



St Michael's Hospice

(incorporating the Freda Pearce Foundation)

Annual Report and Consolidated Financial Statements

for the year ended 31 March 2015



St Michael's Hospice (incorporating the Freda Pearce Foundation)

Contents

For the year ended 31 March 2015

	Page
Legal and administrative information	4
Report of the Trustees	5
Independent auditors report	26
Consolidated statement of financial activities	28
Consolidated and charity balance sheets	29
Consolidated cash flow statement	30
Notes forming part of consolidated financial statements	31

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Legal and administrative information

For the year ended 31 March 2015

Charity name	St Michael's Hospice (incorporating The Freda Pearce Foundation)
Charity Number	511179
Company Number	1634942
Address of registered office	St Michael's Hospice Bartestree Hereford, HR1 4HA
Directors (who are also Trustees) in service at 31 st March 2015	Mr A J Walshe, Chairman Mr G B Nairn, Vice Chairman Mr D R Teague, Vice Chairman Mr D Campion Dr J A Dalziel Mr I Entwisle Mrs K Garlick appointed 24 th November 2014 Mr M Greene Ms P A Greenwood Mr D Hammond Mr T D R Jenkins retired 31 st May 2014 Dr J J Kramer Dr R G Miller Mrs J Winney
Chief Executive Officer Hospice Management Team at 31 st March 2015	Mrs N C West Dr T Blower, Medical Director Mrs R Denison, Head of Fundraising, Marketing and Communications Mrs J Fisher, Head of Education Mrs J Mason, Head of Nursing resigned October 2014 Mrs Susan Morgan, Director of Care appointed January 2015 Mr S Rabbitts, Head of Support Services, Facilities and Volunteers Rev D Vonberg, Head of Family Services
Company Secretary	Ms S Newbould
Bankers	The Royal Bank of Scotland 21 Broad Street Hereford Herefordshire, HR4 9AP
Investment Managers	Thesis Asset Management Exchange Building St Johns Building Chichester West Sussex, PO19 1UP
Auditors	Sayer Vincent Invicta House 108-114 Golden Lane London, EC1Y 0TL

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Report of the Trustees

For the year ended 31 March 2015

We, the Trustees (also Directors) present our report and the audited consolidated financial statements for the year ended 31st March 2015. Reference and administrative information set out on page 4 forms part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005).

Structure, Governance and Management

St Michael's Hospice (incorporating the Freda Pearce Foundation) (the 'Hospice') is a charitable company limited by guarantee, registered in England and not having a share capital. It is governed by its Memorandum and Articles of Association dated 12th May 1982, as amended by Special resolutions on 2nd November 1998, 2nd October 2002, 15th April 2009, 24th March 2011 and 7th November 2012.

The Hospice is the parent undertaking of a group consisting of:

- **St Michael's Hospice Trading Limited** – The subsidiary is used for non-primary purpose trading activities.
- **St Michael's Hospice Development Company Limited.** The subsidiary is used for the redevelopment of the hospice buildings and surroundings.

Both subsidiaries are companies registered in England. All available profits are gift aided to the Hospice. Details are outlined in note 17 to the financial statements.

Internal Governance

With regard to non-clinical standards, we address our compliance with regulatory, legislative and constitutional requirements through a governance framework and management of risk.

The Board of Trustees

Trustees are recruited to the Board to:

- Safeguard and promote the values and mission of the Hospice
- Determine the strategy and structure of the Hospice
- Ensure the Hospice operates in an effective, responsible and accountable manner
- Ensure the effective functioning of the Board of Trustees
- Ensure all company statutory requirements are met

During the year, the Board of Trustees met at least quarterly, held an Annual General Meeting and participated in a strategic half away day. In between times it delegated its responsibilities to the Chief Executive.

Board members are unremunerated volunteers and are recruited according to a gap analysis which identifies skills, experience and qualities required for good governance of the Hospice.

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Report of the Trustees

For the year ended 31 March 2015

New Board members are inducted through visits, education documents and the Help the Hospices Guide to being a Trustee. Trustees are updated regarding specific issues at the half away day and at Board meetings. Recruitment of new Board members is carried out following the Hospice's recruitment process and includes an interview by the Chairman, at least one other Board member and the Chief Executive. References and a DBS check are also undertaken. Appraisal of Board performance is carried out by the Chairman.

A review of the Board and Committee meetings was undertaken in April 2015. The Board now meets every 6 weeks and the Executive Committee, which met monthly, has been disbanded. Sub committees now report into the 6 weekly Board meetings and the frequency and timing of these meetings has been adjusted accordingly.

Risk Management

There is a process by which we identify, report, manage and review major risks to the Hospice. Committees meeting quarterly update the risk register and report any significant change to the Board. The Board formally reviews and audits its risk registers annually. A comprehensive audit programme is in place for clinical and non-clinical activities and is reviewed by the Clinical Governance Committee. The Director of Care now undertakes the role of Responsible Officer for controlled drugs and attends the Local Intelligence Network.

The Clinical Governance Committee and sub-group investigate infection control risks, clinical practice and documentation, education and training, falls, drug errors, near misses and complaints. Outcomes of these investigations are reported to the Care Quality Commission in the quarterly reports. Any trends, concerns or risks are reported to the Board.

Public Benefit

Charity Commission Governance states that all charities must have charitable purposes or "aims" that are for the public benefit. We adhere to the two key principles of public benefit:

- That there are clear and identifiable benefits appropriate to the aims which are balanced against any detriment or harm
- That benefit is not unreasonably restricted and beneficiaries are appropriate to the aims

To this end our services benefit a specific section of the public (those with and affected by progressive life-limiting illness). Our beneficiaries within these criteria come from Herefordshire and the immediate surrounds of the adjoining counties of Powys, Shropshire, Worcestershire, Gloucestershire and Monmouthshire and are not unreasonably restricted in any way.

We base our aims and values on a philosophy that everyone is entitled to a good death irrespective of wealth, ethnicity, religion or belief, disability, sexual orientation, gender and with full regard to diversity. Benefits can be evidenced by consensus, informed opinion, user feedback and audit.

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Report of the Trustees

For the year ended 31 March 2015

Beneficiaries

The service we provide benefits adults over the age of 18 and adolescents from the age of 14, as well as young carers (5-14), adolescent carers (15-19) and adult carers (18+). People with all progressive life limiting conditions including cancers and non-malignant conditions including progressive long-term conditions and dementia (where the specialist advice and support of the Hospice is appropriate) benefit from the service both directly and indirectly. The service benefits adults and children experiencing loss, grief and a bereavement, over a period of extended time. The work of the Hospice has a positive and beneficial impact across the social and health economy throughout the community. Engagement with volunteers has a significant mutual benefit not just for the Hospice and volunteer but also for the wider community. Professionals and informal carers across Herefordshire benefit from the advice, training and education and skills gained are used outwith of palliative care settings and throughout the NHS. Primary, secondary and tertiary healthcare settings benefit from 24 hour advice and support.

Our Services

We provide palliative and end of life care, psychosocial and spiritual care and support with loss and grief, free of charge to those with or impacted by a progressive life-limiting illness. From the first day we opened, we made a commitment to provide and sustain a comprehensive range of services to adults aged 18 and over with progressive life limiting illness requiring palliative and end of life care, children aged 16 and over by prior permission of the Care Quality Commission and to families and others involved in their care. Our practice is holistic and takes into account the whole family, friends and others impacted by the individual's illness. We aim to provide a range of services that is designed to meet the individual's needs. Care is focused on whatever is important to the patient and family - spiritual care, emotional care, physical care, good pain and symptom control; advice and support with everyday living, information about financial advice, preparation for loss and bereavement.

We practice a philosophy that the patients and their family always come first and that if opportunities can be created to promote the patient's quality of life and well-being in however small a way, then the staff and volunteers will try to enable this to happen. Patients are encouraged to maintain as much control as possible and families are supported to enable them to give as much care as they are able. We do this through advice, education and support in whatever setting the patient is being cared for. Information is provided to enable patients and their families to make choices about their care and the environment in which they are cared for.

We provide a 24-hour advice and information service to care professionals, patients and other carers. We are also committed to draw on all our skills, experience and expertise to provide education and training to professionals and other carers involved in palliative and end of life care within our catchment and more extensively within the West Midlands.

We develop all our services in response to identified need and commissioning opportunity in consultation with service users, staff and volunteers. Patient and carer feedback is encouraged as are complaints, compliments and suggestions. A redevelopment of the Hospice buildings and surrounds was based on an extensive consultation with all staff, volunteers, patients and families, visitors and the local communities and has enabled us to consider significant progression of our services.

