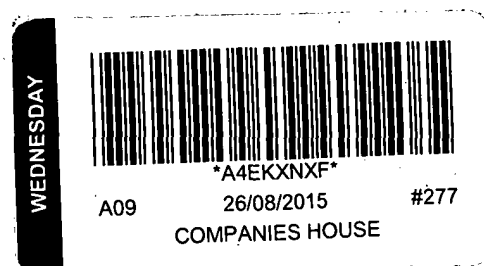


Company registration number: 2141770  
Charity registration number: 298555

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

**Financial statements  
For the year ended 31 December 2014**



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

## **Financial statements for the year ended 31 December 2014**

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

## **Report of the Trustees (incorporating the Report of the Directors) For the year ended 31 December 2014**

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 2014, 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 11.

### **Objectives and Activities**

#### ***Aims***

St Luke's objects contained in its Memorandum of Association include the following:

- the relief of sickness and distress
- medical care and support to patients and their families in the home environment
- residential support and day care for persons suffering from any chronic or terminal illness
- conduct, promote and encourage research into care and treatment of persons suffering from any such illness
- advance the education and training of doctors, nurses, physiotherapists, psychologists and other persons engaged in the care of such sufferers.

We interpret these aims through our Vision and Mission which are then translated into our strategic objectives and activities as we seek to pursue our objects:

#### ***Our Vision***

A world where everyone can access the care, treatment and support they need to live well, know that their family and carers are supported, and die with dignity in the place of their choice.

#### ***Our Mission***

We will be the driving force for high quality, compassionate palliative care for the people of Harrow and Brent, and will:

- Extend our services and reach more people, earlier in their illness, working in collaboration where this is most effective
- Support and empower health and social care professionals through education and training
- Influence and shape End of Life care policies to improve the provision and quality of care

#### ***Main activities***

We provide specialist palliative care services to people living with a terminal illness in the London Boroughs of Harrow and Brent and support for their families.

Our services include:

- Support for people in their home through our Specialist Community Palliative Care and Hospice at Home Teams
- A wide range of outpatient sessions and day-hospice services through our Woodgrange Centre
- Intensive support for patients in our in-patient unit
- Support for families and carers including bereavement support
- Education of health & social care professionals

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

## **Report of the Trustees (incorporating the Report of the Directors) For the year ended 31 December 2014**

### **Strategies for achieving aims**

#### ***Strategic direction for 2015-2018***

The Board has agreed the following strategic direction and work on our detailed strategic plan will be finalised in 2015:

#### ***Patients and families***

- Extend our services to reach more people earlier in their illness
- Develop and embed continuous quality improvement across the organisation
- Continue to develop our education and training programmes both for staff and for local health and social care professionals
- Influence End of life policies

#### ***Fundraising***

- Generate fundraising income of £3m pa by 2018 by continuing to diversify our income streams, developing new products and exploring new markets for our existing products.

#### ***Shops***

- Expand our charity shops network to double the profit paid to the charity to £1.5m pa from 2018

#### ***Staff & Volunteers***

- Continue to invest in staff and volunteer recruitment, development, engagement and support to ensure we have the right people with the right skills in the right roles

#### ***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. Specifically, our services are provided free of charge to patients and their families.

We also work to ensure that people from all backgrounds are able to access our services and this is evidenced by the diversity of the patients we served which reflects the demography of our local communities.

#### ***Achievements and Performance***

##### ***In 2014 the hospice provided:***

2,998 days of care to patients who stayed on our in-patient unit (2013 – 2,924)

1,840 day-hospice attendances and out-patient appointments in our Woodgrange centre (2013 – 1,992) including nursing and medical assessments, appointments with a complementary therapist, sessions with our Patient and Family Support Team members and regular visits to our traditional day-hospice days.

986 visits (2013 – 1,109) and 6,329 telephone calls (2013 – 5,648) supporting patients at home following 392 referrals to our Specialist Community Palliative Care Team (2013 – 420)

11,157 hours of personal care and support to 287 patients wishing to be cared for at home by our Hospice at Home Team (2013 – 8,972 hours to 305 patients)

1,900 sessions of emotional and psychological support to patients and families (2013 – 1,502)

379 family members supported (2013 - 365)

133 family members supported with bereavement counselling (2013 – 121), through 273 face to face counselling sessions (2013 - 284) and 90 hours of group sessions (2013 – 44)

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

### Report of the Trustees (incorporating the Report of the Directors) For the year ended 31 December 2014

	2014	2013
Total patients supported	800	754
Total family members supported by Patient & Family Support Team	379	365
Daycare & outpatients sessions	1,840	1,992
Brent Community Team - referrals	392	420
Brent Community Team visits	986	1,109
Brent Community Team phone support	6,329	5,648
Hospice at Home - hours of care	11,157	8,972
Hospice at Home – patients supported	287	305
Days of In Patient care	2,998	2,924
Social work sessions	1,900	1,502
Bereavement sessions	363	328

Specific achievements included:

#### Patients and families

- Completed our new extension and opened our re-branded day hospice, The Woodgrange Centre, that will enable us to offer a broader range of services and care to more patients. We held several open day events to introduce people to the new centre.
- Introduced a new self assessment tool and partnership plan that allows service users to be much more engaged in how their needs are assessed and care delivered.
- Worked with our team of complementary therapists to develop a new team model and employed a therapy lead and a small team of employed therapists. The team will help us build a stronger volunteer service allowing us to offer the service to more patients within the hospice and at home
- Obtained grant funding to commence work on expansion of our volunteer services. Our Community Support Volunteer Project started and we have already recruited and trained our initial projected number of volunteers for the first year.
- Introduced Schwartz Centre Rounds ® and received support from the Point of Care Foundation to train our own facilitators and successfully run sessions for staff across the hospice. This was a first stage of a wider program to increase staff support, supervision and facilitate reflective practice for all our staff.
- Relocated our community teams into a new open plan office providing them with a better working environment, allowing them to be colocated with all our other clinical services and facilitating closer working across the teams
- Completed implementation of our electronic patient information system, iCARE. The clinical teams have developed and introduced a single assessment form so that all services collect the same core data from our patients. This has allowed our Community team to go paper-lite
- Trained and registered 3 independent nurse prescribers.
- Secured a new pharmacy provider service to start in January 2015
- Extended our Hospice at Home Team which now offers a full service on Saturdays allowing us to safely start new care packages at the weekend.
- Chosen by Harrow Clinical Commissioning Group to run a pilot End of Life Care Single Point of Access service across Harrow which will commence in April 2015
- Continued to develop Educational programme including courses for our own staff and colleagues in other organisations. This includes work with GPs, care home staff, social services and nursing colleagues in the hospitals and primary care. We introduced an e-learning package for the bulk of our mandatory training requirements.
- Completed a significant review and update of our information governance policies and procedures allowing us to apply to use NHS supported secure email systems.
- CQC report - we took part in the wave one pilots of the new inspection model being introduced by the Care Quality Commission. Following our inspection on 8<sup>th</sup> April 2014 we were pleased to see CQC recognise the wonderful work we do in their report and welcomed the advice and support they gave us to help us make some areas safer. We were able to implement all our actions and a follow-up visit in January 2015 confirmed we had achieved these to the satisfaction of the CQC.

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

## **Report of the Trustees (incorporating the Report of the Directors) For the year ended 31 December 2014**

### **Fundraising**

- Continued strong performance across all income streams, raising £1,866,000 in donations and fundraising events, plus £162,000 through the lottery and the final Department of Health grant of £399,000.
- Increased Trust income to £666,000 (2013 - £416,000), obtaining grants for completion of the Woodgrange Centre, and to fund projects including Community Support Volunteering, clinical volunteering, Complementary Therapies, Hospice at Home, and Education Projects
- Delivered another strong events performance, with the Ladies Midnight Walk raising £217,000 and achieving second place in the Hospice UK national league tables
- Continued to grow the Hospice Lottery, increasing profit to £162,000 (2013 - £135,000)
- Ran the successful 'Strengthen a Life' campaign, to raise funds for the new Woodgrange centre services, and to increase awareness of the new services

### **Shops**

- Delivered another strong performance generating total income of £784,000 for the hospice
- Opened a new shop in Harrow St Ann's Shopping centre taking our shop network to 14
- Recruited a new Retail Director who started in January 2015, following the retirement of the previous Managing Director of Shops who had played a pivotal role developing our profitable shops operation for over 20 years

### **Staff & volunteers**

- We continued to invest in staff development and training
- Staff morale improved across the Hospice, as evidenced by improved results in all areas of our annual Staff Survey
- We saw better retention of staff across all departments, resulting in lower recruitment costs
- Our volunteer numbers continued to grow and we invested in a Volunteer Services Coordinator, to help recruit and retain volunteers across the organisation and help develop our Volunteering Strategy
- Agreed plans to initiate a 1st cohort of staff on our Quality Improvement Programme in Jan 2015.

### **Key objectives for 2015**

#### **Patients & families**

- Introduce a new Care Home Facilitator post within Brent. This new post will work as part of our Specialist Community Team and help support care home staff to deliver the best of care to their residents
- Continue to develop The Woodgrange Centre by introducing more activities for our patients and families, offering greater opportunity for us to engage with our local community and people who could benefit from our support. We will look at more flexible approaches to attendance that will allow us to meet the physical, emotional and psychological needs of patients and families
- Fully launch our Community Support Volunteer project that will enable us to offer a range of support opportunities to patients and families at home e.g. befriending and support to help minimise the risk and impact of social isolation; practical help such as moving furniture so a hospital bed can be accommodated; help settling back at home after a period in hospital.
- Build on the success of our Schwartz Centre Rounds® by offering more ways for staff to access support. Our Senior Social Worker is training as a Balint facilitator and is running sessions with some of our teams; we will continue to run Schwartz Centre Rounds® and have signed up with the Point of Care Foundation to ensure we continue to receive their support; and we will introduce more reflective sessions with clinical staff.
- Launch our Single Point of Access pilot service in collaboration with Harrow Clinical Commissioning Group. At the same time we will continue to develop our existing Hospice at Home service so that it is flexible and responsive to demand.

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

### **Report of the Trustees (incorporating the Report of the Directors) For the year ended 31 December 2014**

#### ***Education & training***

- Continue to grow our education prospectus and explore new ways to work in partnership with other organisations. This will include working with colleagues in primary care and the hospitals and developing education programs in collaboration with the Local Education Training Board and the universities. Our education program will be delivered by and aimed at professionals from a range of clinical and non-clinical backgrounds.

