE MEMBERS OF ST CATHERINE'S HOSPICE LIMITED

We have audited the financial statements on pages 9 to 22.

Respective responsibilities of directors and auditors

As described on page 7 the company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

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

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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2000 and of the surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

In our opinion the company is entitled for the year ended 31 March 2000 to the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group accounts.



BAKER TILLY

Registered Auditor
Chartered Accountants
12 Gleneagles Court
Brighton Road
Crawley
West Sussex
RH10 6AD

23 October 2000

St Catherine's Hospice Limited

GENERAL FUND OPERATING ACCOUNT

for the year ended 31 March 2000

	<i>Notes</i>	2000 £	1999 £
INCOME	1	2,890,640	2,389,658
Operating costs		2,129,156	1,998,840
Gross surplus		761,484	390,818
Other operating expenses (net)	2	608,433	473,597
OPERATING SURPLUS/(DEFICIT)		153,051	(82,779)
Investment income	3	37,467	39,600
Unrealised gain on investments	9	89,669	50,306
Transfer from millennium fund	10	132,000	-
SURPLUS ON OPERATING ACCOUNT TRANSFERRED TO GENERAL FUND		412,187	7,127

The operating surplus for the year arises from the Hospice's continuing operations.

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the General Fund Operating Account.

Gains and losses arising from transactions within the Restricted Funds have been dealt with in the Statement of Financial Activities on page 10.

St Catherine's Hospice Limited

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 31 March 2000

	Notes	Unrestricted fund £	Restricted funds £	Total 2000 £	Total 1999 £
INCOMING RESOURCES					
Donations and gifts		979,951	96,407	1,076,358	981,731
Legacies		489,306	-	489,306	386,335
Health authority grants		564,853	-	564,853	545,819
Friends groups		227,576	-	227,576	224,798
Covenants and other regular giving		68,819	-	68,819	81,379
Investment income		37,467	18,083	55,550	55,833
Net income of trading subsidiary	18	304,766	-	304,766	264,872
Gross lottery income		255,877	-	255,877	86,218
TOTAL INCOMING RESOURCES		2,928,615	114,490	3,043,105	2,626,985
RESOURCES EXPENDED					
Direct Charitable Expenditure					
Inpatient care		1,381,967	-	1,381,967	1,370,537
Homecare		239,225	-	239,225	237,385
Daycare		196,400	-	196,400	186,619
Lymphoedema/Education		133,697	-	133,697	95,012
Counselling and other services		186,709	-	186,709	127,708
Support costs		18,305	-	18,305	24,196
		2,156,303	-	2,156,303	2,041,457
OTHER EXPENDITURE					
Fundraising and publicity		484,730	22,089	506,819	424,721
Management and administration of the charity		96,556	3,540	100,096	105,654
		581,286	25,629	606,915	530,375
TOTAL RESOURCES EXPENDED		2,737,589	25,629	2,763,218	2,571,832
Net incoming resources before transfers		191,026	88,861	279,887	55,153
Transfer between funds	10	132,000	(132,000)	-	-
NET INCOMING/(OUTGOING) RESOURCES		323,026	(43,139)	279,887	55,153
(Losses)/gains on investment assets:					
Realised		(508)	(244)	(752)	(488)
Unrealised		89,669	54,017	143,686	76,832
Net movement of funds		412,187	10,634	422,821	131,497
Fund balances at 1 April 1999		2,697,205	782,473	3,479,678	3,348,181
Fund balances at 31 March 2000		3,109,392	793,107	3,902,499	3,479,678