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Report of the Trustees

For the year ended 31 March 2015

The move to the new Inpatient Unit commenced in March 2015. It was important to us that our services remained operational throughout the redevelopment project. Of the 20 inpatient beds created in the new build, 16 are currently operational with the additional bed space being occupied by our day services, in order to provide continuity in service provision. A comprehensive range of services currently includes:

- 16 beds to deliver inpatient care for pain and symptom management, 24-hour specialist assessment and end of life care. Care facilities have been greatly enhanced by the construction of a new Inpatient Unit and integrated services block which have already transformed the way in which we can deliver our care. 16 single en-suite bedrooms arranged in four bedded clusters provide privacy and dignity for our patients whilst minimising isolation and promoting socialisation. Rooms are equipped with the latest technology and equipment to promote the therapeutic experience and enable the best care possible. On future successful completion of a significant refurbishment of our original building in early 2016, the four bedrooms currently occupied by day services will be released to enable us to further expand nurse-led initiatives, specialist respite, transitional and continuing care.
- Inreach Services are currently provided throughout the week on a temporary basis in the new Inpatient Unit until the bespoke day centre in the refurbished building is completed. These services are for people affected by progressive life-limiting illness to be able to 'reach in' to the Hospice and access personalised support, care, advice and information.

Inreach services include:

- Day Hospice Services
 - Living Well Service
 - Fatigue and Breathlessness Clinic
 - Renal Clinic
 - Lymphoedema Clinics
 - Carer Support Groups for adults, children and adolescents
 - Carer training initiatives
 - Outpatient Assessment Clinics
 - Outreach support to patients at home
- Additional clinics are planned to support people with progressive respiratory, cardiac and neurological conditions.
 - A Hospice at Home service comprising a volunteer visiting service (Hospice Neighbours) and co-ordinated night care service in partnership with Marie Curie. There are plans to significantly develop these services in the coming months to prevent unnecessary hospital admissions and to enable people to remain at home where this is their preferred place of care.
 - Other support to people accessing the above services through bereavement and psychotherapeutic counselling and family support services, social and spiritual care, complementary therapy, diversional therapy and music therapy.

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Report of the Trustees

For the year ended 31 March 2015

Objectives and Activities

We aim to deliver the highest standards of holistic palliative and end of life care possible to our patients and their families; ensure we are always ready and able to respond to the diverse and changing healthcare needs in the community; and ensure everyone in Herefordshire and the surrounding area has a real choice regarding end of life and palliative care now and in the future. We also strive to enable access to appropriate related learning, advice and information for external professionals, informal carers and others involved in the care process.

Staff and Volunteers

To deliver our services, we have a professional multidisciplinary team and many volunteers with specialist skills and experience in the aspects of the care we deliver. Staff and volunteers receive education, training and other opportunities to maintain and further develop their skills, knowledge and experience. Many long-term employees have progressed in their career pathways whilst working with us. The result is a stable, knowledgeable, experienced and committed workforce, particularly in middle and senior management roles. A professional development strategy and culture of motivation encourages creativity and dynamism.

We aspire to be the employer of choice within the health and social sector of Herefordshire and place high priority on the professional development of our staff to ensure fitness for purpose and quality of care. Increases in salaries over the course of the year are carefully controlled and were in recognition of the movement of staff within the salary banding structure in response to performance review, as agreed as part of the Terms and Conditions Review held in 2007. It is important to us that our employees and volunteers are fit for purpose, feel committed to the Hospice and that turnover and retention ensure the best mix of new ideas, skills and continuity.

Embedded deep into our culture is a volunteer model which values and optimises the skills, experience and qualities of volunteers in every aspect of our work. It is a highly regarded model within the hospice and charity sectors. Registered volunteers are recruited through a formal process which includes application, interview, references and Disclosure and Barring Service (DBS) check. A significant number of additional volunteers provide ad hoc support to Hospice and third party events. All volunteers are unpaid and can be remunerated for expenses in the course of their duties. Best practice is adhered to when recruiting staff and volunteers to ensure the best human resources for us now and for the future. A strategy is in place to significantly develop the volunteer roles in clinical and support areas. We have support mechanisms built in to our volunteer model.

927 volunteers currently work within the organisation, of whom approximately 334 work within the clinical and care areas of the service. At the end of March 2015, this workforce has been estimated to save us nearly £1.2 million per annum.

At year end we had 173 staff (42 full time, 94 part time and 37 bank staff) across the service, of whom 103 work directly in clinical and care areas and associated parts of the service.

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Report of the Trustees

For the year ended 31 March 2015

Partnership working

We work collaboratively with government, public service, statutory, business and other Third Sector providers to provide a seamless service delivery and optimisation of resources. Our skills, knowledge and experience, particularly regarding palliative and end of life care, volunteering, education and fundraising has been hugely influential in the strategic development of services, education programmes and fundraising activities both locally and more widely across the West Midlands and further afield. We believe in optimising skills and resources through partnership working and work closely with the Clinical Commissioning Groups for each geographical area. We work with NHS and Social Service colleagues in primary, secondary and relevant tertiary centres and with independent nursing and care homes and care agencies. We also work closely with community organisations and local churches. Most importantly, our partnership is with our community who, as financial contributors and stakeholders, have the greatest vested interest in our services and achievements. Partnership working with our users, supporters and the wider community is core to the opportunity for integration of the model of compassionate communities.

We are proposing a partnership model with Acorns Children's Hospice and Wye Valley Trust for transitional care of adolescents which will benefit local adolescents and their families and support other agencies involved in care delivery. A partnership model is planned for chaplaincy support to the acute trust, benefitting staff, patients and relatives. Carer support works alongside Herefordshire carers, Phoenix and Hope Support Services, CAMHS and Social Services, therefore providing seamless and connected multidisciplinary working. We are in partnership with St Richard's Hospice for education of benefit to health and social care professionals across the three counties. Partnership with the University of Worcester ensures wider access for Hospice staff to a breadth of academic training and thus has a knock-on effect on skills of staff and quality of advice and education to care partners. The partnership with Marie Curie to support the wider delivery of Hospice at Home benefits primary health care professionals, patients and their families and optimises skills and resources from both partner organisations.

Strategic Report

Context for the related financial statements

The figures presented in the financial statements consolidate the accounts of SMH Trading Company Limited and St Michael's Hospice Development Company Limited. The Trading Company trades new goods only through events, the website and retail outlets. These constitute less than 5% of total retail and trading income.

The Development Company was set up in 2009 to enable us to provide a framework and governance structure to deliver the redevelopment programme. The £11.3 million redevelopment of the Hospice building and environment is the first significant action taken to realise our vision of St Michael's Hospice patient care for the 21st Century. When the whole project has been completed, it will transform existing provision and will greatly improve the facilities and resources available for the treatment of patients. The new Inpatient Unit is already in use.

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Report of the Trustees

For the year ended 31 March 2015

With single room accommodation for all people under treatment, privacy and dignity for those in care and that of their relatives and other loved ones has been elevated to a new, much higher standard accompanied by greatly enhanced working conditions and environment for all staff. Replacing the current 30 year old building also enables us to meet the socio-political changes in hospice and end of life care and in the commissioning framework within the NHS. The redevelopment will enable us to develop a comprehensive range of services, diversify in response to changing demographics, health and social care needs and to deliver twice as much care, support, education and training in the future. This will now be possible in an environment and way which will secure best opportunities for us to tender for commissioned work and sustainable funding.

We are a local charity which over the last 31 years has become well established in the community it serves. However, despite it being established, or possibly because it is so, it is often misunderstood by people who come into contact with us. Many think that we are part of the NHS – we are not. We are a Civil Society Organisation that exists to serve the community of Herefordshire and parts of its surrounding counties, and we see ourselves as accountable to them.

The next 10 years will see significantly increasing numbers of people living and dying with complex end of life needs and we find ourselves facing the most radical restructuring of the NHS and the UK health economy since its inception 60 years ago. We are entering a period of considerable change which will have a significant impact on our ability to deliver and sustain services. Without doubt, we are facing the most challenging period in our history. The National Strategy for End of Life Care emphasises 24-hour access to community care, better integration across health and social care and co-ordinated care packages, more people to die in the place of their choice (i.e. home rather than hospital) and improved education and learning about palliative care. We are able to contribute to all of these initiatives and we need to make sure that we do. We are well prepared for a more competitive world, greater numbers of commissioners and more flexibility on geographical boundaries, with the Hospice acting as a hub for those initiatives and as the preeminent specialist resource, free at the point of delivery to our patients and their families.

Achievements and Performance 2014-2015

We are extremely proud of our achievement this year with regard to the redevelopment project. We have completed our new inpatient unit and therapies suite, remaining operational throughout and with the help of hugely sensitive contractors managed minimal disruption to our services. An exceptionally well planned fundraising strategy and extraordinary support from donors, grant-making trusts and our community not only achieved the new build phase of the project but has enabled us to instruct the much needed refurbishment of the original building.

The new building has transformed the way we can deliver inpatient and rehabilitative services and therapies, has increased accessibility to our support and care and enabled us to provide care in a more personalised, inclusive and dignified way. The refurbishment of the original building and further development of the landscaping will ensure that the full breadth of supportive services, day care facilities and outpatient services will be available to all people who may need them.