#### ***Quality Improvement***

- Deliver our Quality Improvement Plan ensuring we put quality and service improvement and development at the heart of everything we do.

#### ***Fundraising***

- Raise core fundraising income of £2,241,000 maintaining a balanced portfolio of events, trust, donation, legacy and lottery income in 2015, rising to £2.5 million by 2018
- Deliver a testing and development plan for new projects to deliver an additional £500k by 2018. Projects to include Major Donor Development and new donor acquisition via face-to-face, telephone, and direct mail
- Complete re-branding exercise to increase awareness of the hospice and to attract a wider range of patients and donors, including redesign of all print and digital communications, signage, and shops branding
- Develop new methods of cross marketing between Hospice and Shops

#### ***Shops***

- Open 4 new shops focusing on Brent where we currently have less representation
- Establish an online sales team to exploit online sales opportunities including ebay and Amazon
- Implement a training programme for shop managers
- Complete a review of logistics to ensure appropriate to support planned growth
- Review all shops and agree a planned maintenance and refit programme

#### ***Staff & Volunteers***

- Achieve accreditation to the Investors in People standard
- Continue to build on the improved Staff Survey results
- Introduce a regular all Staff Forum
- Implement the Community Support Volunteers programme, to help extend the support services we offer to patients & families

**ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED****Report of the Trustees (incorporating the Report of the Directors)  
For the year ended 31 December 2014****Financial Review****Overview**

The Trustees report that in a challenging year, the budgeted income targets from key income streams were met, covering the operating costs of the hospice. In addition thanks to a number of unexpected legacies, the Hospice recorded a surplus of £516,000 at the operating level on unrestricted funds. The value of the hospice's unrestricted investments also rose by £35,000. This enabled the creation of designated reserves to facilitate the trustees strategic plans for expanding our services by providing funds to support investment in development and pilot projects, as well as establishing a reserve for future expansion & development of our buildings.

**Fundraising**

We rely on income Fundraising and our Charity Shops for over 70% of the costs of the services we provide. Income from fundraising events maintained the high level from the previous year including further success for our Midnight walk and Annual walk. We had welcome support from a wide range of community organisations and groups. Overall unrestricted donations (excluding donations under gift aid through the shops company) also increased to £734,000 (2013 - £659,000). Restricted donations, mainly from Trusts, reduced slightly during the year as 2013 included a number of significant contributions to the extension of the Woodgrange centre which were spent in 2014. Legacies brought in £937,600 (2013 - £720,500) with a number of very large bequests.

We gratefully acknowledge substantial support trusts including the February Foundation, Paul Daisley Trust, Mason le Page Charitable Trust, Harrow Council, the Derek Butler Charitable Trust, Samuel Sebba Trust, Middlesex Province Relief Funda, Albert Hunt Trust, Anonymous Charitable Trust, Donald Forester Trust, Kingsbury Charity, Silverholme Housing Association, Awards for All, Trusthouse Charitable Foundation, and the Rose Foundation.

**Shops & Lottery**

The Hospice operates charity shops and its Lottery within a wholly owned trading subsidiary company, St Luke's Hospice (Harrow & Brent) Charity Shops Limited. At the end of 2014 the Company opened an additional shop in central Harrow and began plans for further expansion in future years. Sales of donated goods, on a like for like basis including the gift-aided goods, rose by 5% while administrative expenses increased by 9%. However the proportion of donated goods where we were able to claim Gift Aid declined in 2014 resulting in a lower level of gift aid reclaimed of £75,000 (2013 - £111,000). This meant that the overall contribution from the shops operation to the hospice, including donations under gift aid and the gift aid recovered, dropped slightly by 6% to £784,000 (2013: £831,000).

Lottery sales increased to £302,000 (2013 - £283,000) and net income rose from £136,000 to £162,000 as the results of the investment in canvassing for new supporters of the lottery started in 2012 continued to bear fruit. Overall therefore, before deductions for head office administrative costs, the activities of the whole shops company generated £946,000 (2013 - £967,000) towards the work of the Hospice

**Volunteers**

St Luke's employed an average of 86 paid staff (51 full time / 36 part time = 75 full-time equivalent) in 2014, with a further 47 (37 full time / 10 part time = 44 full-time equivalent (41 FTE in 2013) employed in our trading subsidiary which runs our Charity Shops.

We rely on the support of a significant team of 850 unpaid volunteers, of which 647 are based within the Shops Company. The remaining volunteers work across all areas of the Hospice, including

- 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



**ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED****Report of the Trustees (incorporating the Report of the Directors)  
For the year ended 31 December 2014**

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. 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 opportunity 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.

***"Volunteers gave over 144,000 hours of time, equivalent to 74 full time staff – worth £1.3million"***

From a snapshot of time given in August 2014, we estimate that our 850 volunteers donate 2,779 hours per week (144,508 hours per annum). This is the equivalent of 74 full time members of staff. If these had been paid positions, based on the London Living Wage, this would cost the Hospice an additional £25,427 in salary costs per week, or £1.3 million per annum.

**Risk management**

The Trustees fulfil their responsibility for the management and control of risk by using 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 Purpose's committee.