St Catherine's Hospice Limited

BALANCE SHEET

31 March 2000

	Notes	2000 £	1999 £
FIXED ASSETS			
Tangible assets	10	1,792,730	1,649,355
Investments	11	775,186	598,572
		<u>2,567,916</u>	<u>2,247,927</u>
CURRENT ASSETS			
Investments	12	1,174,226	1,090,729
Debtors	13	127,875	124,314
Restricted funds - deposits at bank		69,813	236,004
Cash at bank and in hand	14	170,920	39,433
		<u>1,542,834</u>	<u>1,490,480</u>
CREDITORS: Amounts falling due within one year	15	<u>208,251</u>	<u>258,729</u>
NET CURRENT ASSETS		<u>1,334,583</u>	<u>1,231,751</u>
TOTAL ASSETS LESS LIABILITIES		<u>3,902,499</u>	<u>3,479,678</u>
CAPITAL AND RESERVES			
Unrestricted fund		3,109,392	2,697,205
Restricted funds	16	793,107	782,473
		<u>3,902,499</u>	<u>3,479,678</u>

Approved by the Directors on 23 October 2000



MRS E R COWLEY

Chairman

St Catherine's Hospice Limited

CASH FLOW STATEMENT

for the year ended 31 March 2000

	Notes	2000 £	1999 £
NET CASH FLOW FROM OPERATING ACTIVITIES	21a	347,747	133,758
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Income from listed investments		32,119	27,456
Bank interest received		5,348	12,144
Restricted funds - interest received		18,083	16,233
Net cash flow after returns on investments and servicing of finance		55,550	189,591
CAPITAL EXPENDITURE			
Sale of fixed assets		50	-
Purchase of listed investments held as fixed assets		(131,611)	(128,214)
Sale of listed investments held as fixed assets		9,014	103,375
Purchase of fixed assets		(290,109)	(150,137)
Net cash outflow for capital expenditure		(412,656)	(174,976)
MANAGEMENT OF LIQUID RESOURCES			
Purchase of listed securities		(86,160)	(209,547)
Sale of listed securities		30,218	256,049
Net cash (outflow)/inflow from management of liquid resources		(55,942)	46,502
FINANCING			
Repayment of loan		(30,000)	-
Decrease in balance due from other group company		(1,517)	(12,748)
(DECREASE)/INCREASE IN CASH	21c	(96,818)	48,369

St Catherine's Hospice Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with the Charities (Accounts and Reports) Regulations 1995, the Statement of Recommended Practice "Accounting for Charities" and under the historical cost convention in accordance with applicable accounting standards.

DONATED ASSETS

Tangible assets donated to the Hospice are recorded at the original estimate of their value to the company.

TANGIBLE FIXED ASSETS

Fixed assets other than donated assets are stated at historical cost or open market value if lower.

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Freehold buildings	2% and 20% per annum on cost
Equipment (excluding computers)	25% per annum on cost
Computers	33.33% per annum on cost
Motor vehicles	25% per annum on cost

TAXATION

The company has been granted charitable status and is therefore not liable to corporation tax.

LEASED ASSETS AND OBLIGATIONS

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases. The amounts by which the lease payments exceed the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Rental costs under operating leases are charged to the general fund operating account in equal annual amounts over the periods of the leases.

PENSIONS CONTRIBUTIONS

Retirement benefits to certain employees are provided by defined contribution schemes which are funded by contributions from the company. Payments are made to insurance companies and these are charged against income of the year in which they become payable.

Some clinical staff are members of the National Health Services scheme and contributions are determined by the government actuary. Payments are charged against income as they become payable.

INCOME

Income from fund raising is recognised in the accounting records and shown in these financial statements when it is received and is net of related expenditure.

Grant income is credited to the General Fund operating account in the accounting period to which it relates.

Credit for other income including legacies, donations and investment income is taken when received.

INVESTMENTS

Investments are stated at market value.

St Catherine's Hospice Limited

ACCOUNTING POLICIES

SUBSIDIARY UNDERTAKING

St Catherine's Hospice Trading (Sussex) Limited is a subsidiary undertaking and operates shops selling donated goods. A summary of the results for the year to 31 March 2000 is included in note 18 to these financial statements.

The company has taken advantage of the exemption conferred by section 248, Companies Act 1985 from the requirement to prepare group accounts. These accounts therefore present information about the parent company only.