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Report of the Trustees

For the year ended 31 March 2015

In our care, we.....

- Embedded our Inreach and Hospice at Home services to support people wishing to remain at home and explored opportunities for commissioned community services with the CCG.
- Developed and delivered re-adaptive and rehabilitative programmes to support independence and ability to remain at home
- Delivered carer support and training over a much wider spectrum and geographical catchment
- Provided support through groups for more patients and carers and for particular marginalised groups
- Grew the support given to patients and families through counselling, psychology and bereavement support
- Further developed clinics for respiratory and cardiac conditions based on the success of our shared renal clinics in partnership with the NHS
- Worked with the CCG to create a model for highly specialised continuing care, specialist respite packages, urgent care and rapid response services for people at the end of life

Care activity

Inpatient Care

There were 282 completed stays in the Inpatient Unit over the year. 184 (65%) of admissions were from home or a residential care setting and the remaining 98 (35%) directly from hospital. Of all patients admitted, 171 (61%) died. The average length of stay was 14.9 days and average bed occupancy 72% (this is taken in the context of the redevelopment project and planned reduction of bed usage to facilitate safe and seamless transfer into the new building). 229 (81%) patients admitted had a primary cancer diagnosis, the remainder having heart, renal, motor neurone disease and other neurological diseases.

Inreach Care

197 patients were referred for our Inreach services with 100 of these attending our new Living Well Service. Over 1,200 episodes of significant support were provided to people by a range of professionals and volunteers through the Day Hospice and Living Well Service. In addition, there were professional consultations with medical, nursing, therapy, and social work staff, outpatient clinics, counselling sessions and support groups. The greater number (58%) of patients supported had a primary cancer diagnosis; the remainder had heart and lung conditions, motor neurone disease, and other neurological conditions including Parkinson's disease and dementia.

Counselling, Family and Bereavement Support

Over 1,100 patients and family members were supported by individual counselling, group counselling, and telephone contact during the year. An increasing level of bereavement support has been offered to individuals and to many bereaved relatives from previous years. An additional 120 young people and family members were directly supported by our Family Workers.

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Report of the Trustees

For the year ended 31 March 2015

Hospice at Home

207 patients were referred to the Hospice at Home service, of which 175 new patients were referred for night care to support them in their preferred place of care as they approached death. Episodes of night care were delivered through the partnership with Marie Curie averaging 4.4 nights of care at home for people at the end of their lives. Additionally, essential pre-bereavement and bereavement support has been provided to many of their relatives through this service. We also provided support and informal education and advice to professionals engaged through the co-ordination role. Our role in co-ordinating the service ensured a responsive package of care to help the primary health care professionals support patients to remain in their preferred place of care. Many people received visits much earlier in their illness from volunteer visitors, who provided much needed respite for their carers and companionship for the patients themselves. The Hospice at Home service supported a significantly higher proportion of non-cancer patients, including those with dementia, than historically. It is proposed that this pattern will continue to grow as the service develops.

In Human Resources, we.....

- Grew the volunteer workforce in all areas of our work
- Progressed strategic workforce planning and staff and volunteer development to ensure skills and resources for the future
- Reviewed the management structure for nursing care and allied professionals in response to the retirement of the Head of Nursing in 2014 and recruited an Inpatient Unit Lead in September 2014 and a Director of Care in January 2015

In Education, we.....

- Delivered communication skills training to GPs, primary health care professionals across all care settings
- Ran courses in conjunction with the University of Worcester
- Offered a programme of learning for Health and Social Care Assistants (Certificate Level)
- Continued existing programmes, both accredited and non-accredited, that are valid for local health and social care staff in line with existing and new socio-political agendas and local needs
- Planned and ran general public education/awareness-raising events
- Offered appropriate Hospice placement/visit programmes to students from health/social care settings, including pertinent individualised learning activities and workplace support visits as required
- Continued to foster links with local schools and colleges, encouraging work experience placements and responding to requests for teaching support as appropriate
- Sought appropriate funding sources to support educational activities wherever these are available
- Further developed the profile of the Hospice nationally and internationally via education, presentation and publication
- Successfully renewed our partnership with the University of Worcester

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Report of the Trustees

For the year ended 31 March 2015

In Communication and Marketing, we.....

- Restructured and recruited to a new communication model to deliver objectives outlined above
- Engaged with communities through a number of media including electronic websites, Facebook, Twitter and YouTube, public presentations and community profiling
- Furthered relationships with the media to advance our profile
- Advanced the marketing strategy including the redevelopment of our website

In Fundraising, we.....

- Grew and enhanced our relationship with supporters further
- Increased our engagement with corporates for capital and ongoing revenue support
- Explored and trialled new and diverse income generation opportunities through events and support groups, retail outlets and social media
- Further developed and embedded a donor development strategy in acknowledgement of donations, in pre- and post-event communication and in programmes aimed at increasing repeat giving
- Invested further in retail, particularly larger warehouses and gift aid
- Invested further in lottery resourcing and campaigns
- Developed and delivered legacy campaigns and secured support from solicitors for will-writing

In the Environment, we.....

- Sustained operational service onsite throughout the first phase of the redevelopment project
- Delivered the new build Inpatient Unit and therapies suite and transferred the current operations into it
- Instructed in full the next refurbishment phase of the redevelopment and progressed arrangements to commence this

Financial details

The total cost of the services during the year was £5.44 million, of which £3.75 million relates to medical and nursing services. These figures include £784,489 in respect of the book value write-down of fixed assets, predominantly relating to the handover of the original Hospice building for major refurbishment. Excluding this element of cost, the total cost of services was £4.66 million (2014: £4.37 million) of which £3.15 million relates to medical and nursing services (2014: £2.95 million).

Throughout this section, figures quoted exclude the costs associated with the book value write-down of fixed assets due to the major refurbishment phase of the redevelopment project.

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Report of the Trustees

For the year ended 31 March 2015

Statutory Funding

A contribution is made towards the running of the Hospice through a grant-funded service level agreement with Herefordshire Clinical Commissioning Group (£454,000 equating to 9.75% of operating costs in 2014-2015). A further grant of £28,000 is received for mid-Powys patients from Powys Local Health Board. This sustains around 30% of Powys activity. In this financial year, the total statutory contribution in the form of a grant from the NHS equated to just 10.35% of total operating costs, compared to the national average for statutory contribution of 34% (Help the Hospices, 2014). The remaining 89.65% of revenue needed is raised through a number of fundraising activities, donations, legacies and specific grant funding. Many grant applications are opportunistic and the Hospice will continue to apply for grants to support projects, to pump prime new services and particularly to fund elements of palliative and end of life care that the Hospice would deem to be essential and which are not usually funded or commissioned through statutory sources. Further grant applications will be made to grant-making trusts for the redevelopment project, of which some will be for ongoing revenue and service development within the new building.

Summary of Financial Performance

Financial performance over the past year has been good with containment of expenditure against budget and good performance in income generating streams for operating purposes. Alongside a capital appeal for the redevelopment of our buildings and surrounds, with the ongoing support of our volunteers, we achieved a surplus of £3.49 million (2014: £4.17 million). During the year, £2.23 million held in the Restricted Fund was transferred to the Designated Property Fund to meet the building costs arising from the ongoing redevelopment project. The much needed redevelopment, which will enable us to extend our services and double our care, has progressed at a time of general economic uncertainty and in the context of sustainability, growth and development of all of our services. Under the circumstances of the current economic climate, uncertain legacy income and alongside an appeal for capital income for the development, this is an excellent outcome for the Hospice. It reflects the high level of support from this community and the efforts of staff and management to contain spend, optimise cost efficiency and support the generation of income.

During the year, we.....

- Contained costs and sustained services and necessary service development
- Protected and grew sustainable revenue income streams
- Furthered the engagement and support of businesses
- Invested in critical income streams including lottery and retail
- Implemented the wider fundraising and marketing strategy
- Considered social and business enterprise opportunities
- Created strong relationships with potential health and social care commissioners
- Achieved the Capital Appeal target for the first phase of the redevelopment project and for the greater proportion of the refurbishment phase, the remainder being underwritten from Hospice reserves
- Continued to look for ways to provide the very best service in the most cost-effective way

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Report of the Trustees

For the year ended 31 March 2015

Income

Our unrestricted voluntary income totalled £4.24 million (2014: £2.04 million). A further £1.66 million (2014: £3.59 million) of restricted income was received of which £101,554 (2014: £72,242) was secured for care and educational purposes. Legacy income reached £3.69 million, an increase of £2.58 million over the previous year. Of this, bequests of £714,975 were designated or restricted to the redevelopment project.

