

Chantrey Vellacott DFK LLP

Company registration number 2141770
Charity registration number 298555

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

**Financial statements
For the year ended 31 December 2012**



ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Financial statements for the year ended 31 December 2012

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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

R Bhanden
R Bhatia (appointed 8 June 2012)
C Buckland BA FCIPD JP
J Campbell BSc ACMA
J Fewtrell (appointed 7 June 2012)
J Gaffin OBE
Dr A Grainger
H Hodge
Fr E Lewis (appointed 7 June 2012)
M Kozłowska

A Martin MA (stood down 7 June 2012)
Dr C Mitchell
P O'Neill BA ACMA CGMA CPA (app'd 7 June 2012)
B Patel (appointed 8 June 2012)
A Parmar
M Redhouse
Dr G Schiller
S Selwyn
A Vekana (appointed 7 June 2012)
G Wright

Senior Staff

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

M R Coward BA FRSA FRSPH FCMi

Vacant
Dr C Daniels BSc (Hons) MB ChB MRCP

P Russell BA MInstF
M A Rodger BA ACMA CGMA DChA

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 2012

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 2012, 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, 26 June 2001 and 18 December 2008. 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. Those holding the posts of Chairman, Vice Chairman and Treasurer may serve for longer periods to ensure continuity. 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 Governance and Fundraising. Additionally, a Remuneration Committee meets ad hoc. 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.

During 2012 the Board adopted a governance calendar. In this way it ensures that it systematically reviews key management information and data and satisfies itself that the Hospice is properly and correctly run enabling the Board to discharge its governance responsibilities in full.

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 Trusts it receives a decreasing 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 Trustees fulfil their responsibility for the management and control of risk through the medium of a formal risk register. The Board undertakes a continuing review of identified risks through a standing item on the agenda of its Finance and General Purposes committee. By this process the Trustees have given consideration to the major risks to which the charity is subject and has satisfied themselves that systems and procedures are established in order to mitigate these risks.

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Report of the Trustees (incorporating the Report of the Directors) For the year ended 31 December 2012

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 community services through its Hospice at Home service and specialist Community Palliative Care team. The aim and objectives of the Hospice's clinical service are to continue to develop and expand these services

Clinical services are, supported by a range of administrative and fundraising functions and our aim is to contain the cost of these functions without detriment to the efficient running of the hospice. Funding was obtained for a number of trusts to support education and training, the Hospice at Home service, complementary and sound therapies, supporting children and supporting carers as well as towards revenue funding

The Hospice employed an average of 85 full-time equivalent paid staff in 2012, with a further 38 employed in the trading subsidiary. They are supported by a cohort of some 800 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 vital 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 and ambassadors to 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. During 2012 there has been a marked change in the makeup of the Hospice's cohort of volunteers reflecting demographic and economic change in the local area. Increasingly we are seeing younger volunteers but for shorter periods than has been traditional. Many of our younger volunteers are seeking to improve their CVs in a difficult employment market. The Hospice's challenge is to engage with these volunteers to give them the best possible volunteer experience in the aim of engaging their support for St Luke's

Public Benefit

We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities

Achievements and Performance

St Luke's main achievements during 2012 may be summarised as follows

- The changes to the NHS noted in the 2011 trustees report have continued to make the delivery of excellent patient care difficult. Funding levels have dropped forcing the hospice to rely increasingly on public charitable support. Nevertheless, in the climate of austerity the hospice has continued to provide excellent clinical patient service
- Meeting all the standards required by the CQC to provide appropriate and excellent care to patients and families
- Despite the reduction in NHS funding the hospice recorded a sound financial performance
- The implementation of a gift aid donation system in the Shops company which has resulted in an additional £47,000 of gift aid recovered for the Hospice in 2012
- Preparations were made in 2012 for the acquisition of a warehouse for the shops company to increase future profitability
- Against the background of a difficult economic climate the fundraising activities have met their targets, with investment also being made to increase income from the hospice lottery

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Report of the Trustees (incorporating the Report of the Directors) For the year ended 31 December 2012

The Board records with deep sorrow the death of John Corner MBE, former life president of St Luke's Hospice. John's achievement in establishing and developing the Hospice was remarkable and his commitment to St Luke's was without parallel. St Luke's and the people of Harrow and Brent owe him a debt of gratitude.

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. 2012 has seen a marked increase in activity across most services as a result of changing NHS services.

St Luke's offers care to a very diverse population. In order to ensure that all our local communities and healthcare partners are aware of the range of services we provide, we hold a series of Open Days throughout the year, for healthcare professionals and community groups. Staff are available to answer any questions and to show the various ways in which we aim to meet cultural and religious requirements.

