

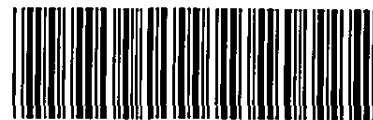
Company registration number 2141770  
Charity registration number 298555

Chantrey Vellacott DFK LLP

**ST LUKE'S HOSPICE  
(HARROW & BRENT) LIMITED**

**Financial statements  
For the year ended 31 December 2007**

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# ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

## Financial statements for the year ended 31 December 2007

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# ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

## Reference and Administrative Information

### Registered Name

St Luke's Hospice (Harrow & Brent) Limited

### Registered Charity Number

298555

### Registered Company Number

2141770

### Registered Office and Principal Address

Kenton Grange  
Kenton Road  
Harrow  
Middlesex HA3 0YG

### Trustees

J F Carling JP  
J Campbell BSc ACMA  
J Gaffin OBE  
A Martin MA  
M Redhouse  
A Parmar  
M R Wilson JP FCMC

S Aldridge-Bent JP RGN  
H Hodge  
Dr W A Kelsey  
A D Mee FRCS  
S Selwyn  
K Tighe

### Senior Staff

Chief Executive Officer  
Director of Patient Services  
Medical Director  
Director of Fundraising &  
Community Relations  
Director of Finance

M R Coward BA FRSA FRIPH FCMi MloD  
G Burke MA RGN SCM  
Dr C Daniels Bsc (Hons) MB ChB MRCP

Vacant  
M A Rodger BA ACMA

### Principal Bankers

Allied Irish Bank (GB)  
22-35 Wembley Hill Road  
Wembley  
Middlesex HA9 8AS

### Auditor

Chantrey Vellacott DFK LLP  
Russell Square House  
10-12 Russell Square  
London WC1B 5LF

### Solicitors

Curry Popeck  
380 Kenton Road  
Harrow  
Middlesex HA3 8DP

## **ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED**

### **Report of the Trustees (incorporating the Report of the Directors) For the year ended 31 December 2007**

The trustees, who are also the directors for the purposes of the Companies Act, submit their report, together with the financial statements for the year ended 31 December 2007, for St Luke's Hospice (Harrow & Brent) Limited ("the Hospice") and its subsidiary. The responsibilities of the trustees for the preparation of the financial statements are set out on page 7.

#### **Structure, Governance and Management**

The Hospice was incorporated as St Luke's Hospice (Harrow & Wembley) Limited under the Memorandum & Articles of Association dated 22 June 1987 as amended on 8 January 1988, 11 November 1993, 15 August 2000 and 26 June 2001. In 1993, following local government reform, the Hospice changed its registered name to St Luke's Hospice (Harrow & Brent) Limited to reflect the change of name of part of its catchment area from the London Borough of Wembley to the London Borough of Brent.

St Luke's is governed by a Council of Management (Board of Trustees). Trustees are appointed for an initial 3-year period and are eligible for re-election for a further 3 years. Thereafter a year must elapse before they are eligible to stand again. Trustees are appointed by the Board following open recruitment with internal and external press advertising. The Board reviews the skills it needs in deciding selection criteria to maintain breadth of skills. All applicants are required to complete a skills audit. Selection is by interview. New Trustees are given full briefings and relevant documentation before taking up this appointment.

The full Board meets quarterly. It has 3 standing committees: Finance & General Purposes, Clinical Services and Fundraising. Each Trustee sits on at least one of these committees, each of which meets quarterly in advance of the Board meetings. The Board has delegated certain powers to the Chief Executive Officer (CEO) who acts as a conduit between the senior staff and Trustees.

The Hospice has formal links with the Kaunas Terminal Care Hospital in Lithuania. It works with Help the Hospices as well as in close partnership with the Harrow & Brent Primary Care Trusts, from which it receives an element of its funding. St Luke's also maintains links with a variety of professional associations which support the work of the staff.

#### **Risk management**

The Board maintains an ongoing audit through the Finance & General Purposes Committee of the principal areas of the Hospice's operations and considers the major risks faced in each of these areas. It has satisfied itself that these risks have been adequately managed in the financial year, where necessary.

## ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

### Report of the Trustees (incorporating the Report of the Directors) For the year ended 31 December 2007

#### Objectives and Activities

St Luke's Hospice's mission is to provide specialist palliative care free of charge to people with advanced, progressive illnesses, which addresses their physical, emotional, social and spiritual needs, thus enhancing their quality of life and supporting their families and carers

To achieve this mission, the Hospice provides a range of patient and family clinical services through provision of In-Patient, Day-Care and Outpatient clinics as well as developing community services through its Hospice at Home service and specialist Community Palliative Care team. The aim and objectives of clinical service in 2007 were to continue to develop and expand these services and as noted elsewhere in this report, the Hospice has been extremely successful within the constraints of its finances and resources

Clinical services are, of course, supported by a range of administrative and fundraising functions and our aim has been to contain the cost of these functions without detriment to the efficiency. The SOFA records that the costs of generating funds rose by £74,000 in 2007 but £72,000 of this was shops and lottery expenditure. Other fundraising activity costs were virtually unchanged

The Hospice employed an average of 76 full-time equivalent paid staff in 2007, supported by a cohort of some 500 unpaid volunteers. These volunteers cover a wide range of activities for the Hospice which includes