**Key risks include:**

- Significant clinical incident affecting reputation
- Significant incident at a fundraising event damaging reputation
- Non-receipt of any legacies in one financial year
- Severe staff shortage / delays in recruitment
- Reduction in income from Clinical Commissioning Groups (CCGs)
- Trust funding withdrawn
- 2 or more shop leases not renewed at expiry

The Board has agreed action plans to seek to mitigate and manage each of these risks – and in addition this year has reviewed its Reserves policy and allocated a risk weighting to each of these risks and used this to develop a bespoke reserves policy to match the perceived risks and potential impact on the organisation.

**Reserves policy**

The Hospice relies on fundraising for over half of its income, around 16% from the activities of its charity shops and only 26% from service level agreements with Harrow & Brent Clinical Commissioning Groups. As a result 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.

In previous years the Board has set its reserves level based on a number of months of operating expenses. However, recognising the mix of income streams that the Hospice relies on to fund its work and the different risks associated with each income stream the Board undertook a detailed review of potential risks, including an assessment of the likelihood and impact of any changes. As a result the Trustees agreed a target level of designated risk management reserves of £1m (to be maintained in real terms) This is 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 funds released have been transferred to funds to support investment in development and pilot projects towards the strategic vision for the future of the hospice and to meet a 10 year planned maintenance schedule.

The additional funds generated in 2014 enabled us to create a capital fund to support expected future buildings development.

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 available to cover risk or to set aside for other purposes.

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.

**ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED****Report of the Trustees (incorporating the Report of the Directors)  
For the year ended 31 December 2014****Funding**

The Hospice's principal funding sources (as a % of total income) are:

- 66% Fundraising through donations and fundraising events, including donations via our shops (2013 60%)
- 8% Profit from Trading Subsidiary (2013 - 7%) – (16% including Gift Aided sales through charity 2013 19%)
- 26% Harrow & Brent CCGS (NHS) (2013 28%)

All of these funds are employed in providing the specialist palliative care which is the primary purpose of the hospice.

**Investment policy**

During 2014 the Trustees reviewed their cash management policies and concluded that a significant part of their reserves should be invested with a view to maintaining capital in real terms, or in some cases primarily to generate income. Reserves and cashflow which might be required at short notice should be kept as cash or on short term deposit.

All medium to long-term investment of Hospice funds is made through pooled funds for charities, which therefore offer a wider base of underlying investments than could easily be achieved by a stand alone portfolio. 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. In 2014 they also reviewed their policy in relation to social, environmental and ethical issues in respect both of investments and donations and concluded that, as a step towards managing reputational risk, the senior management team would manage a process to ensure that significant donations which carried such a risk should be screened before acceptance. In the absence of the ability to ensure such individual screening of investments, given the size of the funds, it was concluded that investment should be made only in funds which paid due regard to such social, ethical and environmental issues. A programme to review funds on this basis will take place in 2015.

The Senior Executive Team monitors the performance of the investment 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.

**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.

**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.

The Company has a wholly owned trading subsidiary, St Luke's Hospice (Harrow & Brent) Charity Shops Ltd, through which it operates a growing network of charity shops and a Lottery. The trading subsidiary exists to maximise income for the hospice and all profits are paid to the hospice using Gift Aid.

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. During the year 5 new trustees were recruited following an extensive process which included external advertising and open evenings for prospective candidates to find out more about the work of the hospice and the role of the Board. Over 20 applications were received and the majority of these were shortlisted for interview before 5 were selected to join the Board.

**Report of the Trustees (incorporating the Report of the Directors)  
For the year ended 31 December 2014**

All trustees are required to complete a thorough induction programme during their first 6 months in post including spending time with different departments in the organisation and attending different committee meetings. The induction process is supported and overseen by the Chair and the CEO.

A programme of workshops for both new and existing trustees commenced at the beginning of 2015 covering topics from Good Governance to Finance for non Financial trustees.

The full Board meets quarterly and held an annual strategy away day in October jointly with the Senior Executive Team as part of the process to develop a strategic plan for 2015-18. The Board delegates consideration of key areas of its work to 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.

The Board has adopted a governance calendar to ensure 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 works with Hospice UK and a number of neighbouring hospices and endeavours to build good working relationships with the Harrow & Brent Clinical Commissioning Groups, from which it receives part of its funding. St Luke's also maintains links with a variety of professional associations which support the work of the staff.

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

No funds are held.

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

### **Report of the Trustees (incorporating the Report of the Directors) For the year ended 31 December 2014**

#### **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**

S Aldridge Bent (appointed June 2014)  
R Bhandari  
R Bhatia  
C Buckland BA JP  
J Fewtrell  
Dr A Grainger (resigned Oct 2014)  
Fr E Lewis (resigned Jan 2014)  
M Kozłowska (resigned Jan 2014)  
J McDonald (appointed June 2014)

Dr C Mitchell  
J Newland (appointed June 2014)  
P O'Neill BA (Hons) ACMA CPA  
B Patel (resigned Jan 2014)  
S Radhia (appointed June 2014)  
F Rahman (appointed June 2014)  
M Redhouse  
Dr G Schiller  
A Vekaria

**Senior Staff**

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

R Webb ACIB

J Archer BA (Hons) RGN PGDip MSc  
Dr C Daniels Bsc (Hons) MB ChB MRCP

P Russell BA MInstF  
M A Rodger BA (Hons) ACMA 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 2014**

#### **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.

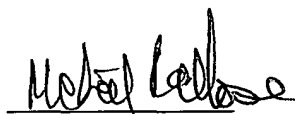
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006 and the charity's constitution. They are also responsible 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 has merged its practice with Moore Stephens LLP and now practises under the name of Moore Stephens LLP. A resolution noting this change has been agreed by the Board of Trustees.