At £2.01 million (2014: £1.88 million), retail sales of new and donated goods continue to exceed expectations achieving a 6.5% uplift on the previous year. This excellent result realised a net retail margin of £1.02 million (2014: £998,279) thanks in considerable measure to good management and the low cost of operation provided by our team of shop volunteers. For the 2014-15 financial year, the National Charity Retail Association presented the Hospice with an award for the Most Profitable Charity Retail Operation (11 to 20 shops category). This is clearly a testament to many factors including the public donation of goods, the recent move to larger warehouse units (significantly increasing floor space), the introduction and promotion of Gift Aid, our hard working staff, and without doubt the many hundreds of volunteers who devote their time and energy helping us keep costs down and sales up. Due to the current local retail economy, it was agreed that there would be no significant expansion of our trading of new goods in this financial year. Depressed sales of new goods across charities and high street retail sector performance in Herefordshire have influenced this decision. There will be opportunities to diversify our income generation in the future when the time is right. This year, £263 was gifted to the parent company (2014: £804).

The lottery continues to be an efficient and effective fundraiser, generating a net income of £286,136 during the year (2014: £280,899).

Expenditure

The greatest area of expenditure is on delivering and supporting direct patient care whilst the remainder is spent raising sufficient funds to be able to deliver patient care. Where possible, salaries were contained whilst ensuring patient care, operational efficiency and staff recruitment and retention were not compromised. Direct and general costs were significantly contained through reviews of providers, procurement, efficiencies and careful budgeting. The figures below categorise areas of spend, with the book value write-down of fixed assets due to the major refurbishment extracted and shown separately to enable more direct comparison by category with the previous financial year.

	2015	2014
Patient Care	3,149,629	2,951,805
Shops	986,449	886,020
Fundraising and Publicity	376,846	354,136
Lottery	130,393	156,498
Governance	14,248	17,314
Book value write-down of fixed assets	784,489	-
Total	5,442,054	4,365,773

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Report of the Trustees

For the year ended 31 March 2015

Reserves

Free cash reserves within general funds (note 13) stand at £5.17 million, an amount which equates to 11.26 months of budgeted 2015-2016 operating costs (or 11.77 months excluding depreciation charges). This represents only a slight drop on prior years (11.83 months and 12.49 months respectively) and is within our reserves policy. This is of particular importance within the context of the delivery of the redevelopment project. Disclosure of movement in funds is made in note 14 of the financial statements.

Given the economic climate, investments were retained in cash funds during the year. This was done to protect them from any major uncertainties and to ensure their ready availability to meet planned major expenditures arising from our redevelopment plan.

We are pleased therefore to present a position of stability and sustainability which reflects careful financial management, a successful and performing fundraising strategy for both capital and revenue income generation and sound organisational management with scrutiny of governance. Through the redevelopment of the buildings and surrounds, we are preparing the environment for the future and through careful investment in staff and volunteers and the development of care provision we will be able to be responsive to changes in hospice care in response to growing and changing needs of our community.

Some significant challenges will be encountered over the forthcoming years, not least in order to afford and sustain services for our community into the future but also to achieve the next phases of the much needed redevelopment of the Hospice. Through sound financial and business management, collaborative partnerships, strategic vision and the continuing support of the Herefordshire community, we firmly believe in our ability to continue to meet our objectives.

Funds held as Custodian Trustees on Behalf of Others

We manage a small fund of money (circa £2,000) on behalf of the EF Bulmer Fund to distribute by agreement to those in financial need as a result of the impact of life-limiting illness on a person or family member. By arrangement, the request has to come from a social worker; agreement is sought from the Chief Executive. An annual report is provided to the EF Bulmer Fund before a decision is made as to the amount of grant for the following year. As joint beneficiary, we also hold a cash investment which provides a lifelong annuity to an individual. The Hospice and a GP surgery are joint beneficiaries of the residual capital.

Plans for Future Periods

This year the Hospice is in an extraordinarily privileged position to seize opportunities for transformation and development and to secure sustainable funding for the future. Financial stability, cost efficiency and effectiveness in our service delivery, alongside our achievement of the building redevelopment, mean that we are well-positioned to be the leading qualified provider of choice. The environment and facilities will enable us to double our care and will make sure that we can achieve the best possible outcomes for all who use our services.

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Report of the Trustees

For the year ended 31 March 2015

The following drivers influence our vision for the future:

- Changing demographics increasing the demand for services and the need to diversify
- The need for a sustainable business model in an uncertain economic and commissioning world
- The need for the refurbishment of the original Hospice building in order to deliver services into the future
- Changing health and social care provision
- Changing needs and expectations of the community we support
- Choice, preferred place of care and outreach agendas
- Increasing dementia, co-morbidities and life-prolonging interventions
- A changing profile of cancer care
- Increasing competition in fundraising and tendering
- Competition in service provision

Our intention is to respond to these forces in order to continue to service the needs of our community in a planned and careful way, ever-mindful of cost efficiency, effectiveness and the reality that the Hospice is funded almost entirely by its community. It will be important to retain flexibility, creativity and a 'can-do' attitude. Central to this will be the volunteer model which is so embedded in the services currently provided.

Following the principles set out by the Commission into the Future of Hospice Care, we aim to:

- Develop our strategic leadership
- Further develop the capabilities of our employed and volunteer workforce
- Undertake rigorous strategic analysis to define outcomes for hospice care
- Support end of life care across all settings ('postcode appropriateness')
- Constantly reconceptualise our care, to think beyond what we and other hospices currently do and consider other partnership models
- Promote conversations, provide information, support individual choices within communities and among those we serve
- Promote greater understanding and support
- Work at intimacy of scale and demonstrate our ability to do this within a changing health and social care environment
- Promote intelligent leadership, aware of the changing environment, planning for the future, looking outwards and thinking strategically about our role
- Enable and support community participation in End of Life Care
- Lead collaboration and partnership and play a central role in facilitating open conversations about end of life care
- Become both Commissioners and Providers of Care – providing high quality care, but also influencing the way it is commissioned

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Report of the Trustees

For the year ended 31 March 2015

Strategic Objectives 2015-2016

Management

- Review the management structure to accommodate the development of community services and the need for seamless transition between services with consideration to an overarching service lead to translate strategic vision into service operation.

Future Targets for care:

We aim by the end of 2016 to:

- Provide greater accessibility to our services to ensure that double the number of local people receive our care when and where they need it
- Provide care and support far earlier in the person's illness to optimise the proactive benefit of our involvement
- Offer a broader range of care to increase our ability to respond to changing needs, flexibly and promptly addressing choice wherever possible
- Increase the percentage of patients referred at the time of palliative diagnosis from 5% to 40%
- Increase inpatient activity by 33% so that at least 450 patients and 1,125 carers will benefit from inpatient care once the new Inpatient Unit is fully commissioned
- Double our Hospice at Home activity and specialist outpatient activity
- Provide 50% more carer training and support to reach at least 350 carers
- Provide specialist continuing care and respite
- Support transitional care of young adults
- Further develop support to young carers and grandparents from 150 to 300 carers
- Extend services for patients with non-malignancies to increase numbers accessing day services by 50%
- Embed a comprehensive range of counselling and bereavement services for people pre-bereavement and post death to reach 250 clients over the year
- Double the number of people receiving support to prepare them for loss and grief and bereavement support after death to reach 1,000 bereaved people over the course of the year
- Support and engage more with our communities to deliver compassionate care from within
- Double our education contacts and ensure that everyone involved in the palliative and end of life care of people in Herefordshire and beyond benefits from our shared learning and expertise to have the best possible understanding and skills to meet the needs of their communities
- Further develop to optimise our volunteer model in all areas of care and support increasing volunteer activity in care areas by 20% by end 2016

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Report of the Trustees

For the year ended 31 March 2015

We will achieve this through development in the following areas:

Community Services

- Development of a commissioned care model in partnership with Marie Curie which is underpinned by local co-ordination with care delivered across a 24-hour period, ensuring it is responsive to differing needs and settings
- Development of a social care model in conjunction with the local authority to address social need in palliative care at home and in residential care settings

Inpatient Services

- Develop multidiscipline-led admissions
- Develop and train professionals, carers and volunteers to ensure skills and competencies to deliver new services
- Develop nursing and health care assistant skills and competencies to ensure quality provision of respite care for adolescents in transition
- Further expand inpatient services for progressive non-cancer conditions
- Progress a revised nursing model throughout the Inpatient Unit
- Integrate inpatient services with other departments
- Optimise the volunteer model throughout the Inpatient Unit
- Develop a model for commissioned placement of patients with specific continuing care needs
- Develop a model for commissioned integrated transitional respite and end of life care for adolescents, in partnership with Acorn's Children's Hospices
- Develop a model of nurse-led admissions for palliative and end of life care
- Develop a model for respite care and support for carers and social crises
- Develop a project for corneal harvesting
- Develop a project for patient recording
- Develop a project for therapeutic poetry and creative writing

Inreach Services

- Review current day care provision and explore potential for increasing nurse-led Day Hospice service
- Develop a bathing service/spa treatments for current patients and potentially for others with palliative care diagnosis and bathing need
- Develop rehabilitation services
- Develop supportive inreach services for young adults in transition
- Explore a model for social day care respite in collaboration with the local authority and social services/care agencies
- Review lymphoedema service provision in conjunction with Wye Valley Trust exploring commissioning opportunities
- Progress discussions regarding the commissioning of shared outpatient clinics for patients with respiratory conditions and end-stage heart failure and other cardiac conditions
- Further develop the Living Well model