Through Day Care and our Patient and Family Support Services, we run regular patient/carer forums and evaluations to get feedback on services. We also run two anonymous surveys, one for visitor's and we are also part of a national patient survey, run by Help the Hospices and Kent University. The outcomes of both these surveys have been excellent with mainly positive responses on the quality of care. One area highlighted was access to information and this has been raised as one of our priorities for 2013.

The in Patient unit provided 2,755 bed days of care (2011 2,211) giving an average stay of 9 days for each patient. The Daycare Unit continued to provide new patient assessments, medical treatments and complementary therapies. We also provided support for carers and outpatient appointments. Overall Daycare patient sessions amounted to 2,165 (2011 2,006) during the year.

The North Brent community palliative care team made 1,654 visits (2011 1,472) and we have been able to continue to offer physiotherapy and complementary therapy in the homes of North Brent patients, thanks to funding in 2011 from the Paul Daisley trust.

The Hospice at Home service provides Health Care Assistants and nurses, whose aim is to prevent inappropriate admissions to hospital, and support patients who choose to die at home. The service to provide up to 14 days of care per patient, for as many hours per day as are necessary totalled over 9900 (2011 over 8,700) hours of visits during 2012. This includes respite care funded by Brent Council as part of its support for carers.

Our social work department has provided 1500 sessions of psychosocial support for families and carers, particularly around the issue of providing emotional and psychological support to patients. Bereavement service staff and volunteers carried out 320 (2011 300) individual sessions, 317 (2011 300) telephone sessions and 56 hours of group bereavement support. Over 210 people attended our 3 Celebration of Life events.

With more than half our patients from ethnic minorities, the ethnic diversity broadly reflects our multicultural area. The Hospice continued to develop palliative care services for non-cancer patients and the proportion of patients in the year with a non-cancer diagnosis increased from 16% to around 20% since 2011. Our work of integrating palliative care with heart failure services has been recognised on a national stage with presentations at National and International conferences. The work was also awarded the Research and Development Excellence Award by North West London Hospitals Trust.

We provided education and training for hospital staff and professionals managing end of life care in other settings, including GPs, medical students and staff in nursing homes.

In order to finance these services we need to raise over two-thirds of the costs from local and trust fund support. Income from fundraising events fell in 2012 as despite the large number of participants in events the average level of sponsorship reduced. A number of new events were successful. Income from unrestricted and restricted donations was maintained. Increasingly the development of new work is funded by specific project grants. In 2012 these included work with carers and with widening access to the hospice, plus grants for new equipment and for external hospice improvements. We had welcome support from a wide range of community organisations and groups. Legacies brought in £676,000 compared to £433,000 in 2011.

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Report of the Trustees (incorporating the Report of the Directors) For the year ended 31 December 2012

The Hospice operates charity shops within a trading subsidiary company, St Luke's Hospice (Harrow & Brent) Charity Shops Limited. In 2012 the Company introduced the facility to claim gift aid on donated goods and, before deductions for head office administrative costs, the activities of the shops company have resulted in £824,303 income towards the work of the Hospice. Sales of donated goods, on a like for like basis including the gift-aided goods, rose by 5% while administrative expenses increased by 6%. The shop company profit was £585,000, a 22% reduction, but a 4% increase if calculated on a like for like basis with 2011. (2012 profits are significantly lower than in 2011 because the introduction of gift aid on donated goods has resulted in £189,500 of direct donations to the hospice instead of appearing in the shops company turnover). In addition the hospice has benefited from £47,409 of gift aid claimed on these donations.

Sales of the weekly Lottery increased by £47,000 (30%) as a result of investment in a direct marketing campaign. The costs of this campaign fall in the first year of each new subscription so that the benefits of the increased sales will be felt in the second and subsequent years. The effect of these costs in 2012 is a significant reduction in net income. In a year which, untypically, has had no new capital investment the operation of taxable allowances has resulted in the transfer from the charity shops company under gift aid exceeding the accounting profit.

Financial Review

The Trustees report that in another difficult year, the Hospice has recorded a small deficit at the operating level on unrestricted funds. However this shortfall is commensurate with the investment in the development of the Hospice lottery so the underlying running costs of the hospice did meet their target to break even. The increases in the value of the hospice's unrestricted investments of £92,000 mean that there is an overall increase in funds for the year. The Hospice's principal funding sources are:

- Fundraising through donations and fundraising events
- 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, or sudden increases in costs, 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. The Trustees remain committed, within the constraints of income receivable against on-going expenditure requirements, to build the current level of free reserves and the risk management fund to the target level.

At the end of 2012 free reserves stand at just over 1 month and the risk management fund stands at a further 3.6 months of average budgeted expenditure for the forthcoming year.

In 2010 the trustees set aside £50,000 as support for the Clinical IT project, in case other funding could not be obtained. Although the project is on-going, with implementation of phase 1 almost completed in 2012, this provision has been retained to ensure cover for continuing implementation.

