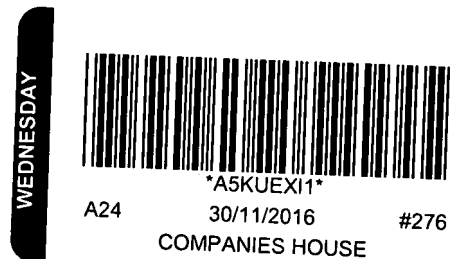


**ST GILES HOSPICE  
(A COMPANY LIMITED BY GUARANTEE)**

**Trustees' Report and Financial Statements  
For the Year Ended  
31 March 2016**

**REGISTERED CHARITY NO. 509014**



**Company Number 01430090**

**ST GILES HOSPICE (A Company Limited by Guarantee)**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

|  | <b>Page</b> |
|--|-------------|
| Legal & Administrative Information             | 1           |
| Report of the Trustees                         | 3           |
| Report of the Independent Auditors             | 16          |
| Consolidated Statement of Financial Activities | 18          |
| Consolidated Balance Sheet                     | 19          |
| Consolidated Cash Flow Statement               | 20          |
| Notes to the Financial Statements              | 21          |

**ST GILES HOSPICE (A Company Limited by Guarantee)**

**LEGAL & ADMINISTRATIVE INFORMATION**

**FOR THE YEAR ENDED 31 MARCH 2016**

**Directors and Trustees**

Charles Theaker (Chair)  
Simon James (Deputy Chair)  
Simon Fisher  
Alison Fowler  
Dr Robert Horton  
Joanne Maidment  
Adrian Thompson  
Margaret Wood  
Bernie Creaven  
Lindsey Williams

**Senior Management Team**

|                  |  |
|------------------|--|
| Emma Hodges      | - Group Chief Executive<br>& Company Secretary |
| Sarah Riches     | - Deputy Chief Executive                       |
| Bernard Kumeta   | - Finance & Commercial Director                |
| Nikki Archer     | - Director for Supportive Care                 |
| Katie Burbridge  | - Director for Clinical Services               |
| Dr Sheila Popert | - Medical Director                             |

**Registered Office**

Fisherwick Road  
Whittington  
Lichfield  
Staffordshire WS14 9LH

**Registered Company Number**

01430090

**Registered Charity Number**

509014

**Auditors**

Burman & Co  
Chartered Accountants & Statutory Auditors  
Brunswick House, Birmingham Road  
Redditch  
Worcestershire B97 6DY

**Bankers**

Lloyds Bank Plc  
125 Colmore Row  
Birmingham B3 2DS

**ST GILES HOSPICE (A Company Limited by Guarantee)**

**LEGAL & ADMINISTRATIVE INFORMATION**

**FOR THE YEAR ENDED 31 MARCH 2016**

**Solicitors**

Pickerings Solicitors LLP  
Etchell House, Bonehill Road  
Tamworth  
Staffordshire B78 3HQ

Keelys LLP  
28 Dam Street  
Lichfield  
Staffordshire WS13 6AA

**Investment Advisors**

Barclays Wealth  
One Snowhill  
Snow Hill Queensway  
Birmingham B4 6GN

CCLA Investment Management Ltd  
Senator House  
85 Queen Victoria Street  
London EC4V 4ET

Cannacord Genuity  
Wealth Management  
41 Lothbury  
London EC2R 7AE

**St Giles Hospice  
(A Company Limited by Guarantee)**

**TRUSTEES' and STRATEGIC REPORTS  
for the year ended 31 March 2016**

**1 Introduction**

The Trustees of the Charity St Giles Hospice, (sometimes referred to in this report as “the Company”), who are also directors of the Company for the purposes of the Companies Act 2006 are pleased to publish their Annual Report, including the Strategic Report, and audited financial statements for the year ended 31 March 2016. The financial statements comply with the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015). The Trustees also have due regard to the requirements of the Charities Act 2011 and to the public benefit guidance published by the Charity Commission.

St Giles Hospice delivers specialist palliative and end of life care for people with a progressive and life threatening illness, their families and carers. As well as offering care to people with complex needs the Charity provides specialist support and expertise in end of life care to generalist services in hospitals and the community. This is enhanced by the education and training offered to both specialist and generalist health and social care professionals, as well as by being a training placement for doctors and nursing and social work students.

The Board of Trustees, the Senior Management Team and all the staff and volunteers at the Charity are committed to providing the best possible experience for patients and their families. The Charity aims to achieve this by providing consistent high quality, cost effective care underpinned by sound governance across all aspects of the organisation. Care is based on an active collaboration with patients, their families and carers to establish their wishes and needs, underpinned by expert holistic assessment by multi-professional teams.

**2 Structure, Governance and Management**

**2.1 Structure**

St Giles Hospice was incorporated on 15 June 1979 and received its first in-patient on 12 April 1983. It is governed by a Memorandum and Articles of Association which were last subject to full review in 2015. The Charity’s overriding objective, as defined in the Memorandum, continues to be the care of people suffering from chronic or terminal illness. The Charity’s aims fully reflect the legal objects and purposes the Charity was set up to further.

**2.2 The Governing Body**

The Board of Trustees (the Board) is the governing body of St Giles Hospice. The purpose of the Board is to enable the Hospice to fulfil its charitable objectives by ensuring sound governance of the Charity.

All Trustees give their time voluntarily and receive no benefits from the Charity. When new trustees are appointed, an induction programme is arranged, including a tour of the Hospice sites and visits to the subsidiary companies, a briefing on current developments both at the Hospice and in palliative care more generally, a full day’s attendance at the staff and volunteers’ induction day and meetings with the Chairman and members of the Senior Management Team.

**St Giles Hospice  
(A Company Limited by Guarantee)**

**TRUSTEES' and STRATEGIC REPORTS  
for the year ended 31 March 2016**

There are currently ten trustees and the quorum for a meeting is three. The Board meets once every three months to review performance in the previous quarter, plus additional Board Meetings should the need arise, which it did during the year. Therefore, the total attendances were sixty five out of a possible total of seventy six.

Trustees are elected by the members of the Company for a term of office of three years, after which a trustee may stand for re-election. There is no limit to the number of times someone may be elected as a trustee. Dr Robert Horton, Charles Theaker and Adrian Thompson were re-elected at the 2015 Annual Meeting. Joanne Maidment offers herself for re-election at the 2016 Annual Meeting. Bernard Kumeta resigned during the year.

A Recruitment and Skills Committee meets as a sub-committee of the Board to ensure that the Trustee Board has the skills and experience required to meet its legal requirements and to support the achievement of the strategic direction of St Giles. This Committee also interview and make recommendations to the Trustee Board regarding the appointment of new Trustees and members of the Senior Management Team.

Trustees must be members of the Company. Membership of the Company is open to anyone, subject only to formal approval by the Board. There are currently 53 members of the Company.

A Corporate Governance Committee and four aspect governance committees - Clinical, Finance, Fundraising and Human Resources - report directly to the Board of Trustees. Each committee, chaired by a trustee, comprises trustees and the Senior Management Team ("SMT"). The aspect committees meet at least three times a year and the governance committee at least once a year.

The Trustees agree strategy and supporting objectives, delegating their execution to the Chief Executive and the Senior Management Team.

During 2015/16 Peter Holliday retired from his role as CEO and was replaced by Emma Hodges who was appointed by the Recruitment and Skills Committee. Mrs Hodges had been appointed as Business Support Director in 2009 and became Deputy CEO in 2011. As a consequence of the change of CEO, some additional changes to SMT were made. Sarah Riches was promoted from the post of Care Director to that of Deputy CEO by the Recruitment and Skills Committee. Two senior heads of department were invited to join SMT as Director for Clinical Services and Director for Supportive Care Services, a senior medical consultant is also part of SMT. Due to the resignation of the Commercial Development Director, and the retirement of Mr Holliday who is a Chartered Accountant, a new post of Finance and Commercial Director was introduced in order to ensure robust financial oversight across St Giles. These changes to the team were achieved within headcount and the existing budget for the team.

The full team meets fortnightly, Chaired by the Chief Executive and the Clinical Directors meet monthly, Chaired by the Deputy CEO. There is a management forum quarterly and notes are circulated to all staff and volunteers.

### **2.3 Subsidiary Companies**

The Company has five subsidiary companies, St Giles Hospice Shops, Walsall Hospice Trading, St Giles Hospice (Promotions), St Giles Hospice Care Agency, all limited by shares wholly owned by the

**St Giles Hospice  
(A Company Limited by Guarantee)**

**TRUSTEES' and STRATEGIC REPORTS  
for the year ended 31 March 2016**

Hospice, and St Giles Hospice Developments, a company limited by guarantee of which the Hospice is the sole member. Walsall Hospice Trading holds shops' leases but otherwise does not trade.

The Shops Company acts as an agent for the Hospice in both the sale of donated goods and in reclaiming gift aid on donations arising from the sale of donated goods. The Shops Company also sells new, bought-in goods. The Promotions Company runs the Hospice Lottery and the Developments Company is responsible for the construction of new buildings and the refurbishment of existing buildings. The Care Agency Company aimed to grow to generate a significant surplus to be donated to the Hospice, however current and future market conditions mean that this is unlikely and therefore in order to protect beneficiaries the service offered via the subsidiary has moved into the Hospice. The Care Agency Company will be closed during 2016/17.

The Board of Directors of each subsidiary company consists of both trustees of St Giles Hospice and other directors. The subsidiary company boards meet regularly and are responsible for their own policies and procedures. Certain support services of the Hospice, in particular public relations, human resources and health and safety are shared with the subsidiary companies.

