

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

**Trustees' Report and Financial Statements
For the Year Ended
31 March 2017**

REGISTERED CHARITY NO. 509014

Company Number 01430090

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ST GILES HOSPICE (A Company Limited by Guarantee)

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FOR THE YEAR ENDED 31 MARCH 2017**

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ST GILES HOSPICE (A Company Limited by Guarantee)

LEGAL & ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2017

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
Stephen Ridler

Senior Management Team

Emma Hodges	- Group Chief Executive & Company Secretary
Sarah Riches	- Deputy Chief Executive
Bernard Kumeta	- Finance & Commercial Director
Nikki Archer	- Supportive Care Director
Katie Burbridge	- Nursing Director
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

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LEGAL & ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2017

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
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TRUSTEES' and STRATEGIC REPORTS
for the year ended 31 March 2017

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 2017. 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 potentially terminal 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.

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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.

There are currently eleven 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. The total attendances were thirty four out of a possible total of forty one.

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. Joanne Maidment was re-elected at the 2016 Annual Meeting. Simon Fisher, Alison Fowler and Margaret Wood offer themselves for re-election at the 2017 Annual Meeting.

A Remuneration, 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 43 members of the Company.

Three aspect governance committees – Clinical & Workforce, Finance, and Fundraising - 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. In addition, the Board of Trustees oversees corporate assurance.

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

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2.3 Subsidiary Companies

The Company has four subsidiary companies, St Giles Hospice Shops Ltd, St Giles Hospice (Promotions) Ltd, Walsall Hospice Trading Ltd, St Giles Hospice Commercial Enterprises Ltd, all limited by shares wholly owned by the Hospice.

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. Walsall Hospice Trading holds shops' leases but otherwise does not trade; St Giles Hospice Commercial Enterprises (formerly St Giles Hospice Care Agency) does not trade. St Giles Hospice Developments Ltd was dissolved during the financial year 2016/17. St Giles Hospice Care Agency Ltd ceased trading at the end of the 2015/16 financial year with the Social Care activity transferring into Hospice services.

Following a review of organisational structure the Subsidiary Company Boards consolidated into one Combined Trading Company Board, during 2016/17. The Combined Trading Company Board consists of both trustees of St Giles Hospice and other directors. The Combined Trading Company Board meets regularly and is responsible for some group policies. Certain support services of the Hospice, in particular public relations, human resources and health and safety are shared with the subsidiary companies.

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.

Quality of care is at the heart of what we do at St Giles. Cicely Saunders, the founder of the modern hospice movement said "How people die remains in the memory of those who live on". At St Giles we know from the many letters we receive from family members how true this is. We also know from patients how much they appreciate the support for their families leading up to and after their bereavement, knowing that their loved ones are not going to be alone. Our governance, policies, protocols, audits and education all aim to ensure the highest quality of care for our patients and their families; this commitment runs throughout St Giles at all levels and in all roles.

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During 2016/17 we saw more than 7,000 patients, the highest number annually in our history. Of these we supported the highest percentage ever of people with life-threatening diseases other than cancer. Our occupancy in our inpatient units also rose significantly. Eighty per cent of our care continues to be provided in the community although demand for all our services continues to increase.

We were inspected by our regulator the Care Quality Commission (CQC) over three days in September and October 2016 and received a 'Good' rating in all domains and a 'Good' overall. Favourable comments included 'staff and volunteers described an open and positive culture where they were proud to work, valued and felt that they made a real difference to people's care' and that 'senior leadership was strong, visible and supportive'.

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

During 2016/17 the Board and Senior Management Team worked on the production of a new five year strategy that redefined these aims.

Our aspirations are set out in the five year strategy which was launched in April 2017 alongside our new brand, to staff, volunteers and the wider community. The strategy highlights the additional 1,000 people who could benefit from our care and outlines the challenges which we face due to fundraising and NHS income remaining static while demand for services is increasing.

As part of the strategy we have adopted a bold new look, with a new orange logo. There are two reasons for the new brand. Changing colour helps us to stand out which will hopefully increase income but also encourage people to find out more about and better understand hospice care.

The second reason is to address confusion between ourselves and Macmillan. We believe that thousands of pounds worth of donations each year go elsewhere because people think that our St Giles nurses who support people at home across South Staffordshire and North Birmingham are Macmillan nurses. We hope the new look will help make it clearer how and where we provide care and reduces this confusion.

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Our commitment to care remains the same – this is where most of our funding is spent and where most of our time is focused. However, our strategy is also designed to be bolder about challenging many of the preconceptions of hospice care and the taboos surrounding issues relating to serious illness, dying and grieving.

The strategy is underpinned by our commitment to high-quality care for people with an illness that may not be curable and those who are grieving. It also outlines the need to help people talk more openly about loss to create more compassionate communities.

People still say things like 'I'm not ready for a hospice yet' as if a hospice is only relevant towards the end of someone's life, but a hospice can help people who have an illness that may not be curable right from the point of diagnosis.

Accessing our care early can help people live well. With their symptoms better managed, they can feel less isolated and be supported with many of the decisions they may need to make.

We believe that talking about dying is fundamental to improving care, yet we recognise that as a society we are not very good at having these challenging and emotional conversations.

Our work over the last few years has supported a range of groups and organisations to feel better able to talk about dying and understanding loss. This is a key part of our work that will continue to develop as we want to help create a society that is better able to support each other.

We recognise that for many people accessing support within their local community is essential and an element of our strategy has been to facilitate more local community activity.

Our bereavement help points and our Phoenix at St Giles service for young people who are grieving are additional ways that, with the help of our volunteers, we can offer support to anyone who needs it within our communities.

We now have eight Bereavement Help Points across our catchment area. These are volunteer led drop in sessions for anyone struggling with grief who wants an opportunity to talk to a trained volunteer or meet other people to share their stories with. We are very proud that this innovative approach won the National Council for Palliative Care's Bereavement Project of the year award in 2016.