The trustees have designated assets equivalent to the fixed assets of the hospice and also of the subsidiary, charity Shops Company, which are not covered by that company's working capital. This is to better identify which funds are free and available to cover risk.

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. 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 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 a Common Investment Fund.

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Report of the Trustees (incorporating the Report of the Directors) For the year ended 31 December 2012

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

Going Concern

The trustees have prepared the financial statements on a going concern basis and consider that no disclosures relating to the charity's ability to continue as a going concern need to be made in the financial statements

Plans for Future Periods

In its 2011 report the Board noted that the changes to the NHS as a result of legislation would have a serious impact on St Luke's. During 2012 the new dispensation has become gradually clearer although there remain significant uncertainties and a marked lack of clarity. The pressures on income have become even more severe during 2012 and for 2013 the hospice faces further cuts in its NHS funding. To counter this the Board has set up two working parties: one to look at innovative ways of raising income through the hospice becoming increasingly charitably commercial, and the other looking at the organisation as a whole to see where cost efficiencies and changes to practices and staffing will create savings in outgoings on a long term and sustainable basis.

Space remains a problem. The project to acquire an adjacent building in 2012 did not succeed as the eventual sale price was considerably more than the hospice could afford. Consequently we continue to grapple with this problem in 2013.

During 2013 work will continue to improve and develop a more open and consultative management structure as a response to the findings of a staff survey in 2012. St Luke's will continue to maintain its links with the Kaunas Terminal Care Hospital in Lithuania and with the development of specialist palliative care in that country.

The hospice is continuing to develop towards stage two of its project for the Clinical patient information system and will also be moving to cloud computing in 2013.

The Hospice will continue to seek new grants from charitable trusts towards its work and will begin to see the results of its investment in developing the lottery. Nevertheless funding will be a significant challenge in 2013 and all other developments and strategies will depend on this.

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Report of the Trustees (incorporating the Report of the Directors) For the year ended 31 December 2012

Statement of Trustees' Responsibilities

The Trustees 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)

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

- select suitable accounting policies and apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity 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 charity and enable them to ensure that the financial statements comply with the Companies Act 2006 and the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

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

Auditor

Chantrey Vellacott DFK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

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



Trustee – M Redhouse

Date 13 June 2013

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

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

We have audited the group and parent charitable company financial statements of St Luke's Hospice (Harrow & Brent) Limited for the year ended 31 December 2012 which comprise the Consolidated Statement of Financial Activities, group Balance Sheet and charitable company's balance sheet, Consolidated 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. 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 auditor

As explained more fully in the Trustees' Responsibilities Statement, 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 (APB'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 groups and 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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and charitable company's affairs as at 31 December 2012 and of their incoming resources and application of resources, including the groups 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

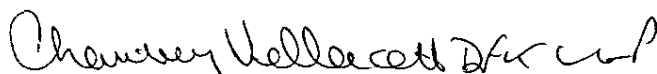
ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

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

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 requires us to report to you if, in our opinion

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the 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



ELLIOT HARRIS (Senior Statutory Auditor)
for and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
LONDON