- Shop Volunteers
- Driving patients to and from Day-Care
- Working in Day-Care and the In-Patient units
- Complementary therapy volunteers
- Gardening
- Receptionists
- Fundraising
- Administrative support
- Bereavement support

The support of our volunteers is of immense importance to the Hospice. Not only do they save the Hospice a considerable amount of money by performing tasks that would otherwise have to be done by paid staff, they are representatives of the communities the Hospice serves and thus bring to patient care an extra dimension of support and help that is the quintessence of hospice care and which distinguishes it from palliative care in other settings. In 2007 the Hospice was successful in its bid for a grant from the Big Lottery of £250,000 over 3 years to support the volunteer and community strategy, which will begin its full implementation in 2008

#### Achievements and Performance

St Luke's main achievements during 2007 may be summarised as follows

- The maintenance of a sound financial performance in 2007, despite no increases in NHS funding support through the commissioning Primary Care Trusts
- A staged development of the Hospice at Home Service within the constraints of external funding
- Significant increase in activity across the range of clinical services
- The provision of a wider range of physiotherapy and complementary services for patients supported by the Paul Daisley Trust
- Further development of social work, family support services and bereavement service
- Meeting all the standards required by the Healthcare Commission to provide appropriate and excellent care to patients and families
- The celebration of the Hospice's 20<sup>th</sup> anniversary
- The conversion of the locum assistant specialist post to a substantive consultant in palliative medicine post is expected to be completed in 2008
- Degree level accreditation by Thames Valley University of the palliative care development programme
- The accreditation of medical specialist registrar training placements
- Partial expansion of clinical audit for national standards

# ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

## Report of the Trustees (incorporating the Report of the Directors) For the year ended 31 December 2007

St Luke's Hospice's charitable activity is centred on the provision of specialist palliative care to those within its catchment area suffering from advanced progressive illnesses. During 2007, our aim was to achieve an expansion of our clinical services and the table below summarises the increase in activity across the range of clinical services.

<b>2007 ANNUAL ACTIVITY REPORT &amp; TREND ANALYSIS</b>	<b>2007</b>	<b>2006</b>
Total no of individual patients	472	470
Total no of patients receiving a mixture of services	238	165
No of services accessed	832	681
Brent N Community Pts	223	190
Brent N home visits	1259	772
Inpatient admissions	272	284
Inpatient Occupancy	70.8%	67.1%
Av length of stay	13 days	10 days
Daycare unit patients	213	209
Daycare unit booked attendances	4322	4313
Daycare occupancy	95%	95%
Patients attending outpatients	184	59
Outpatient appointments	452	84
Non cancer diagnoses	10.2%	7.5%
Ethnic minorities	52%	41%

Income from donations was broadly similar in 2007 compared to 2006 while legacies rose by £53,000 and fundraising activities raised an extra £96,000 compared to 2006. Other fundraising activities met the targets and aims of stabilising income following a series of staff changes and the broadening of the departmental remit to include communications. Strategies for the future have now been agreed following a vigorous review, with focus on direct marketing while maintaining existing community relationships and forging new ones. As we face the possibility of a capital appeal, plans are also being developed to deal with the necessity of maintaining non-capital income streams.

The Hospice operates 10 charity shops within a trading subsidiary company, St Luke's Hospice (Harrow & Brent) Charity Shops Limited, which in line with targets, provided a 5% increase in turnover. These translated to a 2.3% increase in profit, which is transferred by gift aid directly to the Hospice to support its charitable work.

## ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

### Report of the Trustees (incorporating the Report of the Directors) For the year ended 31 December 2007

#### Financial Review

The Trustees are pleased to report that despite budgeting for a significant deficit for the year, the outturn on normal operations was a small surplus of £30,000 before adjustments for recognised losses and transfers which, with the volatile year end stock market, brought the overall movement in funds for the year to a reduction of £80,000. The operating result reflects an overall standstill in PCT funding for the year despite the hospice needing to meet increases in staff and other costs. During 2007 the fundraising budget was more than met, with a successful events programme and an increase in legacies. The trading subsidiary performed well contributing net £409,000 to the costs of providing patient care.

The Hospice's principal funding sources are

- Fundraising
- Trading Subsidiary
- NHS Commissioning

#### Reserves policy

As the Hospice receives the majority of its income from fundraising, supported by service level agreements with Harrow & Brent Primary Care Trusts, it needs to ensure that it has a sufficient reserve of funds available to meet unexpected shortfalls in such funding through external events beyond its control.

The Trustees' target is to hold free reserves and designated investment reserves equating to six months of expenditure so that the Hospice is able to manage any unexpected shortfall in income to protect the needs of the patients served and also to give a reassurance of security for the staff. However, with the opportunity to purchase the adjoining site for expansion they have decided that funds will be designated for this purpose pending a full capital appeal for the project. Opportunities will be taken whenever possible within the constraints of income receivable against ongoing expenditure requirements, to build the current level of free reserves and the long term reserve fund to the target level. Free reserves stand at 1.5 months and the invested long-term reserve stands at a further 2 months of average expenditure at the end of 2007.

The Finance & General Purposes Committee reviews the level of reserves and considers any amendments to the policy which may be necessary and reports its conclusions to the Board.