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Report of the Trustees

For the year ended 31 March 2015

Family Support

- Further develop a comprehensive programme of psychosocial and bereavement support
- Progress outreach spiritual care services
- Develop Family Support Services for young adults in transition and their siblings
- Integrating a comprehensive range of psychological services including mindfulness and breathworks throughout the organisation
- Develop chaplaincy across settings, exploring the potential to be commissioned to support the hospital
- Develop music therapy and other therapeutic activity across services
- Check the progress of compassionate community work

Physiotherapy

- Further develop palliative and end of life rehabilitation programmes to promote independent living
- Further develop seated exercise and circuit training programmes

Complementary Therapy

- Further develop services utilising new spaces
- Grow community outreach for people who cannot leave home
- Explore and develop use of yoga at the end of life
- Increase the range of therapies offered through volunteer model

Occupational Therapy

- Develop occupational therapy assessment within current resources by optimising the building environments internally and externally
- Further develop the assistant role, internal staff, student and volunteer roles

Education Development

- Develop Hospice staff knowledge, skills and experiences to ensure fitness for future service delivery
- Further develop programme of education for GPs and nursing homes
- Explore rotational opportunities for nursing between acute, community and hospice services
- Expand the professional designated part of the Hospice website to include a comprehensive range of bite-size films of around 10 minutes and training 'snippets' on topics such as Key Therapeutics
- Develop emailed professional bites, an online learning forum and online e-learning modules
- Utilise telemedicine as a learning tool
- Explore work across the three counties with palliative care consultants and leads
- Develop and pilot a countywide GP palliative care evening programme to be delivered via new the Hospice Education Centre

Support Services

- Increase involvement of catering team in nutritional assessment and management of skin and pressure areas of patients
- Explore future models of catering for café and education, events and staff canteen
- Further develop an integrated framework for maintenance and asset management
- Increase skill and create greater involvement in health and safety risk assessment in the care environment
- Increase housekeeping contribution to the infection control strategy and management
- Review organisational compliance with regulatory bodies with regard to clinical environments and service development

Volunteering

An extensive strategy for volunteering builds on the highly successful volunteer model currently in place at the Hospice. Securing volunteers in roles across all service delivery and in all departments will be crucial to the future affordability of operating costs. The building redevelopment has opened up significant opportunities for new services and roles.

In the forthcoming year, we will:

- Undertake an analytical review of volunteering in the Hospice and analyse any gaps, opportunities and risks in volunteering
- Utilise findings to further develop a sustainable volunteer strategy
- Further explore roles in clinical areas and supportive care in particular

Fundraising

A relationship fundraising model will continue to form the basis of our approach across all departments. This is about long-term relationships with our donors/supporters and providing an opportunity for mutual benefits of association. We need to work hard and in a targeted way with our long-term supporters and those newly engaged through the Capital Campaign to enable everyone who supports the work of the Hospice to give an amount they feel comfortable with, and give it in a way and at a time that suits them. Our responsibility is to secure the support of everyone, as long as it is cost- and time-effective to do so. Our aim is to:

- Respond positively to the changing health and social care agendas, ensuring we benefit from future commissioning activities
- Successfully deliver both phases of the Hospice redevelopment project
- Build on our image (being seen as a great cause and telling human stories) in order to make sure that fundraising succeeds and also that our community goes on seeing St Michael's as a place of dignity and respect for those at the end of their lives
- Work effectively with the clinical teams to help ensure our long-term sustainability and our ability to compete in a more competitive market

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Report of the Trustees

For the year ended 31 March 2015

- Continue to generate the financial resources essential to the delivery of existing and future world-class service provision
- Continue to invest in different types of fundraising, building a balanced portfolio of risk and return, less vulnerable to recession, changing demographics, competition and unforeseen circumstances
- Continue to carefully steward financial resources and prudently manage investment and development

To meet the new range of challenges and demands going forward, we will continue to invest in volunteers and staff, and build on existing strengths to maintain a workforce that is ready to embrace the opportunities that lie ahead.

The 2015-2016 Business Plan has the following major objectives:

- To deliver in excess of £4 million revenue funding, and to achieve financial sustainability of 12 months operating requirements in unrestricted reserves by year end 2016
- To ensure the successful completion of the redevelopment and smooth transition into this; to enable us to respond positively to the changing NHS and UK health economy
- To focus on further increasing performance in retail through developing the contributions made through warehouse operations
- To achieve uplift in Gift Aid on donated goods of 20% by year end
- To rollout the new Hospice Shop branding, initiated in 2014-2015, on a staged basis, to develop the quality of the Hospice brand
- To replace the main database with one compatible with the Hospice accounting package and website and major online giving and social media platforms, to enhance our competitive position and scope to sustain income growth through increased efficiency, time relevant data, ability to plan and segment markets
- To continue to invest in resourcing the Lottery function, to maintain a base level of 7,500 player numbers (9% of the eligible population). In addition, invest in a second large scale paid-for canvassing campaign to achieve an additional 2,400 players
- To mount a full programme of inhouse-led events and an extensive programme of community and corporate engagement across the catchment area and extensively support a significant number of third party activities
- To extend the donor development strategy in acknowledgement of donations, in pre- and post-event communication and in programmes aimed at increasing repeat giving
- To establish a new Legacy and Gifts in Wills programme, building on the work to date. To design and promote a new In Memorium Giving campaign to raise awareness of the need for regular giving
- To continue to raise the effectiveness of marketing and communication with high quality content and the maintenance of brand standard to promote the identity of the Hospice and all facets of its multidisciplinary work
- With ongoing changes to the delivery and funding of NHS services, to give consideration to the provision of transitional care, continuing care beds and domiciliary care services, to increase the current level of government funding as a percentage of expenditure to a more significant level

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Report of the Trustees

For the year ended 31 March 2015

- To further develop our team and their capabilities to have the confidence and flexibility to drive forward our work, manage performance, and to feel comfortable with the external pace of change we must match

As a charity which relies on voluntary funding streams to cover almost 90% of its expenditure and renegotiates NHS funding every year, it is important that there are reserves held to enable the Hospice to continue charitable work effectively and seamlessly if income levels were to fall. Free reserves are also important to contribute to general expenditure in times of growth and change and to give flexibility to respond quickly to new demands and take on innovative projects.

Hospice UK reports that the average level of free reserves held by adult hospices represented 12 month's expenditure, 29% of hospices held 6 month's reserves or less. As the Hospice's current major redevelopment project nears completion, renewed focus will be given to the Reserves and Investment strategies going forward.

Principal Risks and Uncertainties

Over the course of this year, no new major risks were identified that were thought to be high enough to have a catastrophic effect on service delivery, income generation or compliance with regulations. The following material risks were considered:

- Unpredictability of the legacy stream
- A risk to donations for revenue need as a result of the economic climate and competition for funds
- Uncertainty as to future commissioning frameworks
- Competitive tendering, especially from national commercial institutes with limited overheads
- Significant overspend in the local NHS resulting in service cuts and redesign
- Demand for Hospice services outstripping capacity both in terms of volume and skill
- An ageing workforce and volunteer cohort
- Challenges in recruitment, particularly in nursing nationally and locally

Alternative sources of sustainable income generation were agreed as part of the Fundraising Strategy and further investment made into the lottery and retail, particularly the warehouse outlets and into a new website. Positioning ourselves for future commissioning and sustainable funding remains a priority and prime objective.

Assessment of workforce and volunteer skills and experiences has informed workforce planning and includes flexible approaches to staffing and workforce modelling. Succession planning for middle and senior management posts and Trustees and a creative approach to a volunteer strategy which provides solutions are in place to mediate workforce resource risks.

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Report of the Trustees

For the year ended 31 March 2015

Statement of Trustees Responsibilities

The Trustees (who are also Directors of the company for the purposes of company law) are responsible for preparing the report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements of the Hospice for each financial year which give a true and fair view of the state of affairs of the company and of the incoming revenue and application of resources. Trustees are required to:

- Select and apply suitable accounting policies
- Observe methods and principles in the Charities SORP
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and for taking reasonable steps for the prevention and detection of fraud and other irregularities. In so far as the Trustees are aware:

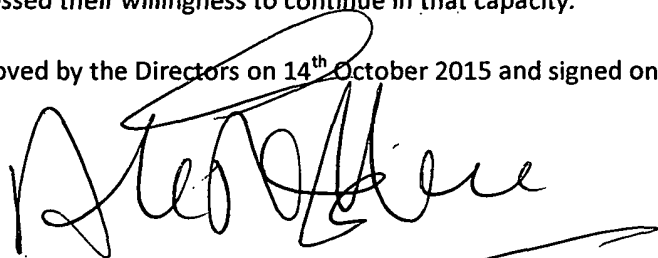
- There is no relevant audit information of which the charitable company's auditor is unaware
- Trustees have taken all steps to make them aware of any relevant audit information and to establish that the auditor is aware of that information

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

Auditors

Sayer Vincent LLP was re-appointed as the charitable company's auditors during the year and has expressed their willingness to continue in that capacity.