Date 10th July 2013

CHANTREY VELLACOTT DFK LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

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 2012

| | Notes | Unrestricted Funds 2012 £'000 | Restricted Funds 2012 £'000 | Endowment Funds 2012 £'000 | Total Funds 2012 £'000 | Total Funds 2011 £'000 |
|--|-------|--|--------------------------------------|-------------------------------------|---------------------------------|---------------------------------|
| Incoming resources | | | | | | |
| Incoming resources from generated funds | | | | | | |
| Voluntary income | | | | | | |
| Donations | 2 | 903 | 130 | - | 1033 | 799 |
| Legacies | 3 | 676 | - | - | 676 | 433 |
| | | <u>1,579</u> | <u>130</u> | <u>-</u> | <u>1,709</u> | <u>1,232</u> |
| Activities for generating funds | | | | | | |
| Fundraising events | | 482 | - | - | 482 | 518 |
| Gross income from shops and lottery | 4 | 2,131 | - | - | 2,131 | 2,168 |
| | | <u>2,613</u> | <u>-</u> | <u>-</u> | <u>2,613</u> | <u>2,686</u> |
| Investment income | | 71 | 1 | - | 72 | 54 |
| | | <u>4,263</u> | <u>131</u> | <u>-</u> | <u>4,394</u> | <u>3,972</u> |
| Incoming resources from charitable activities | | | | | | |
| NHS commissioning | | 1,266 | - | - | 1,266 | 1,307 |
| Dept of Health Grant | | - | - | - | - | 6 |
| Big Lottery Volunteer & Community Project | | - | - | - | - | 6 |
| Other income | | 18 | 38 | - | 56 | 65 |
| | 5 | <u>1,284</u> | <u>38</u> | <u>-</u> | <u>1,322</u> | <u>1,384</u> |
| Total incoming resources | | <u>5,547</u> | <u>169</u> | <u>-</u> | <u>5,716</u> | <u>5,356</u> |
| Resources expended | | | | | | |
| Costs of generating funds | | | | | | |
| Costs of generating voluntary income | | 330 | 3 | - | 333 | 345 |
| Fundraising events costs | | 226 | - | - | 226 | 206 |
| Shops and lottery expenditure | | 1,648 | - | - | 1,648 | 1,459 |
| Investment management costs | | 4 | - | - | 4 | 6 |
| | | <u>2,208</u> | <u>3</u> | <u>-</u> | <u>2,211</u> | <u>2,016</u> |
| Charitable activities | | | | | | |
| In-patient services | | 1,207 | 12 | - | 1,219 | 1,086 |
| Daycare services | | 233 | 14 | - | 247 | 248 |
| Homecare services | | 526 | 84 | - | 610 | 640 |
| Overall clinical support | | 1,376 | 94 | - | 1,470 | 1,415 |
| | | <u>3,342</u> | <u>204</u> | <u>-</u> | <u>3,546</u> | <u>3,389</u> |
| Governance costs | | <u>61</u> | <u>-</u> | <u>-</u> | <u>61</u> | <u>68</u> |
| Total resources expended | 7 | <u>5,611</u> | <u>207</u> | <u>-</u> | <u>5,818</u> | <u>5,473</u> |
| Net incoming/(outgoing) resources before other recognised gains and transfers (carried forward) | | | | | | |
| | 6 | <u>(64)</u> | <u>(38)</u> | <u>-</u> | <u>(102)</u> | <u>(117)</u> |

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Consolidated statement of financial activities (including an Income and Expenditure account) For the year ended 31 December 2012

| | Notes | Unrestricted Funds 2012 £'000 | Restricted Funds 2012 £'000 | Endowment Funds 2012 £'000 | Total Funds 2012 £'000 | Total Funds 2011 £'000 |
|--|-------|--|--------------------------------------|-------------------------------------|---------------------------------|---------------------------------|
| Net incoming/(outgoing) resources before other recognised gains and transfers (brought forward) | 6 | (64) | (38) | - | (102) | (117) |
| Realised losses on investment disposals | | - | - | - | - | (24) |
| Net income/(expenditure) for the year | | (64) | (38) | - | (102) | (141) |
| Unrealised profits (losses) on revaluation of investments | 11 | 92 | 1 | 2 | 95 | (15) |
| Transfers between funds | | 6 | (6) | - | - | - |
| Net movement in funds | | 34 | (43) | 2 | (7) | (156) |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 6,297 | 297 | 195 | 6,789 | 6,945 |
| Total funds carried forward | 15 | 6,331 | 254 | 197 | 6,782 | 6,789 |

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.

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

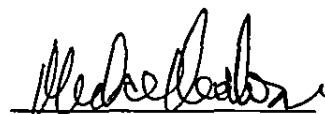
ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Balance sheets

As at 31 December 2012

| | Notes | Group 2012 £'000 | Group 2011 £'000 | Charity 2012 £'000 | Charity 2011 £'000 |
|---|-------|------------------------|------------------------|--------------------------|--------------------------|
| Fixed assets | | | | | |
| Tangible assets | 10 | 4,744 | 4,868 | 4,552 | 4,630 |
| Investments | 11 | 1,336 | 1,231 | 1,336 | 1,231 |
| | | <u>6,080</u> | <u>6,099</u> | <u>5,888</u> | <u>5,861</u> |
| Current assets | | | | | |
| Stock | | 2 | 5 | - | - |
| Debtors | 12 | 320 | 183 | 450 | 355 |
| Cash at bank and in hand | | 709 | 796 | 617 | 722 |
| | | <u>1,031</u> | <u>984</u> | <u>1,067</u> | <u>1,077</u> |
| Current liabilities | | | | | |
| Creditors amounts falling due within one year | 13 | (329) | (294) | (220) | (219) |
| Net current assets | | <u>702</u> | <u>690</u> | <u>847</u> | <u>858</u> |
| Net assets | 14 | <u>6,782</u> | <u>6,789</u> | <u>6,735</u> | <u>6,719</u> |
| Represented by. | | | | | |
| Unrestricted funds | | | | | |
| Designated funds | | 5,930 | 5,936 | 5,930 | 5,936 |
| General fund | | 401 | 361 | 354 | 291 |
| | | <u>6,331</u> | <u>6,297</u> | <u>6,284</u> | <u>6,227</u> |
| Endowment funds | | 197 | 195 | 197 | 195 |
| Restricted funds | | 254 | 297 | 254 | 297 |
| | 15 | <u>6,782</u> | <u>6,789</u> | <u>6,735</u> | <u>6,719</u> |

