

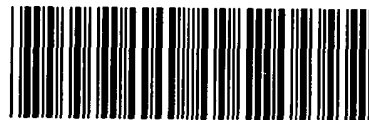
**ST GILES HOSPICE
(A COMPANY LIMITED BY GUARANTEE)**

**For the Year Ended
31 March 2018**

REGISTERED CHARITY NO. 509014

COMPANY NO. 01430090

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ST GILES HOSPICE (A Company Limited by Guarantee)

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FOR THE YEAR ENDED 31 MARCH 2018**

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LEGAL & ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 MARCH 2018

Directors and Trustees

Charles Theaker (Chair)
Joanne Maidment (Deputy Chair)
Alison Fowler
Dr Robert Horton
Adrian Thompson
Margaret Wood
Bernie Creaven
Lindsey Williams
Stephen Ridler
Robert Andrew Donald
Sukie Shemar
Paul Joshi
Sue Read

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 Taroni	- 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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FOR THE YEAR ENDED 31 MARCH 2018

Solicitors

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

Keelys LLP
28 Dam Street
Lichfield
Staffordshire WS13 6AA

Investment Advisors

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
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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 2018. 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.

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 forty-six out of a possible total of fifty-three.

Trustees are elected for a term of office of three years, after which a Trustee may stand for re-election. Trustees may offer themselves for re-election up to a maximum of three times subject to accepting the offices of Chair and Deputy Chair; a maximum term of office being twelve years. Alison Fowler and Margaret Wood were re-elected at the 2017 Annual Meeting; Simon Fisher had his term of office extended to February 2018, at which point he resigned as a Trustee. Robert Andrew Donald was elected to the Board of Trustees at the November AGM and Simon James retired as Trustee at the November AGM. As at 31 March 2018, there were ten Trustees. The quorum for a meeting is two. During the financial year 2018-2019, the following Trustees have been appointed to the Board: Paul Joshi, 23 May 2018; Sukie Shemar, 23 May 2018; and Sue Read, 16 July 2018.

A Remuneration, Skills and Recruitment 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 interviews and makes 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.

Four aspect governance committees: Care Services; Workforce, Education and Research; Finance and Estates; and Fundraising, Marketing and P R report directly to the Board of Trustees. Each committee, chaired by a Trustee, comprises Trustees and the Senior Management Team ("SMT"). The aspect governance 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 Group Chief Executive and the Senior Management Team. The full Senior Management Team meets fortnightly, Chaired by the Chief Executive, and the Clinical Directors meet fortnightly, Chaired by the Deputy CEO. There is a management forum quarterly, notes of which 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.

The Combined Trading Company Board that meets quarterly and reports to the main Board is a consolidation of the Subsidiary Company Boards, which consists of both Trustees of St Giles Hospice and other directors

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.

During 2017-2018, we supported over 7,200 people, the highest number annually in our history. Of these, we supported the highest percentage ever of people with life-threatening diseases other than

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cancer. 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 services continues to increase.

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.

Clinical Effectiveness

We are especially proud of being able to evidence that we positively enable people to remain at home at the end of their lives, where we know they choose to be.

- 100% of patients who receive care from our Hospice at Home team are enabled to die at home.
- Our Clinical Nurse Specialist team supports over 50% more people to die at home than is expected for the Clinical Commissioning Groups (“CCGs”) served. This means we continue to make a significant contribution to supporting patient choice and avoiding unnecessary admissions to hospital.
- 98% of urgent referrals took one day or less to be received and initial contact made by the Advice and Referral team with the patient.
- In 94% of patients, this ‘triage’ was completed within one day. We were pleased to be able to maintain our high degree of responsiveness to referrals.

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3.2 Activities

Core Charitable Activities Data - detailed below is the activity data outlining St Giles' performance of core charitable activities for 2017-2018. The data includes key quality measures that are reportable to statutory commissioners.

Total number outpatient attendances	3,190
Total number of attendances by patients at the Day Hospice	1,373
Total number of visits with patients by the community service	6,962
Total number of Hospice at Home sessions provided	2,824
Total number of complaints Whittington	13
The number of complaints which were investigated and resolved in full	3
The number of complaints which were investigated, resolved but only upheld in part	5
The number of incidents reported to RIDDOR involving patients (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations)	0
Whittington Inpatient Unit	
Total number of patients admitted to in-patient unit	404
% of patients who went home	37.1%
% Bed Occupancy	80%
Patients diagnosed with reportable infections whilst on the in-patient unit.	1
Average length of stay on the in-patient unit (days)	10.23
Number of falls per occupied bed in a year (Number of beds multiplied by bed occupancy and divided by number of falls)	6.71
Walsall Inpatient Unit	
Total number of patients admitted to in-patient unit	312
% of patients who went home	41.9%
% Bed Occupancy	70.25%
Patients who were diagnosed with reportable infections whilst on the in-patient unit.	0
Average length of stay on the in-patient unit (days)	10.98
Number of falls per occupied bed (Number of beds multiplied by bed occupancy and divided by number of falls)	3.61

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Research

The Hospice has significantly increased its research activity and has participated in / undertaken / is undertaking a number of research studies including:

1. With University College London we are a site for a study entitled The Prognosis in Palliative Care Study II (PiPS2)

Pilot study identifying attitudes, knowledge, facilitators and barriers of Advance Care Planning (ACP) practice in a hospice

Impact on Practice/Outcomes for St Giles: will inform internal education programme on advance care planning

2. With Manchester University a study entitled Implementing person-centred assessment and support of patients and carers in a hospice inpatient setting - an evaluation study (service evaluation)

Impact on Practice/Outcomes for St Giles: This will provide information on how Sage and Thyme and CSNAT support person centred assessment on the IPUs which will inform future education plans and clinical practice.

