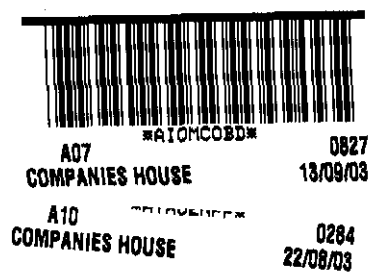


St Catherine's Hospice Limited

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

FINANCIAL STATEMENTS

for the year ended 31 March 2003



Company Registration No. 1525404
Charity Registration No. 281362

St Catherine's Hospice Limited

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS AND TRUSTEES

Mrs E R Cowley, CBE
R Main
R A S Ames
A Cuppage
The Hon Mrs M Finch Hatton
Dr J House
M Qamaruddin
Dr M Waldron
J Wilson, FCIS, ATII

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

SECRETARY

R G Stockwell

REGISTERED COMPANY NUMBER

1525404 (England and Wales)

REGISTERED CHARITY NUMBER

281362

REGISTERED OFFICE

Malthouse Road
Crawley
West Sussex
RH10 6BH

AUDITORS

Baker Tilly
12 Gleneagles Court
Brighton Road
Crawley
West Sussex
RH10 6AD

BANKERS

Barclays Bank Plc
90-92 High Street
Crawley
West Sussex
RH10 1YX

St Catherine's Hospice Limited
OFFICERS AND PROFESSIONAL ADVISERS

SOLICITORS

Rawlison Butler
135 High Street
Crawley
West Sussex
RH10 1DQ

INVESTMENT ADVISORS

Allianz Dresdner Asset Management (UK) Limited
155 Bishopsgate
London
EC2M 3AD

The Charities Property Fund
Carr Shepherds Crosthwaite Limited
2 Gresham Street
London EC2B 2AL

St Catherine's Hospice Limited

DIRECTORS REPORT

The Directors, who are the Trustees under Charity law submit their report and the financial statements of St Catherine's Hospice Limited for the year ended 31 March 2003.

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

The consolidated statement of financial activities, which includes the trading company, shows a deficit of £429,971 compared to a surplus of £366,633 last year. The deficit is due to the loss in value of our investments, which amounted to £473,241 during the year, the vast majority of which were unrealised losses.

A small surplus was achieved on net incoming resources and this was largely due to prudent budget management and we would like to thank the Chief Executive and his team for once again ensuring vigorous financial control.

Legacies were well down this year totalling only £508,326, a drop of 41% on the previous year. The profit of the trading company amounted to £477,225 which is slightly lower compared to the previous year, and the gross income of the lottery increased to an all time high of £502,037.

Both Crawley and East Surrey Primary Care Trusts continue to provide an important financial contribution for the provision of palliative care service in their areas. The contribution from Crawley amounted to £506,787 with a further £173,107 being contributed from East Surrey.

Including the trading company, there is a planned workforce of 199 whole time equivalent staff, complemented by some 516 volunteers. Once again, volunteers played an important part in our operation, whether their services are in the Hospice itself, in the shops or as members of Friends Support Groups.

Total referrals this year amount to 602 patients, yet demand in the community for our service still exceeds available resources. Following a grant from Crawley Borough Council, a cultural liaison officer was appointed during the year.

The Education Centre, which opened in December 2001, is proving very successful and in addition to internal use, it is available to be used by the local community and a number of organisations are making use of the facilities.

St Catherine's Hospice Limited

DIRECTORS REPORT

DIRECTORS AND TRUSTEES

The Directors, who are Trustees under charity law, and who served in an honorary capacity, during the year were as follows:

Mrs E R Cowley, CBE	Chairman
R Main	Vice Chairman
R A S Ames	
A Cuppage	
The Hon Mrs M Finch Hatton	
Dr J House	(appointed 22 April 2002)
Cllr M Qamaruddin	
Dr M Waldron	(appointed 22 April 2002)
J Wilson, FCIS, ATII	Hon Treasurer

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

INVESTMENT POLICY AND PERFORMANCE

The Board considers that specialist unit trusts, designed for the charity sector are the most appropriate investments for the Hospice's funds to balance income generation and capital growth.