#### Investment policy

All medium to long-term investment of Hospice funds is made through Common Investment Funds with a widespread base of underlying investments. Currently these funds are managed by the Charities Aid Foundation (CAF) and CCLA Investment Management Ltd (COIF charity funds). Following a detailed investment review by the Finance and General Purposes Committee the Board decided to transfer the McPhail fund to COIF Fixed interest fund. The senior staff monitor the performance of the funds and brief the Finance & General Purposes Committee accordingly. Miscellaneous shares donated to the Hospice are retained until they are sufficient to warrant disposal for the proceeds to be invested in the Common Investment Fund.

Given that a large proportion of patients have a cancer diagnosis, the Trustees believe that investment in tobacco companies would be inappropriate and therefore avoid any such investment wherever possible. The CAF Common Investment Funds do not invest in tobacco companies.

#### Funds in deficit

There are no funds in deficit.

#### Funds held as custodian charity on behalf of others

No funds are held.

#### Tangible fixed assets

Movements in tangible fixed assets are shown in note 10 to the financial statements.

## ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

### Report of the Trustees (incorporating the Report of the Directors) For the year ended 31 December 2007

#### Plans for Future Periods

St Luke's remains completely committed to the delivery of excellence in the clinical care of our patients and in the provision of support for their families and carers. The Hospice also is steadfast in its commitment to the continuing development and expansion of its services within the constraints of funding and space, so that as many people as possible within its catchment area may receive the services they need. It has been restricted in this development, by the eternal struggle for funding particularly from public funds delivered through the commissioning Primary Care Trusts, which have experienced financial difficulties over the past few years. NHS funding levels remain unsatisfactory.

In the search for expansion opportunities, the Hospice has been able to negotiate the acquisition of Clock Cottage, which once served as the stables to Kenton Grange when it was a private house. Subject to contract and planning, it is anticipated that the purchase will take place in 2008 and the project to raise the money for the development of this building and site to provide additional hospice facilities will begin. A capital appeal will be launched, against the challenge of maintaining and expanding existing revenue streams. At the same time, work will commence on the 3-year programme to implement the volunteer and community strategy, which now has a wider focus than was originally envisaged.

Clinically, the Hospice will continue to develop and expand its services, wherever possible, completing in 2008 a refurbishment of clinical areas, funded by a grant from the Department of Health. A new daycare bisphosphonate treatment service will commence and there will be further development of non-cancer services through securing funding for a new substantive consultant post. The Hospice will maintain its links with the Kaunas Terminal Care Hospital in Lithuania through a visit by our medical director.

In 2008 the Hospice will open its 11<sup>th</sup> shop in North Harrow and complete the expansion of the Harrow Weald shop.

Overall 2007 was a challenging yet rewarding year for St Luke's. The 20<sup>th</sup> Anniversary celebrations helped focus the Hospice within the community and set the scene for 2008, when it is planned to continue to build new relationships and partnerships with a community that is seeing fast-paced demographic change. The development of Clock Cottage will take several years but will only be successful with the support of the whole community. St Luke's will seek that support actively not only in terms of this project but such that the message of hospice care is increasingly understood throughout the community to the benefit of those who will need St Luke's care in the years to come.



## ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

### Report of the Trustees (incorporating the Report of the Directors) For the year ended 31 December 2007

#### Statement of Trustees' Responsibilities

Company and charity law require the trustees, who are also the directors of the charitable company, to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group as at the end of the financial year, and of the surplus or deficit for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently,
- 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 the going concern basis

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Companies Act 1985 and the Statement of Recommended Practice Accounting and Reporting by Charities 2005. They are also responsible for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each trustee, who was a director of the company at the date that this report was approved, has taken all steps that they ought to have taken as a director in order to

- make themselves aware of any relevant audit information (as defined by the Companies Act 1985), and
- ensure that the auditors are aware of all relevant audit information (as defined)


As far as each director is aware, there is no relevant audit information of which the charity's auditors are unaware.

The maintenance and integrity of the corporate and financial information included on the charity's website is the responsibility of the trustees. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislations in other jurisdictions.

#### Auditor

During the year Chantrey Vellacott DFK LLP was re-appointed. Chantrey Vellacott DFK LLP has indicated its willingness to be re-appointed at the Annual General Meeting.

Approved by the Board of Trustees and signed on its behalf by

  
Trustee  
10 May  
Date 2008

## **ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED**

### **Independent Auditor's Report to the Trustees of St Luke's Hospice (Harrow & Brent) Limited**

We have audited the financial statements of St Luke's Hospice (Harrow & Brent) Limited for the year ended 31 December 2006 which comprise the Consolidated Statement of Financial Activities, Balance Sheets, Consolidated Cashflow statement and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with section 235 of the Companies Act 1985 and section 43 of the Charities Act 1993. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable 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 Auditor**

As described in the Statement of Trustees' Responsibilities, the Trustees, who are also the directors 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).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK & Ireland).

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

We read the Report of the Trustees and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatement within it.