3. With Keele University a study entitled Exploring hospice care from the perspective of people living with Multiple Sclerosis ("MS") : An exploratory case study

Impact on Practice/Outcomes for St Giles: Research outcomes have been shared with the supportive care team. The aim is that this influences the Hospice's future plans for the MS group and other supportive care groups. Particularly acknowledging the theme of disenfranchised loss.

We have expressed interest in a number of other research studies that are planned for 2018-2019.

Assurance for NHS Commissioners in year

St Giles Hospice has sent the three principle CCGs 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.

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The CCG asked us to report further on one incident, a suspected norovirus outbreak. No further formal action was required as it was identified that it was not, in fact, an outbreak.

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 2017-2018 the Board and Senior Management Team worked on year one of the five-year strategy and defined these aims.

Last year the new five-year strategy was launched, along with a bold new look for the hospice, and this year the focus has been on bringing the first year of the strategy to life. The strategy highlighted our commitment to care and the additional one thousand people in the community who could benefit from our support.

It also outlines the need to challenge preconceptions around hospice care and tackle some of the taboos surrounding death, dying and bereavement. We believe that encouraging open, honest conversations around end of life issues can encourage people living with palliative illnesses to seek help at an earlier stage. We also believe that having these conversations, whether as individuals, organisations or health care providers, can help to create more compassionate communities, who are better equipped to support people who are grieving or at the end of their life.

Community Engagement and Phoenix teams have been working with schools, colleges, organisations and groups to help facilitate these discussions and create innovative and engaging ways of encouraging people to talk about end of life issues, creating community resilience and support.

Through our Bereavement Help Points, which have continued to grow in number to eleven, we are now supporting more than one thousand people a month who are grieving. 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 with whom to share their stories. Many of the help points have been developed in partnership with other organisations in the community and as a hospice; we are committed to working in collaboration wherever possible to increase the reach and impact of the services.

This commitment has resulted in the development of a partnership led project in Uttroter, focused on encouraging people to live well locally, working with local community groups, care homes and other hospices to pilot the scheme.

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In addition to the 2017-2018 strategic aims, significant projects included:

1. Enhanced Specialist Care Clinic

In February 2018 a new service working with a local breast cancer support charity, who funded the project, was launched for women living with the adverse effects of cancer treatment. This innovative service has already helped a number of women living with and after cancer treatment to address issues around sexuality, body image and intimacy as well as physical symptoms.

2. Nursing Home project in collaboration with East Staffordshire CCG and Virgincare

We were originally commissioned fifteen months ago by Virgin Health Care to provide support for residents approaching end of life who were living in care homes. The service includes weekly visits, which incorporate advance care planning, and support identifying residents appropriate for the planning ahead register. The service began with five care homes and has increased to fifteen care homes within the East Staffordshire CCG area. Results so far show that 86% of residents on the planning ahead register die in their preferred place of care, 93.5% have a DNACPR in place and 85% have an advance care plan.

In addition to the East Staffordshire CCG project we have now been commissioned by Stafford and Surrounds CCG, and this project will initially cover five care homes across Burntwood, Lichfield and Tamworth and from August 2018 will be expanding into Cannock with a further six homes being allocated. First quarter results for the project are currently being collated.

3. Virtual Reality ("VR") Guided Meditation

The St Giles team has worked with Holosphere, a Birmingham based VR Company and Sir David Attenborough, who donated his voice for the project, to create a guided meditation app. This immersive app is specifically designed for pain management and is already being used with patients in the IPU, day hospice, and disease specific support groups.

The evaluation of the project is ongoing and research opportunities are being explored.

4. Supportive Care

Phoenix at St Giles

Children in Need funding has been secured for three years to enable further development of Phoenix. Referrals have increased by 75%, over 50% of Phoenix referrals are for children and young people not previously known to St Giles – widening access to support for our local community.

Community Engagement

Community engagement work has continued to develop – during Dying Matters week we 'popped up' in a shop in Tamworth to engage with the local community to talk about death, dying, bereavement, advance planning, 'what scares me and what is important to me' – we even decorated a coffin.