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



**Trustee – M Redhouse**

Date: 4 June 2014

## **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 2013 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.

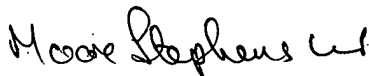
## **ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED**

### **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 MOORE STEPHENS LLP  
Chartered Accountants and Statutory Auditor  
LONDON**

Date 17 June 2014

MOORE STEPHENS LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED**  
**Consolidated statement of financial activities**  
**(including an Income and Expenditure account)**  
**For the year ended 31 December 2014**

	Notes	Unrestricted Funds 20143 £'000	Restricted Funds 20143 £'000	Endowment Funds 20143 £'000	Total Funds 2014 £'000	Total Funds 2013 £'000
<b>Incoming resources</b>						
<b>Incoming resources from generated funds</b>						
<b>Voluntary income</b>						
Donations	2	1,109	194	-	1,303	1,459
Legacies	3	938	-	-	938	721
		<u>2,047</u>	<u>194</u>	<u>-</u>	<u>2,241</u>	<u>2,180</u>
<b>Activities for generating funds</b>						
Fundraising events	2	592	-	-	592	602
Gross income from shops and lottery	4	2,273	-	-	2,273	1,998
		<u>2,865</u>	<u>-</u>	<u>-</u>	<u>2,865</u>	<u>2,600</u>
Investment income		<u>71</u>	<u>1</u>	<u>-</u>	<u>72</u>	<u>73</u>
		<u>4,983</u>	<u>195</u>	<u>-</u>	<u>5,178</u>	<u>4,853</u>
<b>Incoming resources from charitable activities</b>						
NHS commissioning		1,316	-	-	1,316	1,310
Dept of Health Grant		-	399	-	399	111
Other income		44	-	-	44	25
	5	<u>1,360</u>	<u>399</u>	<u>-</u>	<u>1,759</u>	<u>1,446</u>
<b>Total incoming resources</b>		<u>6,343</u>	<u>594</u>	<u>-</u>	<u>6,937</u>	<u>6,299</u>
<b>Resources expended</b>						
<b>Costs of generating funds</b>						
Costs of generating voluntary income		327	5	-	332	390
Fundraising events costs		344	-	-	344	226
Shops and lottery expenditure	4	1,844	-	-	1,844	1,685
Investment management costs		5	-	-	5	5
		<u>2,520</u>	<u>5</u>	<u>-</u>	<u>2,525</u>	<u>2,306</u>
<b>Charitable activities</b>						
In-patient services		1,208	7	-	1,215	1,146
Daycare services		208	33	-	241	261
Homecare services		557	86	-	643	601
Overall clinical support		1,263	56	-	1,319	1,438
		<u>3,236</u>	<u>182</u>	<u>-</u>	<u>3,418</u>	<u>3,446</u>
<b>Governance costs</b>		<u>71</u>	<u>-</u>	<u>-</u>	<u>71</u>	<u>60</u>
<b>Total resources expended</b>	7	<u>5,827</u>	<u>187</u>	<u>-</u>	<u>6,014</u>	<u>5,812</u>
<b>Net incoming/(outgoing) resources before other recognised gains and transfers (carried forward)</b>						
	6	<u>516</u>	<u>407</u>	<u>-</u>	<u>923</u>	<u>487</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 2013

	Notes	Unrestricted Funds 2014 £'000	Restricted Funds 2014 £'000	Endowment Funds 2014 £'000	Total Funds 2014 £'000	Total Funds 2013 £'000
<b>Net incoming/(outgoing) resources before other recognised gains and transfers (brought forward)</b>	6	516	407	-	923	487
Realised losses on investment disposals		-	-	-	-	-
<b>Net income/(expenditure) for the year</b>		516	407	-	923	487
Unrealised profits (losses) on revaluation of investments	11	35	1	15	51	136
Transfers between funds	15	528	(528)	-	-	-
<b>Net movement in funds</b>		1,079	(120)	15	974	623
<b>Reconciliation of funds</b>						
Total funds brought forward		6,977	241	187	7,405	6,782
<b>Total funds carried forward</b>	15	8,056	121	202	8,379	7,405

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 2014

	Notes	Group 2014 £'000	Group 2013 £'000	Charity 2014 £'000	Charity 2013 £'000
<b>Fixed assets</b>					
Tangible assets	10	5,329	4,851	5,101	4,638
Investments	11	1,524	1,473	1,524	1,473
		<u>6,853</u>	<u>6,324</u>	<u>6,625</u>	<u>6,111</u>
<b>Current assets</b>					
Stock		1	6	-	-
Debtors	12	921	796	1,191	1,061
Cash at bank and in hand		1,012	590	774	415
		<u>1,934</u>	<u>1,392</u>	<u>1,965</u>	<u>1,476</u>
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	13	(408)	(311)	(224)	(202)
<b>Net current assets</b>		<u>1,526</u>	<u>1,081</u>	<u>1,741</u>	<u>1,274</u>
<b>Net assets</b>	14	<u>8,379</u>	<u>7,405</u>	<u>8,366</u>	<u>7,385</u>
<b>Represented by:</b>					
<b>Unrestricted funds</b>					
Designated funds		7,370	6,407	7,370	6,407
General fund		686	570	673	550
		<u>8,056</u>	<u>6,977</u>	<u>8,043</u>	<u>6,957</u>
Endowment funds		202	187	202	187
Restricted funds		121	241	121	241
	15	<u>8,379</u>	<u>7,405</u>	<u>8,366</u>	<u>7,385</u>