The Directors have appointed investment managers to oversee the Hospice's portfolio. The investment managers report to the Board on a quarterly basis.

The objective of the Board of Directors is to exceed the performance of the WM Total Charities Index (excluding property).

In the year to 31 March 2003, the restricted fund portfolio and the general fund portfolio recorded a total return of -23.8% and -24.0% respectively, compared to the WM Total Charities Index (excluding property) return of -22.9%.

In attempting to match the Board's target the fund managers chose to change marginally the asset allocation of the index. Because of market volatility this policy was not effective during the year under review, although it had proved successful in earlier years. The Directors are satisfied with this explanation and continue to have confidence in the Chariguard funds.

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.
- 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.

St Catherine's Hospice Limited

DIRECTORS REPORT

- 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.

CLINICAL GOVERNANCE

The four clinical governance feeder groups continue to report to the Clinical Governance Steering Group, which now meets with the Clinical Management Group. As before the lead clinician reports quarterly to the Board.

Major projects (many of which are continuing) for the four groups are as follows:

CLINICAL QUALITY

Compliance with "NCSC" (National Care Standards Commission) – successful inspection
Revision of all clinical policies and accompanying paperwork, to include audit of compliance, response times etc.
Development of new patient handbook, incorporating feedback from service users
Continued input to South Thames West Palliative Medicine Collaborative Audit Group

EDUCATION AND HUMAN RESOURCES

Retention of Investors In People status
Organisation of core training for all staff in manual handling and fire safety
Definition of process for study leave application, monitoring and feedback
Development of orientation days and inductions packs for new staff
Develop individual training records for clinical and non clinical staff

INFORMATION MANAGEMENT AND TECHNOLOGY

Recording of Palcare codes to support revised assessment process and allow audit
Provision of mobile phones to clinical staff working off-site to standardise communication process and ensure emergency access
Ongoing work to rationalise IT services
Beginning of negotiations to join NHS Net

ENVIRONMENT AND HEALTH AND SAFETY

Compliance with NCSC standards
Revision of infection control policy
Work to define process for auditing accidents/incidents

RISK MANAGEMENT AND INTERNAL CONTROL

The Directors identified and considered the overall risks to the charity at a recent study day. These risks together with others facing the organisation will be assessed with regard to their impact and their likelihood of occurring within the organisation. A system to control and mitigate these risks is to be introduced.

St Catherine's Hospice Limited

DIRECTORS REPORT

HOSPICE RESERVES

The Directors conducted a risk evaluation exercise on the income and expenses of the Hospice in 2001. At that time it was agreed that the reserves comprising the General Fund and the Foundation Fund together should aim to achieve a total of approximately two year's running expenses. Since then the basis of the preparation of the Hospice accounts has changed and consolidated accounts are produced to incorporate the Hospice's subsidiary trading company. The effect of this is to show the running expenses on the consolidated accounts at a higher figure than that shown in the accounts prepared up to 31 March 2001, so that to achieve a target as previously determined would require reserves of over £8 million. The Directors consider that this target is probably unrealistic to achieve in the present financial climate and have revised their overall target down to approximately £6 million. The figure will be reviewed by the Board on an annual basis.

The reserves of the Hospice are divided into separate funds, defined as follows:

FOUNDATION FUND

This is a restricted fund and exists primarily to support the day to day running costs of the Hospice should the following events occur:

- the General Fund is below six months future running costs;
- the Hospice operating costs are exceeding its income on a regular monthly basis.

Before any capital or income of the Foundation Fund is appropriated the view of the New Horizons Ladies Committee will be sought. The Directors must approve and finally determine the use of all Foundation Fund assets.

OTHER RESTRICTED FUNDS

From time to time the Hospice may receive grants or donations whose use is restricted by the donor. In these circumstances, the funds are shown as restricted.