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Complementary Therapies

Complementary Therapy widened access to therapy services through the development of the service to include 'paid for' services

Family Support and Bereavement

- 91% reported that the intervention they received had helped to support them with their distress or grief
- 99% were satisfied with the service provided and 99% indicated that they would recommend our service to others
- 96% reported that the service was offered at the right time

St Giles continues to be heavily reliant on volunteers in delivering its charitable objects:

Central Admin and IT	4
Clinical Admin Support	10
Inpatient Unit	50
Day Hospice	21
Education	2
Finance and Payroll Admin	3
Flower Arrangers/Gardening/Stewards	12
Fundraising (including Walsall)	55
Uttoxeter Cares	13
Housekeeping	48
Lymphoedema	12
Reception and Ward Reception	73
Social Care	0
Supportive Care	73
Sutton Coldfield (including Gardeners)	45
Transport Services	50
Trustees	11
Walsall Hospice	26
Volunteer Services	2
	510

Subsidiary Company Volunteers

Promotions (Lottery)	10
Shops (including Shenstone Warehouse)	779
	789

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4.2 Achievements and performance

In addition to core activity, there were specific priorities to enhance support to St Giles' beneficiaries; six Strategic Priorities identified to be reportable to the Board during 2017-2018.

1. During 2017-2018, to evaluate the effectiveness and impact of the strategy and brand launch reporting at six months and twelve months.

The evaluation of the new brand has been continuous and meetings with stakeholders and supporters were held in June 2018 to demonstrate what has been achieved since the brand and strategy launch in April 2017.

In the last quarter of the year (quarter 4, 2017-2018 there had been 28,951 website users which was 4,499 (18%) more than the same period in 2017.

Income from donations, lottery and raffle in the period totalled £20,489.05 from 401 transactions. These numbers do not include value of events (fundraising or education and training) booked via the website. (Unfortunately, numbers for the same period in 2017 from the old website are not available for comparison).

The strategic priority was achieved, and mainstreamed as normal operational management moving forwards.

2. By end of Quarter 3 2017-2018 to have evaluated St Giles current and future IT requirements and have an effective costed forward strategy and any required business case

This Strategic Priority identified the lack of interoperability between our electronic patient records and NHS systems. Ongoing discussions are taking place with Commissioners and other Hospices regarding changing our system.

An integrated system would provide more efficient and seamless use of information with other care providers, benefitting patients. Other opportunities have been identified from this strategic priority, which are moving forwards into the coming year.

3. By end of Quarter 3 2017-2018 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.

Over the course of the year, we have been able to develop a clear vision for how we develop a consistent holistic approach to pain management and have established work streams to take this

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forward and roll it forward in our services and the delivery of care. We are continuing with embedding the internationally developed tool for assessment in palliative care, OACC (Outcomes Assessment and Complexity Collaborative) which will actively support the evaluation of outcomes for patients in terms of their holistic symptom management.

4. By end of Quarter 2 2017-2018 to have produced, a workforce plan including volunteering that ensures we have a highly motivated, skilled and supported team to deliver the future strategy.

A workforce plan, which includes volunteers, is now in place and aligned with both our education strategy and service delivery.

The Trustees have recognised the extent and complexity of the workforce agenda and so have decided to reinstate a specific Workforce Aspect Governance Committee.

A new HR information system has completed the first stage of implementation and this will enable communications, information, data and reporting to support improved understanding, responsiveness and proactive planning for our current and future workforce.

5. During 2017-2018 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 includes the OACC project)

Evaluation criteria has been included in business cases for all new services. Projects have started to grow skills and confidence in Community Engagement evaluation. Core clinical services are involved in the implementation of OACC, which will also improve evaluation of services.

6. During 2017-2018 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.

The condition of the Lottery and Promotions Company is good. Profitability continues to improve despite higher spend on player recruitment, and player numbers are as high as they have ever been.

In common with other high street retailers, the Shops business is facing some challenges. However, profit in the first quarter of 2018-2019 is around 10% higher than in the previous year.

Both businesses have a number of opportunities for profit growth and development, which are being actively pursued.

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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 report that the Statement of Financial Activities shows a deficit, as planned, for the year of £1,066,084 (2017: surplus of £1,271,220).

4.3.1 Income

As a proportion of total expenditure on services, income from the NHS remained at 34%, the same as 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:

- The most significant risk to the financial sustainability of the Hospice is a rapid deterioration in income, which cannot be matched, immediately with a corresponding reduction in costs. Therefore, reserves should be sufficient to cover the maximum foreseeable reduction in income within a period of twelve months. In addition, reserves should also allow for the completion of capital expenditure projects in progress or planned for the following twelve months, should cover the anticipated monthly fluctuation in cash flows and include a contingency for unexpected material expenditure not included in the budget for the coming year.
- 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 & Estates Aspect Governance Committee.

The free reserves at 31 March 2018 stood at 7.4 months of current annual expenditure.

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4.3.3 Investments

Canaccord Genuity, and CCLA Investment Management Ltd. manage the Hospice's investments. The Finance and Estates Aspect Governance 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 2018-2019

1. Widen access to inpatient care for our local community

When we opened our new inpatient unit in April 2011, we had twenty-seven beds available; however, only twenty-one were opened, as they could not be funded by either the NHS or the hospice charity. This was an ongoing frustration as we knew there were people dying in hospital or care homes to whom we could offer care if funded.

We are aiming to achieve:

We have now been able to negotiate access to fast track continuing healthcare funds in order to support the opening of these beds for people who are expected to be in the last few months of life. The patients accessing these beds are not specialist palliative care patients, their needs are different and would typically be nursed in a nursing home under the fast track funding, if beds were available. We have designed a different model of care to meet their particular needs.