These financial statements were approved by the Board of Trustees and authorised for issue on 13 June 2013 and signed on its behalf by



Trustee
M Redhouse

Company Number 2141770

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 2012**

| | 2012 | 2011 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Net cash flow from operating activities (note 1) | (120) | 257 |
| Return on investments and servicing of finance | | |
| Interest and dividends | 72 | 54 |
| Capital expenditure | | |
| Purchase of tangible fixed assets | (30) | (161) |
| Sale of tangible fixed assets | - | 18 |
| Payments to acquire investments | (9) | (937) |
| Sales of investments | 1 | 1,134 |
| | (38) | 54 |
| Increase/(Decrease) in cash in the period | (87) | 365 |
| Net funds at 1st January 2012 | 796 | 431 |
| Net funds at 31st December 2012 | 709 | 796 |
| Note 1. Reconciliation of operating profit | | |
| Net movement in funds for the year | (103) | (141) |
| Donations | - | - |
| Investment income | (72) | (54) |
| Loss on disposal of fixed assets | - | - |
| Depreciation | 154 | 132 |
| Decrease/(increase) in debtors | (137) | 306 |
| (Decrease)/increase in creditors | 35 | 18 |
| Decrease/(increase) in stock | 3 | (4) |
| | (120) | 257 |

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Notes to the financial statements For the year ended 31 December 2012

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 2006 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 the Companies Act 2006 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.

The Shops company acts as agent to sell items donated with a gift aid declaration and to pass the resulting cash donations to the Hospice rather than record them as turnover within the Shops company. The hospice also receives the gift aid claimed on these donations.

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 Charitable activities includes NHS grants from the Harrow & Brent Primary Care Trusts 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, those receiving hospice services in their own homes, and their carers and families. 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, e.g., 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 2012

(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 Chantry 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 2012

(ix) **Pensions**

The Hospice currently offers two defined benefit pension schemes to staff

- **National Health Service Superannuation scheme**

This is a statutory superannuation scheme as defined in Section 6 12 (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 8 8%) for the period plus the first year of deficit contributions to address the deficit which has been identified on this scheme by the Pensions Trust at its most recent actuarial valuation There is a schedule of employer payments over 10 years St Luke's share of this has been agreed at £10,800 per year increasing at 3% pa with effect from 1 April 2012 £8100 has been paid in the period covered by this report

(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 2012

2 Donations

Major trust and foundation donors during 2012 include an Anonymous chantable trust, Awards for All, Brent Council, The Burdett Trust for Nursing, City Bridge Trust, The Donald Forrester Chantable Trust, The February Foundation, Garfield Weston Foundation, Harrow Council Voluntary & Community Grants programme, the Kingsbury Charity, Mason Le Page Charitable Trust, Middlesex Province Relief Fund, and Silverholme Housing Association Charitable Trust

| | 2012 Unrestricted £'000 | 2012 Restricted £'000 | 2012 Total £'000 | 2011 Total £'000 |
|---|-------------------------------|-----------------------------|------------------------|------------------------|
| Individual donations | 226 | 3 | 229 | 222 |
| In memoriam donations | 170 | - | 170 | 153 |
| Community groups | 60 | - | 60 | 70 |
| Trust fund donations | 52 | 102 | 154 | 179 |
| Corporate donations | 22 | 25 | 47 | 41 |
| Collecting boxes and sundry | 35 | - | 35 | 27 |
| Gift aid | 101 | - | 101 | 107 |
| Donations & gift aid recovered from shops company | 237 | - | 237 | - |
| | <u>903</u> | <u>130</u> | <u>1,033</u> | <u>799</u> |

3 Legacies

In addition to the sum of £676,300 from legacies within the incoming resources (2011 £432,500), the Hospice has also received notifications for a number of legacies where the value is currently uncertain until property or equity sales are completed, or probate granted, these are estimated to be in the order of £90,000 (2011 £105,000) 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 the trading period for the year ended 31 December 2012

| | 2012 Total £'000 | 2011 Total £'000 |
|---|------------------------|------------------------|
| Turnover | 1,929 | 2,013 |
| Income from lottery | 202 | 155 |
| | <u>2,131</u> | <u>2,168</u> |
| Cost of sale of purchased goods | 10 | 10 |
| Administration expenses | 1,334 | 1,256 |
| Lottery expenditure and prizes | 199 | 96 |
| | <u>1,543</u> | <u>1,362</u> |
| Gross direct expenditure of shops and lottery | 1,543 | 1,362 |
| Net direct income from shops and lottery | <u>588</u> | <u>806</u> |

2012 profits are significantly lower than in 2011 because the introduction of gift aid on donated goods has resulted in £189,500 of direct donations to the hospice instead of appearing in the shops company turnover In addition the hospice has benefited from £47,409 of gift aid claimed on these donations, as shown in note 2 above Overall therefore the activities of the shops company have generated £824,303 towards the work of the Hospice