During May 2016 we launched our Advice and Referral Service. For the first time anyone in our catchment can email or call us for support 24 hours a day, seven days a week. In the past we have only been able to offer this advice for patients and families being cared for by St Giles.

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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.

In addition to the 2016/17 strategic priorities significant projects included:

1. Non-Cancer Lymphoedema Care

During 2016/17 the hospice negotiated with certain commissioners concerning future funding of non-cancer lymphoedema provision on the basis that existing NHS contracts and grants were not funding that element of care and it was no longer sustainable for the hospice to continue to do so. To date this has secured £54,000 in new funding to continue provision of this care from two Clinical Commissioning Groups and negotiations continue with others. We are also grateful to have received a further £17,772 in grants from Lichfield Conduit Lands, Mary Slater Charity and the Albert Hunt Trust to support this care.

2. Phoenix at St Giles

This year we have successfully secured funding for the development of Phoenix at St Giles our children and young person's service; £17,500 from Morrisons Foundation and £10,000 from Children In Need. In addition, one family worked with Children in Need to tell their story and to promote the work of the service, including appearing on the Chris Evans breakfast show and Songs of Praise.

We have been reviewing the service offer to ensure that we are engaging with the local school and college community to broaden our partnership working, increasing support available for children and young people at all levels to ensure we are able to meet the growing needs and complexity of those who are using the service.

3. Nursing Home project in collaboration with Virgincare

The project between St Giles Hospice Care and Virgincare began in October 2016, with funding of £35,000 and a service level agreement in place and has now been extended for a further twelve months with £72,000 of funding. As part of the East Staffs Improving Lives programme both parties are seeking to significantly improve the quality of life of frail, older people and to reduce unnecessary hospital admissions that currently live in care homes. This will be done by improving the support provided at end of life for residents and supporting the decisions around anticipatory needs of those residents whilst enabling care home staff to recognise the needs of the dying resident through recognised prognostic indicators. The aim is to support the identified wishes and preferences of the residents through advance care planning, supporting decisions with regards to preferred place of care and to reduce unnecessary acute admissions at end of life.

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Aims and objectives

- to achieve and demonstrate reductions in unplanned admissions
- to gather evidence of nature/cause of unplanned admissions
- to communicate to GPs the residents' wishes, decisions and preferences
- to implement effective care planning
- to educate and empower care home staff to recognise and manage residents at end of life
- to increase the numbers of residents dying in their preferred place of care

Evaluation of the first six months showed a decrease in unplanned admissions, with all people on the planning ahead register having clear care plans and their wishes and decisions recorded.

4. Virtual Reality Guided Meditation

The virtual reality kit is currently being used on patients within day hospice and the inpatient unit where it has had very positive feedback from all patients who have used it. Patients have stated it has provided effective distraction from their pain where some have stated it resulted in a reduction in their pain scores. Many patients also stated they found it very relaxing.

To build on this we are looking into developing a randomised controlled trial (RCT) to study the effects of virtual reality guided meditation on pain compared with audio meditation alone. We have met with Sandra Prew from NIHR (National Institute for Health Research) with regards to developing a RCT within this area and initial discussions have been very positive where our next step is to produce a research protocol.

We are currently in the process of developing our own virtual reality guided meditation app which is being developed with an independent company based in Digbeth, Birmingham called Holosphere.

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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	1
Clinical Admin Support	7
Compassus	49
Day Hospice	20
Education	3
Flower Arrangers/Gardening/Stewards	14
Fundraising	24
Uttoxeter Cares (formerly Holly Road Supportive Care Centre)	13
Housekeeping	45
Lymphoedema	20
Reception	57
Supportive Care	89
Sutton Coldfield Centre	36
Transport Services	49
Trustees	11
Walsall Hospice	43
Social Care	3
	484

Subsidiary Company Volunteers

Promotions (Lottery)	11
Shops (including 34 at Shenstone Warehouse)	667
	678

4.2 Achievements and performance

Six Strategic Priorities in order to support achievement of Strategic Aims were identified to be reportable to the Board during 2016/17.

Performance against objectives is detailed below:

- 1 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.

Robust financial management is in place with financial controls, with increased visibility and scrutiny of financial information. The three year rolling plan commenced in Quarter 4 to coincide with and complement the budget process.

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- 2 During Quarter 1 develop a more robust approach to fundraising analysis and delivery in order to achieve improved results.

A more robust approach to financial analysis of fundraising has been achieved resulting in an improved financial performance and a more settled team structure. Future challenges include a stronger focus regarding return on investment.

- 3 During Quarter 1 finalise the development of the new Trading Board and associated income generation strategies for Shops and Promotions.

The Combined Trading Companies Board met for the first time in November 2016. The associated strategies were developed as part of a three year rolling business plan alongside preparation for the 2017/2018 budget. The successful recruitment campaign for Non-Executive Directors (NED) resulted in the appointment of four NEDs.

- 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.

Successful transition was achieved; the care service continued in profit, and continues to provide a high quality of care.

- 5 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' landscape and more cost effective.

Three key projects were identified for the financial year 2016/17 and will be taken forward over the coming year:

- a. OACC (Outcome Assessment and Complexity Collaborative), a project plan, working in collaboration with the LEAN project principles was put in place outlining the following 12 months activity. Key stakeholders agreed that OACC would be the foundation to improving quality and service across Specialised Services. The main challenge has been the time between implementation to evaluation process, which is estimated to take 12-18 months to fully embed, longer than initial expectations.
- b. Community Engagement – it is a key part of St Giles' messages within the community and is now embedded in the five year strategy. The challenge is to better understand how to evaluate the impact of this work.
- c. Volunteering – two key work streams i) to better communicate and support existing volunteers; and ii) create a more flexible volunteering workforce to enable future increase to the numbers of volunteers required. A new HR system will include volunteering and support them in communication, training and governance. The second element of the project is being developed, and will require some investment.