#### **Basis of audit opinion**

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

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

## ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

### Independent Auditor's Report to the Trustees of St Luke's Hospice (Harrow & Brent) Limited

#### Opinion

##### In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the affairs of the charitable company and the group as at 31 December 2006 and of their incoming resources and application of resources, including their income and expenditure, in the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Trustees is consistent with the financial statements

CHANTREY VELLACOTT DFK LLP

Chartered Accountants  
Registered Auditor

LONDON

10/5/08

*Chantrey Vellacott DFK LLP*

Chantrey Vellacott DFK LLP

# ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

## Consolidated statement of financial activities (including an Income and Expenditure account) For the year ended 31 December 2007

	Notes	Unrestricted Funds 2007 £'000	Restricted Funds 2007 £'000	Endowment Funds 2007 £'000	Total Funds 2007 £'000	Total Funds 2006 £'000
<b>Incoming resources</b>						
<b>Incoming resources from generated funds</b>						
<b>Voluntary income</b>						
Donations	2	528	65	-	593	590
Legacies	3	854	-	-	854	801
		<u>1,382</u>	<u>65</u>	<u>-</u>	<u>1,447</u>	<u>1,391</u>
<b>Activities for generating funds</b>						
Fundraising events		271	-	-	271	175
Gross income from shops and lottery	4	1,411	-	-	1,411	1,338
		<u>1,682</u>	<u>-</u>	<u>-</u>	<u>1,682</u>	<u>1,513</u>
Investment income		76	1	-	77	72
		<u>3,140</u>	<u>66</u>	<u>-</u>	<u>3,206</u>	<u>2,976</u>
<b>Incoming resources from charitable activities</b>						
NHS commissioning		1,131	-	-	1,131	1,103
Homecare services (NOF)		-	-	-	-	92
Other income		6	-	-	6	4
	5	<u>1,137</u>	<u>-</u>	<u>-</u>	<u>1,137</u>	<u>1,199</u>
<b>Total incoming resources</b>		<u>4,277</u>	<u>66</u>	<u>-</u>	<u>4,343</u>	<u>4,175</u>
<b>Resources expended</b>						
<b>Costs of generating funds</b>						
Costs of generating voluntary income		232	9	-	241	239
Fundraising events costs		142	-	-	142	142
Shops and lottery expenditure	4	1,066	-	-	1,066	993
Investment management costs		6	-	-	6	7
		<u>1,446</u>	<u>9</u>	<u>-</u>	<u>1,455</u>	<u>1,381</u>
<b>Charitable activities</b>						
In patient services		1,085	7	-	1,092	1,039
Daycare services		201	4	-	205	194
Homecare services		370	25	-	395	309
Homecare services (NOF)		-	-	-	-	89
Overall clinical support		1,096	17	-	1,113	1,054
		<u>2,752</u>	<u>53</u>	<u>-</u>	<u>2,805</u>	<u>2,685</u>
<b>Governance costs</b>		<u>53</u>	<u>-</u>	<u>-</u>	<u>53</u>	<u>50</u>
<b>Total resources expended</b>	7	<u>4,251</u>	<u>62</u>	<u>-</u>	<u>4,313</u>	<u>4,116</u>
<b>Net incoming/(outgoing) resources before other recognised gains and transfers (carried forward)</b>						
	6	26	4	-	30	59

# ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

## Consolidated statement of financial activities (including an Income and Expenditure account) For the year ended 31 December 2007

	Notes	Unrestricted Funds 2007 £'000	Restricted Funds 2007 £'000	Endowment Funds 2007 £'000	Total Funds 2007 £'000	Total Funds 2006 £'000
Net incoming/(outgoing) resources before other recognised gains and transfers (brought forward)	6	26	4	-	30	59
Realised gains on investment disposals		5	-	(21)	(16)	3
Net income/(expenditure) for the year		31	4	(21)	14	62
Unrealised (losses) on revaluation of investments	11	(94)	(1)	-	(95)	128
Transfers between funds	15	-	-	-	-	-
Net movement in funds		(63)	3	(20)	(81)	190
Reconciliation of funds						
Total funds brought forward		6,184	73	209	6,466	6,276
Total funds carried forward	15	6,121	76	188	6,385	6,466

All amounts relate to continuing activities. There are no recognised gains and losses for the current or preceding financial year other than as shown above, therefore no Statement of Total Recognised Gains & Losses has been presented.

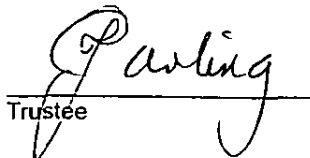
# ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

## Balance sheets

As at 31 December 2007

	Notes	Group 2007 £'000	Group 2006 £'000	Charity 2007 £'000	Charity 2006 £'000
<b>Fixed assets</b>					
Tangible assets	10	4,459	4,427	4,308	4,321
Investments	11	1,551	1,628	1,551	1,628
		<u>6,010</u>	<u>6,055</u>	<u>5,859</u>	<u>5,949</u>
<b>Current assets</b>					
Stock		1	2	-	-
Debtors	12	571	303	619	435
Cash at bank and in hand		262	427	203	282
		<u>834</u>	<u>732</u>	<u>822</u>	<u>717</u>
<b>Current liabilities</b>					
Creditors amounts falling due within one year	13	(459)	(321)	(366)	(270)
<b>Net current assets</b>		<u>375</u>	<u>411</u>	<u>456</u>	<u>447</u>
<b>Net assets</b>	14	<u>6,385</u>	<u>6,466</u>	<u>6,315</u>	<u>6,396</u>
<b>Represented by</b>					
<b>Unrestricted funds</b>					
Designated funds		5,664	5,468	5,664	5,468
General fund		457	716	387	646
		<u>6,121</u>	<u>6,184</u>	<u>6,051</u>	<u>6,114</u>
Endowment funds		188	209	188	209
Restricted funds		76	73	76	73
	15	<u>6,385</u>	<u>6,466</u>	<u>6,315</u>	<u>6,396</u>