In addition to the gross direct expenditure shown above, additional indirect support costs of £105,000, (2011 £97,000), relating to Hospice support services, are allocated to shops and lottery (See note 7)

In a year which, untypically, has had no new capital investment the operation of taxable allowances has resulted in the transfer under gift aid (£612,000) exceeding the accounting profit shown above

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Notes to the financial statements For the year ended 31 December 2012

5 Incoming resources from charitable activities

| | Unrestricted £'000 | Restricted £'000 | 2012 Total £'000 | 2011 Total £'000 |
|--|-----------------------|---------------------|------------------------|------------------------|
| NHS commissioning grants | | | | |
| Service level agreement | 1,247 | - | 1,247 | 1,218 |
| Other NHS funding* | 19 | - | 19 | 89 |
| | <u>1,266</u> | <u>-</u> | <u>1,266</u> | <u>1,307</u> |
| Dept of Health Refurbishment grant | - | - | - | 6 |
| Big Lottery Volunteer project grant | - | - | - | 6 |
| Other clinical funding | 6 | 38 | 44 | 56 |
| Other general income | 12 | - | 12 | 9 |
| | <u>1,284</u> | <u>38</u> | <u>1,322</u> | <u>1,384</u> |

*Other NHS funding includes a national contribution towards NHS pension costs and contributions towards medical support staff plus payments for care and treatments agreed in addition to the SLA. During the year rent requests, amounting to £40,000 for the accommodation of the Harrow Community team for a number of years, were written off as the PCT was unable to pay.

6 Net incoming/(outgoing) resources

Net incoming/(outgoing) resources are stated after charging

| | 2012 Total £'000 | 2011 Total £'000 |
|------------------------|------------------------|------------------------|
| Depreciation | 154 | 132 |
| Auditors remuneration | 9 | 10 |
| Operating lease rental | 276 | 269 |
| | <u>439</u> | <u>411</u> |

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

**Notes to the financial statements
For the year ended 31 December 2012**

| 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 | 2012 Total £'000 |
|---|--------------------------------------|--|--------------------------------|-----------------------------|-----------------------------------|--------------------|-------------------|-------------------|------------------------------|---------------------|------------------------|
| | Basis of allocation | | | | | | | | | | |
| | Staff costs | 220 | 110 | 786 | - | 977 | 135 | 531 | 1,064 | - | 3,823 |
| | Drugs & medical | - | - | - | - | - | - | - | 96 | - | 96 |
| | Catering & Housekeeping | - | - | - | - | - | - | - | 72 | - | 72 |
| | Fundraising & community | 47 | 72 | - | - | - | - | - | - | - | 119 |
| | Other direct costs | 20 | 10 | 757 | 4 | 9 | 6 | 4 | 69 | 6 | 885 |
| | | <u>287</u> | <u>192</u> | <u>1,543</u> | <u>4</u> | <u>986</u> | <u>141</u> | <u>535</u> | <u>1,301</u> | <u>6</u> | <u>4,995</u> |
| | Support costs | | | | | | | | | | |
| | Management | 8 | 8 | 24 | - | 16 | 8 | 12 | 45 | 41 | 162 |
| | Finance | 7 | 7 | 22 | - | 9 | 4 | 16 | 16 | 14 | 95 |
| | HR | 8 | 4 | 51 | - | 37 | 6 | 13 | 28 | - | 147 |
| | Premises | 14 | 10 | 8 | - | 130 | 81 | 20 | 49 | - | 312 |
| | Gen overheads | 9 | 5 | - | - | 41 | 7 | 14 | 31 | - | 107 |
| | | <u>46</u> | <u>34</u> | <u>105</u> | <u>-</u> | <u>233</u> | <u>106</u> | <u>75</u> | <u>169</u> | <u>55</u> | <u>823</u> |
| | Total resources expended 2012 | <u>333</u> | <u>226</u> | <u>1,648</u> | <u>4</u> | <u>1,219</u> | <u>247</u> | <u>610</u> | <u>1,470</u> | <u>61</u> | <u>5,818</u> |
| | Total resources expended 2011 | <u>345</u> | <u>206</u> | <u>1,459</u> | <u>6</u> | <u>1,086</u> | <u>248</u> | <u>640</u> | <u>1,415</u> | <u>68</u> | <u>5,473</u> |

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Notes to the financial statements For the year ended 31 December 2012

8 Staff costs and numbers

| | 2012 Total £'000 | 2011 Total £'000 |
|---|------------------------|------------------------|
| Salaries and wages | 3,324 | 3,166 |
| Social security costs | 314 | 296 |
| Pension costs | 168 | 166 |
| Total | 3,806 | 3,628 |
| Average number of employees (full time equivalents) | | |
| Hospice | 85 | 77 |
| Shops | 38 | 38 |
| | 123 | 115 |

The emoluments of two employees were between £60,000 - £70,000 (2012 2) and one employee between £70,000 - £80,000 (2012 1). Employers' pension contributions to defined benefit schemes for these employees were £24,457 (2011 £22,697).