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- 6 Provide clarity of St Giles' mission and objectives internally and externally through communications, PR and marketing and refocus all marketing activity

Clarity of St Giles' mission and objectives was achieved via the five year strategy, which came out of the Forward Strategy Group.

Core Charitable Activities Data - detailed below is the activity data outlining St Giles' performance of core charitable activities for 2016/17. The data includes key quality measures that are reportable to statutory commissioners.

	2016/17
Total number outpatient attendances	3,702
Total number of attendances by patients at the Day Hospice	1,489
Total number of visits with patients by the community service	7,451
Total number of Hospice at Home sessions provided	1,525
Total number of complaints	20
The number of complaints which were investigated and resolved in full	7
The number of complaints which were investigated, resolved but only upheld in part	8
The number of incidents reported to RIDDOR involving patients (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations)	2
Compassus Inpatient Unit	
Total number of patients admitted to in-patient unit	465
% of patients who went home	44.3%
% Bed Occupancy	83.3%
Patients diagnosed with reportable infections whilst on the in-patient unit.	0
Average length of stay on the in-patient unit (days)	10
Number of falls per occupied bed in a year (Number of beds multiplied by bed occupancy and divided by number of falls)	5.3
Walsall Inpatient Unit	
Total number of patients admitted to in-patient unit	265
% of patients who went home	41.9%
% Bed Occupancy	70.5%
Patients who were diagnosed with reportable infections whilst on the in-patient unit.	0
Average length of stay on the in-patient unit (days)	12
Number of falls per occupied bed (Number of beds multiplied by bed occupancy and divided by number of falls)	1.9

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In addition to core activity, there were specific objectives, linked to strategic objectives in 2016/2017 to enhance support to St Giles' beneficiaries -

- 1 Implementation of the internationally recognised Outcome Assessment and Complexity Collaborative measures (OACC). OACC is a proven approach to care assessment and review which enables palliative care services to measure, demonstrate and improve care for patients and families.**

Activity:

We created a steering group and its members have attended education and training to support implementation. We are working with our provider of our electronic record system on their system development to OACC. An action plan has been developed and we have agreed financial support from our Board to implement this work. Our Day Hospice is piloting elements of OACC to enable us to develop the best way to implement this across our community and inpatient services. We are also involved in a national research study concerning an element of the OACC assessment tool with our community team and inpatient team at Whittington.

Outcome:

The hospice is committed to implementing OACC and this will be ongoing during 2017/18 as it is a significant large-scale project which will transform the way in which we assess and deliver care in some of our key services.

- 2 Review and redesign of our community services**

Activity:

We surveyed 65 GP practices and had a 35% response rate. We asked about how well we communicated, how responsive we were and what activities GPs thought we should be responsible for. They told us that although we were usually responsive there was room for improved communication and responsiveness. There was a strong view that the hospice community team should initiate discussions and make decisions about Do Not Attempt Cardiopulmonary Resuscitation (DNACPR) orders, Advance Care Planning, and prescribing anticipatory medication to manage new symptoms and put in place individualised care plans.

Outcome

We have reviewed our Community Caseload management and instigated a step up/step down approach. This ensures that patients see the right professional at the right time according to their needs and also allows for flexibility within the service.

Named nurses are now allocated to a named GP practice, and referrals are directly allocated to an individual nurse. This improves communication between teams and ensures timely allocation of patients so they can be reviewed within the correct time frame.

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Our nurses are now able to undertake DNACPR discussions and completion of forms. We introduced electronic messaging so all community nurses receive their messages via email while they are out in the community, ensuring timely access to information and requests.

3 Progress a strategic academic partnership with Keele University:

Activity:

We now have a formal partnership established with Keele University and have met with the university's senior leadership team on several occasions to identify shared opportunities.

Outcome:

Over the course of 2016/17 we undertook a variety of shared Education and Training. Our Clinical Educator was appointed as an honorary lecturer at Keele and also joined the Keele University Ethics Committee. The hospice is also a member of the University of Keele Palliative Care Research Group. We have also undertaken our first joint research study concerning the perceptions of people with Multiple Sclerosis accessing hospice care.

We currently have two members of staff conducting doctoral studies at Keele, one focussed on dementia and the other on bereavement.

4 Review of services

During 2016/17 St Giles Hospice was contracted to provide six core services to the NHS:

The services were as follows:

- Clinical Nurse Specialist Community Team
- Hospice at Home services
- Day Hospice
- Outpatient care
- Lymphoedema Clinics
- In-patient care

The total value of services provided by the hospice in 2016/17 was £9,789,259. The hospice received a contribution from the NHS equalling 34% (more than 2% less than the previous year) of the full cost of the contracted service provision. The remaining funds were generated through fundraising and the Hospice's own subsidiary companies amounting to a £6,426,828 contribution from the local community.

The hospice's Clinical Governance Committee receives a quarterly report which enables them to review the quality of care provided by all clinical services. The committee reviews:

- 1 Any reported accident, incident or near miss
- 2 Drug errors
- 3 Patient falls
- 4 Complaints or concerns
- 5 Patient and Family Outcome Measures

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The Clinical Governance Committee then provides quality assurance to the Board.

5 Research

The hospice has significantly increased its research activity and has participated in or is undertaking a number of research studies including:

- A St Giles led study: *A pilot study identifying attitudes, knowledge, facilitators and barriers of Advance Care Planning (ACP) practice in a hospice.*
- With University College London we are a site for a study entitled *The Prognosis in Palliative Care Study II (PiPCS2).*
- With Kings College London we are a site for a cohort study entitled *C-Change Work Stream 4: Testing a case-mix classification in palliative care*
- With Manchester University a study entitled *Implementing person-centred assessment and support of patients and carers in a hospice inpatient setting*
- With Keele University a study entitled *Exploring hospice care from the perspective of people living with Multiple Sclerosis: an exploratory case study*
- We have expressed interest in a number of other research studies that are planned for 2017/18.