A review of organisational structure has taken place during the financial year and a decision made to consolidate the Shops and Promotions Company into a single trading entity.

### **3 Objectives and Activities**

#### **3.1 Objectives**

The objectives of St Giles Hospice, as detailed in the Memorandum and Articles are specifically restricted to the relief of sickness and the preservation of health, in such ways as the Charity shall from time to time determine, within England and Wales. This purpose is detailed further in the Charity Commission return as providing high quality individual care for local people with cancer and other serious illnesses, as well as offering support for their families and carers. This care includes a range of services including specialist care at home, inpatient care, lymphoedema, day hospice, bereavement, chaplaincy, and a range of therapies. In addition to direct patient care services, St Giles has a proactive Community Engagement agenda encouraging more discussion regarding issues to do with dying and bereavement and an Education and Research Agenda aiming to improve palliative and end of life care.

During 15/16 St Giles saw more patients than ever in our history supporting over 7,000 local people. We supported the highest number ever of people with life-threatening diseases other than cancer and our occupancy in our inpatient units also rose significantly.

St Giles aims to ensure that patients retain as much control and independence as they can with services helping them focus on living well until they die. 80% of care continues to be provided in the community although demand for all services continues to increase.

**St Giles Hospice  
(A Company Limited by Guarantee)**

**TRUSTEES' and STRATEGIC REPORTS  
for the year ended 31 March 2016**

#### **4 Strategic Report**

In August 2013 Parliament approved *The Companies Act 2006 (Strategic Report and Directors' Report) Regulations* which require companies the size of the Hospice to prepare a separate Strategic Report. The Charities Commission advises that the Strategic Report should be included within the Trustees' Annual Report as a separate clearly delineated section headed *Strategic report*.

##### **4.1 Strategic Aims**

The Charity's strategic aims are summarised as follows:

**St Giles Hospice is committed to offer care on the basis of need and not diagnosis. The Charity recognises the increasing need for high quality end of life care for people living with multiple conditions and frailty as well as single diagnoses such as cancer, dementia and heart failure. In each of the strategic aims the Charity seeks partnerships with others who share their aims in order to address increasing complexity of health and social need in an environment of limited resources.**

##### **Community Services**

Most people prefer high quality services delivered in their own home. The Charity is committed to working in a way that complements statutory services and responds to the needs and expectations of the community. St Giles will do this by matching skills according to the assessed needs of individuals, being mindful of the need to promote and maximise support and assets already available to individuals and the local community as a whole.

##### **Beds**

The need for high quality palliative care beds will increase. The Charity will seek innovative and fully funded options that enable the utilisation of all available beds on the in-patient units and support the development of palliative care beds within the local community.

##### **Community Engagement**

Patient choice, extended life expectancy and scarcity of resources mean that care will increasingly become a community activity. St Giles will encourage local communities to build on the assets and skills they already have for good end of life care. The Charity will actively build on the relationship between St Giles and its community to understand how community based end of life care can further be developed.

##### **Research and Education**

The Charity has a responsibility to continuously research best practice and to share this with the whole community. St Giles will embed research into its work in the belief that all healthcare professionals have a duty to contribute to research. The Charity will offer education and training that seeks to give patients, carers, professionals, organisations and the local community the confidence, skills and



**St Giles Hospice**  
**(A Company Limited by Guarantee)**

**TRUSTEES' and STRATEGIC REPORTS**  
**for the year ended 31 March 2016**

opportunities to promote good end of life care for all. St Giles will encourage and develop the health and social care workforce of the future.

**Financial sustainability**

Financial sustainability serves the best interests of patients by ensuring a settled workforce and an uninterrupted service. The local community founded St Giles and is the basis of the Hospice's continuing financial sustainability. The Charity will seek to optimise existing revenue streams and to create new ones in order to reach more people and to innovate.

Activities and performance against these objectives are reported in Section 4.2.

Two significant projects during 2015/16, supported by restricted funds, include Holly Road Supportive Care Centre a partnership with two other charities and the Advice and Referral Centre which enables anyone in St Giles' community to contact the charity for advice. These two projects in particular recognise the innovative ways that are required to further the charitable objects against the landscape of increasing demand and financial pressures. The Advice and Referral Centre is further detailed in the section below.

St Giles continues to be heavily reliant on volunteers in delivering its charitable objects. Volunteers support all areas of the organisation in the following areas:

|                                     |     |
|-------------------------------------|-----|
| Central Admin and IT                | 12  |
| Clinical Admin Support              | 7   |
| Compassus                           | 55  |
| Day Hospice                         | 20  |
| Education                           | 3   |
| Flower Arrangers/Gardening/Stewards | 16  |
| Fundraising                         | 33  |
| Holly Road                          | 7   |
| Housekeeping                        | 47  |
| Lymphoedema                         | 19  |
| Reception                           | 56  |
| Supportive Care                     | 89  |
| Sutton Coldfield Centre             | 41  |
| Transport Services                  | 50  |
| Trustees                            | 10  |
| Walsall Hospice                     | 56  |
|                                     | 521 |

**St Giles Hospice**  
**(A Company Limited by Guarantee)**

**TRUSTEES' and STRATEGIC REPORTS**  
**for the year ended 31 March 2016**

Subsidiary Company Volunteers

|                      |     |
|----------------------|-----|
| Care Agency          | 6   |
| Promotions (Lottery) | 7   |
| Shops                | 941 |
|                      | 954 |

#### **4.2 Achievements and performance**

Performance against objectives is detailed below;

**Community Services** – during 2015/16 a review of community services has taken place, in particular reviewing processes around referrals and ensuring that team skills profiles enable both responsive support as well as highly clinical symptom control. This review has been undertaken jointly with the senior nursing team, and of one of St Giles Medical Consultants. The Advice and Referral Centre has enabled greater efficiency and responsiveness in managing patient referrals to St Giles. In 2016/17 this work will progress further, in particular, focusing on partnership working with primary care.

In addition to specialist community services, St Giles has established eight volunteer led bereavement help points across its catchment area supporting anyone struggling with grief. St Giles has also developed Phoenix, a children's bereavement service initially funded by Children in Need. The funding of a pilot carers project, unfortunately was not continued by Commissioners, this service made a difference to service users during its pilot phase and is a project we hope to be able to fund during 2016/17 or 2017/18

**Beds** – during 2015/16 a key focus was on ensuring the right workforce and processes were in place to increase admissions. St Giles is unable to fund a full 24/7 service enabling the same admissions process seven days a week. However, progress has been made by working differently, in particular, ensuring referrals on a Friday are reviewed prior to the weekend. Admissions at the weekend have increased. Walsall Hospice during 2015/16 has run significantly over the national average for bed utilisation. Whittington Hospice has also run above national average for bed utilisation based on funded beds. Whittington still has 6 unfunded beds and significant effort has gone into negotiating with statutory funders to ensure these beds can support the health economy and reduce the number of people dying in hospital. It is hoped that there will be some progress on this during 2016/17.

**Community Engagement** – this has been a growing area for St Giles and focuses on supporting people and organisations to talk about matters to do with death and dying and involved a range of partnerships. It is believed that talking more about final wishes, funeral plans etc. can reduce the number of people having to consider such issues at a crisis point. There is one Whole Time Equivalent ("WTE") member of staff assigned to this work who also supports a range of projects such as the bereavement help points.

**Research and Education** – St Giles has a small education department of two WTE educators and two WTE coordinators, however, has the support of a wide range of Associate Educators who support a diverse range of programmes. The education during 2015/16 has further embedded earlier work

**St Giles Hospice**  
**(A Company Limited by Guarantee)**

**TRUSTEES' and STRATEGIC REPORTS**  
**for the year ended 31 March 2016**

delivering vocational qualifications in end of life care and dementia. Students have included staff from care homes, housing associations and acute hospitals in addition to Hospice staff. During 2015/16 St Giles has grown its involvement in research by being involved in a few projects e.g.:

- Pilot study identifying attitudes, knowledge, facilitators and barriers of Advance Care Planning (ACP) practice in a hospice - Lead organisation: St Giles Hospice
- The Prognosis in Palliative Care Study II (PiPS2) - Lead organisation: University College London

St Giles' involvement in research aims to contribute to improvements in palliative care and hospice care.

**Financial Sustainability** – overall income has remained fairly static over recent years, however legacy income has been reducing and in 2015/16 was £161k below budget. Whilst costs are being well managed, the cost of delivering care is increasing. During 2015/16, due to changes within the senior management team described in section 2, a post of Finance and Commercial Director was introduced. This post was introduced within the headcount and budget for the senior team. The role oversees all income and expenditure, including that within the trading companies and the fundraising department and is responsible for ensuring robust financial management and analysis. Towards the end of this financial year, the focus was on analysing financial activity, in particular, to understand legacy income. Changes within the income generation teams at a senior level have resulted in a full review. The objectives for 2016/17 surround using this analysis to better target investment in income generation activities to ensure maximum return within the ethos of the Charity.