CAPITAL ASSETS FUND

This comprises the book value of the tangible assets of the Hospice as shown in its balance sheet. The Capital Assets Fund is automatically excluded from the General Fund as it could only be realised by disposing of or mortgaging tangible assets.

GENERAL FUND

This is an unrestricted fund and is 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 purpose as the Directors see fit to fulfil the objectives of the Hospice.

St Catherine's Hospice Limited

DIRECTORS REPORT

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.

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 June 2003



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 judgments 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

We have audited the financial statements on pages 10 to 25.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company'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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The responsibilities of the trustees' (who are also the directors of St Catherine's Hospice Limited for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out under Responsibilities of the Board.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.


Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all 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 group's and charitable company's affairs as at 31 March 2003 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


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

23 June 2003

St Catherine's Hospice Limited

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account)

31 March 2003


	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total funds 2003 £</i>	<i>Total funds 2002 £</i>
INCOMING RESOURCES (Income)				
Donations and gifts	1,187,968	39,021	1,226,989	1,265,329
Legacies	508,326	-	508,326	860,753
Community Fund Grant	-	-	-	10,982
Health authority grants	669,469	-	669,469	596,516
Friends groups	206,564	-	206,564	216,665
Covenants and other regular giving	108,842	-	108,842	93,883
Activities for generating funds:				
Investment income	41,086	24,604	65,690	69,924
Gross lottery income	502,037	-	502,037	469,460
Charity Shop income	1,067,489	-	1,067,489	1,039,159
Rent received	6,750	-	6,750	7,264
Education Centre	27,183	-	27,183	-
TOTAL INCOMING RESOURCES	4,325,714	63,625	4,389,339	4,629,935
RESOURCES EXPENDED (Expenditure)				
Cost of generating funds				
Fundraising and publicity	1,248,423	18,360	1,266,783	1,241,842
Charitable expenditure				
Costs of activities in furtherance of the charity's objects:				
Inpatient care	1,783,237	-	1,783,237	1,747,671
Homecare	314,970	-	314,970	288,572
Daycare	283,332	-	283,332	286,891
Lymphoedema/Education	173,011	-	173,011	159,588
Counselling and other services	316,773	-	316,773	275,392
Support costs	27,614	-	27,614	29,855
Management and administration	180,349	-	180,349	147,003
	3,079,286	-	3,079,286	2,934,972
TOTAL RESOURCES EXPENDED	4,327,709	18,360	4,346,069	4,176,814
NET (OUTGOING)/ INCOMING RESOURCES	(1,995)	45,265	43,270	453,121
Losses on investment assets:				
Realised	(6,550)	(11,806)	(18,356)	(3,464)
Unrealised	(257,807)	(197,078)	(454,885)	(83,024)
Net movement in funds	(266,352)	(163,619)	(429,971)	366,633
Fund balances at 1 April 2002	3,774,408	794,440	4,568,848	4,202,215
Fund balances at 31 March 2003	3,508,056	630,821	4,138,877	4,568,848

The net incoming resources arise from 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 Consolidated Statement of Financial Activities.

St Catherine's Hospice Limited
CONSOLIDATED BALANCE SHEET
31 March 2003

	Notes	2003 £	2002 £
FIXED ASSETS			
Tangible assets	10	2,292,384	2,380,448
Investments	11	549,379	763,494
		<u>2,841,763</u>	<u>3,143,942</u>
CURRENT ASSETS			
Investments	12	1,080,507	994,697
Stock	13	11,722	14,986
Debtors	14	80,975	137,253
Restricted funds – deposits at bank		59,279	11,333
Cash at bank and in hand	15	607,575	544,160
		<u>1,840,058</u>	<u>1,702,429</u>
CREDITORS: Amounts falling due within one year	16	(542,944)	(277,523)
		<u>1,297,114</u>	<u>1,424,906</u>
NET CURRENT ASSETS			
		<u>4,138,877</u>	<u>4,568,848</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CAPITAL AND RESERVES			
Restricted Fund	17	630,821	794,440
Unrestricted Funds:			
Capital Assets	18	2,280,444	2,378,627
General		1,227,612	1,395,781
		<u>4,138,877</u>	<u>4,568,848</u>