Approved by the Directors on 14th October 2015 and signed on their behalf by



Mr A Walshe - Chairman

Independent auditors' report

To the members of

St Michael's Hospice

We have audited the financial statements of St Michael's Hospice (incorporating The Freda Pearce Foundation) for the year ended 31 March 2015 which comprise the group and parent charitable company statement of financial activities, the group and parent charitable company balance sheets, the group cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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

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

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Independent auditors' report
To the members of
St Michael's Hospice

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2015, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Catherine Sayer (Senior statutory auditor)

21st October 2015

for and on behalf of Sayer Vincent LLP, Statutory Auditors

Invicta House, 108-114 Golden Lane, LONDON EC1Y 0TL

Sayer Vincent LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Consolidated Statement of Financial Activities (incorporating an income and expenditure account)

For the year ended 31 March 2015

	Note	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	2	4,243,691	1,080,884	5,324,575	3,509,235
Activities for generating funds:					
Retail shop income		2,006,116	-	2,006,116	1,884,299
Lottery income		416,527	-	416,527	437,397
Investment income		-	-	-	2,350
Incoming resources from charitable activities:					
Grants	3	574,999	582,180	1,157,179	2,677,739
Total incoming resources		7,241,333	1,663,064	8,904,397	8,511,020
Resources expended					
Costs of generating funds:					
Costs of generating voluntary income:					
Fundraising & publicity		429,423	-	429,423	354,136
Retail shop expenditure		1,099,008	-	1,009,008	886,020
Lottery expenditure		140,646	-	140,646	156,498
Charitable activities:					
Nursing services		3,016,982	96,760	3,113,742	2,430,989
Medical care services		644,987	-	644,987	520,816
Governance costs		14,248	-	14,248	17,314
Total resources expended	4	5,345,294	96,760	5,442,054	4,365,773
Net incoming resources before transfers		1,896,039	1,566,304	3,462,343	4,145,247
Gross transfers	14	2,232,314	(2,232,314)	-	-
Net incoming resources before other recognised gains	5	4,128,353	(666,010)	3,462,343	4,145,247
Realised gains on investments	9	2,158	364	2,522	1,747
Net income for the year		4,130,511	(665,646)	3,464,865	4,146,994
Unrealised gains on investments	9	28,375	-	28,375	18,625
Net movement in funds		4,158,886	(665,646)	3,493,240	4,165,619
Reconciliation of funds					
Total funds brought forward		12,001,555	749,013	12,750,568	8,584,949
Total funds carried forward		16,160,441	83,367	16,243,808	12,750,568

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 14 to the financial statements.

St Michael's Hospice (incorporating the Freda Pearce Foundation)

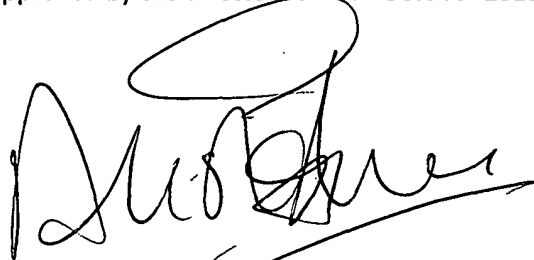
Balance Sheets

Company No: 1634942

As at 31 March 2015

		Group		Charity	
	Note	2015 £	2014 £	2015 £	2014 £
Fixed assets					
Tangible fixed assets	8	8,868,802	5,864,235	8,868,802	5,864,235
Investments	9	5,622,276	5,702,191	5,622,276	5,702,191
		<u>14,491,078</u>	<u>11,566,426</u>	<u>14,491,078</u>	<u>11,566,426</u>
Current assets					
Stock	10	14,779	18,552	-	-
Debtors	11	1,894,218	579,874	1,846,714	557,108
Short term deposits		249,892	1,352,740	249,892	1,352,740
Cash at bank and in hand		396,143	521,498	381,278	521,498
		<u>2,555,032</u>	<u>2,472,664</u>	<u>2,477,884</u>	<u>2,431,346</u>
Liabilities					
Creditors: amounts due within one year	12	802,302	1,288,522	731,011	1,242,288
Net current assets		<u>1,752,730</u>	<u>1,184,142</u>	<u>1,746,873</u>	<u>1,189,058</u>
Net assets	13	<u>16,243,808</u>	<u>12,750,568</u>	<u>16,237,951</u>	<u>12,755,484</u>
The funds of the group					
Restricted funds					
In surplus		83,367	749,013	83,367	749,013
Unrestricted funds					
Designated funds		10,986,029	7,557,990	10,986,029	7,557,990
General funds		5,174,412	4,443,565	5,168,555	4,448,481
Total funds	14	<u>16,243,808</u>	<u>12,750,568</u>	<u>16,237,951</u>	<u>12,755,484</u>

Approved by the directors on 14th October 2015 and signed on their behalf by:



Mr A Walshe - Chairman

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Cashflow Statement

For the year ended 31 March 2015

	2015 £	2014 £	
Net cash inflow from operating activities	2,602,086	4,760,470	
Capital expenditure and financial investment			
Purchase of tangible fixed assets	(3,934,053)	(3,426,270)	
Transfers to managed investment fund	(1,826,602)	-	
Transfers from managed investment fund	1,935,014	200,000	
	(3,825,641)	(3,226,270)	
(Decrease) / Increase in cash in year	(1,223,555)	1,534,200	
Reconciliation of net incoming resources before revaluations to net cash inflow from operating activities			
Net incoming resources before revaluations	3,462,343	4,145,247	
Depreciation	144,997	153,194	
Freehold buildings write-down of net book value re refurbishment	781,710	-	
Investment income	-	(2,350)	
Investment management fees	2,400	3,214	
Other fixed asset write-down of net book value re refurbishment	2,779	-	
Decrease in stocks	3,773	5,484	
(Increase) in debtors	(1,314,344)	(267,314)	
(Decrease) / increase in current liabilities	(481,572)	722,995	
Net cash inflow from operating activities	2,602,086	4,760,470	
Reconciliation of net cash flow to movement in net funds			
Increase in cash in year	(1,223,555)	1,534,200	
Net funds at 1 April 2014	1,862,944	328,744	
Net funds at 31 March 2015	639,389	1,862,944	
Analysis of changes in net funds			
	At 1 April 2014 £	Cash flows £	At 31 March 2015 £
Cash at bank and in hand	521,498	(125,355)	396,143
Short term deposits	1,352,740	(1,102,848)	249,892
Bank loans and overdrafts	(11,294)	4,648	(6,646)
Increase/(decrease) in the year	1,862,944	(1,223,555)	639,389

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Notes to the financial statements

For the year ended 31 March 2015

1. Accounting policies

a) Basis of accounting

The financial statements have been prepared under the historical cost convention except for investments which have been included at re-valued amounts and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (issued in March 2005).

b) Consolidation

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries - St Michael's Hospice Trading Limited and St Michael's Hospice Development Company Limited, on a line by line basis. Transactions and balances between the charitable company and its subsidiaries have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. Advantage is taken of the FRS 8 exemption from disclosure of intra-group transactions. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005.

c) Depreciation

Items are capitalised where the purchase price exceeds £1,000. Depreciation of fixed assets is charged by equal annual instalments commencing with the year of acquisition at rates estimated to write off their cost or valuation less any residual value at the following rates:

Freehold land and hospice buildings	See below
Leasehold improvements	Over the period of the lease
Medical and nursing equipment and beds	25-33⅓%
Motor vehicles	20-25%
Other equipment, fixtures, furnishings and fixtures	20-25%
Computer equipment	33⅓%
Plant & Machinery	15 - 20 years
Shop equipment	25%

Land and buildings are included at cost and houses are included at valuation. Buildings are held at cost and are depreciated over their expected useful life of 40 years. Houses held at valuation are not depreciated but are re-valued independently at 3 yearly intervals at open market value for existing use.

Assets in the course of construction are not depreciated. Furnishings, crockery and linen are not depreciated but their replacements are charged to repairs and renewals.

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Notes to the financial statements

For the year ended 31 March 2015

1. Accounting policies (continued)

d) Pension Schemes

Defined benefit scheme

The Hospice contributes to the NHS pension scheme for staff eligible to join the NHS scheme. Such contributions are a fixed percentage of salary. Contributions are charged to the Statement of Financial Activities in accordance with the rules of the schemes.