The employees are supported by some 800 unpaid volunteers.

9 Trustees

None of the trustees received any remuneration or benefits in kind from the charitable company (2011 nil).

Expenses on behalf of trustees or reimbursed during the year amounted to £2,757 (2011 £35).

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Notes to the financial statements For the year ended 31 December 2012

10 Tangible fixed assets

| Group | Freehold properties £'000 | Leasehold properties £'000 | Leased assets £'000 | Fixtures & equipment £'000 | Motor vehicles £'000 | Total £'000 |
|-----------------------|------------------------------|-------------------------------|------------------------|-------------------------------|-------------------------|----------------|
| Cost | | | | | | |
| Opening balance | 4,279 | 531 | - | 1,058 | 40 | 5,908 |
| Additions | - | - | - | 30 | - | 30 |
| Disposals | - | - | - | - | - | - |
| Closing balance | <u>4,279</u> | <u>531</u> | <u>-</u> | <u>1,088</u> | <u>40</u> | <u>5,938</u> |
| Depreciation | | | | | | |
| Opening balance | - | 371 | - | 645 | 24 | 1,040 |
| Charge for the year | - | 27 | - | 122 | 5 | 154 |
| Disposals | - | - | - | - | - | - |
| Closing balance | <u>-</u> | <u>398</u> | <u>-</u> | <u>767</u> | <u>29</u> | <u>1,194</u> |
| Net book value | | | | | | |
| At 31 December 2012 | <u>4,279</u> | <u>133</u> | <u>-</u> | <u>321</u> | <u>11</u> | <u>4,744</u> |
| At 31 December 2011 | <u>4,279</u> | <u>160</u> | <u>-</u> | <u>413</u> | <u>16</u> | <u>4,868</u> |
| Charity | | | | | | |
| | Freehold properties £'000 | Leasehold properties £'000 | Leased assets £'000 | Fixtures & equipment £'000 | Motor vehicles £'000 | Total £'000 |
| Cost | | | | | | |
| Opening balance | 4,279 | - | - | 987 | - | 5,266 |
| Additions | - | - | - | 30 | - | 30 |
| Disposals | - | - | - | - | - | - |
| Closing balance | <u>4,279</u> | <u>-</u> | <u>-</u> | <u>1,017</u> | <u>-</u> | <u>5,296</u> |
| Depreciation | | | | | | |
| Opening balance | - | - | - | 636 | - | 636 |
| Charge for the year | - | - | - | 108 | - | 108 |
| Disposals | - | - | - | - | - | - |
| Closing balance | <u>-</u> | <u>-</u> | <u>-</u> | <u>744</u> | <u>-</u> | <u>744</u> |
| Net book value | | | | | | |
| At 31 December 2012 | <u>4,279</u> | <u>-</u> | <u>-</u> | <u>273</u> | <u>-</u> | <u>4,552</u> |
| At 31 December 2011 | <u>4,279</u> | <u>-</u> | <u>-</u> | <u>351</u> | <u>-</u> | <u>4,630</u> |

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Notes to the financial statements For the year ended 31 December 2012

11 Investments

The Hospice has holdings in COIF, M&G and Cazenove Equity and Bond Charitable Investment Fund units, and quoted securities. Transactions for the group and charity were as follows

| | 2012 £'000 | 2011 £'000 |
|----------------------------------|---------------|---------------|
| Market value at 1 January 2012 | 1,231 | 1,443 |
| Invested/received | 10 | 937 |
| Disposals | - | (1,110) |
| Loss on sale | - | (24) |
| Profit/(Loss) on revaluation | 95 | (15) |
| Market value at 31 December 2012 | <u>1,336</u> | <u>1,231</u> |

12 Debtors Amounts falling due within one year

| | Group 2012 £'000 | Group 2011 £'000 | Charity 2012 £'000 | Charity 2011 £'000 |
|--|------------------------|------------------------|--------------------------|--------------------------|
| Other debtors | 10 | 119 | 5 | 48 |
| Prepayments and accrued income | 310 | 64 | 236 | 56 |
| Amounts owed by subsidiary undertaking | - | - | 209 | 251 |
| | <u>320</u> | <u>183</u> | <u>450</u> | <u>355</u> |