Approved by the Directors on 23 June 2003



MRS E R COWLEY, CBE

Chairman

St Catherine's Hospice Limited

BALANCE SHEET

31 March 2003

		2003 £	2002 £
FIXED ASSETS			
Tangible assets	10	2,280,444	2,378,627
Investments	11	599,379	813,494
		<u>2,879,823</u>	<u>3,192,121</u>
CURRENT ASSETS			
Investments	12	1,080,507	994,697
Debtors	14	99,865	143,002
Restricted funds – deposits at bank		59,279	11,333
Cash at bank and in hand	15	542,512	493,057
		<u>1,782,163</u>	<u>1,642,089</u>
CREDITORS: Amounts falling due within one year	16	(523,109)	(265,362)
		<u>1,259,054</u>	<u>1,376,727</u>
NET CURRENT ASSETS			
		<u>4,138,877</u>	<u>4,568,848</u>
TOTAL ASSETS LESS LIABILITIES			
CAPITAL AND RESERVES			
Restricted Fund	17	630,821	794,440
Unrestricted Funds			
Capital Assets	18	2,280,444	2,378,627
General		1,227,612	1,395,781
		<u>4,138,877</u>	<u>4,568,848</u>

Approved by the Directors on 23 June 2003



MRS E R COWLEY, CBE

Chairman

St Catherine's Hospice Limited
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2003

	Notes	2003 £	2002 £
NET CASH FLOW FROM OPERATING ACTIVITIES	22a	492,785	35,470
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			
Income from listed investments		25,253	28,942
Bank interest received		15,833	22,918
Restricted funds – interest received		24,604	18,064
Net cash flow after returns on investments and servicing of finance		65,690	69,924
Taxation paid		-	-
CAPITAL EXPENDITURE			
Sale of fixed assets		1,190	-
Purchase of listed investments held as fixed assets		(73,000)	(148,000)
Sale of listed investments held as fixed assets		78,230	75,996
Purchase of fixed assets		(103,367)	(738,256)
Net cash outflow for capital expenditure		(96,947)	(810,260)
MANAGEMENT OF LIQUID RESOURCES			
Purchase of listed securities		(146,000)	(132,000)
Sale of listed securities		81,679	93,991
Net cash outflow from management of liquid resources		(64,321)	(38,009)
INCREASE/(DECREASE) IN CASH	22c	397,207	(742,875)

St Catherine's Hospice Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, "Accounting by Charities" (SORP 2000) issued in October 2000, applicable accounting standards and the Companies Act 1985.

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.

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% per annum on cost
Freehold conservatory	10% per annum on cost
Equipment (excluding computers and leasehold improvements)	25% per annum on cost
Computers	33⅓% per annum on cost
Leasehold improvements	over life of lease
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.

DONATIONS, GRANTS AND OTHER INCOME

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

St Catherine's Hospice Limited

ACCOUNTING POLICIES

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

Income in the trading company represents the amount receivable for goods supplied to customers.

INVESTMENTS

Investments are stated at market value.

STOCK

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

GROUP FINANCIAL STATEMENTS

These financial statements consolidate the results of the charity and its wholly-owned subsidiary St Catherine's Hospice Trading (Sussex) Limited on a line by line basis. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 230 of the Companies Act 1985 and paragraph 304 of SORP 2000.

RESERVES POLICY

The Directors have conducted a risk evaluation exercise on the income and expenses of the Hospice, subject to annual review. At the most recent review it was concluded that reserves comprising the General Fund and the Foundation Fund together should aim to achieve a total of approximately £6m, being approximately two years running expenses of the Hospice excluding the running expenses of its trading subsidiary. The Reserves Policy is subject to annual review in the light of changing circumstances.