Defined contribution scheme

Where staff are not eligible to join the NHS pension scheme, they can opt to join a group personal pension plan scheme or, subject to meeting Government criteria, they will be automatically enrolled in to a compliant workplace pension scheme. The Hospice also contributes to the personal schemes of individual employees. Such contributions are a fixed percentage of salary. Contributions are charged to the Statement of Financial Activities in accordance with the rules of the schemes.

e) Stocks and donated goods

Income from goods donated for resale in the Hospice shops is accounted for in the year in which the goods are sold. No value is placed on any stock of donated goods. Other stocks are valued at the lower of cost and net realisable value.

f) Investments

Investments are stated at market value, calculated as follows:

UK Equities	Middle of the quotation from the Stock Exchange daily official list
Unit Trusts	Bid price
Others	As valued by the Investment Managers

Realised gains or losses arising on the disposal of investments are determined by reference to the difference between the market valuation at the beginning of the year, plus the cost of additions, and the sale proceeds.

Unrealised gains or losses are determined by the movement in the market valuations from the beginning of the year, plus the cost of additions and the market valuations at the balance sheet date, and are taken to the Statement of Financial Activities.

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Notes to the financial statements

For the year ended 31 March 2015

1. Accounting policies (continued)

g) Incoming resources

Income including grants and legacies is accounted for on a receivable basis, recognised when entitlement to the income has been established, the amounts can be ascertained and receipt is certain. Income relating to tax claims for donations made net of tax relief is accounted for in the year in which the donation was received. Donated investments are accounted for at market value at the date the donation became receivable. The value of services provided by volunteers has not been included.

h) Resources expended

Resources expended are recognised in the period in which they are incurred. Direct and support costs represent specific attributable costs directly in relation to the activity and where specific allocation has not been possible these have been allocated on the basis of average salary (see note 4). Governance costs include those costs associated with meeting constitutional and statutory requirements and include audit fees and costs linked to strategic management.

i) Operating leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.

j) Funds

Unrestricted funds are those available for use at the discretion of the directors in furtherance of the general objectives of the Hospice and which have not been designated for any other purpose.

Restricted funds are those which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Hospice for a specific purpose. The notes to the accounts provide further details. Once the terms and conditions of the restrictions have been met, tangible fixed assets purchased with restricted monies, are transferred to unrestricted funds.

Designated funds represent the total Net Book Value of the freehold land and buildings and assets in the course of construction held at the balance sheet date and funds designated for the Development project.

k) Deferred capital grants

Deferred capital grants in respect of capital expenditure are treated as deferred income and are credited to the statement of financial activities over the estimated useful life of the assets to which they relate.

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Notes to the financial statements

For the year ended 31 March 2015

2. Voluntary income

	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Donations, covenants, corporate & GAYE	812,814	454,466	1,267,280	2,022,941
Support groups	291,510	74,091	365,601	375,894
Legacies	3,139,367	552,327	3,691,694	1,110,400
Total	4,243,691	1,080,884	5,324,575	3,509,235

3. Incoming resources from charitable activities

	Unrestricted £	Restricted £	2015 Total £	2014 Total £
Grants from Primary Care Trusts	555,799	-	555,799	531,339
Grants from grant making trusts	19,200	582,180	601,380	1,466,400
Department of Health grant	-	-	-	680,000
Total	574,999	582,180	1,157,179	2,677,739

4. Total resources expended

Direct and support costs represent specific attributable costs directly in relation to the activity and where specific allocation has not been possible these have been allocated on the basis of staff costs as follows:

	2015		2014	
	Direct %	Support %	Direct %	Support %
Average salary allocation:				
Retail shop expenditure	13.64	0.57	12.95	0.68
Fundraising and publicity	6.30	1.31	5.71	1.35
Lottery expenditure	0.71	-	0.74	-
Nursing services	60.11	3.11	60.49	3.09
Medical care services	13.68	0.57	14.31	0.68

St Michael's Hospice (incorporating the Freda Pearce Foundation)
Notes to the financial statements
For the year ended 31 March 2015

4. Total resources expended (continued)

	Fundraising and publicity	Activities for generating funds	Nursing services	Medical care services	Governance costs	Support costs	Total 2015	Total 2014
	£	£	£	£	£	£	£	£
Staff costs (Note 6)	201,562	458,816	1,921,952	437,478	-	177,961	3,197,769	2,930,206
Other staff costs	4,465	7,963	25,678	850	-	2,415	41,371	35,725
Communications	37,522	-	37,522	-	-	-	75,044	80,631
Education	-	-	1,456	-	-	162	1,618	8,674
Fundraising and events	43,603	-	-	-	-	-	43,603	65,025
Lottery expenses	-	107,252	-	-	-	-	107,252	130,122
Shop expenses	-	450,145	-	-	-	-	450,145	407,276
Office and administration	8,120	18,485	77,430	17,625	-	7,170	128,830	95,593
Catering and domestic	-	-	61,035	-	-	6,782	67,817	57,063
Fuel, Rates and Water	4,915	11,188	46,864	10,667	-	4,339	77,973	65,540
Maintenance	2,764	6,293	26,359	6,000	-	2,441	43,857	41,712
Nursing and medical supplies	-	-	27,149	-	-	-	27,149	23,779
Legal and professional fees	4,756	10,826	45,349	10,322	-	4,199	75,452	113,612
Audit and accounts	-	-	-	-	12,650	-	12,650	15,036
Depreciation & Impairment costs	9,139	20,804	87,148	19,837	-	8,069	144,997	153,194
Fixed asset write-down	49,448	112,559	471,500	107,324	-	43,658	784,489	-
Irrecoverable VAT	4,146	9,437	39,528	8,998	-	3,660	65,769	76,533
Restricted funds - direct expenditure	-	-	96,269	-	-	-	96,269	66,052
	370,440	1,213,768	2,965,239	619,101	12,650	260,856	5,442,054	4,365,773
Support Costs	58,983	25,886	148,503	25,886	1,598	(260,856)	-	-
Total resources expended	429,423	1,239,654	3,113,742	644,987	14,248	-	5,442,054	4,365,773

St Michael's Hospice (incorporating the Freda Pearce Foundation)**Notes to the financial statements****For the year ended 31 March 2015****5. Net incoming resources for the year**

This is stated after charging:		2015	2014
		£	£
Depreciation		144,997	153,194
Operating lease rentals:	- property	257,373	257,692
	- other	3,563	5,468
Auditors' remuneration:	- audit	9,850	12,000
	- prior year under accrual of audit services	2,300	-
	- other services	1,250	1,000
Auditors' remuneration included within fixed assets work in progress:			
	- audit	2,400	2,200
	- other services	-	1,200

No Trustees received any remuneration or reimbursement of expenses during the year (2014: Nil).

6. Staff costs and numbers

Staff costs were as follows:		2015	2014
		£	£
Salaries and wages		2,798,470	2,574,937
Social security costs		179,591	159,065
Pension contributions		219,708	196,204
		<u>3,197,769</u>	<u>2,930,206</u>
Total staff emoluments were:		<u>3,018,178</u>	<u>2,771,141</u>

One salaried employee earned between £70,000-£80,000 during the year (2014: one employee). Pension contributions for this staff member amounted to £9,224 (2014: £8,939). The salaries and wages figure above includes 5 individuals who are contracted with the local NHS Trust, the cost of which is recharged to the Hospice. These include senior medical consultants and some therapists.

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2015	2014
	No.	No.
Charitable activities	74	72
Fundraising and publicity	25	24
	<u>99</u>	<u>96</u>

7. Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

St Michael's Hospice (incorporating the Freda Pearce Foundation)
Notes to the financial statements
For the year ended 31 March 2015

8. Tangible fixed assets – Group and Charity

	Freehold land and buildings £	Assets in the course of construction £	Leasehold property £	Medical and nursing equipment and beds £	Fixtures, furnishings and fittings £	Plant & Equipment	Motor Vehicles £	Total £
Cost or valuation								
At the start of the year	2,861,343	4,072,242	171,034	130,345	236,607	-	103,464	7,575,035
Additions in year	-	3,783,182	5,768	14,935	119,440	10,728	-	3,934,053
Write-down in year	(2,084,413)	-	-	(51,375)	(78,831)	-	-	(2,214,619)
At the end of the year	776,930	7,855,424	176,802	93,905	277,216	10,728	103,464	9,294,469
Depreciation								
At the start of the year	1,215,347	-	114,755	110,055	184,539	-	86,104	1,710,800
Charge for the year	87,355	-	13,604	10,843	24,920	33	8,242	144,997
Write-down in year	(1,302,702)	-	-	(51,375)	(76,053)	-	-	(1,430,130)
At the end of the year	-	-	128,359	69,523	133,406	33	94,346	425,667
Net book value								
At the end of the year	776,930	7,855,424	48,443	24,382	143,810	10,695	9,118	8,868,802
At the start of the year	1,645,996	4,072,242	56,279	20,290	52,068	-	17,360	5,864,235

Freehold land and buildings includes three houses adjacent to the main hospice building. The houses are included in the accounts at £584,732. No depreciation is charged in respect of these houses.