6 Assurance for NHS Commissioners in year

St Giles Hospice has sent the three principle Clinical Commissioning Groups with which it contracts a Quarterly Quality Report. We have met regularly with these commissioners throughout the year, where the contents of these reports form the basis for discussion and review.

The reports cover key patient safety topics including the reporting, monitoring, prevention and management of: Falls; Pressure Ulcers; Accidents, Incidents & Near Misses; Safeguarding (including where associated with Deprivation of Liberty and Mental Capacity); Infection Control; Medicines Management; Complaints and Patient & Family Reported Outcome Measures.

In year there were no areas of concern raised which required action.

Birmingham Crosscity CCG undertook an unannounced visit on 20 September 2016.

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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 Trustees are pleased to report that the Statement of Financial Activities shows a surplus for the year of £1,271,220 (2016: deficit of £788,060).

4.3.1 Income

As a proportion of total expenditure on services, income from the NHS fell from 36% in 2016 to 34% in 2017. 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.

4.3.2 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
- 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 2017 stood at 8.4 months of current annual expenditure as budgeted for 2017/18, up from 7.2 months at 31 March 2016.

4.3.3 Investments

The Hospice's investments are managed by Barclays Wealth, Canaccord Genuity, and CCLA Investment Management Ltd. 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.

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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

Five Year Strategy

Following significant work during 2016/17 we launched our new brand and hospice strategy in April 2017. Brand is more than a logo or name, it is in essence the personality of the organisation and if our messages are confused it makes it more difficult for patients and referrers to access our care. We have spent time trying to simplify our messages and consider how to strengthen our brand.

Our Care

We believe that anyone living with a potentially terminal illness has the right to live as well as they can. The way society cares for people who are dying is not good enough.

St Giles was founded to improve the care of local people dying with cancer and over time we have responded to the needs of others in our community whose illnesses may not be curable such as motor neurone disease, heart failure, MS and respiratory disease.

Our range of services and activities – whether delivered at one of our sites, in partnership with other community organisations or at home – all aim to help people feel part of their communities and to live the best life they can.

Our aspirations are for everyone in our community to:

- Have their symptoms well managed
- Be able to talk openly, should they wish, about their future and concerns for those close to them
- Have access to advice and support at all times of the day and night
- Be respected as the unique individuals they are
- Be in control of the choices

Services that we will be delivering on as part of our strategy:

1 Rapid Response

Develop a rapid response service for people in our community who urgently need support in managing their symptoms

2 Hospice at Home - Walsall

The aim is to touch more lives across the Walsall community and support people to die at home.

Working with locality GPs, Walsall Healthcare and District Nursing Teams in south and east Walsall, we aim to launch the Hospice at Home Team in October 2017.

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

**TRUSTEES' and STRATEGIC REPORTS
for the year ended 31 March 2017**

Strategic Priorities for 2017/18

Specific strategic objectives for 2017/18 were agreed which are focused in the main around governance and financial performance.

- 1 During 2017/18 to evaluate the effectiveness and impact of the strategy and brand launch reporting at six months and twelve months.
- 2 By end of Quarter 3 to have evaluated St Giles current and future IT requirements and have an effective costed forward strategy and any required business case.
- 3 By end of Quarter 3 to have developed an approach to articulating, managing and supporting the delivery of strategic aim to *"Be at the forefront of developing new ways of managing common symptoms such as pain, breathlessness, poor nutrition and fatigue in order to improve people's ability to live a fulfilling life for as long as possible"*. To include a three year plan, workforce development, sustainability and the embedding of holistic multi-professional management.
- 4 By end of Quarter 2 to have produced a workforce plan including volunteering that ensures we have a highly motivated, skilled and supported team to deliver the future strategy.
- 5 During 2017/18 ensure that all care services will be evaluated to demonstrate impact including (depending on the service) quality of care, evidence base, the health economy, finance, brand awareness. To include a reporting schedule, publication schedule if applicable and include the OACC project.
- 6 During 2017/18 use the contacts and experience of the newly constituted Combined Trading Company Board to devise, plan, test and implement new business streams capable of delivering step change growth in earnings from trading (rather than investment) activities, whilst at the same time maintaining and delivering improved performance from the existing shops, lottery and care agency operations.

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

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

**TRUSTEES' and STRATEGIC REPORTS
for the year ended 31 March 2017**

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

The Risk 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 SMT 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). 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.

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

**TRUSTEES' and STRATEGIC REPORTS
for the year ended 31 March 2017**

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 Wednesday 29 November 2017 at 18:15 in the Lecture Theatre on the main Whittington site.



**Charles Theaker
Chair of the Board of Trustees
23 August 2017**

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 2017, 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 2017, 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.