St Catherine's Hospice Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2003

1 INCOMING RESOURCES

Incoming resources derive from the group's principal activities carried on wholly in the United Kingdom.

2	TOTAL RESOURCES EXPENDED	Staff costs £	Depreciation £	Other costs £	Total 2003 £	Total 2002 £
	Inpatient care	1,416,950	82,307	283,980	1,783,237	1,747,671
	Homecare	280,362	2,843	31,765	314,970	288,572
	Daycare	195,636	30,380	57,316	283,332	286,891
	Lymphoedema/Education	151,810	1,496	19,705	173,011	159,588
	Counselling and other services	304,806	1,646	10,321	316,773	275,392
	Support costs	9,871	8,680	9,063	27,614	29,855
	Fundraising and publicity	557,871	12,165	696,747	1,266,783	1,241,842
	Management and administration of the charity	53,560	51,914	74,875	180,349	147,003
		<u>2,970,866</u>	<u>191,431</u>	<u>1,183,772</u>	<u>4,346,069</u>	<u>4,176,814</u>

3	INVESTMENT INCOME	2003 £	2002 £
	Income from investments:		
	General fund		
	Listed	25,253	28,942
	Interest received	15,833	22,918
		<u>41,086</u>	<u>51,860</u>
	Foundation Fund	24,604	18,064
		<u>65,690</u>	<u>69,924</u>

4	SURPLUS ON GENERAL FUND	2003 £	2002 £
	Operating surplus is stated after charging:		
	Depreciation and amounts written off tangible fixed assets:		
	Charge for the year:		
	Owned assets	191,432	191,979
	Operating lease rentals:		
	Equipment	9,293	9,293
	Auditors' remuneration	5,750	5,250
		<u></u>	<u></u>

St Catherine's Hospice Limited
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 March 2003

5	EMPLOYEES	2003 No	2002 No
---	-----------	------------	------------

The average weekly number of persons employed by the group during the year was:

Fund raising	12	11
Trading company	17	16
Administrative	13	13
Nursing staff	54	56
Ancillary staff	15	15
Medical staff	4	4
Chaplaincy/Counselling	4	4
	<u>119</u>	<u>119</u>

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

	2003 £	2002 £
Staff costs for the above persons:		
Wages and salaries	2,649,706	2,489,491
Social security costs	207,282	212,945
Other pension costs	113,878	100,218
	<u>2,970,866</u>	<u>2,802,654</u>

No emoluments were paid during the year to the Directors (2002: £Nil).

The number of employees who received emoluments (on a full time basis) in the following ranges was:

	2003 £	2002 £
£50,001 - £60,000	-	1
£60,001 - £70,000	2	2
£70,001 - £80,000	1	-
	<u>3</u>	<u>3</u>

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.

St Catherine's Hospice Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2003

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 £113,878 (2002: £100,218).

At the year end contributions outstanding totalled £9,189 (2002: £8,117)

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.

9 UNREALISED LOSS ON INVESTMENTS

2003	2002
£	£

Adjustment to book value of current asset investments to bring them to their market value at 31 March 2003

General Fund	(257,807)	(47,798)
Foundation Fund	(197,078)	(35,226)
	<u>(454,885)</u>	<u>(83,024)</u>

St Catherine's Hospice Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2003

10	TANGIBLE FIXED ASSETS	<i>Freehold land and buildings</i> £	<i>Equipment</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
	GROUP				
	Cost or valuation				
	1 April 2002	2,648,633	991,977	77,781	3,718,391
	Additions	11,820	91,547	-	103,367
	Disposals	-	(16,979)	-	(16,979)
	31 March 2003	2,660,453	1,066,545	77,781	3,804,779
	Depreciation				
	1 April 2002	598,782	695,508	43,652	1,337,942
	Charged in the year	50,552	128,218	11,877	190,647
	Disposals	-	(16,194)	-	(16,194)
	31 March 2003	649,334	807,532	55,529	1,512,395
	Net book value				
	31 March 2003	2,011,119	259,013	22,252	2,292,384
	31 March 2002	2,049,851	296,469	34,129	2,380,449