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Notes to the financial statements

For the year ended 31 March 2015

9. Investments – Group and Charity

	2015 £	2014 £
Market value at the start of the year	5,702,112	5,336,512
Additions at historic cost	1,626,602	3,387,971
Disposal proceeds	(1,937,435)	(3,042,743)
Unrealised gain	28,375	18,625
Realised gain	<u>2,522</u>	<u>1,747</u>
Market value at the end of the year	<u>5,422,176</u>	<u>5,702,112</u>
Investments - cash holdings	200,100	79
Market value at the end of the year	5,622,276	5,702,191
Historic cost at the end of the year	5,582,152	5,682,590

Investments comprise:

	2015 £	2014 £
Cash and cash funds	5,622,275	5,702,190
Investment in subsidiary undertakings incorporated in the UK	<u>1</u>	<u>1</u>
	<u>5,622,276</u>	<u>5,702,191</u>

10. Stock

	Group		Charity	
	2015 £	2014 £	2015 £	2014 £
Goods for resale	<u>14,779</u>	<u>18,552</u>	<u>-</u>	<u>-</u>
	<u>14,779</u>	<u>18,552</u>	<u>-</u>	<u>-</u>

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Notes to the financial statements

For the year ended 31 March 2015

11. Debtors

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	48,686	43,590	38,413	43,590
Other debtors	1,784,486	463,764	1,747,255	440,998
Prepayments and accrued income	61,046	72,520	61,046	72,520
	<u>1,894,218</u>	<u>579,874</u>	<u>1,846,714</u>	<u>557,108</u>

12. Creditors: amounts due within one year

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	158,271	78,925	147,089	70,020
Tax and social security	62,330	45,436	62,330	45,436
Bank overdraft	6,646	11,294	6,646	5,195
Accruals and deferred income	550,820	1,031,995	504,409	1,093,120
Other creditors	24,235	120,872	10,537	28,517
	<u>802,302</u>	<u>1,288,522</u>	<u>731,011</u>	<u>1,242,288</u>

13. Analysis of group net assets between funds

	Restricted funds	Designated funds	General funds	Total funds
	£	£	£	£
Tangible fixed assets	-	8,632,354	236,448	8,868,802
Investments	200,000	1,653,008	3,769,268	5,622,276
Net current assets/ (liabilities)	(116,633)	700,667	1,168,696	1,752,730
Net assets at the end of the year	<u>83,367</u>	<u>10,986,029</u>	<u>5,174,412</u>	<u>16,243,808</u>

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Notes to the financial statements

For the year ended 31 March 2015

14. Movements in group funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers £	At the end of the year £
Restricted funds:					
Patient care	15,358	47,551	(5,657)	-	57,252
Funds for other specific items	32,672	39,003	(45,560)	-	26,115
Development project	700,983	1,561,874	(30,543)	(2,232,314)	-
Eric Bayliss nurses fund	-	15,000	(15,000)	-	-
Total restricted funds	749,013	1,663,428	(96,760)	(2,232,314)	83,367
Unrestricted funds:					
<i>Designated funds:</i>					
Property fund	5,718,238	-	(869,066)	3,783,182	8,632,354
Development fund	1,839,752	161,948	(97,157)	449,132	2,353,675
<i>Total designated funds</i>	7,557,990	161,948	(966,223)	4,232,314	10,986,029
General funds	4,443,565	10,892,589	(8,161,742)	(2,000,000)	5,174,412
Total unrestricted funds	12,001,555	11,054,537	(9,127,965)	2,232,314	16,160,441
Total funds	12,750,568	12,717,965	(9,224,725)	-	16,243,808

Transfers represent the movement of restricted development funds as they are expended and included within designated property funds.

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Notes to the financial statements

For the year ended 31 March 2015

14. Movements in group funds (continued)

Purpose of restricted funds:

Restricted funds totalling £83,367 comprise:

i. Patient care

In addition to £15,358 at the start of the year restricted for care purposes an additional £47,551 was received during the year from individual donations for specific patient care purposes. £5,657 was expended for these purposes during the year.

ii. Funds for other specific items

In addition to £32,672 at the start of the year, a further £39,003 was received from grant-making trusts and individual donations, for specific items and service related activity including education, of which a total of £45,560 was expended for these purposes during the year.

iii. Development project

In addition to £700,983 at the start of the year, £1,561,874 was received from grant-making trusts and individual donations specifically for the development project. £2,262,857 was expended for this purpose during the year.

iv. Eric Bayliss nurses fund

£15,000 was donated and used specifically towards nursing salaries.

Purpose of designated funds

Unrestricted designated funds totalling £10,986,029 comprise:

i. The property fund

This equates to the net book value of the freehold land and buildings and assets in the course of construction.

ii. The development fund

This equates to the remainder of funds designated by the Board of Directors for the redevelopment of the Hospice after paying out for salary and marketing costs relating to the capital appeal. An additional £2,157,995 was designated to the redevelopment in 2014-15 including £157,995 of legacy income.

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Notes to the financial statements

For the year ended 31 March 2015

15. Operating lease commitments

The Hospice had annual commitments at the year-end under operating leases expiring as follows:

	2015		2014	
	Land and buildings £	Other £	Land and buildings £	Other £
Less than 1 year	-	-	6,540	-
1 - 2 years	13,900	-	13,900	-
2 - 5 years	77,160	3,563	40,512	3,563
Over 5 years	74,500	-	107,600	-
	<u>165,560</u>	<u>3,563</u>	<u>168,552</u>	<u>3,563</u>

16. NHS Pension Scheme

The NHS Pension Scheme is an unfunded occupational scheme backed by the Exchequer, which is open to all NHS employees and certain employees of other approved organisations. St Michael's Hospice is an approved organisation. The Scheme provides pensions, based on final salary, in varying circumstances for employees of participating employers. The Scheme receives contributions from employees and employers to defray the costs of pensions and other benefits.

From 1 April 2006 the NHS Business Services Authority (the Authority) has been the body responsible for the administration of the NHS Pension Scheme for England and Wales.

In support of the Authority, NHS employers are required to explain the Scheme to the employees. In addition they submit pension data to the NHS Business Services Authority (NHSBSA).

Every four years the Government Actuary conducts a full actuarial review of contribution rates, the last one being 31 March 2012. In order to defray the costs of benefits, employers pay contributions of 14% of pensionable pay and employees contribute on a tiered scale from 5% - 14.5% of their pensionable pay depending on total earnings.

Further information on benefits can be obtained from the NHS Pension Scheme website.

17. Subsidiary undertakings

The charitable company owns the whole of the issued ordinary share capital of St Michael's Hospice Trading Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company.

St Michael's Hospice (incorporating the Freda Pearce Foundation)**Notes to the financial statements****For the year ended 31 March 2015****17. Subsidiary undertakings (continued)**

A summary of the results of the subsidiary is shown below:

	2015 £	2014 £
Turnover	40,343	50,362
Cost of sales	(36,593)	(38,870)
Gross profit	3,750	11,492
Distribution costs	(1,388)	(4,253)
Administrative expenses	(2,099)	(6,435)
Gift aid donation to parent company	(263)	(804)
Operating profit / (loss)	-	-
The aggregate of the assets, liabilities and funds was:		
Assets	15,027	18,552
Liabilities	(14,463)	(17,988)
Funds	564	564

The charitable company also owns the whole of the issued ordinary share capital of St Michael's Hospice Development Company Limited, a company registered in England. The subsidiary is used for the redevelopment of the hospice buildings and surroundings. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2015 £	2014 £
Turnover	3,783,182	3,391,609
Cost of sales	(3,780,670)	(3,387,429)
Gross profit	2,512	4,180
Administrative expenses	(2,512)	(4,180)
Gift aid donation to parent company	-	-
Operating profit / (loss)	-	-
Taxation	-	-
Profit on ordinary activities for the period	-	-
The aggregate of the assets, liabilities and funds was:		
Assets	253,281	1,027,200
Liabilities	(253,274)	(1,027,193)
Funds	7	7

St Michael's Hospice (incorporating the Freda Pearce Foundation)

Notes to the financial statements

For the year ended 31 March 2015

18. Capital commitments

At the year end the charitable company had capital commitments as follows:-

£2,898,214 commitment in connection with the balance of the new build and refurbishment phases of the proposed hospice development. (2014: £6,496,772).

19. Related party transactions

During the year, the charitable company entered into transactions for the purchase of services from Board members as described below:

Mr M Greene (Board member), purchase of printing services totalling £4,815 (2014 - £17,564). All transactions were on normal arms length commercial terms. At the 31st March 2015 a balance was outstanding to Mr Greene of £486 (2014: £238).

The wife of Board Member Mr I Entwisle works at the Hospice as a Communications Assistant and the sister of Board Member Mrs J Winney works at the Hospice in catering. Both are employed under standard Hospice employment terms and conditions.

The wife of Board Member Mr D Campion worked at the Hospice for part of the year as a Health Care Assistant under the same standard conditions.

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