These financial statements were approved by the Board of Trustees and authorised for issue on 4 June 2014 and signed on its behalf by:



Trustee  
M Redhouse

Company Number 2141770

The notes on pages 18 to 28 form part of these financial statements.

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

## Consolidated Cashflow Statement For the year ended 31 December 2014

	2014	2013
	£'000	£'000
Net cash flow from operating activities (note A)	1,008	86
Return on investments and servicing of finance		
Interest and dividends	72	73
Capital expenditure		
Purchase of tangible fixed assets	(658)	(280)
Sale of tangible fixed assets	-	3
Payments to acquire investments	-	(1)
Sales of investments		
	<u>658</u>	<u>(278)</u>
Increase/(Decrease) in cash in the period	<u>422</u>	<u>(119)</u>
Net funds at 1 <sup>st</sup> January 2014	<u>590</u>	<u>709</u>
Net funds at 31 <sup>st</sup> December 2014	<u>1,012</u>	<u>590</u>
<b>Note A. Reconciliation of operating profit</b>		
Net movement in funds for the year	923	487
Investment income	(72)	(72)
Loss on disposal of fixed assets	-	(2)
Depreciation	180	172
Decrease/(increase) in debtors	(125)	(476)
(Decrease)/increase in creditors	97	(18)
Decrease/(increase) in stock	5	(4)
	<u>1,008</u>	<u>86</u>

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

## Notes to the financial statements For the year ended 31 December 2014

### 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 Clinical Commissioning Groups 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 2014**

(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 Charity 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.

(ix) **Pensions**

The Group currently offers a defined contribution pension scheme and 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 deficit contributions to address the deficit which has been identified on this scheme by the Pensions Trust at its 2010 actuarial valuation. There is a schedule of employer payments over 10 years. £11,043 has been paid in the period covered by this report. This scheme was closed to new members with effect from 1 May 2014.

**Defined Contribution Scheme (Pensions Trust)**

With effect from 1 May 2014 the group also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable under the scheme by the group. There is no liability under the scheme other than the payment of those contributions.

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

### **Notes to the financial statements For the year ended 31 December 2014**

- (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 2014

### 2. Donations

	2014 Unrestricted £'000	2014 Restricted £'000	2014 Total £'000	2013 Total £'000
Individual donations	234	24	258	205
In memoriam donations	154	-	154	160
Community groups	54	-	54	66
Trust fund donations	97	170	267	305
Corporate donations	31	-	31	34
Collecting boxes and sundry	45	-	45	35
Gift aid	119	-	119	109
Donations & gift aid recovered from shops company	375	-	375	554
	<u>1,109</u>	<u>194</u>	<u>1,303</u>	<u>1,459</u>

Fundraising events in 2014 were successful in raising £592,000 (2013: £602,000). This was thanks to successful midnight and annual walks, challenge events and fundraising events organised by community organisations.

### 3. Legacies

In addition to the sum of £937,600 from legacies within the incoming resources (2013: £720,500), 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 £52,000 (2013: £11,000). 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 2014.

	2014 Total £'000	2013 Total £'000
Turnover	1,971	1,715
Income from lottery	302	283
	<u>2,273</u>	<u>1,998</u>
Cost of sale of purchased goods	8	10
Administration expenses	1,555	1,428
Lottery expenditure and prizes	140	147
	<u>1,703</u>	<u>1,585</u>
Gross direct expenditure of shops and lottery	1,703	1,585
Net direct income from shops and lottery	<u>570</u>	<u>413</u>
Donations of goods under gift aid	301	443
Gift aid reclaimed	75	111
<b>Total contribution generated by Charity Shops Ltd</b>	<b>946</b>	<b>967</b>

In addition to the gross direct expenditure shown above, additional indirect support costs of £141,000, (2013: £100,000), 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 2014

### 5. Incoming resources from charitable activities

	Unrestricted £'000	Restricted £'000	2014 Total £'000	2013 Total £'000
<b>NHS commissioning grants</b>				
Service level agreement	1,267	-	1,267	1,231
Other NHS funding*	49	-	49	79
	<u>1,316</u>	<u>-</u>	<u>1,316</u>	<u>1,310</u>
 Dept of Health Refurbishment grant	 -	 399	 399	 111
Other clinical funding	30	-	30	15
Other general income	14	-	14	11
	<u>1,360</u>	<u>399</u>	<u>1,759</u>	<u>1,446</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.