**Core Charitable Activities Data** - detailed below is the activity data outlining St Giles' performance of core charitable activities for 2015/16. The data includes key quality measures that are reportable to statutory commissioners.

|   | <b>2015/16</b> |
|---|----------------|
| Total number of new referrals to St Giles Hospice across Hospice services   | 5,468          |
| Total number outpatient attendances   | 3,947          |
| Total number of attendances by patients at the Day Hospice  | 1,553          |
| Total number of visits with patients by the community service   | 5,963          |
| Total number of Hospice at Home sessions provided   | 2,638          |
| Total number of complaints  | 9              |
| The number of complaints which were investigated and resolved in full   | 2              |
| The number of complaints which were investigated, resolved but only upheld in part  | 7              |
| The number of incidents reported to RIDDOR involving patients (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) | 2              |

**St Giles Hospice**  
**(A Company Limited by Guarantee)**

**TRUSTEES' and STRATEGIC REPORTS**  
**for the year ended 31 March 2016**

|  |      |
|--|------|
| <b>Compassus Inpatient Unit</b>  |      |
| Total number of patients admitted to in-patient unit   | 438  |
| % of patients who went home  | 45%  |
| % Bed Occupancy  | 83%  |
| Patients diagnosed with reportable infections whilst on the in-patient unit.   | 0    |
| Average length of stay on the in-patient unit (days)   | 9.65 |
| Number of falls per occupied bed in a year (Number of beds multiplied by bed occupancy and divided by number of falls) | 5.86 |
| <b>Walsall Inpatient Unit</b>  |      |
| Total number of patients admitted to in-patient unit   | 254  |
| % of patients who went home  | 45%  |
| % Bed Occupancy  | 76%  |
| Patients who were diagnosed with reportable infections whilst on the in-patient unit.                                  | 0    |
| Average length of stay on the in-patient unit (days)   | 8.35 |
| Number of falls per occupied bed (Number of beds multiplied by bed occupancy and divided by number of falls)           | 3.39 |

In addition to core activity, there were two specific objectives in 2015/16 to enhance support to St Giles' beneficiaries:-

1. **Advice and Referral Centre** – this 365 days a year service was successfully launched and for the first time St Giles is able to extend the advice and support it provides to St Giles patients, their families and anyone in its communities providing wider benefits to society. Patients and families often have questions they want to ask: they may be worried about symptoms; they might be looking for support groups or activities within the local area; they may be anxious about financial issues, or they may be grieving and finding life difficult. They may just need reassurance. Sometimes what might appear a small issue amongst everything else can be a major cause of worry – whatever the issue, people can call the service. The new service builds on the highly-valued Referral Centre, which was launched in 2014 and has since played a key role in managing patient referrals and offering expert advice to St Giles patients, their families and healthcare professionals. It is staffed by a mix of specialist staff, trained call-handlers and supportive care volunteers. The centre previously took over 60,000 support calls a year. It is expected that over the next few years this number will double.

2. **Dementia Awareness** – there is recognition of the increasing number of patients, family members and carers who also are likely to be affected by dementia. Therefore there is a strategic objective as part of our broader objectives of community engagement and education to work proactively with partners in the primary, secondary and tertiary sectors to find solutions for non-cancer end of life

**St Giles Hospice**  
**(A Company Limited by Guarantee)**

**TRUSTEES' and STRATEGIC REPORTS**  
**for the year ended 31 March 2016**

care, including dementia. St Giles wanted to particularly focus on engaging and supporting our staff and volunteers to be more confident and engaged with how we can better support people with dementia and their families. The performance against this objective is listed below;

- St Giles was part of a collaborative, fully funded 1 year project, with Walsall CCG, Walsall Council and Pathways for Life (Accord Housing and Age UK Walsall). St Giles provided a healthcare assistant to help improve dementia and end of life care in care homes and prevent unnecessary hospital admissions. This pilot has been extended.
- The Walsall collaborative project was presented as a poster at the International Dementia Conference 2015, the National Council for Palliative Care conference at Keele University and as a poster at the International Dementia Conference in Australia in June 2016.
- Appointment of a Dementia Care Worker and two dementia champions from within the workforce
- All new staff become Dementia Friends as part of their Induction process.
- Working closely with the Alzheimer's Society resulted in the launch in April 2015 of a weekly Dementia Drop in session at The Holly Road Supportive Care Centre in Uttoxeter (this venue is a joint project with Katharine House Hospice).
- Delivery of an Advanced Care Planning workshop to Staffordshire and Shropshire Alzheimer's Society employees and volunteers.
- Staffordshire and Shropshire Alzheimer's Society attended St Giles Hospice Care Week event speaking about the partnership working
- Creation of service directories for staff to use which identify the help, support and advice available across our catchment for anyone affected by dementia or memory problems.
- 23 staff across various hospice departments completed Dementia Awareness Training and a further 13 completed a course on The Brain and Dementia.
- Delivery of workshops on Advanced Care Planning and funeral wishes to around 30 Dementia Patients and carers at MASE Group (Monthly Alzheimer's and Dementia Support Group). It was evident from the session that this was something that hadn't been discussed with them before. All attending went home with a copy of an Advance Care Plan
- Delivery of a Dementia Friends session to around a dozen members of the Burton Caribbean Association
- Delivery of a Dementia Friends session to N-Power employees and the Bromford Wellbeing Project.

**St Giles Hospice  
(A Company Limited by Guarantee)**

**TRUSTEES' and STRATEGIC REPORTS  
for the year ended 31 March 2016**

#### **4.3 Financial Review**

To enable the Charity to continue offering its end of life services free of charge means continuing discussions over funding with the NHS, the maximisation of existing income streams, the development of new initiatives and being cost effective in the delivery of services.

The Statement of Financial Activities shows a deficit for the year of £788,060 (2015: deficit of £149,802).

The use of restricted funds for their designated purpose accounts for £285,209 of the year's deficit. The remainder of the deficit arises from the timing lag between spend and the receipt of income.

This is not considered to be of concern bearing in mind the substantial level of reserves held (see below).

##### **4.3.1 Income**

As a proportion of total expenditure on services, income from the NHS fell from 37% to 36% (2015: 39% to 37%; 2014: 40% to 39%, 2013: 43% to 40%). Strategic discussions continued during the year with the NHS in an attempt to ensure a more robust pattern of statutory funding but continuing uncertainties around NHS funding streams continues to frustrate some of those negotiations.

Of the £4.617m income raised from voluntary sources (2015: £4.638m) the trading subsidiary companies (Shops, Lottery and Care Agency) produced a combined net profit of £1.903m (2015: £1.684m), legacies, a major part of the Hospice's voluntary income stream, contributed £1.123m (2015: £1.516m) and the work of the Fundraising Department supplied the balance of £1.586m (2015: £1.438m).

##### **4.3.2 Senior staff salaries**

The salaries of the Hospice's senior staff are set by the Trustees' Remuneration Committee, having regard to the salaries paid in similar local charities, the complexity of the role and the need to ensure resources are deployed as efficiently as possible. The Hospice's highest paid employee is a medical consultant who is paid in accordance with national NHS scale rates.

##### **4.3.3 Reserves**

The Trustees have reviewed the reserves of the Charity including the nature of the income and expenditure streams, the need to match variable income and fixed commitments, and the nature of the reserves.

The Board of Trustees has set a reserves policy which requires:

- Reserves to be maintained at a level which is at least equivalent to six months' operational expenditure having regards to St Giles' manner of operation and of likely funding streams and at a level which ensures that St Giles Hospice's core activity could continue during a period of unforeseen difficulty

**St Giles Hospice  
(A Company Limited by Guarantee)**

**TRUSTEES' and STRATEGIC REPORTS  
for the year ended 31 March 2016**

- The trustees review the amount of reserves that are required to ensure that they are adequate to fulfil the Charity's continuing obligations at least on a quarterly basis at the finance governance meeting

The free reserves at 31 March 2016 stood at 7.2 months of current annual expenditure as budgeted for 2016/17, down from 8.1 months at 31 March 2015.

The movements in fixed assets during the year are set out in note 11 to the financial statements.

#### **4.3.4 Investments**

The Hospice's investments are managed by Barclays Wealth who were appointed investment managers in 2004 and by Canaccord Genuity Wealth Management (formerly Collins Stewart Wealth Management) and CCLA who were both appointed in 2012. The Finance Governance Aspect Committee reviews the investment managers' reports every six months.

The investment objectives are to achieve long term capital and income growth in a moderately conservative manner, following guidelines agreed by the Trustees. The investment managers have discretion in the management of a portfolio within given criteria.

The Memorandum and Articles of Association permit funds to be invested as the Trustees see fit, providing these powers of investment are only exercised for the purpose of attaining the objectives and in a manner that is legally charitable. The Charity has a formal written investment policy.

#### **4.4 Plans for Future Periods**

During Quarter 3 2015/16 a Forward Strategy Group was formed to consider a five year plan commencing 2017/18, therefore the aims described below were adopted for 2016/17. The new five year plan will provide a longer term view of plans for future periods.

However some specific strategic objectives for 2016/17 were agreed. The objectives are focused in the main around governance and financial performance, however a significant objective is the review and redesign of St Giles' Community Services to ensure the Charity is meeting the changing needs of the local community.

#### **Strategic Aims for 2016/17**

1. During 2016/17 close the gap between income and expenditure via robust financial management and oversight across the group including the creation of a three year rolling planning process.
2. During Quarter one develop a more robust approach to fundraising analysis and delivery in order to achieve improved results.
3. During Quarter one finalise the development of the new Trading Board and associated income generation strategies for Shops and Promotions.

**St Giles Hospice  
(A Company Limited by Guarantee)**

**TRUSTEES' and STRATEGIC REPORTS  
for the year ended 31 March 2016**

4. Following the transition of St Giles Care Agency, by the end of quarter two, remodel the social care offer into a hospice service which is at least break even, continues to provide high quality care and is integrated with our other services.
5. During 2016/17 reconfigure St Giles' Community Services to provide a holistic offer to patients, families and healthcare professional which is responsive to current needs, is consistent with the Clinical Commissioning Groups' ("CCG") landscape and more cost effective.
6. During 2016/17 provide clarity of St Giles' mission and objectives internally and externally through communications, PR and marketing and refocus all marketing activity.