St Catherine's Hospice Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2000

	2000 £	1999 £
1 GENERAL FUND INCOME		
The income of the Hospice all derived in the United Kingdom, comprises:		
Donations, grants and gifts received	2,574,002	2,068,946
Friends	227,576	224,798
Patients' contributions	20,751	14,862
Covenanted gifts	68,819	81,379
Net realised investment loss	(508)	(327)
	<u>2,890,640</u>	<u>2,389,658</u>
2 OTHER OPERATING EXPENSES	2000 £	1999 £
Administration expenses	233,813	208,959
Fund raising expenses	361,660	246,003
Publicity expenses	12,960	18,635
	<u>608,433</u>	<u>473,597</u>
3 INVESTMENT INCOME	2000 £	1999 £
Income from investments		
Listed	32,119	27,456
Interest received	5,348	12,144
	<u>37,467</u>	<u>39,600</u>
4 SURPLUS ON OPERATING ACCOUNT	2000 £	1999 £
Operating surplus is stated after charging:		
Depreciation and amounts written off tangible fixed assets:		
Charge for the year:		
owned assets	119,299	134,164
Operating lease rentals:		
equipment	7,416	7,096
Auditors' remuneration	3,800	3,700
	<u></u>	<u></u>

St Catherine's Hospice Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2000

5	EMPLOYEES	2000 No.	1999 No.
	The average weekly number of persons employed by the company during the year was:		
	Fund raising	10	9
	Administrative	8	10
	Nursing staff	43	46
	Ancillary staff	13	14
	Medical staff	4	4
	Chaplaincy/Counselling	3	2
		<u>81</u>	<u>85</u>

The Hospice employs a significant number of staff on a part time basis. The average numbers of staff shown above are calculated to show the full time equivalent staff numbers.

	2000 £	1999 £
Staff costs for the above persons:		
Wages and salaries	1,791,279	1,588,194
Social security costs	124,249	129,082
Other pension costs	92,970	68,827
	<u>2,008,498</u>	<u>1,786,103</u>

No emoluments were paid during the year to the Directors (1999: £Nil).

The number of employees who received emoluments in the following ranges was

	2000 No	1999 No
£50,001 - £60,000	2	2

6 RELATED PARTY TRANSACTION

There were no related party transactions during the year. None of the Directors received remuneration or reimbursement of any expenses during the year.

7 PENSION CONTRIBUTIONS

Retirement benefits to certain employees are provided by defined contribution schemes which are funded by contributions from the company. Payments are made to insurance companies.

Some clinical staff are members of the National Health Services Scheme and contributions are determined by the government actuary.

The pension cost charge represents contributions payable by the company and amounted to £92,970 (1999 : £68,827).

At the year end contributions outstanding totalled £10,577 (1999 : £11,060)

St Catherine's Hospice Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2000

8 VOLUNTARY HELP

The Charity is dependent upon a team of part-time voluntary helpers who assist in all areas of the charity's care.

	2000 £	1999 £
9 UNREALISED GAINS ON INVESTMENTS		
Adjustment to book value of current asset investment to bring them to their market value at 31 March 2000	89,669	50,306

10 TANGIBLE FIXED ASSETS	<i>Freehold land and buildings</i> £	<i>Equipment</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost or valuation				
1 April 1999	1,975,821	600,328	33,500	2,609,649
Additions	196,356	93,753	-	290,109
Disposals	(32,544)	(33,553)	-	(66,097)
31 March 2000	2,139,633	660,528	33,500	2,833,661
Depreciation				
1 April 1999	521,911	404,883	33,500	960,294
Charged in the year	39,558	79,741	-	119,299
Disposals	(5,858)	(32,804)	-	(38,662)
31 March 2000	555,611	451,820	33,500	1,040,931
Net book value				
31 March 2000	1,584,022	208,708	-	1,792,730
31 March 1999	1,453,910	195,445	-	1,649,355

St Catherine's Hospice Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2000

10 TANGIBLE FIXED ASSETS (*continued*)

The net book value at 31 March 2000 represents fixed assets used for:

	<i>Freehold land and buildings</i> £	<i>Equipment</i> £	<i>Total</i> £
Direct charitable purposes:			
Hospice	1,106,598	39,593	1,146,191
Support office	309,666	28,176	337,842
	<u>1,416,264</u>	<u>67,769</u>	<u>1,484,033</u>
Other purposes:			
Fundraising and publicity	64,536	124,868	189,404
Management and administration of the charity	103,222	16,701	119,293
	<u>1,584,022</u>	<u>208,708</u>	<u>1,792,730</u>

Freehold land was donated to the Hospice and valued at £60,000 by the Directors in December 1983.