### 6. Net incoming/(outgoing) resources

Net incoming/(outgoing) resources are stated after charging:

	2014 Total £'000	2013 Total £'000
Depreciation	180	172
Profit on disposal of fixed assets	-	(2)
Auditors remuneration	11	9
Operating lease rental	308	298
	<u>499</u>	<u>477</u>



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

## Notes to the financial statements For the year ended 31 December 2014

### 7. Resources expended

	Basis of allocation	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	2014 Total £'000
Staff costs	Direct	165	192	936	-	948	128	573	969	-	3,911
Drugs & medical	Direct	-	-	-	-	-	-	-	109	-	109
Catering & Housekeeping	Direct	-	-	-	-	-	-	-	63	-	63
Fundraising & community	Direct	61	93	-	-	-	-	-	-	-	154
Other direct costs	Direct	34	12	767	5	17	2	1	38	11	887
		<u>260</u>	<u>297</u>	<u>1,703</u>	<u>5</u>	<u>965</u>	<u>130</u>	<u>574</u>	<u>1,179</u>	<u>11</u>	<u>5,124</u>
<b>Support costs</b>											
Management	Staff time	15	15	44	-	7	8	7	7	44	147
Finance	Staff time	10	10	29	-	10	4	8	16	16	103
HR	Headcount	10	5	61	-	42	6	14	29	-	167
Premises	Floor area	24	11	-	-	139	86	22	52	-	334
Gen overheads	Headcount	13	6	7	-	52	7	18	36	-	242
		<u>72</u>	<u>47</u>	<u>141</u>	<u>-</u>	<u>250</u>	<u>111</u>	<u>69</u>	<u>140</u>	<u>60</u>	<u>890</u>
<b>Total resources expended 2014</b>		<u>332</u>	<u>344</u>	<u>1,844</u>	<u>5</u>	<u>1,215</u>	<u>241</u>	<u>643</u>	<u>1,319</u>	<u>71</u>	<u>6,014</u>
<b>Total resources expended 2013</b>		<u>390</u>	<u>226</u>	<u>1,685</u>	<u>5</u>	<u>1,146</u>	<u>261</u>	<u>601</u>	<u>1,438</u>	<u>60</u>	<u>5,812</u>

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

## Notes to the financial statements For the year ended 31 December 2014

### 8. Staff costs and numbers

	2014 Total £'000	2013 Total £'000
Salaries and wages	3,346	3,213
Social security costs	290	299
Pension costs	192	163
Total	3,828	3,675
Average number of employees (full time equivalents)		
Hospice	90	75
Shops	43	41
	133	116

There were 2 employees with emoluments between £60,000 - £70,000 (2013: nil). There were no employees with emoluments between £70,000 - £80,000 (2013:1) and no employees between £80,000 - £90,000 ((2013:1). Employers' pension contributions to defined benefit schemes for these employees were £4,995 (2013: £10,405).

The employees are supported by some 850 unpaid volunteers.

### 9. Trustees

None of the trustees received any remuneration or benefits in kind from the charitable company (2013: nil).

Expenses on behalf of trustees or reimbursed during the year amounted to £1,303 (2013: £1,510)

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

## Notes to the financial statements For the year ended 31 December 2014

### 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	4,395	598	-	1,174	49	6,216
Additions *	537	77	-	44	-	658
Disposals	-	-	-	(409)	-	(409)
Closing balance	<u>4,932</u>	<u>675</u>	<u>-</u>	<u>809</u>	<u>49</u>	<u>6,465</u>
<b>Depreciation</b>						
Opening balance	-	432	-	899	34	1,365
Charge for the year	-	44	-	131	5	180
Disposals	-	-	-	(409)	-	(409)
Closing balance	<u>-</u>	<u>476</u>	<u>-</u>	<u>621</u>	<u>39</u>	<u>1,136</u>
<b>Net book value</b>						
At 31 December 2014	<u>4,932</u>	<u>199</u>	<u>-</u>	<u>188</u>	<u>10</u>	<u>5,329</u>
At 31 December 2013	<u>4,395</u>	<u>166</u>	<u>-</u>	<u>275</u>	<u>15</u>	<u>4,851</u>
<b>Charity</b>						
	Freehold properties £'000	Leasehold properties £'000	Leased assets £'000	Fixtures & equipment £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>						
Opening balance	4,395	-	-	1,096	9	5,500
Additions	537	-	-	44	-	581
Disposals	-	-	-	(409)	-	(409)
Closing balance	<u>4,932</u>	<u>-</u>	<u>-</u>	<u>731</u>	<u>9</u>	<u>5,672</u>
<b>Depreciation</b>						
Opening balance	-	-	-	860	2	862
Charge for the year	-	-	-	116	2	118
Disposals	-	-	-	(409)	-	(409)
Closing balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>567</u>	<u>4</u>	<u>571</u>
<b>Net book value</b>						
At 31 December 2014	<u>4,932</u>	<u>-</u>	<u>-</u>	<u>164</u>	<u>5</u>	<u>5,101</u>
At 31 December 2013	<u>4,395</u>	<u>-</u>	<u>-</u>	<u>236</u>	<u>7</u>	<u>4,638</u>

\*The addition to Freehold properties in 2014 reflects the final stage of completed work on the new Woodgrange Centre extension to the hospice building. Building on this project began in 2013.

Freehold properties otherwise represents the acquisition and conversion costs of Kenton Grange between 1992 and 2002 shown at historic cost.