#### **4.5 Principal risks and uncertainties**

The principle risks to the Charity are:

- Reduced income from subsidiary companies and fundraising activities creating risk to financial sustainability and service delivery
- Failure of Clinical information systems and their utilisation which are under review
- Loss of NHS income creating risk to financial sustainability and service delivery
- Reputational risk by association with private sector providers

The principle uncertainties arise from the external environment:

- Uncertainty on the structure, timing and impact of new models by NHS CCGs for end of life care services
- Changing complexity and disease profiles of patients, and the increase in demand

#### **4.6 Management of risks**

A complete review of the system during 2015/16 for identifying, recording, managing, and monitoring of risk was undertaken resulting in the implementation of a risk register. The register identifies the governance committee primarily responsible for monitoring the risk and seeks assurance of the management of that risk. Every risk is set a target consequence, likelihood and score set with a timeline set for attainment, and is allocated to a member of the senior team for management oversight. Risk is a standing item on the Senior Management Team Meeting agenda and they receive and respond to newly identified organisational risks, adding them to the register. In addition each division formally reviews the risk register quarterly noting mitigating actions undertaken and revising risk scores accordingly.

### **5 Trustees' responsibilities in relation to the financial statements**

The Trustees are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).



**St Giles Hospice  
(A Company Limited by Guarantee)**

**TRUSTEES' and STRATEGIC REPORTS  
for the year ended 31 March 2016**

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the net incoming or outgoing resources of the Charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- 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 which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

**6 Statement as to disclosure of information to auditors**

In accordance with company law, we, the Trustees, acting also as directors of the Company, certify that so far as we are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Charity's auditors are unaware. Each Trustee has taken all the steps that ought to have been taken as a Trustee in order to make themselves aware of any relevant audit information and to establish that the Charity's auditors are aware of that information.

**7 Auditors**

The Charity's auditors, Burman & Co, have indicated their willingness to continue in office and, in accordance with Section 485 of the Companies Act 2006, a resolution proposing their re-appointment will be put to the Annual General Meeting.

**8 Annual General Meeting**

The Annual General Meeting of the Charity will be held on Tuesday 18 October 2016 at 19.00 in the Lecture Theatre on the main Whittington site.



**Charles Theaker**

**Chairman of the Board**

**24 August 2016**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF ST GILES HOSPICE (A Company Limited by Guarantee)**

We have audited the financial statements of St Giles Hospice Limited for the year ended 31 March 2016, which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group and Parent Charitable Cash Flow Statements and the related notes. The financial reporting framework that has been applied in the preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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. 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 a Report of the Auditors 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.

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 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 Strategic Report and the Trustees' Annual 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 the parent charitable company's affairs as at 31 March 2016, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES  
OF ST GILES HOSPICE (A Company Limited by Guarantee)**

**Opinion on financial statements (cont'd)**

- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; 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 Strategic Report and the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

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

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

David Burman (Senior Statutory Auditor)  
for and on behalf of Burman & Co  
Chartered Accountants and Statutory Auditors  
Brunswick House  
Birmingham Road  
Redditch  
Worcestershire  
B97 6DY

Date: 24 August 2016



Burman & Co are eligible to act as auditors under section 1212 of the Companies Act 2006.

**ST GILES HOSPICE (A Company Limited by Guarantee)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating a consolidated income and expenditure account)  
**FOR THE YEAR ENDED 31 MARCH 2016**

|  | Note    | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2016<br>£ | Total<br>2015<br>£ |
|--|---------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Income:</b>   |         |                            |                          |                    |                    |
| <b>Donations &amp; legacies</b>  | 2       | 2,790,624                  | 306,637                  | 3,097,261          | 3,329,693          |
| <b>Income from charitable activities:</b>  |         |                            |                          |                    |                    |
| Grants - NHS   | 3       | 3,225,928                  | -                        | 3,225,928          | 3,305,789          |
| - Department of Health   |         | -                          | -                        | -                  | 345,959            |
| Recharged services   |         | 43,481                     | -                        | 43,481             | 63,888             |
| Other income   |         | 181,826                    | 9,740                    | 191,566            | 238,682            |
| <b>Income from trading activities:</b>   |         |                            |                          |                    |                    |
| Income from trading subsidiaries   | 4       | 2,825,800                  | -                        | 2,825,800          | 2,888,596          |
| Sale of donated goods  | 5       | 3,163,531                  | -                        | 3,163,531          | 3,101,883          |
| Fundraising events   |         | 76,465                     | -                        | 76,465             | 63,160             |
| Merchandise  |         | 2,457                      | -                        | 2,457              | 4,548              |
| Catering & refreshments  |         | 108,362                    | -                        | 108,362            | 109,620            |
| Room hire  |         | 41,880                     | -                        | 41,880             | 49,458             |
| Training & course fees   |         | 44,861                     | -                        | 44,861             | 35,100             |
| <b>Investment income</b>   | 6       | 119,278                    | -                        | 119,278            | 110,518            |
| <b>Total income</b>  |         | <b>12,624,493</b>          | <b>316,377</b>           | <b>12,940,870</b>  | <b>13,646,894</b>  |
| <b>Expenditure:</b>  |         |                            |                          |                    |                    |
| <b>Costs of raising funds:</b>   |         |                            |                          |                    |                    |
| Fundraising costs  |         | 462,023                    | -                        | 462,023            | 434,303            |
| Trading subsidiary costs   | 4       | 1,641,482                  | -                        | 1,641,482          | 1,911,986          |
| Costs re sale of donated goods   |         | 2,447,316                  | -                        | 2,447,316          | 2,398,261          |
| Investment management costs  |         | 14,512                     | -                        | 14,512             | 15,053             |
| <b>Expenditure on charitable activities:</b>   |         |                            |                          |                    |                    |
| Hospice services   |         | 8,424,837                  | 601,586                  | 9,026,423          | 8,905,444          |
| <b>Other expenditure</b>   |         | <b>400</b>                 | <b>-</b>                 | <b>400</b>         | <b>345,959</b>     |
| <b>Total expenditure</b>   | 7       | <b>12,990,570</b>          | <b>601,586</b>           | <b>13,592,156</b>  | <b>14,011,006</b>  |
| <b>Net income/(expenditure) for the year before other recognised gains/(losses) on investments</b> |         | <b>(366,077)</b>           | <b>(285,209)</b>         | <b>(651,286)</b>   | <b>(364,112)</b>   |
| <b>Gains/(losses) on investment assets</b>   |         |                            |                          |                    |                    |
| Realised   |         | (20,511)                   | -                        | (20,511)           | 3,628              |
| Unrealised   |         | (116,263)                  | -                        | (116,263)          | 210,682            |
| <b>Net income/(expenditure) and net movement in funds for the year</b>                             |         | <b>(502,851)</b>           | <b>(285,209)</b>         | <b>(788,060)</b>   | <b>(149,802)</b>   |
| <b>Reconciliation of funds:</b>  |         |                            |                          |                    |                    |
| Total funds brought forward  |         | 13,085,689                 | 5,774,800                | 18,860,489         | 19,010,291         |
| Total funds carried forward  | 16 & 17 | 12,582,838                 | 5,489,591                | 18,072,429         | 18,860,489         |

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. In accordance with the exemption allowed under section 408 of the Companies Act 2006, as amended, the company's profit and loss account is not separately presented.

**ST GILES HOSPICE (A Company Limited by Guarantee)**

**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2016**

|  | Note | 2016<br>Group<br>£ | 2016<br>Company<br>£ | 2015<br>Group<br>£ | 2015<br>Company<br>£ |
|--|------|--------------------|----------------------|--------------------|----------------------|
| <b>Fixed assets</b>                          |      |                    |                      |                    |                      |
| Tangible assets                              | 11   | 12,117,546         | 12,117,282           | 12,477,618         | 12,473,843           |
| Investments                                  | 12   | 3,175,215          | 3,175,320            | 3,329,316          | 3,329,421            |
|  |      | <u>15,292,761</u>  | <u>15,292,602</u>    | <u>15,806,934</u>  | <u>15,803,264</u>    |
| <b>Current assets</b>                        |      |                    |                      |                    |                      |
| Stock & work in progress                     | 13   | 26,826             | 9,699                | 42,569             | 8,158                |
| Debtors                                      | 14   | 673,172            | 1,460,077            | 706,838            | 1,531,887            |
| Cash at bank and in hand                     |      | 3,359,532          | 2,188,231            | 3,480,600          | 2,484,901            |
|  |      | <u>4,059,530</u>   | <u>3,658,007</u>     | <u>4,230,007</u>   | <u>4,024,946</u>     |
| <b>Liabilities</b>                           |      |                    |                      |                    |                      |
| Amounts falling due within one year          | 15   | (1,279,862)        | (878,280)            | (1,176,452)        | (742,810)            |
|  |      | <u>2,779,668</u>   | <u>2,779,727</u>     | <u>3,053,555</u>   | <u>3,282,136</u>     |
| <b>Net current assets</b>                    |      |                    |                      |                    |                      |
|  |      | <u>18,072,429</u>  | <u>18,072,329</u>    | <u>18,860,489</u>  | <u>19,085,400</u>    |
| <b>Total assets less current liabilities</b> |      |                    |                      |                    |                      |
|  |      | <u>18,072,429</u>  | <u>18,072,329</u>    | <u>18,860,489</u>  | <u>19,085,400</u>    |
| <b>The funds of the charity:</b>             |      |                    |                      |                    |                      |
| Unrestricted funds                           | 16   | 12,582,838         | 12,582,738           | 13,085,689         | 13,310,600           |
| Restricted funds                             | 17   | 5,489,591          | 5,489,591            | 5,774,800          | 5,774,800            |
|  |      | <u>18,072,429</u>  | <u>18,072,329</u>    | <u>18,860,489</u>  | <u>19,085,400</u>    |
| <b>Total funds</b>                           |      |                    |                      |                    |                      |
|  |      | <u>18,072,429</u>  | <u>18,072,329</u>    | <u>18,860,489</u>  | <u>19,085,400</u>    |

Approved by the trustees on 24 August 2016 and signed on their behalf.