13 Creditors Amounts falling due within one year

| | Group 2012 £'000 | Group 2011 £'000 | Charity 2012 £'000 | Charity 2011 £'000 |
|------------------------------|------------------------|------------------------|--------------------------|--------------------------|
| Trade creditors | 135 | 92 | 96 | 79 |
| Other creditors | 56 | 72 | 51 | 68 |
| Taxation and social security | 88 | 88 | 73 | 72 |
| Accruals and deferred income | 50 | 42 | - | - |
| | <u>329</u> | <u>294</u> | <u>220</u> | <u>219</u> |

14 Analysis of group net assets between funds

| | Unrestricted funds General £'000 | Unrestricted funds Designated £'000 | Endowment funds £'000 | Restricted funds £'000 | Total 2012 £'000 |
|-----------------------|--|---|-----------------------------|------------------------------|------------------------|
| Tangible fixed assets | 46 | 4,698 | - | - | 4,744 |
| Investments | - | 1,127 | 197 | 12 | 1,336 |
| Net current assets | 355 | 104 | - | 242 | 702 |
| Net assets | <u>400</u> | <u>5,936</u> | <u>195</u> | <u>254</u> | <u>6,782</u> |

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Notes to the financial statements For the year ended 31 December 2012

| 15 | Funds | Opening balance £'000 | Income £'000 | Expenditure £'000 | Investment gains/(loss) £'000 | Transfers £'000 | Closing balance £'000 |
|----|---|-----------------------------|-----------------|----------------------|-------------------------------------|--------------------|-----------------------------|
| | Restricted funds | | | | | | |
| | Alice Wisbey Income fund | 5 | 1 | - | - | - | 6 |
| | John Corner fund | 11 | 1 | - | 1 | - | 13 |
| | Inpatient funds | - | 2 | (2) | - | - | - |
| | Day care funds | 24 | | (5) | - | - | 19 |
| | Homecare funds | 20 | 47 | (51) | - | - | 16 |
| | Clinical funds | 235 | 104 | (146) | - | (6) | 186 |
| | Other sundry funds | 2 | 14 | (2) | - | - | 14 |
| | Total restricted funds | <u>297</u> | <u>169</u> | <u>(207)</u> | <u>1</u> | <u>(6)</u> | <u>254</u> |
| | Endowment funds | | | | | | |
| | Alice Wisbey Capital Fund | 15 | - | - | 1 | - | 16 |
| | D D McPhail | 180 | - | - | 1 | - | 181 |
| | Total endowment funds | <u>195</u> | <u>-</u> | <u>-</u> | <u>2</u> | <u>-</u> | <u>197</u> |
| | Unrestricted funds | | | | | | |
| | Designated Fixed Asset fund | 4,630 | - | (108) | - | 31 | 4,553 |
| | Designated shops assets fund | 167 | - | (46) | - | 24 | 146 |
| | Designated risk management Fund | 1,089 | - | - | 92 | - | 1,181 |
| | Designated IT fund | 50 | | | | | 50 |
| | Total designated funds | <u>5,936</u> | <u>-</u> | <u>(154)</u> | <u>92</u> | <u>55</u> | <u>5,930</u> |
| | General charitable funds | 291 | 3,415 | (3,915) | - | 564 | 354 |
| | General non-charitable trading funds | 70 | 2,130 | (1,543) | - | (611) | 46 |
| | Total general funds | <u>361</u> | <u>5,546</u> | <u>(5,458)</u> | <u>-</u> | <u>(48)</u> | <u>400</u> |
| | Total unrestricted funds | <u>6,297</u> | <u>5,546</u> | <u>(5,612)</u> | <u>92</u> | <u>6</u> | <u>6,330</u> |
| | Total funds | <u>6,789</u> | <u>5,715</u> | <u>(5,818)</u> | <u>95</u> | <u>-</u> | <u>6,782</u> |

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.

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Notes to the financial statements For the year ended 31 December 2012

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 our Community and Homecare services, to the provision of complementary therapies, the procurement of the Patient Information Management System and a number of other items. Funds carried forward represent projects to take place in 2013 and beyond.

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. Similarly the designated shops asset fund has been set up to identify fixed assets of the shops company not covered by their working capital.

The designated risk management fund represents funds (mainly invested) to provide a cushion against unexpected costs or shortfalls of income and thus to support the long-term future of the hospice.

The trustees have set aside £50,000 in a designated fund to facilitate implementation of the new clinical IT facilities, in case alternative funding is not forthcoming.

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

| | Group 2012 £'000 | Group 2011 £'000 | Charity 2012 £'000 | Charity 2011 £'000 |
|--------------------------|------------------------|------------------------|--------------------------|--------------------------|
| Within 1 year | 12 | 32 | - | - |
| Within one to two years | 92 | - | - | - |
| Within two to five years | 104 | 166 | - | - |
| After five years | 81 | 79 | - | - |
| | <u>189</u> | <u>277</u> | <u>-</u> | <u>-</u> |

The group has no capital commitments.