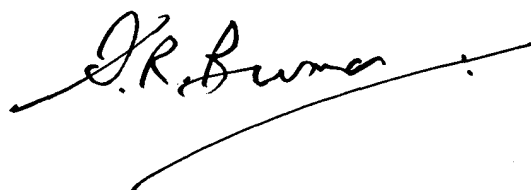
Matters on which we are required to report by exception

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: 23 August 2017



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 2017

	Note	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Income:					
Donations & legacies	2	4,740,045	83,307	4,823,352	3,097,261
Income from charitable activities:					
Grants - NHS	3	3,246,532	-	3,246,532	3,225,928
Recharged services		76,182	-	76,182	43,481
Other income		20,154	-	20,154	191,566
Income from trading activities:					
Income from trading subsidiaries	4	2,030,462	-	2,030,462	2,825,800
Sale of donated goods	5	3,199,139	-	3,199,139	3,163,531
Social care services		634,425	-	634,425	-
Fundraising events		27,324	-	27,324	76,465
Merchandise		9,225	-	9,225	2,457
Catering & refreshments		109,518	-	109,518	108,362
Room hire		42,335	-	42,335	41,880
Training & course fees		78,531	-	78,531	44,861
Investment income	6	123,130	-	123,130	119,278
Total income		14,337,002	83,307	14,420,309	12,940,870
Expenditure:					
Costs of raising funds:					
Fundraising costs		534,222	111	534,333	462,023
Trading subsidiary costs	4	1,025,230	-	1,025,230	1,641,482
Costs re sale of donated goods		2,514,877	-	2,514,877	2,447,316
Investment management costs		14,680	-	14,680	14,512
Expenditure on charitable activities:					
Hospice services		9,184,434	305,326	9,489,760	9,026,423
Other expenditure		-	-	-	400
Total expenditure	7	13,273,443	305,437	13,578,880	13,592,156
Net income/(expenditure) for the year before other recognised gains/(losses) on investments		1,063,559	(222,130)	841,429	(651,286)
Gains/(losses) on investment assets					
Realised		24,471	-	24,471	(20,511)
Unrealised		405,320	-	405,320	(116,263)
Net income/(expenditure) and net movement in funds for the year		1,493,350	(222,130)	1,271,220	(788,060)
Reconciliation of funds:					
Total funds brought forward		12,582,838	5,489,591	18,072,429	18,860,489
Total funds carried forward	16 & 17	14,076,188	5,267,461	19,343,649	18,072,429

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 2017

	Note	2017 Group £	2017 Company £	2016 Group £	2016 Company £
Fixed assets					
Tangible assets	11	11,848,743	11,847,297	12,117,546	12,117,282
Investments	12	3,587,447	3,587,552	3,175,215	3,175,320
		<u>15,436,190</u>	<u>15,434,849</u>	<u>15,292,761</u>	<u>15,292,602</u>
Current assets					
Stock & work in progress	13	32,055	9,516	26,826	9,699
Debtors	14	2,137,957	2,522,109	673,172	1,460,077
Cash at bank and in hand		2,926,430	2,219,759	3,359,532	2,188,231
		<u>5,096,442</u>	<u>4,751,384</u>	<u>4,059,530</u>	<u>3,658,007</u>
Liabilities					
Creditors falling due within one year	15	(1,188,983)	(842,684)	(1,279,862)	(878,280)
		<u>3,907,459</u>	<u>3,908,700</u>	<u>2,779,668</u>	<u>2,779,727</u>
Net current assets					
		<u>19,343,649</u>	<u>19,343,549</u>	<u>18,072,429</u>	<u>18,072,329</u>
Total assets less current liabilities					
		<u>19,343,649</u>	<u>19,343,549</u>	<u>18,072,429</u>	<u>18,072,329</u>
The funds of the charity:					
Unrestricted funds	16	14,076,188	14,076,088	12,582,838	12,582,738
Restricted funds	17	5,267,461	5,267,461	5,489,591	5,489,591
		<u>19,343,649</u>	<u>19,343,549</u>	<u>18,072,429</u>	<u>18,072,329</u>
Total funds					
		<u>19,343,649</u>	<u>19,343,549</u>	<u>18,072,429</u>	<u>18,072,329</u>

Approved by the trustees on 23 August 2017 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 2017

	Note	2017 Group £	2017 Company £	2016 Group £	2016 Company £
Cash flows from operating activities					
Cash generated from operations	23	(434,374)	31,118	(92,800)	(264,280)
Net cash from operating activities		<u>(434,374)</u>	<u>31,118</u>	<u>(92,800)</u>	<u>(264,280)</u>
Cash flows from investing activities					
Interest received		15,425	13,125	19,433	15,949
Dividend income		107,705	107,705	99,845	99,845
Purchase of tangible fixed assets		(139,502)	(138,064)	(164,873)	(165,511)
Disposal of tangible fixed assets		85	85	-	-
Purchase of investments		(438,397)	(438,397)	(462,991)	(462,991)
Proceeds from sale of investments		489,272	489,272	477,780	477,780
Net cash from investing activities		<u>34,588</u>	<u>33,726</u>	<u>(30,806)</u>	<u>(34,928)</u>
(Decrease)/increase in cash and cash equivalents in the year		<u>(399,786)</u>	<u>64,844</u>	<u>(123,606)</u>	<u>(299,208)</u>
Cash & cash equivalents at the beginning of the year		<u>3,403,569</u>	<u>2,232,268</u>	<u>3,527,175</u>	<u>2,531,476</u>
Cash & cash equivalents at the end of the year		<u><u>3,003,783</u></u>	<u><u>2,297,112</u></u>	<u><u>3,403,569</u></u>	<u><u>2,232,268</u></u>

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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 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) 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.

(c) Going concern

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

(d) 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 Commercial Enterprises Limited (dormant) and Walsall Hospice Trading Limited (dormant) 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.

(e) 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.

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

(f) 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.

(g) 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.

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 in expenditure within the Support Costs of the Operating Costs of Hospice services.

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

(h) 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.

(i) 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 land & buildings	2% of cost
Leasehold land & 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.

(j) 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.

(k) 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.

(l) 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.

(m) Pension contributions

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

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1. ACCOUNTING POLICIES (continued)

(n) Deferred tax

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

(o) 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.

(p) 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 2017

2. DONATIONS & LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
General donations	532,037	3,600	535,637	392,184
In memoriam	544,004	1,644	545,648	445,158
Charitable trusts	83,155	40,184	123,339	268,126
Lottery grants	-	31,000	31,000	121,000
Fundraising income & outside events	739,784	6,879	746,663	656,645
Legacies	2,771,903	-	2,771,903	1,123,247
Attributable gift aid	69,162	-	69,162	90,901
	<u>4,740,045</u>	<u>83,307</u>	<u>4,823,352</u>	<u>3,097,261</u>

The income from donations and legacies in the prior year included restricted income of £306,637.