Chairman



C Theaker

**ST GILES HOSPICE (A Company Limited by Guarantee)**

**STATEMENT OF CASH FLOWS & CONSOLIDATED STATEMENT OF CASH FLOWS**

**AS AT 31 MARCH 2016**

|   | Note | 2016<br>Group<br>£ | 2016<br>Company<br>£ | 2015<br>Group<br>£ | 2015<br>Company<br>£ |
|---|------|--------------------|----------------------|--------------------|----------------------|
| <b>Cash flows from operating activities</b>                         |      |                    |                      |                    |                      |
| Cash generated from operations                                      | 26   | (92,800)           | (264,280)            | 458,875            | 268,380              |
| <b>Net cash from operating activities</b>                           |      | <u>(92,800)</u>    | <u>(264,280)</u>     | <u>458,875</u>     | <u>268,380</u>       |
| <b>Cash flows from investing activities</b>                         |      |                    |                      |                    |                      |
| Interest received   |      | 19,433             | 15,949               | 19,908             | 16,828               |
| Dividend income   |      | 99,845             | 99,845               | 90,610             | 90,610               |
| Purchase of tangible fixed assets                                   |      | (164,873)          | (165,511)            | (258,264)          | (257,887)            |
| Purchase of investments   |      | (462,991)          | (462,991)            | (552,138)          | (552,138)            |
| Proceeds from sale of investments                                   |      | 477,780            | 477,780              | 454,319            | 454,319              |
| <b>Net cash from investing activities</b>                           |      | <u>(30,806)</u>    | <u>(34,928)</u>      | <u>(245,565)</u>   | <u>(248,268)</u>     |
| <b>Increase/(decrease) in cash and cash equivalents in the year</b> |      | (123,606)          | (299,208)            | 213,310            | 20,112               |
| <b>Cash &amp; cash equivalents at the beginning of the year</b>     |      | 3,527,175          | 2,531,476            | 3,313,865          | 2,511,364            |
| <b>Cash &amp; cash equivalents at the end of the year</b>           |      | <u>3,403,569</u>   | <u>2,232,268</u>     | <u>3,527,175</u>   | <u>2,531,476</u>     |

## **ST GILES HOSPICE (A Company Limited by Guarantee)**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 MARCH 2016**

##### **1. ACCOUNTING POLICIES**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

###### **(a) Basis of preparation**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The hospice meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

###### **(b) Reconciliation with previously Generally Accepted Accounting Practice**

In preparing these financial statements, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

###### **(c) Legal status of the charity**

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The guarantee remains in force for one year after cessation of membership of the company.

###### **(d) Going concern**

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

###### **(e) Group financial statements**

The financial statements consolidate the results of the charity and its wholly owned subsidiaries St Giles Hospice Shops Limited, St Giles Hospice (Promotions) Limited, St Giles Hospice Developments Limited, St Giles Care Agency Limited and Walsall Hospice Trading Limited on a line by line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

**ST GILES HOSPICE (A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**

**1. ACCOUNTING POLICIES (continued)**

**(f) Fund accounting**

Unrestricted funds 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.

The investment fund comprises unrestricted funds that have been set aside by the trustees to contribute towards the running costs of the hospice in the event of insufficient public support.

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

**(g) Income**

Donations are credited to income in the year in which they are receivable.

Income from NHS contracts, government and other grants, whether 'capital' or 'revenue' grants, are recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Legacy income is only considered probable when the amount can be measured reliably and the charity has been notified of the executors' intention to make a distribution.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity which is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisors.

Where income has related expenditure (as with fundraising or trading income), the income and related expenditure are reported gross in the Statement of Financial Activities.

**(h) Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis under the following headings:

Costs of raising funds comprises fundraising costs incurred in seeking donations, grants and legacies; investment management fees; costs of trading activities including the direct costs of operating the lottery and the shops and their associated support costs.

Expenditure on charitable activities includes the costs of providing specialist palliative care and support, community services, training and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Other expenditure represents those items not falling into any other heading.



# **ST GILES HOSPICE (A Company Limited by Guarantee)**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 MARCH 2016**

#### **1. ACCOUNTING POLICIES (continued)**

##### **(h) Expenditure and irrecoverable VAT (continued)**

Support costs comprise those costs which are incurred directly in support of expenditure on the objects of the charity and include governance costs, finance, payroll and office costs. The bases on which support costs have been allocated are set out in note 8. Governance costs are those costs incurred in connection with the compliance with constitutional and statutory requirements of the charity.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

##### **(i) Volunteers**

The value of the services provided by volunteers is not incorporated into these final statements. Further details of their contribution is provided in note 10 to these financial statements and in the Trustees' Report.

##### **(j) Depreciation**

Depreciation is calculated to write off the tangible assets by equal annual instalments over their estimated useful lives. The principal rates in use are:

|                                |                                      |
|--------------------------------|--------------------------------------|
| Freehold buildings             | 2% of cost                           |
| Leasehold buildings            | 2% of cost                           |
| Short leasehold properties     | straight line over life of the lease |
| Fixtures, fittings & equipment | 20% of cost                          |
| Computer equipment             | 33.3% of cost                        |
| Motor vehicles                 | 20% of cost                          |

The charity has adopted a policy of writing off, in the year of acquisition, all fixed assets costing £2,500 or less.

##### **(k) Investments**

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price, except for the shares in the trading subsidiaries which are carried at cost. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

##### **(l) Stock**

Clinical stock and stock of retail goods is included at the lower of cost or net realisable value. Donated items of stock for resale are not recognised in the financial statements because the trustees consider it impractical to assess the value of those stocks.

**ST GILES HOSPICE (A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**

**1. ACCOUNTING POLICIES (continued)**

**(m) Concessionary loans**

The charity has taken advantage of section 34 of FRS 102 to recognise loans to its trading subsidiaries as concessionary loans as the subsidiaries and the charity form a public benefit entity group. The charity initially recognises and measures any loans at the amount paid, with the carrying amount adjusted if necessary for any impairment.

**(n) Pension contributions**

Pension contributions to the group personal pension plan, the NHS superannuation scheme and the Auto Enrolment Pension Plan (administered by NOW Pensions) are charged against income when payable.

**(o) Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

**(p) Operating leases**

Operating leases are recognised over the period of which the lease falls due.

Any benefits received and receivable are recognised on a straight line basis over the period of the lease.

**(q) Taxation**

The charity is exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**ST GILES HOSPICE (A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2016****2. INCOME FROM DONATIONS & LEGACIES**

|                                     | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2016<br>£ | Total<br>2015<br>£ |
|-------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| General donations                   | 389,884                    | 2,300                    | 392,184            | 411,483            |
| In memoriam                         | 441,859                    | 3,299                    | 445,158            | 444,884            |
| Charitable trusts                   | 90,813                     | 177,313                  | 268,126            | 98,100             |
| Lottery grants                      | -                          | 121,000                  | 121,000            | 45,000             |
| Fundraising income & outside events | 653,920                    | 2,725                    | 656,645            | 726,626            |
| Legacies                            | 1,123,247                  | -                        | 1,123,247          | 1,516,351          |
| Attributable gift aid               | 90,901                     | -                        | 90,901             | 87,249             |
|                                     | <u>2,790,624</u>           | <u>306,637</u>           | <u>3,097,261</u>   | <u>3,329,693</u>   |

The income from donations and legacies in the prior year included restricted income of £79,150.

**3. INCOME FROM CHARITABLE ACTIVITIES****GRANTS - NHS:**

|  | 2016<br>£        | 2015<br>£        |
|--|------------------|------------------|
| Stafford & Surrounds CCG                             | 6,189            | 7,769            |
| Herefordshire CCG                                    | -                | 100,185          |
| Cannock Chase CCG                                    | 531,922          | 532,947          |
| East Staffordshire CCG                               | 411,958          | 428,127          |
| South East Staffordshire & Seisdon CCG               | 730,171          | 758,546          |
| Birmingham CrossCity CCG                             | 509,019          | 416,112          |
| Birmingham South & Central CCG                       | (88)             | 42,001           |
| Sandwell & West Birmingham CCG                       | 44,535           | 37,556           |
| Solihull CCG   | -                | 21,830           |
| Walsall CCG  | 835,537          | 805,800          |
| Warwickshire North CCG                               | 26,730           | 26,730           |
| Southern Derbyshire CCG                              | 46,089           | 30,551           |
| Royal Wolverhampton NHS Trust                        | 9,458            | 4,712            |
| Staffordshire & Stoke-on-Trent Partnership NHS Trust | -                | 34,397           |
| West Leicestershire CCG OARs                         | 9,701            | 2,971            |
| Out of area recharges                                | 64,707           | 55,555           |
|  | <u>3,225,928</u> | <u>3,305,789</u> |

The income from grants in the prior year included restricted income of £361,334.