These financial statements were approved by the Board of Trustees and authorised for issue on 10/5/2008 and signed on its behalf by

  
Trustee

The notes on pages 14 to 24 form part of these financial statements

# ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

## Consolidated Cashflow Statement For the year ended 31 December 2007

	2007	2006
£'000	£'000	£'000
Net cash flow from operating activities (note 1)	(162)	237
Return on investments and servicing of finance		
Interest and dividends	70	65
Capital expenditure		
Purchase of tangible fixed assets	(87)	(66)
Purchase of investments	(175)	(25)
Sale of investments	189	15
	(73)	(76)
Increase/(Decrease) in cash in the period	(165)	226
Net funds at 1 <sup>st</sup> January 2007	427	201
Net funds at 31 <sup>st</sup> December 2007	262	427
<b>Note 1 Reconciliation of operating profit</b>		
Net movement in funds for the year	30	59
Donations	(31)	
Investment income	(70)	(65)
Loss on disposal of fixed assets	(15)	-
Depreciation	54	57
Decrease/(increase) in debtors	(268)	230
(Decrease)/increase in creditors	138	(51)
Decrease in stock	-	7
	(162)	237

## ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

### Notes to the financial statements For the year ended 31 December 2007

#### 1 Accounting Policies

##### (i) Basis of accounting

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value at year end. The financial statements have been prepared in accordance with applicable accounting standards, the Companies Act 1985 and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued in March 2005. The principal accounting policies adopted in the preparation of the financial statements are set out below.

##### (ii) Consolidation

These accounts consolidate the results of the charity and its wholly owned subsidiary St Luke's Hospice (Harrow & Brent) Charity Shops Limited on a line by line basis. A separate Income and Expenditure Account and Statement of Financial Activities is not presented for the charity alone as permitted by Section 230 of the Companies Act 1985 and paragraph 397 of the 2005 Charities SORP.

##### (iii) Incoming resources

Voluntary income, including donations, legacies and grants are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Donations include related gift aid income.

Legacies are included when the Hospice becomes entitled to the funds and the sum receivable can be reliably quantified. Where they rely on the sale of property or investments, and thus do not have a certain valuation, an estimate of their value is disclosed in the notes to the financial statements.

Investment income is recognised on a receivable basis.

Income from Chantable activities includes NHS grants from the Harrow & Brent Primary Care Trusts, the Hospice's allocation from the national palliative care grant and an NHS pension grant. They have been dealt with on a receivable basis as a contribution to running costs.

There have been no significant gifts in kind or donated goods and services during the year.

The value of services provided by volunteers is not incorporated in these financial statements. Further detail of the substantial contribution by volunteers can be found in the Report of the Trustees.

##### (iv) Resources expended

Expenditure is recognised when a liability is incurred. It includes VAT where this is not recoverable.

Costs of generating funds are the costs incurred in attracting voluntary income, organising and managing fundraising events, and the costs incurred in trading activities which raise funds.

Charitable activities include the hospice care services offered to inpatients, day care patients and those receiving hospice services in their own homes. There are also a range of clinical and other services which apply to all these forms of hospice care. These costs include both the direct costs and support costs relating to these activities.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, eg, property costs by floor areas and other costs on the bases shown in Note 7.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with compliance with constitutional and statutory requirements.



# ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

## Notes to the financial statements

For the year ended 31 December 2007

(v) **Tangible fixed assets**

Tangible fixed assets are held at cost and (except for the freehold property) depreciated on a straight line basis over their estimated useful lives as follows

Leasehold properties	Over the term of the lease
Fixtures and equipment	20%
Motor vehicles	20%
IT equipment and systems	33 3%

The freehold property is not depreciated as the amount of depreciation is deemed not material

(vi) **Investments**

Investments are held in Chanty Investment Funds (CIFs) which are collective investment schemes. The costs of fund management are deducted at source from income and capital values. An estimate of costs is therefore included using the average annual management charge of the funds. Investments are stated at the market value at the year end, with realised and unrealised gains/losses shown separately in the Statement of Financial Activities (SOFA).

(vii) **Stock**

Stock is included at the lower of cost and net realisable value. No value is attributed to stocks of donated goods.

(viii) **Funds**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for specific purposes.

Endowment funds are restricted funds which are to be retained for the benefit of the charity as a capital fund.

The Hospice has a number of restricted income and capital funds. Details of the funds are given in the notes to the financial statements.

## ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

### Notes to the financial statements

For the year ended 31 December 2007

(ix) **Pensions**

The Hospice currently offers two defined benefit pension schemes to staff. There is also a closed defined contribution scheme being subscribed to by 1 member of staff.