During February and March 2017, the company changed the way it classified its gift aid receipts so that this was included within the activity which generated the income rather than being shown separately. The figure of "attributable gift aid" is shown above as £69,162 for the year ended 31 March 2017 but a further amount of £35,065 was included within the other sources of income.

3. INCOME FROM CHARITABLE ACTIVITIES

GRANTS - NHS:

	2017 £	2016 £
Stafford & Surrounds CCG	32,926	6,189
Cannock Chase CCG	516,743	531,922
East Staffordshire CCG	435,263	411,958
South East Staffordshire & Seisdon CCG	717,525	730,171
Birmingham CrossCity CCG	520,602	509,019
Birmingham South & Central CCG	-	(88)
Sandwell & West Birmingham CCG	10,800	44,535
Walsall CCG	907,366	835,537
Warwickshire North CCG	26,730	26,730
Southern Derbyshire CCG	10,391	46,089
Royal Wolverhampton NHS Trust	7,294	9,458
West Leicestershire CCG OARs	9,701	9,701
Out of area recharges	51,191	64,707
	<u>3,246,532</u>	<u>3,225,928</u>

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

4. TRADING SUBSIDIARIES

During the year, the charity benefited from the trading activities of 2 wholly owned trading subsidiaries: St Giles Hospice Shops Limited and St Giles Hospice (Promotions) Limited, both of which are incorporated in the UK. These 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 Hospice Shops Ltd £	St Giles Hospice (Promotions) Ltd £	Total 2017 £	Total 2016 £
Turnover	185,435	1,811,614	1,997,049	2,909,406
Cost of sales	(69,019)	(450,135)	(519,154)	(1,227,437)
Gross profit	116,416	1,361,479	1,477,895	1,681,969
Other operating costs before gift aid	(41,741)	(465,138)	(506,879)	(340,283)
	74,675	896,341	971,016	1,341,686
Other operating income	-	33,413	33,413	33,565
Operating profit	74,675	929,754	1,004,429	1,375,251
Gift aided to St Giles Hospice	(74,675)	(932,054)	(1,006,729)	(1,153,324)
	-	(2,300)	(2,300)	221,927
Interest receivable	-	2,300	2,300	3,484
Profit/(loss) for the year before tax	-	-	-	225,411
Taxation	-	-	-	(400)
Profit/(loss) for the year after tax	-	-	-	225,011
Net assets/ (liabilities)	2	2	4	4

The following companies remained dormant throughout the year:

St Giles Hospice Commercial Enterprises Limited, net assets of £1

Walsall Hospice Trading Limited, net assets of £100

St Giles Hospice Developments (Limited by Guarantee) also did not trade during the year and was dissolved on 18 April 2017.

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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

	2017 £	2016 £
Bank interest received	14,222	18,426
Interest on Government Treasury Stock	1,203	1,007
Dividend income	107,705	99,845
	<u>123,130</u>	<u>119,278</u>

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

7. ANALYSIS OF EXPENDITURE

	Direct Costs £	Support Costs £	2017 £	2016 £
Costs of raising funds:				
Fundraising costs	490,811	43,522	534,333	462,023
Trading subsidiary costs	519,154	506,076	1,025,230	1,641,482
Costs re sale of donated goods	21,198	2,493,679	2,514,877	2,447,316
Investment management costs	-	14,680	14,680	14,512
Expenditure on charitable activities:				
Hospice services	7,854,965	1,634,795	9,489,760	9,026,423
Other expenditure	-	-	-	400
	<u>8,886,128</u>	<u>4,692,752</u>	<u>13,578,880</u>	<u>13,592,156</u>

8. ANALYSIS OF SUPPORT COSTS

	Operating Costs £	Finance Costs £	Governance Costs £	2017 £	2016 £
Costs of raising funds:					
Fundraising costs	43,522	-	-	43,522	32,024
Trading subsidiary costs	481,445	15,403	9,228	506,076	528,648
Costs re sale of donated goods	2,464,810	28,869	-	2,493,679	2,434,115
Investment management costs	-	14,680	-	14,680	14,512
Expenditure on charitable activities:					
Hospice services	1,314,058	221,875	98,862	1,634,795	1,693,624
Other expenditure	-	-	-	-	400
	<u>4,303,835</u>	<u>280,827</u>	<u>108,090</u>	<u>4,692,752</u>	<u>4,703,323</u>

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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 £25,990 audit and accountancy fees , £7,591 professional fees, including value added tax where applicable, and staff costs of £65,113.

9. NET INCOME/(EXPENDITURE) FOR THE YEAR

	2017 £	2016 £
This is stated after charging:		
Depreciation	408,220	524,945
Auditor's remuneration:		
- Audit fees	15,500	17,050
- Accountancy services	10,490	10,680
Operating lease rentals	594,055	620,383

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

10. ANALYSIS OF STAFF COSTS & KEY MANAGEMENT

(a) Personnel

	2017	2016
	£	£
Salaries & wages	8,276,688	8,095,660
Social security costs	650,231	574,384
Pension costs	508,366	517,320
	<u>9,435,285</u>	<u>9,187,364</u>

During the year, the group made redundancy and termination payments amounting to £11,668 with respect to one individual case.

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.

The average monthly head count was 454 (2016: 410) analysed as follows:

	2017	2016
	No.	No.
Hospice services	262	242
Fundraising	15	14
Education & training	4	3
Merchandising	133	106
Care agency services	40	45

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:

	2017	2016
	No.	No.
£60,001 - £70,000	2	1
£70,001 - £80,000	-	2
£80,001 - £90,000	3	1
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1

(b) Senior Management

The key management personnel of the hospice are represented by 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 were £500,543.