The net book value at 31 March 2003 represents fixed assets used for:

	<i>Freehold land and buildings</i> £	<i>Equipment</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Direct charitable purposes:				
Hospice	1,575,406	103,184	19,683	1,698,273
Support office	286,441	33,493	-	319,934
	1,861,847	136,677	19,683	2,018,207
Other purposes:				
Fundraising and publicity	53,792	95,169	2,569	151,530
Management and administration of charity	95,480	27,167	-	122,647
	2,011,119	259,013	22,252	2,292,384

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

All 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.

St Catherine's Hospice Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2003

10	TANGIBLE FIXED ASSETS (continued)	<i>Freehold land and buildings</i> £	<i>Equipment</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
	HOSPICE				
	Cost				
	1 April 2002	2,648,633	969,338	77,781	3,695,752
	Additions	17,205	72,259	-	89,464
	Disposals	-	(4,483)	-	(4,483)
	31 March 2003	2,665,838	1,037,114	77,781	3,780,733
	Depreciation				
	1 April 2002	598,782	674,691	43,652	1,317,125
	Charged in year	50,158	125,612	11,877	187,647
	Disposals	-	(4,483)	-	(4,483)
	31 March 2003	648,940	795,820	55,529	1,500,289
	Net book value				
	31 March 2003	2,016,898	241,294	22,252	2,280,444
	31 March 2002	2,049,851	294,647	34,129	2,378,627
11	FIXED ASSETS INVESTMENTS				<i>Listed Investments</i> £
	Cost or market value				
	1 April 2002				763,494
	Donations				-
	Additions				73,000
	Disposals				(90,037)
	31 March 2003				746,457
	Provision for unrealised loss				(197,078)
	Cost or market value				
	31 March 2003				549,379
	31 March 2002				763,494
	Historical cost				
	31 March 2003				746,111

Investments held by the Hospice also include an additional £50,000 (2001: £50,000) investment in the subsidiary company at cost.

St Catherine's Hospice Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2003

11 FIXED ASSETS INVESTMENTS (*continued*)

The listed investments held form part of the Foundation Fund.

The £73,000 addition to fixed asset investments has been invested in Chariguard investment funds.

Subsidiary company:

<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>
Market value			
1 April 2002	980,362	14,335	994,697
Additions	46,000	250,000	296,000
Disposals	(81,679)	-	(81,679)
Net cash movement	(6,550)	35,846	29,296
31 March 2003	938,133	300,181	1,238,314
Provision for unrealised loss	(257,807)	-	(257,807)
Market value	680,326	300,181	980,507
Reserved for Property Fund	-	100,000	100,000
31 March 2003	680,326	400,181	1,080,507
31 March 2002	980,362	14,335	994,697
Historical cost			
31 March 2003	879,270	400,181	1,279,451

The investments are managed by independent investment managers.

The £46,000 addition to current investments has been invested in Chariguard investment funds.

13 STOCK

	Group		Hospice	
	2003	2002	2003	2002
	£	£	£	£
Goods for resale	11,722	14,986	-	-

St Catherine's Hospice Limited
NOTES TO THE FINANCIAL STATEMENTS
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14	DEBTORS	Group		Hospice	
		2003 £	2002 £	2003 £	2002 £
	Other debtors	14,023	17,429	78,596	70,079
	Prepayments and accrued income	66,952	119,824	21,269	72,923
		<u>80,975</u>	<u>137,253</u>	<u>99,865</u>	<u>143,002</u>
15	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.				
16	CREDITORS: Amounts falling due within one year	Group		Hospice	
		2003 £	2002 £	2003 £	2002 £
	Trade and other creditors	241,157	222,452	221,322	210,032
	Amount owing to subsidiary undertaking	-	-	-	259
	Taxation and social security costs	58,275	55,071	58,275	55,071
	Deferred income	243,512	-	243,512	-
		<u>542,944</u>	<u>277,523</u>	<u>523,109</u>	<u>265,362</u>
17	RESTRICTED FUNDS	Balance 1 April 2002 £	Incoming resources £	Outgoing resources £	Balance 31 March 2003 £
	Foundation Fund	794,440	66,967	(230,586)	630,821

St Catherine's Hospice Limited
NOTES TO THE FINANCIAL STATEMENTS
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18 CAPITAL ASSETS FUND

This represents the total net book value of the tangible fixed assets and a provision for any further capital expenditure already contracted for.