During the year, freehold land adjoining the Hospice was acquired on which a new Education Centre will be built. The cost was part financed by the transfer of £132,000 from the Millennium Fund to the General Fund Operating Account.

All other freehold land and buildings are included in the financial statements at lower of cost and open market value. In the opinion of the Directors, the open market value of the freehold land and buildings are not less than the stated value.

11 FIXED ASSETS INVESTMENTS	<i>Subsidiary undertakings</i> £	<i>Listed investments</i> £	<i>Total</i> £
Cost or market value			
1 April 1999	50,000	548,572	598,572
Donations	-	6,248	6,248
Additions	-	125,363	125,363
Disposals	-	(9,014)	(9,014)
	<u>50,000</u>	<u>671,169</u>	<u>721,169</u>
31 March 2000	-	54,017	54,017
Provision for unrealised gain			
	<u>50,000</u>	<u>725,186</u>	<u>775,186</u>
Cost or market value			
31 March 2000	50,000	725,186	775,186
	<u>50,000</u>	<u>548,572</u>	<u>598,572</u>
31 March 1999	50,000	548,572	598,572
Historical cost			
31 March 2000	50,000	590,636	595,636

St Catherine's Hospice Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2000

11 FIXED ASSETS INVESTMENTS (continued)

The listed investments held as fixed assets form part of the Foundation Fund.

The £125,363 addition to fixed asset investments has been invested in Chariguard investment funds.

<i>Name</i>	<i>Country of incorporation</i>	<i>Class of holding</i>	<i>Proportion held</i>	<i>Aggregate capital & reserves £</i>	<i>Result for the year £</i>
St. Catherine's Hospice Trading (Sussex) Limited	England	Ordinary	100%	50,000	-

12 INVESTMENTS HELD AS CURRENT ASSETS	<i>Listed investments £</i>	<i>Cash deposits £</i>	<i>Total £</i>
Cost or market value			
1 April 1999	1,011,344	79,385	1,090,729
Additions	86,160	-	86,160
Disposals	(29,829)	-	(29,829)
Net cash movement	(389)	(62,114)	(62,503)
31 March 2000	1,067,286	17,271	1,084,557
Provision for unrealised gain	89,669	-	89,669
Market value:			
31 March 2000	1,156,955	17,271	1,174,226
31 March 1999	1,011,344	79,385	1,090,729
Historical cost			
31 March 2000	892,332	17,271	909,603

The investments are managed by independent investment managers.

The £86,160 addition to current asset investments has been invested in Chariguard investment funds.

13 DEBTORS	<i>2000 £</i>	<i>1999 £</i>
Other debtors	94,604	91,620
Prepayments and accrued income	33,271	32,694
	<u>127,875</u>	<u>124,314</u>

14 CASH AT BANK

Cash from lottery tickets purchased in advance and for lottery prizes is held in a separate bank account exclusively for this purpose.

St Catherine's Hospice Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2000

		2000 £	1999 £
15	CREDITORS : Amounts falling due within one year		
	Trade and other creditors	39,319	169,222
	Amount owing to subsidiary undertaking	13,353	14,870
	Taxation and social security costs	155,579	44,637
	Interest free loan	-	30,000
		<u>208,251</u>	<u>258,729</u>

		<i>Balance 1 April 1999 £</i>	<i>Incoming £</i>	<i>Outgoing £</i>	<i>Balance 31 March 2000 £</i>
16	RESTRICTED FUNDS				
	Foundation Fund	651,594	162,551	(22,089)	792,056
	Millennium Fund	130,879	5,712	(135,540)	1,051
		<u>782,473</u>	<u>168,263</u>	<u>(157,629)</u>	<u>793,107</u>