(c) Volunteers

During the year, the hospice has benefited substantially from the regular services of 484 (2016: 504) volunteers. Additionally, volunteers working at St Giles Hospice Shops Limited and its associated warehouse number approximately 667 (2016: 914). St Giles Hospice (Promotions) Limited has also received the assistance of 11 (2016: 8) volunteers during the year.

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

11. TANGIBLE FIXED ASSETS

GROUP

	Freehold Land & Buildings £	Leasehold Land & Buildings £	Fixtures, Fittings & Equipment £	Short Leasehold Properties £	Motor Vehicles £	Total £
Cost						
At 1 April 2016	13,043,084	1,660,859	2,460,728	15,250	161,187	17,341,108
Additions	14,429	8,387	116,686	-	-	139,502
Disposals	-	-	(87,848)	-	(100)	(87,948)
At 31 March 2017	<u>13,057,513</u>	<u>1,669,246</u>	<u>2,489,566</u>	<u>15,250</u>	<u>161,087</u>	<u>17,392,662</u>
Accumulated Depreciation						
At 1 April 2016	2,582,334	275,758	2,198,929	15,250	151,291	5,223,562
Charge for the year	255,219	33,259	114,277	-	5,465	408,220
Eliminated on disposal	-	-	(87,848)	-	(15)	(87,863)
At 31 March 2017	<u>2,837,553</u>	<u>309,017</u>	<u>2,225,358</u>	<u>15,250</u>	<u>156,741</u>	<u>5,543,919</u>
Net Book Value						
At 31 March 2017	<u>10,219,960</u>	<u>1,360,229</u>	<u>264,208</u>	<u>-</u>	<u>4,346</u>	<u>11,848,743</u>
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>

Included in the group assets above are fixed assets of the subsidiary undertakings amounting to £1,446 (2016: £264) at net book value.

Capital Commitments

	Group and Company 2017 £	Group and Company 2016 £
Contracted not provided for	<u>265,000</u>	<u>-</u>

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

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 Hospice Commercial Enterprises Limited (dormant - previously St Giles Care Agency Limited) and Walsall Hospice Trading Limited (dormant).

	2017	2016
	£	£
Shares in group companies	105	105

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

(ii) Investment in associated undertaking

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

	2017	2016
	£	£
Cost of shares	10,000	10,000

During the year ended 31 March 2017, the company's share of income from this investment amounted to £nil (2016: £nil).

(iii) Investment fund

	2017	2016
	£	£
Market value at 1 April	3,121,178	3,272,741
Add: additions at cost	438,397	462,991
Less: disposals at opening value/cost	(464,802)	(498,291)
Net gains/(losses) on revaluation	405,320	(116,263)
Market value at 31 March	3,500,093	3,121,178
Cost as at 31 March	2,211,205	2,735,117

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

12. INVESTMENTS (continued)

(iii) Investment fund (continued)

Investments at market value comprise:

Listed Investments

	2017	2016
	£	£
UK equities	930,206	881,009
Overseas equities	454,775	383,683
UK fixed interest	1,733,689	1,509,455
Overseas fixed interest	154,301	106,450
UK hedge funds	154,074	140,385
Overseas hedge funds	10,786	10,658
UK index linked funds	29,948	55,233
UK property funds	32,315	34,305
	<u>3,500,094</u>	<u>3,121,178</u>
Cash on deposit awaiting investment	77,353	44,037
Balance at 31 March	<u>3,577,447</u>	<u>3,165,215</u>

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

	2017	2016
	Market value	Market value
	£	£
COIF Charities Investment Fund	<u>1,261,321</u>	<u>1,094,277</u>

Summary of investments	217 Group £	2017 Company £	2016 Group £	2016 Company £
Investment in subsidiary companies	-	105	-	105
Investment in associated undertaking	10,000	10,000	10,000	10,000
Other investments	3,577,447	3,577,447	3,165,215	3,165,215
	<u>3,587,447</u>	<u>3,587,552</u>	<u>3,175,215</u>	<u>3,175,320</u>

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

13. STOCK & WORK IN PROGRESS

	2017 Group £	2017 Company £	2016 Group £	2016 Company £
Medical stock	9,516	9,516	9,699	9,699
Merchandising stock	22,539	-	17,127	-
	<u>32,055</u>	<u>9,516</u>	<u>26,826</u>	<u>9,699</u>

14. DEBTORS

	2017 Group £	2017 Company £	2016 Group £	2016 Company £
Trade debtors	192,068	192,068	247,601	168,844
VAT	87,516	87,516	81,580	101,532
Amounts due from subsidiary companies	-	388,026	-	850,517
Other debtors	19,473	19,473	13,619	13,619
Prepayments & accrued income	1,838,900	1,835,026	330,372	325,565
	<u>2,137,957</u>	<u>2,522,109</u>	<u>673,172</u>	<u>1,460,077</u>

15. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	2017 Group £	2017 Company £	2016 Group £	2016 Company £
Trade creditors	221,773	213,189	214,277	204,262
Corporation tax	-	-	400	-
Amounts due to subsidiary companies	-	-	-	24,848
Social security & other taxes	163,256	157,308	139,304	127,881
Superannuation	94,529	94,529	79,037	79,037
Accruals	344,539	322,231	322,980	281,109
Deferred income	348,672	55,427	335,167	1,014
Other creditors	16,214	-	188,697	160,129
	<u>1,188,983</u>	<u>842,684</u>	<u>1,279,862</u>	<u>878,280</u>