- **National Health Service Superannuation scheme**

This is a statutory superannuation scheme as defined in Section 612 (1) Income and Corporation taxes Act 1988, which has no invested funds. Contribution by employers (currently 14%) and members are accounted for to the Treasury and benefits are paid from the consolidated fund. This scheme is only open to staff who have been members of the NHS scheme in previous employment under the dispensation rules. The accounting charge represents the employer's contributions for the period.

- **The Career Average Revalued Earning Scheme (Pensions Trust)**

This is a multi-employer pension scheme providing a defined benefit (career average) pension for members. It is not possible for the scheme to identify the share of underlying assets and liabilities for any individual employer. The accounting charge therefore represents the employer contributions (currently 10%) for the period.

- **Norwich Union Scheme**

This is a group personal pension Scheme which is now closed. The accounting charge for the period represents the employer's contributions for the period.

(x) **Taxation**

No tax is payable due to the charitable status of the parent company. Taxable profits generated by the trading subsidiary are transferred to the parent company under gift aid.

(xi) **Leases**

Operating lease rentals are charged to the Statement of Financial Activities over the period of the lease.

(xii) **Legal status**

The charitable company is Limited by Guarantee and does not have any share capital.

# ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

## Notes to the financial statements

For the year ended 31 December 2007

### 2 Donations

Major donors during 2007 include the Albert Hunt Trust, the Donald Forrester Chantable Trust, The Knights of St Columba Chantable Trust, the Paul Daisley Trust, the Silverhome Housing Trust, an anonymous trust and the Royal Mail

	Unrestricted £'000	2007 Restricted £'000	2007 Total £'000	2006 Total £'000
Individual donations	145	3	148	168
In memonam donations	131	-	131	105
Community groups	50	3	53	76
Trust fund donations	99	59	158	140
Corporate donations	34	-	34	26
Collecting boxes and sundry	31	-	31	37
Gift aid	38	-	38	38
	<u>528</u>	<u>65</u>	<u>593</u>	<u>590</u>

### 3 Legacies

In addition to the sum of £855,000 from legacies within the incoming resources (2006 £801,000), the Hospice has also received notifications for a number of legacies where the value is currently uncertain until property or equity sales are completed, these are estimated at approximately £50,000 (2006 £370,000) In accordance with the Hospice's accounting policy for legacies, these are not included in these accounts on the grounds of uncertainty of measurement

### 4 Income and expenditure from shops and lottery

The charity owns the entire share capital of St Luke's Hospice (Harrow & Brent) Charity Shops Limited, a company registered in England and Wales, which operates charity shops in support of the hospice funding

The subsidiary transfers to the Hospice under gift aid an amount not less than its taxable profits

A summary of the trading results of the subsidiary is shown below Audited accounts have been prepared in respect of its 2007 trading period which was for the 52 weeks ended 29 December 2007

	2007 Total £'000	2006 Total £'000
Turnover	1,295	1,226
Income from lottery	116	112
	<u>1,411</u>	<u>1,338</u>
Cost of sale of purchased goods	12	14
Administration expenses	907	845
Lottery expenditure and prizes	83	79
	<u>1,002</u>	<u>938</u>
Gross direct expenditure of shops and lottery		
	<u>1,002</u>	<u>938</u>
Net direct income from shops and lottery	<u>409</u>	<u>400</u>

In addition to the gross direct expenditure shown above, additional indirect support costs of £64,000 (2006 £55,000 ), relating to Hospice support services, are allocated to shops and lottery (See note 7)

# ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

## Notes to the financial statements For the year ended 31 December 2007

### 5 Incoming resources from charitable activities

	Unrestricted £'000	Restricted £'000	2007 Total £'000	2006 Total £'000
<b>NHS commissioning grants</b>				
Service level agreement	1,014	-	1,014	677
Government £50m palliative care funding#	60	-	60	355
Other*	57	-	57	71
	<u>1,131</u>	<u>-</u>	<u>1,131</u>	<u>1,103</u>
Homecare services (NOF)	-	-	-	92
Other income (catering etc)	6	-	6	4
	<u>1,137</u>	<u>-</u>	<u>1,137</u>	<u>1,199</u>

# Government £50m palliative care funding ceased to be ring fenced from 31 March 2007 and was absorbed, where continued, into Service level agreements

\*Other NHS commissioning includes a national contribution towards NHS pension costs and contributions towards shared support staff for Doctors

### 6 Net incoming/(outgoing) resources

Net incoming/(outgoing) resources are stated after charging

	2007 Total £'000	2006 Total £'000
Depreciation	54	57
Auditors remuneration	9	9
Operating lease rental - property	204	170
	<u>      </u>	<u>      </u>

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Notes to the financial statements  
For the year ended 31 December 2007