	2003 £
1 April 2002	2,378,627
Transfer to General Fund	(98,183)
31 March 2003	<u>2,280,444</u>

19 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

<i>Unrestricted General and Designated Funds</i>	<i>Restricted</i>	<i>Total Funds</i>
£	£	£

Fund balances at 31 March 2003 are represented by:

Tangible fixed assets	2,292,384	-	2,292,384
Investments	828,942	549,379	1,378,321
Current assets	929,674	81,442	1,011,116
Current liabilities	(542,944)	-	(542,944)
	<u>3,508,056</u>	<u>630,821</u>	<u>4,138,877</u>

20 MEMBERS OF THE HOSPICE

There are 55 members of the company who are required to contribute £1 each in the event of the company being wound up.

21 OPERATING LEASE COMMITMENTS

At 31 March 2003 the company was committed to make the following payments during the next year in respect of operating leases:

	2003 £	2002 £
Land and buildings		
expiring within one year	-	-
expiring two to five years	21,750	30,750
Other		
expiring within one year	-	-
expiring two to five years	854	1,147
	<u>22,604</u>	<u>31,897</u>

St Catherine's Hospice Limited
NOTES TO THE FINANCIAL STATEMENTS
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22	CASH FLOWS	2003 £	2002 £	
a	Reconciliation of operating surplus to net cash inflow from operating activities			
	(Deficit)/surplus			
	General fund	(43,081)	358,941	
	Restricted funds	20,661	24,256	
	Decrease/(increase) in stock	3,264	(12,723)	
	Depreciation	190,647	191,980	
	(Profit)/Loss on disposal of fixed assets	(405)	-	
	Decrease/(increase) in debtors	56,278	(25,923)	
	Increase/(decrease) in creditors	265,421	(501,061)	
		<u>492,785</u>	<u>35,470</u>	
b	Analysis changes in net debt	<i>1 April</i> 2002 £	<i>Cash</i> <i>flows</i> £	<i>31 March</i> 2003 £
	Cash at bank and in hand	544,160	63,415	607,575
	Deposits at bank	11,333	47,946	59,279
	Cash held as current asset investment	14,335	285,846	300,181
		<u>569,828</u>	<u>397,207</u>	<u>967,035</u>
	Securities held as current asset investments	980,362	(300,036)	680,326
		<u>1,550,190</u>	<u>97,171</u>	<u>1,647,361</u>

St Catherine's Hospice Limited
NOTES TO THE FINANCIAL STATEMENTS
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22	CASH FLOWS (continued)		
c	Reconciliation of net cash flow to movement in net debt	2003 £	2002 £
	Increase/(Decrease) in cash in the year	397,207	(742,875)
	Cash used to (decrease)/increase liquid resources	(35,679)	38,009
		<u>361,528</u>	<u>(704,866)</u>
	Unrealised gain on current asset investments	(264,357)	(49,750)
		<u>97,171</u>	<u>(754,616)</u>
	Movement in net debt in the year	97,171	(754,616)
	Net debt at 1 April 2002	1,550,190	2,304,806
		<u>1,647,361</u>	<u>1,550,190</u>
	Net debt at 31 March 2003	<u>1,647,361</u>	<u>1,550,190</u>
23	CAPITAL COMMITMENTS	2003 £	2002 £
	Capital expenditure contracted for but not provided for in the financial statements	23,308	-
		<u>23,308</u>	<u>-</u>