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

## Notes to the financial statements For the year ended 31 December 2014

### 11. Investments

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

	2014 £'000	2013 £'000
Market value at 1 January 2014	1,473	1,336
Invested/received	-	1
Profit/(Loss) on revaluation	51	136
Market value at 31 December 2014	<u>1,524</u>	<u>1,473</u>

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

	Group 2014 £'000	Group 2013 £'000	Charity 2014 £'000	Charity 2013 £'000
Other debtors	283	221	185	140
Prepayments and accrued income	638	575	622	567
Amounts owed by subsidiary undertaking	-	-	384	354
	<u>921</u>	<u>796</u>	<u>1,191</u>	<u>1,061</u>

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

	Group 2014 £'000	Group 2013 £'000	Charity 2014 £'000	Charity 2013 £'000
Trade creditors	197	139	81	97
Other creditors	75	46	75	46
Taxation and social security	83	73	68	59
Accruals and deferred income	53	53	-	-
	<u>408</u>	<u>311</u>	<u>224</u>	<u>202</u>

### 14. Analysis of group net assets between funds

	Unrestricted funds General £'000	Designated £'000	Endowment funds £'000	Restricted funds £'000	Total 2014 £'000
Tangible fixed assets	19	5,310	-	-	5,329
Investments	-	1,332	202	-	1,524
Net current assets	667	738	-	121	1,526
Net assets	<u>686</u>	<u>7,370</u>	<u>202</u>	<u>121</u>	<u>8,379</u>

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

## Notes to the financial statements For the year ended 31 December 2014

15.	Funds	Opening balance £'000	Income £'000	Expenditure £'000	Investment gains/(loss) £'000	Transfers £'000	Closing balance £'000
	<b>Restricted funds</b>						
	Alice Wisbey Income fund	7	1	(1)	-	-	7
	John Corner fund	15	-	-	1	(16)	-
	Dept of Health Funds	-	399	-	-	(399)	-
	 Inpatient funds	4	9	(6)	-	-	7
	Day care funds	43	3	(24)	-	(19)	3
	Homecare funds	15	94	(83)	-	-	26
	Clinical funds	153	87	(68)	-	(94)	78
	Other sundry funds	4	1	(5)	-	-	-
	<b>Total restricted funds</b>	<b>241</b>	<b>594</b>	<b>(187)</b>	<b>1</b>	<b>(528)</b>	<b>121</b>
	 <b>Endowment funds</b>						
	Alice Wisbey Capital Fund	18	-	-	1	-	19
	D D McPhail	169	-	-	14	-	183
	<b>Total endowment funds</b>	<b>187</b>	<b>-</b>	<b>-</b>	<b>15</b>	<b>-</b>	<b>202</b>
	 <b>Unrestricted funds</b>						
	Designated Fixed Asset fund	4,638	-	(118)	-	581	5,101
	Designated shops assets fund	194	-	(62)	-	77	209
	Designated risk management Fund	1,575	-	-	35	(610)	1,000
	<b>Planned Maintenance Fund</b>					300	300
	Designated capital Development Fund					350	350
	Designated Development Fund					410	410
	<b>Total designated funds</b>	<b>6,407</b>	<b>-</b>	<b>(180)</b>	<b>35</b>	<b>1,108</b>	<b>7,370</b>
	 General charitable funds	550	4,070	(3,944)	-	3	673
	General non-charitable trading funds	20	2,273	(1,703)	-	(577)	13
	<b>Total general funds</b>	<b>570</b>	<b>6,343</b>	<b>(5,646)</b>	<b>-</b>	<b>(580)</b>	<b>686</b>
	<b>Total unrestricted funds</b>	<b>6,977</b>	<b>6,343</b>	<b>(5,827)</b>	<b>35</b>	<b>(528)</b>	<b>8,056</b>
	<b>Total funds</b>	<b>7,405</b>	<b>6,937</b>	<b>(6,014)</b>	<b>51</b>	<b>-</b>	<b>8,379</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 Dept of Health fund represents the balance of the grant claimed to refund expenditure (capitalised) on the Woodgrange Centre building project during 2014 from the total grant awarded of £510,000.

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

## Notes to the financial statements For the year ended 31 December 2014

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 and a number of other items. Funds carried forward represent service funding and projects to take place in 2015 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. A review of risks in 2014 concluded that £1m was the appropriate sum to hold for his purpose. The excess carried forward has been transferred to the designated planned maintenance and capital development funds.

In 2014 the trustees decided to set aside a planned maintenance fund of £300,000 to cover the cost of a long term schedule of repair and maintenance works over 10 years.

Also in 2014, the trustees decided to set aside £410,000 of funds from the surplus, largely arising from unexpected legacies, to help to fund investment and pilot projects to further their strategic plans for the hospice.

Also, as a result of their strategic plans the trustees considered that further capital development for expansion of facilities and the resultant staffing was likely to be needed in a few year's time and set aside £350,000 towards the initial funding for such a project, for example to support a capital appeal.

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 2014 £'000	Group 2013 £'000	Charity 2014 £'000	Charity 2013 £'000
Within 1 year	19	103	-	-
Within one to two years	72	-	-	-
Within two to five years	34	107	-	-
After five years	236	97	-	-
	<u>236</u>	<u>97</u>	<u>-</u>	<u>-</u>

### 17. Capital Commitments

The group has no capital commitments at the year end.

### 18. Related Party Transactions

There are no transactions with related parties which require disclosure under Financial Reporting Standard 8.