7	Resources expended	Generating voluntary income £'000	Fundraising events £'000	Shops & lottery £'000	Investment management £'000	Inpatient £'000	Day care £'000	Homecare £'000	Clinical support £'000	Governance £'000	2007 Total £'000
	Basis of allocation										
	Staff costs	155	78	545	-	915	130	338	846	-	3,007
	Drugs & medical	-	-	-	-	-	-	-	74	-	74
	Catering & housekeeping	-	-	-	-	-	-	-	57	-	57
	Fundraising & community	24	30	-	-	-	-	-	-	-	54
	Other direct costs	24	12	457	6	14	8	9	25	14	569
		<u>203</u>	<u>120</u>	<u>1,002</u>	<u>6</u>	<u>929</u>	<u>138</u>	<u>347</u>	<u>1002</u>	<u>14</u>	<u>3,761</u>
	Support costs										
	Management	13	6	19	-	13	6	6	31	31	125
	Finance	5	6	8	-	16	8	16	12	8	79
	HR	4	2	32	-	35	5	8	23	-	109
	Premises	12	6	5	-	73	45	12	27	-	180
	Gen overheads	4	2	-	-	26	3	6	18	-	59
		<u>38</u>	<u>22</u>	<u>64</u>	<u>-</u>	<u>163</u>	<u>67</u>	<u>48</u>	<u>111</u>	<u>39</u>	<u>552</u>
	Total resources expended 2007	<u>241</u>	<u>142</u>	<u>1,066</u>	<u>6</u>	<u>1,092</u>	<u>205</u>	<u>395</u>	<u>1,113</u>	<u>53</u>	<u>4,313</u>
	Total resources expended 2006	<u>239</u>	<u>142</u>	<u>993</u>	<u>7</u>	<u>1,039</u>	<u>194</u>	<u>398</u>	<u>1,054</u>	<u>50</u>	<u>4,116</u>

## ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

### Notes to the financial statements For the year ended 31 December 2007

#### 8 Staff costs and numbers

	2007 Total £'000	2006 Total £'000
Salaries and wages	2,610	2,489
Social security costs	217	205
Pension costs	173	169
<b>Total</b>	<b>3,000</b>	<b>2,863</b>
Average number of employees (full time equivalents)		
Hospice	76	71
Shops	26	26
	<b>102</b>	<b>97</b>

The emoluments of one employee were between £60,000 - £70,000 (2006 1) Employers' pension contributions to a defined benefit scheme for this employee were £6,509 (2006 £6,382)

The employees are supported by some 500 unpaid volunteers

#### 9 Trustees

None of the trustees received any remuneration or benefits in kind from the charitable company (2006 nil)

Expenses on behalf of trustees or reimbursed during the year amounted to £207 (2006 £630)

# ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

## Notes to the financial statements For the year ended 31 December 2007

### 10 Tangible fixed assets

Group	Freehold properties £'000	Leasehold properties £'000	Leased assets £'000	Fixtures & equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>						
Opening balance	4,279	275	0	499	41	5,094
Additions	-	75	-	2	9	86
Disposals	-	-	-	-	-	-
<b>Closing balance</b>	<b>4,279</b>	<b>350</b>	<b>-</b>	<b>501</b>	<b>50</b>	<b>5,180</b>
<b>Depreciation</b>						
Opening balance	-	195	-	457	15	667
Charge for the year	-	30	-	15	9	54
Disposals	-	-	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>225</b>	<b>-</b>	<b>472</b>	<b>24</b>	<b>721</b>
<b>Net book value</b>						
<b>At 31 December 2007</b>	<b>4,279</b>	<b>125</b>	<b>-</b>	<b>29</b>	<b>26</b>	<b>4,459</b>
At 31 December 2006	4,279	80	-	42	26	4,427
<b>Charity</b>	<b>Freehold properties £'000</b>	<b>Leasehold properties £'000</b>	<b>Leased assets £'000</b>	<b>Fixtures &amp; equipment £'000</b>	<b>Motor vehicles £'000</b>	<b>Total £'000</b>
<b>Cost</b>						
Opening balance	4,279	-	-	498	-	4,777
Additions	-	-	-	2	-	2
Disposals	-	-	-	-	-	-
<b>Closing balance</b>	<b>4,279</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>4,779</b>
<b>Depreciation</b>						
Opening balance	-	-	-	455	-	455
Charge for the year	-	-	-	15	-	15
Disposals	-	-	-	-	-	-
<b>Closing balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>470</b>	<b>-</b>	<b>470</b>
<b>Net book value</b>						
<b>At 31 December 2007</b>	<b>4,279</b>	<b>-</b>	<b>-</b>	<b>30</b>	<b>-</b>	<b>4,309</b>
At 31 December 2006	4,279	-	-	42	-	4,321

# ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

## Notes to the financial statements For the year ended 31 December 2007

### 11 Investments

The Hospice has holdings in COIF Fixed and Income Units, CAF Income Units and Growth Units, and quoted securities. Transactions for the group and charity were as follows

	2007 £'000	2006 £'000
Market value at 1 January 2007	1,628	1,490
Invested/received	228	25
Disposals	(189)	15
Loss on sale	(21)	-
Loss on revaluation	(95)	128
Market value at 31 December 2007	<u>1,551</u>	<u>1,628</u>

### 12 Debtors. Amounts falling due within one year

	Group 2007 £'000	Group 2006 £'000	Charity 2007 £'000	Charity 2006 £'000
Other debtors	245	127	181	47
Prepayments and accrued income	326	176	305	176
Amounts owed by subsidiary undertaking	-	-	133	212
	<u>571</u>	<u>303</u>	<u>619</u>	<u>435</u>