# ST GILES HOSPICE (A Company Limited by Guarantee)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

### 4. TRADING SUBSIDIARIES

During the year the charity benefited from the trading activities of four wholly owned trading subsidiaries: St Giles Hospice Shops Limited, St Giles Hospice (Promotions) Limited, St Giles Care Agency Limited and St Giles Hospice Developments Limited, all of which are incorporated in the UK. The first two companies gift aid their taxable profits to St Giles Hospice Limited.

A summary of the trading results of these companies is provided as follows:

|  | St Giles<br>Hospice<br>Shops Ltd<br>£ | St Giles<br>Hospice<br>(Promotions)<br>Ltd<br>£ | St Giles<br>Care<br>Agency Ltd<br>£ | St Giles<br>Hospice<br>Developments<br>Ltd<br>£ | Total<br>2016<br>£ | Total<br>2015<br>£ |
|--|---------------------------------------|---|-------------------------------------|---|--------------------|--------------------|
| Turnover                                 | 184,458                               | 1,828,137                                       | 779,638                             | 117,173   | 2,909,406          | 3,190,056          |
| Cost of sales                            | (67,327)                              | (431,807)                                       | (613,700)                           | (114,603)                                       | (1,227,437)        | (1,578,627)        |
| Gross profit                             | 117,131                               | 1,396,330                                       | 165,938                             | 2,570   | 1,681,969          | 1,611,429          |
| Other operating costs<br>before gift aid | (32,767)                              | (363,919)                                       | 58,973                              | (2,570)   | (340,283)          | (671,098)          |
|  | 84,364                                | 1,032,411                                       | 224,911                             | -   | 1,341,686          | 940,331            |
| Other operating income                   | -                                     | 33,565  | -                                   | -   | 33,565             | 36,279             |
| Operating profit                         | 84,364                                | 1,065,976                                       | 224,911                             | -   | 1,375,251          | 976,610            |
| Gift aided to St Giles<br>Hospice        | (84,368)                              | (1,068,956)                                     | -                                   | -   | (1,153,324)        | (1,025,555)        |
|  | (4)                                   | (2,980)   | 224,911                             | -   | 221,927            | (48,945)           |
| Interest receivable                      | 4                                     | 3,480   | -                                   | -   | 3,484              | 3,080              |
| Profit/(loss) for the<br>year before tax | -                                     | 500   | 224,911                             | -   | 225,411            | (45,865)           |
| Taxation                                 | -                                     | (400)   | -                                   | -   | (400)              | -                  |
| Profit/(loss) for the<br>year after tax  | -                                     | 100   | 224,911                             | -   | 225,011            | (45,865)           |
| Net assets/<br>(liabilities)             | 2                                     | 102   | 1                                   | -   | 105                | (224,906)          |

The trading result of St Giles Care Agency Limited includes a credit upon the writing off of a loan from St Giles Hospice in the sum of £190,935. The profit for the year before that credit item was £33,976.

The charity also owns the whole of the issued share capital of Walsall Hospice Trading Limited. This company did not trade during the year.

St Giles Hospice Developments (Limited by Guarantee) is under the effective control of the directors of St Giles Hospice and its results are therefore consolidated. However, given that turnover and costs are intragroup, these are eliminated within the group results.

**ST GILES HOSPICE (A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**

**5. SALE OF DONATED GOODS**

The sale of donated goods is initially via St Giles Hospice Shops Limited. Sales are made on behalf of donors but, with their consent, become proceeds in respect of the charity which is then able to claim a gift aid recovery.

**6. INVESTMENT INCOME**

|                                       | 2016<br>£      | 2015<br>£      |
|---------------------------------------|----------------|----------------|
| Bank interest received                | 18,426         | 18,915         |
| Interest on Government Treasury Stock | 1,007          | 993            |
| Dividend income                       | 99,845         | 90,610         |
|                                       | <u>119,278</u> | <u>110,518</u> |

All investment income in both the current and previous year relates to unrestricted funds.

**7. ANALYSIS OF EXPENDITURE**

|  | Direct Costs<br>£ | Support Costs<br>£ | 2016<br>£         | 2015<br>£         |
|--|-------------------|--------------------|-------------------|-------------------|
| <b>Costs of raising funds:</b>               |                   |                    |                   |                   |
| Fundraising costs                            | 429,999           | 32,024             | 462,023           | 434,303           |
| Trading subsidiary costs                     | 1,112,834         | 528,648            | 1,641,482         | 1,911,986         |
| Costs re sale of donated goods               | 13,201            | 2,434,115          | 2,447,316         | 2,398,261         |
| Investment management costs                  | -                 | 14,512             | 14,512            | 15,053            |
| <b>Expenditure on charitable activities:</b> |                   |                    |                   |                   |
| Hospice services                             | 7,332,799         | 1,693,624          | 9,026,423         | 8,905,444         |
| <b>Other expenditure</b>                     | -                 | 400                | 400               | 345,959           |
|  | <u>8,888,833</u>  | <u>4,703,323</u>   | <u>13,592,156</u> | <u>14,011,006</u> |

**8. ANALYSIS OF SUPPORT COSTS**

|  | Operating<br>Costs<br>£ | Finance<br>Costs<br>£ | Governance<br>Costs<br>£ | 2016<br>£        | 2015<br>£        |
|--|-------------------------|-----------------------|--------------------------|------------------|------------------|
| <b>Costs of raising funds:</b>               |                         |                       |                          |                  |                  |
| Fundraising costs                            | 32,024                  | -                     | -                        | 32,024           | 34,944           |
| Trading subsidiary costs                     | 499,321                 | 16,325                | 13,002                   | 528,648          | 668,490          |
| Costs re sale of donated goods               | 2,408,127               | 25,988                | -                        | 2,434,115        | 2,381,789        |
| Investment management costs                  | -                       | 14,512                | -                        | 14,512           | 15,053           |
| <b>Expenditure on charitable activities:</b> |                         |                       |                          |                  |                  |
| Hospice services                             | 1,458,296               | 159,890               | 75,438                   | 1,693,624        | 1,850,972        |
| <b>Other expenditure</b>                     | -                       | 400                   | -                        | 400              | -                |
|  | <u>4,397,768</u>        | <u>217,115</u>        | <u>88,440</u>            | <u>4,703,323</u> | <u>4,951,248</u> |

**ST GILES HOSPICE (A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**

**8. ANALYSIS OF SUPPORT COSTS (continued)**

Support costs have been identified for each area of activity as considered most appropriate for each category of expenditure.

Governance costs comprise £27,730 audit and accountancy fees, £9,039 professional fees, including VAT where applicable, and staff costs of £51,671.

**9. NET INCOME/(EXPENDITURE) FOR THE YEAR**

|                                | 2016<br>£      | 2015<br>£      |
|--------------------------------|----------------|----------------|
| This is stated after charging: |                |                |
| Depreciation                   | 524,945        | 575,101        |
| Auditor's remuneration:        |                |                |
| - Audit fees                   | 17,050         | 17,050         |
| - Accountancy services         | 10,680         | 11,410         |
| Operating lease rentals        | <u>620,383</u> | <u>629,210</u> |

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016

10. ANALYSIS OF STAFF COSTS & KEY MANAGEMENT

(a) Personnel

|                       | 2016<br>£        | 2015<br>£        |
|-----------------------|------------------|------------------|
| Salaries & wages      | 8,095,660        | 8,102,579        |
| Social security costs | 574,384          | 560,235          |
| Pension costs         | 517,320          | 513,324          |
|                       | <u>9,187,364</u> | <u>9,176,138</u> |

During the year, the group made redundancy and termination payments amounting to £42,563 with respect to 4 individual cases. No payments over and above statutory entitlements were made.

The charity trustees were not paid and did not receive any other benefits from employment with the hospice or its subsidiaries in the year, neither were they reimbursed expenses during the period, other than as stated in note 21.

The average monthly headcount was 410 (2015: 425) analysed as follows:

|                      | 2016<br>No. | 2015<br>No. |
|----------------------|-------------|-------------|
| Hospice services     | 242         | 242         |
| Fundraising          | 14          | 12          |
| Education & training | 3           | 3           |
| Merchandising        | 106         | 109         |
| Care agency services | 45          | 59          |

The number of employees including consultant medical staff who are paid at national pay scales, whose total employee benefits (excluding pension contributions) amounted to over £60,000 is as follows:

|                     | 2016<br>No. | 2015<br>No. |
|---------------------|-------------|-------------|
| £60,001 - £70,000   | 1           | 1           |
| £70,001 - £80,000   | 2           | -           |
| £80,001 - £90,000   | 1           | 2           |
| £90,001 - £100,000  | -           | -           |
| £100,001 - £110,000 | 1           | -           |

(b) Senior Management

The hospice considers that the key management personnel comprise the trustees and the senior management team who are the Group Chief Executive and 5 other directors, 4 of whom are responsible for clinical services. The total employee benefits of the key management personnel of the hospice were £422,744.

The key management personnel of the group comprise those of the hospice and the key management of its wholly owned subsidiaries which includes 1 other director whose total employee benefits totalled £53,829 and therefore the total for the group key management personnel was £476,573.

(c) Volunteers

During the year the hospice has benefited substantially from the regular services of 504 (2015: 477) volunteers. Additionally, volunteers working at St Giles Hospice Shops Limited and its associated warehouse number approximately 914 (2015: 823). St Giles Hospice (Promotions) Limited have also received the assistance of 8 (2015: 9) volunteers during the year.