17 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	<i>Unrestricted fund £</i>	<i>Restricted funds £</i>	<i>Total funds £</i>
Fund balances at 31 March 2000 are represented by:			
Tangible fixed assets	1,792,730	-	1,792,730
Investments	1,224,226	725,186	1,949,412
Current assets	298,795	69,813	368,608
Current liabilities	(206,359)	(1,892)	(208,251)
	<u>3,109,392</u>	<u>793,107</u>	<u>3,902,499</u>

St Catherine's Hospice Limited

NOTES TO THE FINANCIAL STATEMENTS

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18 NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARIES

The charity has a wholly owned trading subsidiary which is incorporated in the United Kingdom. St. Catherine's Hospice Trading (Sussex) Limited operates charity shops selling donated goods and covenants its profits to St. Catherine's Hospice Limited.

A summary of the trading results is given below:

	2000 £	1999 £
Profit and loss account		
Turnover	812,597	719,091
Cost of sales	(76,628)	(66,479)
	<hr/>	<hr/>
Gross profit	735,969	652,612
Administration expenses	(431,203)	(387,740)
	<hr/>	<hr/>
Operating profit	304,766	264,872
Amount covenanted to St. Catherine's Hospice	304,766	264,872
	<hr/>	<hr/>
	<hr/>	<hr/>

19 MEMBERS OF THE HOSPICE

There are 78 members of the company who are required to contribute £1 each in the event of the company being wound up.

20 OPERATING LEASE COMMITMENTS

At 31 March 2000 the company was committed to making the following payments during the next year in respect of operating leases:

	2000 £	1999 £
Land and buildings expiring two to five years	7,000	7,000
Other		
expiring within one year	1,968	13,956
expiring two to five years	12,026	11,547
	<hr/>	<hr/>
	20,994	32,503
	<hr/>	<hr/>

St Catherine's Hospice Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2000

21 CASH FLOWS

a	Reconciliation of operating surplus to net cash inflow from operating activities	2000 £	1999 £		
	Surplus/(deficit)				
	General fund	153,051	(82,779)		
	Restricted funds	70,534	92,107		
	Depreciation	119,299	134,164		
	Loss on disposal of fixed assets	27,385	-		
	Loss on sale of investments	-	327		
	Increase in debtors	(3,561)	(25,305)		
	(Decrease)/increase in creditors	(18,961)	15,244		
		<u>347,747</u>	<u>133,758</u>		
b	Analysis of changes in net debt	<i>1 April 1999 £</i>	<i>Cash flows £</i>	<i>Other changes £</i>	<i>31 March 2000 £</i>
	Cash at bank and in hand	39,433	131,487	-	170,920
	Deposits at bank	236,004	(166,191)	-	69,813
	Cash held as current asset investment	79,385	(62,114)	-	17,217
		<u>354,822</u>	<u>(96,818)</u>	<u>-</u>	<u>258,004</u>
	Debt due within one year	(30,000)	30,000	-	-
	Securities held as current asset investments	1,011,344	55,942	89,669	1,156,955
		<u>1,336,166</u>	<u>(10,876)</u>	<u>89,669</u>	<u>1,414,959</u>
c	Reconciliation of net cash flow to movement in net debt	2000 £	1999 £		
	(Decrease)/increase in cash in the year	(96,818)	48,369		
	Cash used to repay loans	30,000	-		
	Cash used to increase liquid resources	55,942	(46,502)		
	Changes in net debt resulting from cash flows	<u>(10,876)</u>	<u>1,867</u>		
	Realised loss on fixed asset investment	-	(327)		
	Unrealised gain on current asset investments	89,669	50,306		
	Donations	-	15,000		
	Movement in net debt in the year	<u>78,793</u>	<u>66,846</u>		
	Net debt at 1 April 1999	1,336,166	1,269,320		
	Net debt at 31 March 2000	<u>1,414,959</u>	<u>1,336,166</u>		