Birmingham and Solihull CCG can access these beds using spot purchase. In Staffordshire the Commissioning Support Unit has implemented a system where patients requiring a fast track bed are entered on to a database and providers with beds can say whether they can meet their needs or not. Commissioners then choose to which provider patients go. These beds are still free for people accessing them – they are funded by the NHS. They will be receiving the same high standard and quality of care that we expect for all our patients – it is just that their needs are different and require less specialist input.

Subsequently our Trustees agreed to fund a reconfiguration of part of the ward to enable capacity for six beds with full ensuite facilities and have break out areas for daily activities. There is an opportunity to socialise with other residents; in addition, there is also the opportunity to attend day hospice Monday to Friday.

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Over the next year we aim to assess and enhance this service further to increase the hospice's offer to people who are at end of life but whose needs would not previously have enabled them to access a specialist bed.

Progress will be monitored and reported:

We will report to Commissioners and our Care Services Aspect Governance Committee quarterly on occupancy, referrals and people's experience of our care. We will also take steps to better understand the particular personal, health and social care needs of this group of patients.

The reports and monitoring referred to above will tell us about the demand for this type of care and about people's experience of it.

2. Piloting a new Hospice at Home service in Walsall

The community we serve through our twelve bedded St Giles Hospice Walsall unit at Walsall Palliative Care Centre did not have access to a Hospice at Home service; we know through our experience in Staffordshire and Birmingham this can make a significant difference in enabling people to remain in their own homes at end of their lives.

We are aiming to achieve:

Following discussion with Commissioners, St Giles Hospice Trustees agreed to fund a twelve month pilot of Hospice at Home in Walsall to demonstrate the positive impact on supporting and enabling patients to remain at home. From 1 February 2018, we began accepting referrals for the Hospice at Home service in Walsall, working with the District nurse teams and Specialist Palliative Care team to raise the profile.

The first phase will cover the South and East Locality areas working with Dr Teoh Macmillan GP.

Progress will be monitored and reported:

We will monitor referrals, how we deliver the service and people's experience of our care. We will report this regularly to Commissioners in Walsall and our Care Services Aspect Governance Committee and Board of Trustees.

We will collect quarterly data from referrers, Family Recorded Outcome Measures and other Key Performance Indicators we identified within the project specification.

3. Complete implementation of Datix an electronic reporting system which will transform the way the organisation collects and reviews accidents, incidents, events or near misses and support a learning culture across the hospice.

Datix is a widely used system in healthcare. The Hospice's system was primarily paper based, cumbersome and time consuming to use and manage. The new system should free up both clinical and administrative time and improve monitoring, reporting and learning.

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We are aiming to achieve:

The ultimate aim is to increase our understanding of when things do not go according to plan so that we can learn together to understand how we can improve systems or practices and to avoid, where possible, repeated incidents.

Through collaborative working with personnel from Datix, we were able to amend the software to ensure that it followed St Giles Hospice processes and procedures already in place and make it as clear and easy to use as possible thus encouraging a culture of self-reporting

Progress will be monitored and reported:

Datix will be used to report all accidents, incidents and near misses across the whole hospice group. These will be fed through to our Trustee aspect governance committees as well as operational groups together with closing the loop by informing the original reporter what actions were taken and, where relevant, lessons learned.

The system went 'live' on 1 April 2018 across the whole organisation and our challenge will be to ensure that we use the data to its maximum advantage to learn lessons and improve practice. The system itself can identify the learning that has taken place so we can demonstrate how practice has been improved.

Strategic Priorities for 2018/19

Specific strategic objectives for 2018/19 have been agreed:

- | | |
|---|--|
| 1. Carers: | During 2018-2019 develop and implement a comprehensive Carers Strategy |
| 2. Digital Strategy: | During 2018-2019 develop and implement a Digital Strategy regarding <ul style="list-style-type: none">i. Digital Health economy interoperabilityii. Digital Healthcareiii. Digital Communication |
| 3. Preparedness for the changing demographics: | During 2018-2019 develop plans regarding the following <ul style="list-style-type: none">i. Research and educationii. Clinical Services designiii. Financial Plan |
| 4. Volunteers: | During 2018-2019 deliver a workforce plan for volunteers to ensure sufficient numbers of volunteers are recruited and retained |

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

**TRUSTEES' and STRATEGIC REPORTS
for the year ended 31 March 2018**

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
- Loss of NHS income creating risk to financial sustainability and service delivery
- Ageing workforce combined with a national skills shortage for both healthcare professionals and volunteers may impact on recruitment and therefore delivery of services

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.

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

**TRUSTEES' and STRATEGIC REPORTS
for the year ended 31 March 2018**

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

In accordance with best practice, the Board of Trustees has determined to conduct a review during the 2018-2019 financial year, which may lead to a recommendation to the members to appoint auditors. Any appointment will be in accordance with Section 485 of the Companies Act 2006, a resolution proposing an 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 28 November 2018 at 18:15 in the Lecture Theatre on the main Whittington site.