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

16. UNRESTRICTED FUNDS

(i) Analysis of movements in unrestricted funds

Group	2017 Accumulated Fund £	2017 Investment Fund £	2017 Total £
Balance at 1 April	9,417,623	3,165,215	12,582,838
Net income/(expenditure) for the year	1,063,559	-	1,063,559
Transfer to investment fund	17,559	(17,559)	-
Realised gains	-	24,471	24,471
Unrealised gains	-	405,320	405,320
Balance at 31 March	<u>10,498,741</u>	<u>3,577,447</u>	<u>14,076,188</u>

Company	2017 Accumulated Fund £	2017 Investment Fund £	2017 Total £
Balance at 1 April	9,417,523	3,165,215	12,582,738
Net income/(expenditure) for the year	1,063,559	-	1,063,559
Transfer to investment fund	17,559	(17,559)	-
Realised gains	-	24,471	24,471
Unrealised gains	-	405,320	405,320
Balance at 31 March	<u>10,498,641</u>	<u>3,577,447</u>	<u>14,076,088</u>

(ii) Analysis of movements in unrestricted funds - previous year

Group	2016 Accumulated Fund £	2016 Investment Fund £	2016 Total £
Balance at 1 April	9,766,373	3,319,316	13,085,689
Net income/(expenditure) for the year	(366,077)	-	(366,077)
Transfer to investment fund	17,327	(17,327)	-
Realised losses	-	(20,511)	(20,511)
Unrealised losses	-	(116,263)	(116,263)
Balance at 31 March	<u>9,417,623</u>	<u>3,165,215</u>	<u>12,582,838</u>

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

16. UNRESTRICTED FUNDS (continued)

(ii) Analysis of movements in unrestricted funds - previous year

	2016 Accumulated Fund £	2016 Investment Fund £	2016 Total £
Company			
Balance at 1 April	9,991,284	3,319,316	13,310,600
Net income/(expenditure) for the year	(591,088)	-	(591,088)
Transfer to investment fund	17,327	(17,327)	-
Realised losses	-	(20,511)	(20,511)
Unrealised losses	-	(116,263)	(116,263)
Balance at 31 March	<u>9,417,523</u>	<u>3,165,215</u>	<u>12,582,738</u>

17. RESTRICTED FUNDS

(i) Analysis of movements in restricted funds

	Balance at 1 April 2016 £	Net income/ (expenditure) £	Balance at 31 March 2017 £
Group/Company			
IPU fund	1,359,974	(30,850)	1,329,124
Barn Farm fund	1,277,683	(33,217)	1,244,466
Capital appeal fund	2,083,673	(74,202)	2,009,471
Day Therapies Centre fund	457,515	(15,748)	441,767
John Haller memorial fund	10,000	-	10,000
Walsall Hospice fund	12,049	(9,640)	2,409
Day Room transformation fund	69,810	(9,641)	60,169
The Holly Road Supportive Care Centre fund	21,313	816	22,129
The Advice and Referral Centre fund	144,919	(64,602)	80,317
Other restricted funds	52,655	14,954	67,609
	<u>5,489,591</u>	<u>(222,130)</u>	<u>5,267,461</u>

(ii) Analysis of movements in unrestricted funds - previous year

	Balance at 1 April 2015 £	Net income/ (expenditure) £	Balance at 31 March 2016 £
Group/Company			
IPU 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
Other restricted funds	71,490	(18,835)	52,655
	<u>5,774,800</u>	<u>(285,209)</u>	<u>5,489,591</u>

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

17. RESTRICTED FUNDS (continued)

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

The Barn Farm fund represents monies raised 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 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 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.

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

18. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Fund balances at the balance sheet date are represented by:			
Tangible fixed assets	6,665,979	5,182,764	11,848,743
Fixed asset investments	3,587,447	-	3,587,447
Current assets	5,011,745	84,697	5,096,442
Current liabilities	(1,188,983)	-	(1,188,983)
Total net assets	<u>14,076,188</u>	<u>5,267,461</u>	<u>19,343,649</u>

19. 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.

20. RELATED PARTY TRANSACTIONS

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

- £750 re professional fees to Burley Browne Chartered Surveyors of which A Burley is a director.
- £1,000 re professional fees to Ansons Solicitors of which S James is a director and S Pritchard is an employee.

21. OPERATING LEASE COMMITMENTS

At 31 March 2017 the group had total commitments under operating leases re rental properties as follows:

	2017 Total £	2016 Total £
Due within one year	532,764	552,428
Due within two to five years	1,214,112	1,533,693
Due over five years	601,450	807,014
	<u>2,348,326</u>	<u>2,893,135</u>

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

22. 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 Limited alone is as follows:

	2017	2016
	Total	Total
	£	£
Income	9,932,670	7,664,272
Gift aid from trading subsidiaries	1,006,729	1,153,324
	<u>10,939,399</u>	<u>8,817,596</u>
Total expenditure	(10,097,970)	(9,693,893)
Net gains/(losses) on investments	429,791	(136,774)
Net income/(expenditure)	<u>1,271,220</u>	<u>(1,013,071)</u>
Total funds brought forward	18,072,329	19,085,400
Total funds carried forward	<u><u>19,343,549</u></u>	<u><u>18,072,329</u></u>

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

	2017	2017	2016	2016
	Group	Company	Group	Company
	£	£	£	£
Net movement in funds	1,271,220	1,271,220	(788,060)	(1,013,071)
Depreciation charge	408,220	407,964	524,945	522,072
(Gains)/losses on investments	(429,791)	(429,791)	136,774	136,774
Investment income	(123,130)	(120,830)	(119,278)	(115,794)
(Increase)/decrease in stock	(5,229)	183	15,743	(1,541)
(Increase)/decrease in debtors	(1,464,785)	(1,062,032)	33,666	71,810
(Decrease)/increase in creditors	(90,879)	(35,596)	103,410	135,470
Net cash used in operating activities	<u>(434,374)</u>	<u>31,118</u>	<u>(92,800)</u>	<u>(264,280)</u>