### 13 Creditors: Amounts falling due within one year

	Group 2007 £'000	Group 2006 £'000	Charity 2007 £'000	Charity 2006 £'000
Trade creditors	79	97	38	87
Other creditors	220	38	218	38
Taxation and social security	69	64	56	64
Accruals and deferred income	91	122	54	81
	<u>459</u>	<u>321</u>	<u>366</u>	<u>270</u>

### 14 Analysis of group net assets between funds

	Unrestricted funds General £'000	Designated £'000	Endowment funds £'000	Restricted funds £'000	Total 2007 £'000
Tangible fixed assets	150	4,309	-	-	4,459
Investments	-	1,355	188	8	1,551
Net current assets	307	-	-	68	375
Net assets	<u>457</u>	<u>5,664</u>	<u>188</u>	<u>76</u>	<u>6,385</u>



# ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

## Notes to the financial statements For the year ended 31 December 2007

15	Funds	Opening balance £'000	Income £'000	Expenditure £'000	Investment gains £'000	Transfers £'000	Closing balance £'000
	<b>Restricted funds</b>						
	Alice Wisbey Income fund	3	1	(1)	-	-	3
	John Corner fund	6	3	-	(1)	-	8
	 Inpatient funds	3	7	(7)	-	-	3
	Day care funds	10	4	(4)	-	-	10
	Homecare funds	-	50	(25)	-	-	25
	Clinical funds	41	1	(16)	-	-	26
	Other sundry funds	10	-	(9)	-	-	1
	<b>Total restricted funds</b>	<b>73</b>	<b>66</b>	<b>(62)</b>	<b>(1)</b>	<b>-</b>	<b>76</b>
	 <b>Endowment funds</b>						
	Alice Wisbey Capital Fund	17	-	-	1	-	18
	D D McPhail	191	-	-	(21)	-	170
	<b>Total endowment funds</b>	<b>208</b>	<b>-</b>	<b>-</b>	<b>(20)</b>	<b>-</b>	<b>188</b>
	 <b>Unrestricted funds</b>						
	Designated Fixed Asset fund	4,321	-	(14)	-	2	4,309
	Designated long term reserve fund	1,147	-	-	(87)	(505)	555
	Designated Clock Cottage fund					800	800
	<b>Total designated funds</b>	<b>5,468</b>	<b>-</b>	<b>(14)</b>	<b>(87)</b>	<b>297</b>	<b>5,664</b>
	 General charitable funds	646	2,865	(3,234)	(2)	112	387
	General non-charitable trading funds	70	1,411	(1,002)	-	(409)	70
	<b>Total general funds</b>	<b>716</b>	<b>4,276</b>	<b>(4,236)</b>	<b>(2)</b>	<b>(297)</b>	<b>457</b>
	<b>Total unrestricted funds</b>	<b>6,184</b>	<b>4,276</b>	<b>(4,250)</b>	<b>(89)</b>	<b>-</b>	<b>6,121</b>
	<b>Total funds</b>	<b>6,465</b>	<b>4,342</b>	<b>(4,312)</b>	<b>(110)</b>	<b>-</b>	<b>6,385</b>

The late Mrs Alice Wisbey made a bequest to the Hospice with the instruction that the income therefrom should be applied for the comfort of the nursing staff. This is split between Income and Capital funds.

The John Corner Fund represents donations made, initially on the retirement of Mr Corner, at his request to create a fund to support the long term future of the Hospice.

The departmental and sundry restricted funds represent grants and donations received, from Trusts and individuals, where the use of the funds was restricted to a specific purpose by the donor. These funds have included contributions toward the cost of the Homecare services, the Nurse Development training programme, to bereavement counselling work, to the provision of complementary therapies to patients of our North Brent community services, to our community awareness work and a number of other items. Funds held for equipment and refurbishing of day care and other patient facilities have largely not been spent during the year as the work will be aligned with the Inpatients project in 2008.

# ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

## Notes to the financial statements

For the year ended 31 December 2007

The D D McPhail Charitable Settlement originally gave £150,000 as an endowment fund. No instructions were given about income so this is applied for the general purposes of the charity. The difference between the original fund value and the current fund value arises through revaluation of the underlying investment.

The designated fixed asset fund represents the net book value of the Hospice's fixed assets. It has been set up to assist in identifying funds which are not free funds.

The designated long term reserve fund represents funds invested to provide a long term reserve towards the support of hospice running costs.

In 2007 the Hospice bid to purchase the adjoining property (Clock Cottage) from Brent Council, subject to detailed negotiations, as the first stage of long term development plans. The trustees therefore decided to earmark £800,000 of funds, by transfer of £295,000 from the general fund and of £505,000 from the long term reserve fund, towards the purchase and initial ancillary costs until the appropriate time when a capital appeal will be launched.

The general funds represent the unrestricted funds of the group which are not designated for any other particular purposes.

### 16 Operating lease commitments

The group has the following annual commitments under non-cancellable operating leases which expire

	Land and Buildings			
	Group	Group	Charity	Charity
	2007	2006	2007	2006
	£'000	£'000	£'000	£'000
Within 1 year	-	21	-	-
Within one to two years	-	-	-	-
Within two to five years	45	41	-	-
After five years	158	131	-	-
	<u>158</u>	<u>131</u>	<u>-</u>	<u>-</u>

The group has no capital commitments.