Charles Theaker
Chair of the Board of Trustees
22 August 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ST GILES HOSPICE (A Company Limited by Guarantee)

Opinion

We have audited the financial statements of St Giles Hospice (A Company Limited by Guarantee) for the year ended 31 March 2018 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group and Parent Company Cash Flow Statements and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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 2018 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group and parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ST GILES HOSPICE (A Company Limited by Guarantee)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report (incorporating the strategic report), other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement in the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ST GILES HOSPICE (A Company Limited by Guarantee)

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

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement (set out on page 18), 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

ST GILES HOSPICE (A Company Limited by Guarantee)

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

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

A handwritten signature in black ink, appearing to read 'D. Burman', with a long horizontal stroke extending to the right.

22 August 2018

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 2018

	Note	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Income:					
Donations & legacies	2	3,577,264	182,847	3,760,111	4,823,352
Income from charitable activities:					
Grants - NHS	3	3,223,134	-	3,223,134	3,246,532
Recharged services		134,008	-	134,008	76,182
Other income		45,908	-	45,908	20,154
Income from trading activities:					
Income from trading subsidiaries	4	2,029,931	-	2,029,931	2,030,462
Sale of donated goods	5	3,259,661	-	3,259,661	3,199,139
Social care services		507,800	-	507,800	634,425
Fundraising events		48,906	-	48,906	27,324
Merchandise		4,447	-	4,447	9,225
Catering & refreshments		113,539	-	113,539	109,518
Room hire		30,932	-	30,932	42,335
Training & course fees		93,160	-	93,160	78,531
Investment income	6	146,425	-	146,425	123,130
Total income		13,215,115	182,847	13,397,962	14,420,309
Expenditure:					
Costs of raising funds:					
Fundraising costs		544,635	98	544,733	534,333
Trading subsidiary costs	4	1,144,099	-	1,144,099	1,025,230
Costs re sale of donated goods		2,659,339	-	2,659,339	2,514,877
Investment management costs		24,681	-	24,681	14,680
Expenditure on charitable activities:					
Hospice services		9,688,265	348,476	10,036,741	9,489,760
Total expenditure	7	14,061,019	348,574	14,409,593	13,578,880
Net income/(expenditure) for the year before other recognised gains/(losses) on investments		(845,904)	(165,727)	(1,011,631)	841,429
Gains/(losses) on investment assets					
Realised		13,214	-	13,214	24,471
Unrealised		(67,667)	-	(67,667)	405,320
Net income/(expenditure) and net movement in funds for the year		(900,357)	(165,727)	(1,066,084)	1,271,220
Reconciliation of funds:					
Total funds brought forward		14,076,188	5,267,461	19,343,649	18,072,429
Total funds carried forward	16 & 17	13,175,831	5,101,734	18,277,565	19,343,649

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 2018

	Note	2018 Group £	2018 Company £	2017 Group £	2017 Company £
Fixed assets					
Tangible assets	11	11,859,866	11,855,880	11,848,743	11,847,297
Investments	12	5,014,382	5,014,487	3,587,447	3,587,552
		<u>16,874,248</u>	<u>16,870,367</u>	<u>15,436,190</u>	<u>15,434,849</u>
Current assets					
Stock & work in progress	13	40,135	11,815	32,055	9,516
Debtors	14	1,415,339	1,676,376	2,137,957	2,522,109
Cash at bank and in hand		1,180,511	596,031	2,926,430	2,219,759
		<u>2,635,985</u>	<u>2,284,222</u>	<u>5,096,442</u>	<u>4,751,384</u>
Liabilities					
Creditors falling due within one year	15	(1,232,668)	(877,124)	(1,188,983)	(842,684)
		<u>1,403,317</u>	<u>1,407,098</u>	<u>3,907,459</u>	<u>3,908,700</u>
Net current assets					
		<u>18,277,565</u>	<u>18,277,465</u>	<u>19,343,649</u>	<u>19,343,549</u>
Total assets less current liabilities					
		<u>18,277,565</u>	<u>18,277,465</u>	<u>19,343,649</u>	<u>19,343,549</u>
The funds of the charity:					
Unrestricted funds	16	13,175,831	13,175,731	14,076,188	14,076,088
Restricted funds	17	5,101,734	5,101,734	5,267,461	5,267,461
		<u>18,277,565</u>	<u>18,277,465</u>	<u>19,343,649</u>	<u>19,343,549</u>
Total funds					
		<u>18,277,565</u>	<u>18,277,465</u>	<u>19,343,649</u>	<u>19,343,549</u>

Approved by the trustees on 22 August 2018 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 2018

	Note	2018 Group £	2018 Company £	2017 Group £	2017 Company £
Cash flows from operating activities					
Cash generated from operations	23	15,929	135,968	(434,374)	31,118
Net cash from operating activities		<u>15,929</u>	<u>135,968</u>	<u>(434,374)</u>	<u>31,118</u>
Cash flows from investing activities					
Interest received		12,096	10,648	15,425	13,125
Dividend income		134,329	134,329	107,705	107,705
Purchase of tangible fixed assets		(426,885)	(423,286)	(139,502)	(138,064)
Disposal of tangible fixed assets		-	-	85	85
Purchase of investments		(3,220,771)	(3,220,771)	(438,397)	(438,397)
Proceeds from sale of investments		1,663,400	1,663,400	489,272	489,272
Net cash from investing activities		<u>(1,837,831)</u>	<u>(1,835,680)</u>	<u>34,588</u>	<u>33,726</u>
(Decrease)/increase in cash and cash equivalents in the year		(1,821,902)	(1,699,712)	(399,786)	64,844
Cash & cash equivalents at the beginning of the year		3,003,783	2,297,112	3,403,569	2,232,268
Cash & cash equivalents at the end of the year		<u>1,181,881</u>	<u>597,400</u>	<u>3,003,783</u>	<u>2,297,112</u>