**ST GILES HOSPICE (A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**

**11. TANGIBLE FIXED ASSETS**

**GROUP**

|                                 | Freehold<br>Land &<br>Buildings<br>£ | Leasehold<br>Land &<br>Buildings<br>£ | Fixtures,<br>Fittings &<br>Equipment<br>£ | Short<br>Leasehold<br>Properties<br>£ | Motor<br>Vehicles<br>£ | Total<br>£        |
|---------------------------------|--------------------------------------|---------------------------------------|---|---------------------------------------|------------------------|-------------------|
| <b>Cost</b>                     |                                      |                                       |   |                                       |                        |                   |
| At 1 April 2015                 | 12,979,413                           | 1,658,865                             | 2,388,390                                 | 15,250                                | 161,087                | 17,203,005        |
| Additions                       | 63,671                               | 1,994                                 | 99,108                                    | -                                     | 100                    | 164,873           |
| Disposals                       | -                                    | -                                     | (26,770)                                  |                                       |                        | (26,770)          |
| At 31 March 2016                | <u>13,043,084</u>                    | <u>1,660,859</u>                      | <u>2,460,728</u>                          | <u>15,250</u>                         | <u>161,187</u>         | <u>17,341,108</u> |
| <b>Accumulated Depreciation</b> |                                      |                                       |   |                                       |                        |                   |
| At 1 April 2015                 | 2,328,411                            | 242,622                               | 2,011,150                                 | 15,250                                | 127,954                | 4,725,387         |
| Charge for the year             | 253,923                              | 33,136                                | 214,549                                   |                                       | 23,337                 | 524,945           |
| Eliminated on disposal          | -                                    | -                                     | (26,770)                                  | -                                     |                        | (26,770)          |
| At 31 March 2016                | <u>2,582,334</u>                     | <u>275,758</u>                        | <u>2,198,929</u>                          | <u>15,250</u>                         | <u>151,291</u>         | <u>5,223,562</u>  |
| <b>Net Book Value</b>           |                                      |                                       |   |                                       |                        |                   |
| At 31 March 2016                | <u>10,460,750</u>                    | <u>1,385,101</u>                      | <u>261,799</u>                            | <u>-</u>                              | <u>9,896</u>           | <u>12,117,546</u> |
| At 31 March 2015                | <u>10,651,002</u>                    | <u>1,416,243</u>                      | <u>377,240</u>                            | <u>-</u>                              | <u>33,133</u>          | <u>12,477,618</u> |

Included in the group assets above are fixed assets of the subsidiary undertakings amounting to £264 (2015: £3,775) at net book value.

**Capital Commitments**

|                             | Group and<br>Company<br>2016<br>£ | Group and<br>Company<br>2015<br>£ |
|-----------------------------|-----------------------------------|-----------------------------------|
| Contracted not provided for | <u>-</u>                          | <u>-</u>                          |



**ST GILES HOSPICE (A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**

**12. INVESTMENTS**

**(i) Investment in subsidiary companies**

The company owns the whole of the issued share capital, in the form of ordinary shares, of St Giles Hospice Shops Limited, St Giles Hospice (Promotions) Limited, St Giles Care Agency Limited and Walsall Hospice Trading Limited (dormant).

|                           | 2016<br>£ | 2015<br>£ |
|---------------------------|-----------|-----------|
| Shares in group companies | 105       | 105       |

The shares are shown at cost, less any amount written off as a result of an impairment review.

St Giles Hospice Developments (Limited by Guarantee) is under the effective control of the directors of St Giles Hospice and its results are therefore consolidated into the holding company. Its principal activity is the planning, design, development and construction of new buildings and the refurbishment of existing buildings.

**(ii) Investment in associated undertaking**

The company owns fifty per cent of Palliative Care Solutions Limited, a trading company which provides palliative care services.

|                | 2016<br>£ | 2015<br>£ |
|----------------|-----------|-----------|
| Cost of shares | 10,000    | 10,000    |

During the year ended 31 March 2016, the company's share of income from this investment amounted to £nil (2015: £nil).

**(iii) Investment fund**

|                                       | 2016<br>£ | 2015<br>£ |
|---------------------------------------|-----------|-----------|
| Market value at 1 April               | 3,272,741 | 2,970,612 |
| Add: additions at cost                | 462,991   | 542,138   |
| Less: disposals at opening value/cost | (498,291) | (450,691) |
| Net (losses)/gains on revaluation     | (116,262) | 210,682   |
| Market value at 31 March              | 3,121,179 | 3,272,741 |
| Cost as at 31 March                   | 2,735,117 | 2,703,044 |

**ST GILES HOSPICE (A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**

**12. INVESTMENTS (continued)**

**(iii) Investment fund (continued)**

Investments at market value comprise:

Listed Investments

|                                     | 2016             | 2015             |
|-------------------------------------|------------------|------------------|
|                                     | £                | £                |
| UK equities                         | 881,009          | 975,465          |
| Overseas equities                   | 383,683          | 398,557          |
| UK fixed interest                   | 1,509,455        | 1,592,513        |
| Overseas fixed interest             | 106,450          | 62,088           |
| UK hedge funds                      | 140,385          | 132,498          |
| Overseas hedge funds                | 10,658           | 11,048           |
| UK index linked funds               | 55,233           | 55,725           |
| Overseas commodities funds          | -                | 11,756           |
| UK property funds                   | 34,305           | 33,091           |
|                                     | <u>3,121,178</u> | <u>3,272,741</u> |
| Cash on deposit awaiting investment | 44,037           | 46,575           |
|                                     | <u>3,165,215</u> | <u>3,319,316</u> |

Balance at 31 March

Investments held at 31 March which represent over 5% of the portfolio value, all of which are investment bonds, are as follows:

|                                | 2016             | 2015             |
|--------------------------------|------------------|------------------|
|                                | Market value     | Market value     |
|                                | £                | £                |
| COIF Charities Investment Fund | <u>1,094,277</u> | <u>1,147,694</u> |

**Summary of investments**

|                                      | 2016             | 2016             | 2015             | 2015             |
|--------------------------------------|------------------|------------------|------------------|------------------|
|                                      | Group            | Company          | Group            | Company          |
|                                      | £                | £                | £                | £                |
| Investment in subsidiary companies   | -                | 105              | -                | 105              |
| Investment in associated undertaking | 10,000           | 10,000           | 10,000           | 10,000           |
| Other investments                    | 3,165,215        | 3,165,215        | 3,319,316        | 3,319,316        |
|                                      | <u>3,175,215</u> | <u>3,175,320</u> | <u>3,329,316</u> | <u>3,329,421</u> |

**ST GILES HOSPICE (A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**

**13. STOCK & WORK IN PROGRESS**

|                     | 2016<br>Group<br>£ | 2016<br>Company<br>£ | 2015<br>Group<br>£ | 2015<br>Company<br>£ |
|---------------------|--------------------|----------------------|--------------------|----------------------|
| Medical stock       | 9,699              | 9,699                | 8,158              | 8,158                |
| Merchandising stock | 17,127             | -                    | 25,385             | -                    |
| Work in progress    | -                  | -                    | 9,026              | -                    |
|                     | <u>26,826</u>      | <u>9,699</u>         | <u>42,569</u>      | <u>8,158</u>         |

**14. DEBTORS**

|                                       | 2016<br>Group<br>£ | 2016<br>Company<br>£ | 2015<br>Group<br>£ | 2015<br>Company<br>£ |
|---------------------------------------|--------------------|----------------------|--------------------|----------------------|
| Trade debtors                         | 247,601            | 168,844              | 380,665            | 201,411              |
| VAT                                   | 81,580             | 101,532              | 14,491             | 28,919               |
| Amounts due from subsidiary companies | -                  | 850,517              | -                  | 1,016,112            |
| Other debtors                         | 13,619             | 13,619               | 20,182             | 20,182               |
| Prepayments & accrued income          | 330,372            | 325,565              | 291,500            | 265,263              |
|                                       | <u>673,172</u>     | <u>1,460,077</u>     | <u>706,838</u>     | <u>1,531,887</u>     |

**15. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)**

|                                     | 2016<br>Group<br>£ | 2016<br>Company<br>£ | 2015<br>Group<br>£ | 2015<br>Company<br>£ |
|-------------------------------------|--------------------|----------------------|--------------------|----------------------|
| Trade creditors                     | 214,277            | 204,262              | 247,167            | 237,650              |
| Corporation tax                     | 400                | -                    | -                  | -                    |
| Amounts due to subsidiary companies | -                  | 24,848               | -                  | 19,570               |
| Social security & other taxes       | 139,304            | 127,881              | 128,229            | 122,544              |
| Superannuation                      | 79,037             | 79,037               | 70,605             | 70,605               |
| Accruals                            | 322,980            | 281,109              | 321,020            | 262,513              |
| Deferred income                     | 335,167            | 1,014                | 353,939            | 9,224                |
| Other creditors                     | 188,697            | 160,129              | 55,492             | 20,704               |
|                                     | <u>1,279,862</u>   | <u>878,280</u>       | <u>1,176,452</u>   | <u>742,810</u>       |