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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 2018

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 the charity's 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 2018

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 2018

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 2018

2. DONATIONS & LEGACIES

	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
General donations	547,418	46,998	594,416	535,637
In memoriam	452,288	2,207	454,495	545,648
Charitable trusts	120,064	122,305	242,369	123,339
Lottery grants	-	-	-	31,000
Fundraising income & outside events	717,761	11,337	729,098	746,663
Legacies	1,645,504	-	1,645,504	2,771,903
Attributable gift aid	94,229	-	94,229	69,162
	<u>3,577,264</u>	<u>182,847</u>	<u>3,760,111</u>	<u>4,823,352</u>

The income from donations and legacies in the prior year included restricted income of £83,307.

3. INCOME FROM CHARITABLE ACTIVITIES

NHS CONTRACTS & GRANTS:

	2018 £	2017 £
Stafford & Surrounds CCG	9,410	32,926
Cannock Chase CCG	509,357	516,743
East Staffordshire CCG	443,640	435,263
South East Staffordshire & Seisdon CCG	697,752	717,525
Birmingham CrossCity CCG	534,309	520,602
Sandwell & West Birmingham CCG	11,400	10,800
Walsall CCG	906,000	907,366
Warwickshire North CCG	45,024	26,730
Southern Derbyshire CCG	19,481	10,391
Royal Wolverhampton NHS Trust	3,700	7,294
West Leicestershire CCG OARs	9,701	9,701
Out of area recharges	33,360	51,191
	<u>3,223,134</u>	<u>3,246,532</u>

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

4. TRADING SUBSIDIARIES

During the year, the charity benefited from the trading activities of two 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 2018 £	Total 2017 £
Turnover	187,541	1,805,632	1,993,173	1,997,049
Cost of sales	(70,981)	(568,323)	(639,304)	(519,154)
Gross profit	116,560	1,237,309	1,353,869	1,477,895
Other operating costs before gift aid	(45,331)	(454,544)	(499,875)	(506,879)
	71,229	782,765	853,994	971,016
Other operating income	-	36,758	36,758	33,413
Operating profit	71,229	819,523	890,752	1,004,429
Gift aided to St Giles Hospice	(71,229)	(820,971)	(892,200)	(1,006,729)
	-	(1,448)	(1,448)	(2,300)
Interest receivable	-	1,448	1,448	2,300
Profit/(loss) for the year before tax	-	-	-	-
Taxation	-	-	-	-
Profit/(loss) for the year after tax	-	-	-	-
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 (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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

	2018 £	2017 £
Bank interest received	11,647	14,222
Interest on Government Treasury Stock	449	1,203
Dividend income	134,329	107,705
	<u>146,425</u>	<u>123,130</u>

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

7. ANALYSIS OF EXPENDITURE

	Direct Costs £	Support Costs £	2018 £	2017 £
Costs of raising funds:				
Fundraising costs	505,071	39,662	544,733	534,333
Trading subsidiary costs	639,304	504,795	1,144,099	1,025,230
Costs re sale of donated goods	18,548	2,640,791	2,659,339	2,514,877
Investment management costs	-	24,681	24,681	14,680
Expenditure on charitable activities:				
Hospice services	8,231,297	1,805,444	10,036,741	9,489,760
	<u>9,394,220</u>	<u>5,015,373</u>	<u>14,409,593</u>	<u>13,578,880</u>

8. ANALYSIS OF SUPPORT COSTS

	Operating Costs £	Finance Costs £	Governance Costs £	2018 £	2017 £
Costs of raising funds:					
Fundraising costs	39,662	-	-	39,662	43,522
Trading subsidiary costs	478,873	16,694	9,228	504,795	506,076
Costs re sale of donated goods	2,614,451	26,340	-	2,640,791	2,493,679
Investment management costs	-	24,681	-	24,681	14,680
Expenditure on charitable activities:					
Hospice services	1,489,884	215,601	99,959	1,805,444	1,634,795
	<u>4,622,870</u>	<u>283,316</u>	<u>109,187</u>	<u>5,015,373</u>	<u>4,692,752</u>

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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 £28,720 audit and accountancy fees , £4,787 professional fees, including value added tax where applicable, and staff costs of £75,680.

9. NET INCOME/(EXPENDITURE) FOR THE YEAR

	2018 £	2017 £
This is stated after charging:		
Depreciation	415,762	408,220
Auditor's remuneration:		
- Audit fees	15,500	15,500
- Accountancy services	13,220	10,490
Operating lease rentals	<u>613,990</u>	<u>594,055</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

10. ANALYSIS OF STAFF COSTS & KEY MANAGEMENT

(a) Personnel

	2018 £	2017 £
Salaries & wages	8,492,675	8,276,688
Social security costs	705,473	650,231
Pension costs	537,801	508,366
	<u>9,735,949</u>	<u>9,435,285</u>

During the year, the group made redundancy and termination payments amounting to £29,572 with respect to 3 individual cases.

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 434 (2017: 454) analysed as follows:

	2018 No.	2017 No.
Hospice services	262	262
Fundraising	17	15
Education & training	4	4
Merchandising	119	133
Care agency services	32	40

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:

	2018 No.	2017 No.
£60,001 - £70,000	2	2
£70,001 - £80,000	1	-
£80,001 - £90,000	-	3
£90,001 - £100,000	2	-
£100,001 - £110,000	-	1
£110,001 - £120,000	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 (inclusive of employers national insurance) were £577,696.

(c) Volunteers

During the year, the hospice has benefited substantially from the regular services of 510 (2017: 484) volunteers. Additionally, volunteers working at St Giles Hospice Shops Limited and its associated warehouse number approximately 779 (2017: 667). St Giles Hospice (Promotions) Limited has also received the assistance of 10 (2017: 11) volunteers during the year.

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

11. TANGIBLE FIXED ASSETS

GROUP

	Freehold Land & Buildings £	Leasehold Land & Buildings £	Fixtures, Fittings & Equipment £	Short Leasehold Properties £	Motor Vehicles £	Total £
Cost						
At 1 April 2017	13,057,513	1,669,246	2,489,566	15,250	161,087	17,392,662
Additions	264,031	-	135,134	-	27,720	426,885
Disposals	-	-	(260)	-	(13,899)	(14,159)
At 31 March 2018	<u>13,321,544</u>	<u>1,669,246</u>	<u>2,624,440</u>	<u>15,250</u>	<u>174,908</u>	<u>17,805,388</u>
Accumulated Depreciation						
At 1 April 2017	2,837,553	309,017	2,225,358	15,250	156,741	5,543,919
Charge for the year	256,592	33,385	121,791	-	3,994	415,762
Eliminated on disposal	-	-	(260)	-	(13,899)	(14,159)
At 31 March 2018	<u>3,094,145</u>	<u>342,402</u>	<u>2,346,889</u>	<u>15,250</u>	<u>146,836</u>	<u>5,945,522</u>
Net Book Value						
At 31 March 2018	<u>10,227,399</u>	<u>1,326,844</u>	<u>277,551</u>	<u>-</u>	<u>28,072</u>	<u>11,859,866</u>
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>

Included in the group assets above are fixed assets of the subsidiary undertakings amounting to £3,986 (2017: £1,446) at net book value.

Capital Commitments

	Group and Company 2018 £	Group and Company 2017 £
Contracted not provided for	<u>-</u>	<u>265,000</u>

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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).

	2018	2017
	£	£
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.

	2018	2017
	£	£
Cost of shares	6,500	10,000

During the year ended 31 March 2018, the company's share of income from this investment amounted to £nil (2017: £nil).

(iii) Investment fund

	2018	2017
	£	£
Market value at 1 April	3,500,093	3,121,178
Add: additions at cost	3,220,771	438,397
Less: disposals at opening value/cost	(1,650,186)	(464,802)
Net gains/(losses) on revaluation	(64,167)	405,320
Market value at 31 March	5,006,511	3,500,093
Cost as at 31 March	4,521,681	2,211,205

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

12. INVESTMENTS (continued)

(iii) Investment fund (continued)

Investments at market value comprise:

Listed Investments

	2018 £	2017 £
UK equities	237,366	930,206
Overseas equities	648,984	454,775
UK fixed interest	3,650,915	1,733,689
Overseas fixed interest	300,061	154,301
UK hedge funds	114,380	154,074
Overseas hedge funds	-	10,786
UK index linked funds	-	29,948
UK property funds	54,805	32,315
	<u>5,006,511</u>	<u>3,500,094</u>
Cash on deposit awaiting investment	1,371	77,353
Balance at 31 March	<u>5,007,882</u>	<u>3,577,447</u>

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

	2018 Market value £	2017 Market value £
COIF Charities Investment Fund	<u>3,613,065</u>	<u>1,261,321</u>

Summary of investments

	2018 Group £	2018 Company £	2017 Group £	2017 Company £
Investment in subsidiary companies	-	105	-	105
Investment in associated undertaking	6,500	6,500	10,000	10,000
Other investments	5,007,882	5,007,882	3,577,447	3,577,447
	<u>5,014,382</u>	<u>5,014,487</u>	<u>3,587,447</u>	<u>3,587,552</u>

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

13. STOCK & WORK IN PROGRESS

	2018 Group £	2018 Company £	2017 Group £	2017 Company £
Medical stock	11,815	11,815	9,516	9,516
Merchandising stock	28,320	-	22,539	-
	<u>40,135</u>	<u>11,815</u>	<u>32,055</u>	<u>9,516</u>

14. DEBTORS

	2018 Group £	2018 Company £	2017 Group £	2017 Company £
Trade debtors	181,098	181,093	192,068	192,068
VAT	84,347	84,347	87,516	87,516
Amounts due from subsidiary companies	-	284,548	-	388,026
Other debtors	72,309	72,309	19,473	19,473
Prepayments & accrued income	1,077,585	1,054,079	1,838,900	1,835,026
	<u>1,415,339</u>	<u>1,676,376</u>	<u>2,137,957</u>	<u>2,522,109</u>

15. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	2018 Group £	2018 Company £	2017 Group £	2017 Company £
Trade creditors	266,181	253,895	221,773	213,189
Social security & other taxes	175,450	168,367	163,256	157,308
Superannuation	111,102	111,102	94,529	94,529
Accruals	316,641	294,618	344,539	322,231
Deferred income	314,536	21,096	348,672	55,427
Other creditors	48,758	28,046	16,214	-
	<u>1,232,668</u>	<u>877,124</u>	<u>1,188,983</u>	<u>842,684</u>

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

16. UNRESTRICTED FUNDS

(i) Analysis of movements in unrestricted funds

Group	2018 Accumulated Fund £	2018 Investment Fund £	2018 Total £
Balance at 1 April	10,498,741	3,577,447	14,076,188
Net income/(expenditure) for the year	(845,904)	-	(845,904)
Transfer to investment fund	(1,484,888)	1,484,888	-
Realised gains	-	13,214	13,214
Unrealised losses	-	(67,667)	(67,667)
Balance at 31 March	<u>8,167,949</u>	<u>5,007,882</u>	<u>13,175,831</u>

Company	2018 Accumulated Fund £	2018 Investment Fund £	2018 Total £
Balance at 1 April	10,498,641	3,577,447	14,076,088
Net income/(expenditure) for the year	(845,904)	-	(845,904)
Transfer to investment fund	(1,484,888)	1,484,888	-
Realised gains	-	13,214	13,214
Unrealised losses	-	(67,667)	(67,667)
Balance at 31 March	<u>8,167,849</u>	<u>5,007,882</u>	<u>13,175,731</u>

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

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>

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

16. UNRESTRICTED FUNDS (continued)

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

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	10,498,641	3,577,447	14,076,088

17. RESTRICTED FUNDS

(i) Analysis of movements in restricted funds

Group/Company	Balance at 1 April 2017 £	Net income/ (expenditure) £	Balance at 31 March 2018 £
IPU fund	1,329,124	(30,850)	1,298,274
Barn Farm fund	1,244,466	(33,217)	1,211,249
Capital appeal fund	2,009,471	(74,202)	1,935,269
Day Therapies Centre fund	441,767	(10,021)	431,746
John Haller memorial fund	10,000	-	10,000
Walsall Hospice fund	2,409	(2,409)	-
Day Room transformation fund	60,169	(9,641)	50,528
The Holly Road Supportive Care Centre fund	22,129	(22,129)	-
The Advice and Referral Centre fund	80,317	(21,226)	59,091
Other restricted funds	67,609	37,968	105,577
	5,267,461	(165,727)	5,101,734

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

Group/Company	Balance at 1 April 2016 £	Net income/ (expenditure) £	Balance at 31 March 2017 £
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
	5,489,591	(222,130)	5,267,461

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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 2018

18. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Total 2018 £
Fund balances at the balance sheet date are represented by:			
Tangible fixed assets	6,841,203	5,018,663	11,859,866
Fixed asset investments	5,014,382	-	5,014,382
Current assets	2,552,914	83,071	2,635,985
Current liabilities	(1,232,668)	-	(1,232,668)
Total net assets	13,175,831	5,101,734	18,277,565

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):

- £4,395 re professional fees to Ansons Solicitors of which S James is a director.

21. OPERATING LEASE COMMITMENTS

At 31 March 2018 the group had total commitments under operating leases re rental properties as follows:

	2018 Total £	2017 Total £
Due within one year	486,926	532,764
Due within two to five years	1,162,738	1,214,112
Due over five years	377,898	601,450
	2,027,562	2,348,326

ST GILES HOSPICE (A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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:

	2018	2017
	Total	Total
	£	£
Income	8,767,245	9,932,670
Gift aid from trading subsidiaries	892,200	1,006,729
	<u>9,659,445</u>	<u>10,939,399</u>
Total expenditure	(10,671,076)	(10,097,970)
Net gains/(losses) on investments	(54,453)	429,791
Net income/(expenditure)	<u>(1,066,084)</u>	<u>1,271,220</u>
Total funds brought forward	19,343,549	18,072,329
Total funds carried forward	<u><u>18,277,465</u></u>	<u><u>19,343,549</u></u>

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

	2018	2018	2017	2017
	Group	Company	Group	Company
	£	£	£	£
Net movement in funds	(1,066,084)	(1,066,084)	1,271,220	1,271,220
Depreciation charge	415,762	414,702	408,220	407,964
(Gains)/losses on investments	54,453	54,453	(429,791)	(429,791)
Investment income	(146,425)	(144,977)	(123,130)	(120,830)
(Increase)/decrease in stock	(8,080)	(2,299)	(5,229)	183
Decrease/(increase) in debtors	722,618	845,733	(1,464,785)	(1,062,032)
Increase/(decrease) in creditors	43,685	34,440	(90,879)	(35,596)
Net cash used in operating activities	<u><u>15,929</u></u>	<u><u>135,968</u></u>	<u><u>(434,374)</u></u>	<u><u>31,118</u></u>