**ST GILES HOSPICE (A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**

**16. UNRESTRICTED FUNDS**

**Group**

Analysis of Funds

|                                       | 2016<br>Accumulated<br>Fund<br>£ | 2016<br>Investment<br>Fund<br>£ | 2016<br>Total<br>£ | 2015<br>Total<br>£ |
|---------------------------------------|----------------------------------|---------------------------------|--------------------|--------------------|
| Balance at 1 April                    | 9,766,373                        | 3,319,316                       | 13,085,689         | 12,800,196         |
| Net income/(expenditure) for the year | (366,077)                        | -                               | (366,077)          | 71,183             |
| Realised gains/(losses)               | -                                | (20,511)                        | (20,511)           | 3,628              |
| Unrealised gains/(losses)             | -                                | (116,263)                       | (116,263)          | 210,682            |
| Balance at 31 March                   | 9,400,296                        | 3,182,542                       | 12,582,838         | 13,085,689         |

**Company**

Analysis of Funds

|                                       | 2016<br>Accumulated<br>Fund<br>£ | 2016<br>Investment<br>Fund<br>£ | 2016<br>Total<br>£ | 2015<br>Total<br>£ |
|---------------------------------------|----------------------------------|---------------------------------|--------------------|--------------------|
| Balance at 1 April                    | 9,991,284                        | 3,319,316                       | 13,310,600         | 12,979,242         |
| Net income/(expenditure) for the year | (591,088)                        | -                               | (591,088)          | 117,048            |
| Realised gains/(losses)               | -                                | (20,511)                        | (20,511)           | 3,628              |
| Unrealised gains/(losses)             | -                                | (116,263)                       | (116,263)          | 210,682            |
| Balance at 31 March                   | 9,400,196                        | 3,182,542                       | 12,582,738         | 13,310,600         |

**17. RESTRICTED FUNDS**

**Group/Company**

Analysis of Funds

|  | Balance at<br>1 April 2015<br>£ | Net income/<br>(expenditure)<br>£ | Balance at<br>31 March 2016<br>£ |
|--|---------------------------------|-----------------------------------|----------------------------------|
| Compassus Centre fund                      | 1,412,525                       | (52,551)                          | 1,359,974                        |
| Barn Farm fund                             | 1,310,819                       | (33,136)                          | 1,277,683                        |
| Capital appeal fund                        | 2,157,876                       | (74,203)                          | 2,083,673                        |
| Day Therapies Centre fund                  | 478,881                         | (21,366)                          | 457,515                          |
| John Haller memorial fund                  | 10,000                          | -                                 | 10,000                           |
| Walsall Hospice fund                       | 205,430                         | (193,381)                         | 12,049                           |
| Day room transformation fund               | 82,779                          | (12,969)                          | 69,810                           |
| The Holly Road Supportive Care Centre fund | 45,000                          | (23,687)                          | 21,313                           |
| The Advice and Referral Centre fund        | -                               | 144,919                           | 144,919                          |
| The Big Lottery fund                       | -                               | -                                 | -                                |
| Other restricted funds                     | 71,490                          | (18,835)                          | 52,655                           |
|  | 5,774,800                       | (285,209)                         | 5,489,591                        |

**ST GILES HOSPICE (A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**

**18. RESTRICTED FUNDS (continued)**

The Compassus Centre fund represents funds received towards the building and fitting out of the new In-Patient Unit. Depreciation is charged against the fund.

The Barn Farm fund represents monies raised in the past to fund the construction of a hospice in Sutton Coldfield. Depreciation on the leasehold property and the fixtures, fittings and equipment is charged against the fund.

Capital appeal funds represent monies raised in the past to fund the construction of the hospice, including later additions. Depreciation on freehold property is charged against this fund.

The Day Therapies Centre fund represents primarily a Department of Health grant awarded to the hospice in order to reconfigure the old In-Patient Unit to create an integrated Day Therapies Centre. This provides services such as a Day Hospice, Family Support and Bereavement, Complementary Therapies and Education.

The day room transformation, which involved significantly improved facilities for patients, was funded in part part by a grant from the Department of Health.

The John Haller memorial fund represents funds available for the promotion of educational projects amongst staff.

The Walsall Hospice fund arose as a result of an agreement dated 22 September 2011 between Walsall Hospice and St Giles Hospice. The broad terms of the agreement were that the trustees of Walsall Hospice were content to transfer the assets/funds of their charity to St Giles Hospice, based upon an undertaking from the trustees of St Giles Hospice that those funds would be applied in accordance with the charitable objects for which the funds had been received and accumulated. The funds are therefore treated as restricted and their use is governed accordingly.

The Advice and Referral Centre fund relates to funds received to set up an advice centre which aims to offer advice and information 24 hours a day 7 days a week. The centre became fully operational in April 2016 and was launched to the general public in May 2016.

The Big Lottery fund relates to funds received of £9,740 towards the Phoenix Project (children's bereavement support). The amount of £9,740 had been spent in full as at 31 March 2016.

**19. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS**

|   | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2016<br>£ |
|---|----------------------------|--------------------------|--------------------|
| Fund balances at the balance sheet date are represented by: |                            |                          |                    |
| Tangible fixed assets                                       | 6,777,958                  | 5,339,588                | 12,117,546         |
| Fixed asset investments                                     | 3,175,215                  | -                        | 3,175,215          |
| Current assets  | 3,909,527                  | 150,003                  | 4,059,530          |
| Current liabilities   | (1,279,862)                | -                        | (1,279,862)        |
| Total net assets  | 12,582,838                 | 5,489,591                | 18,072,429         |

**ST GILES HOSPICE (A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**

**20. PENSIONS**

Staff previously employed by the National Health Service and who were members of the National Health Service Superannuation Scheme continue to be members of that scheme. All other staff may become members of St Giles Hospice Group Personal Pension Plan or an Auto Enrolment Pension Plan.

**21. RELATED PARTY TRANSACTIONS**

During the year, the charity paid consultancy fees amounting to £19,823 (net of VAT) to Avid Management Services Limited, a company of which B Kumeta is a director. This was during the period when B Kumeta was a trustee of the charity and prior to his appointment as Finance & Commercial Director.

During the year, St Giles Hospice Shops Limited made the following payments (net of VAT):

- £2,530 re professional fees to Burley Browne Chartered Surveyors of which A Burley is a director.
- £5,608 re professional fees to Ansons Solicitors of which S James is a director and S Pritchard is an employee.
- £38,447 re rent and insurance for the Tamworth Superstore shop which is a property owned by Shipley Estates Limited, of which H Shipley is a director.

**22. OPERATING LEASE COMMITMENTS**

At 31 March 2016 the group had total commitments under operating leases re rental properties as follows:

|                              | 2016             | 2015             |
|------------------------------|------------------|------------------|
|                              | Total            | Total            |
|                              | £                | £                |
| Due within one year          | 552,428          | 543,553          |
| Due within two to five years | 1,533,693        | 1,659,252        |
| Due over five years          | 807,014          | 993,342          |
|                              | <u>2,893,135</u> | <u>3,196,147</u> |

**23. FINANCIAL COMMITMENTS**

There are a number of initiatives being planned to restructure the group operations.

This necessitates a significant investment in recruitment, marketing and professional fees and it is considered that this expenditure should sit outside of the operational budget.

Although significant ongoing benefits will be achieved, including increased fundraising and income generation, the cost of this restructure is likely to be in the region of £200,000 and this amount has been authorised by the Board to be spent from existing reserves.

**ST GILES HOSPICE (A Company Limited by Guarantee)****NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 MARCH 2016****24. POST BALANCE SHEET EVENTS**

On the 1 April 2016, the activities of St Giles Care Agency Limited, a wholly owned subsidiary, were transferred to St Giles Hospice.

**25. FINANCIAL PERFORMANCE OF THE PARENT COMPANY**

The consolidated statement of financial activities includes the results of the hospice's wholly owned subsidiaries. The summary performance of St Giles Hospice alone is as follows:

|                                    | 2016               | 2015              |
|------------------------------------|--------------------|-------------------|
|                                    | Total              | Total             |
|                                    | £                  | £                 |
| Income                             | 7,664,272          | 8,356,957         |
| Gift aid from trading subsidiaries | 1,153,324          | 1,025,555         |
|                                    | <u>8,817,596</u>   | <u>9,382,512</u>  |
| Total expenditure                  | (9,693,893)        | (9,700,759)       |
| Net gains/(losses) on investments  | (136,774)          | 214,310           |
|                                    | <u>(1,013,071)</u> | <u>(103,937)</u>  |
| Net income/(expenditure)           | 19,085,400         | 19,189,337        |
| Total funds brought forward        | <u>18,072,329</u>  | <u>19,085,400</u> |
| Total funds carried forward        |                    |                   |

**26. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

|                                       | 2016            | 2016             | 2015           | 2015           |
|---------------------------------------|-----------------|------------------|----------------|----------------|
|                                       | Group           | Company          | Group          | Company        |
|                                       | £               | £                | £              | £              |
| Net movement in funds                 | (788,060)       | (1,013,071)      | (149,802)      | (103,937)      |
| Depreciation charge                   | 524,945         | 522,072          | 575,101        | 570,244        |
| (Gains)/losses on investments         | 136,774         | 136,774          | (214,310)      | (214,310)      |
| Finance income                        | (119,278)       | (115,794)        | (110,518)      | (107,438)      |
| (Increase)/decrease in stock          | 15,743          | (1,541)          | 77,797         | (1,577)        |
| Decrease in debtors                   | 33,666          | 71,810           | 228,385        | 26,108         |
| Increase in creditors                 | 103,410         | 135,470          | 52,222         | 99,290         |
|                                       | <u>(92,800)</u> | <u>(264,280)</u> | <u>458,875</u> | <u>268,380</u> |
| Net cash used in operating activities |                 |                  |                |                |