

St Giles Hospice

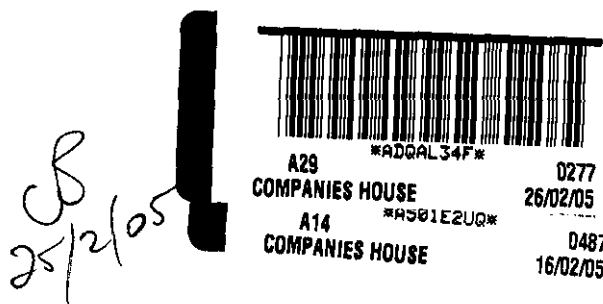
Reports & Accounts for the year ended 31 March 2004

To be presented at the Annual General Meeting of
St Giles Hospice Ltd, Education Department, Main
Street, Whittington, Lichfield, Staffordshire
Thursday 16 September 2004 at 7.30pm

St Giles Hospice, Fisherwick Road, Whittington, Lichfield, WS14 9LH
Tel: 01543 432031 Fax: 01543 433346
Email: enquiries@st-giles-hospice.org.uk www.stgileshospice.com

Registered charity No: 509014 Company No: 1430090

St Giles Hospice is a Company Limited by Guarantee,
registered at the above address



St Giles is both a charity and a limited company, serving the local community from Cannock and Walsall in the west to Ashby de la Zouch and Atherstone in the east, and from Uttoxeter and Burton upon Trent in the north to Sutton Coldfield and Coleshill in the south.

Every charity is accountable to the community it serves because by its nature it belongs to that community. We at St Giles take our accountability to those we serve very seriously, and these reports aim to help readers understand what has been happening at the hospice during this last year. These reports are also required to fulfil our responsibilities under both charity and company law.

St Giles People

Patron

The Countess of Lichfield

Patron of the Capital Development Appeal

The Earl of Shrewsbury and Waterford

President

The Reverend Canon Paul D Brothwell

Directors and Trustees

David W Platt (Chairman)

Dr Robert Horton MB BS DA MSc (Deputy Chairman)

Mary Adams RGN Rm DMS

Peter Brown OBE MA

John S Dain FCA FIMgt

Peter Durrant BA MA

P Bob K Glover CEng FIEE FinstD

Simon James LLB (Secretary)

Bernard Kumeta ACA

Tony Lindop FCA

Charles Theaker BA

Adrian Thompson FRCS (ORL)

Lilieth L Williams RGN RMN RSCN RNT

RCNT CertEd Bed (Hons) Med

Group Chief Executive

Peter L Holliday BCom MA FCA

Medical Director

Dr Diana M Webb MB BS MRCP

Nursing Director

Marie Ballard MSc SRN

Support Services Director

Catherine Baker IPD (appointed after year end)

Banker

Lloyds TSB Bank plc, 125 Colmore Row, Birmingham B3 2DS

Solicitors

Ansons LLP, St Mary's Chambers, 5 Breadmarket Street, Lichfield, Staffs
WS13 6LQ

Chartered Accountants & Registered Auditors

Burman & Co, Birmingham Road, Redditch, Worcs B97 6DY

New Investment Advisors

Coutts & Co, 440 Strand, London WC2R 0QS

Gerrard Ltd, Temple Court, 35 Bull Street, Birmingham B4 6ES

Fundraising Committee (Current Appeals Committee)

Peter Holliday BCom MA FCA (Chairman)

Peter Brown OBE MA (Chairman, Capital Appeal Committee)

George H Briffett MBE

John SS Brown BSc

Sir Stanley and Lady Hilda Clarke

John S Dain FCA FIMgt

W John Davies

Barbara Follows

Bob Foster

Mrs Lu Foster

P Bob K Glover CEng FIEE FinstD

Jim Guthrie

Richard Hughes

Tony Lindop FCA

Tony Nicholls

Laura AM Pennycuik

David W Platt

Board of St Giles Hospice (Promotions) Ltd

Peter Holliday BCom MA FCA (Chairman)

P Bob K Glover CEng FIEE FinstD (Deputy Chairman)

Mark Adcock TEP

John S Dain FCA FIMgt

Dr Robert Horton MB BS DA MSc

Vincent K Owen BSc

David W Platt

Gavin Young

Board of St Giles Hospice Shops Ltd

Peter Holliday BCom MA FCA (Chairman)

Tony Lindop FCA (Deputy Chairman)

Simon Carr

John S Dain FCA FIMgt

W John Davies

Dr Robert Horton MB BS DA MSc

David W Platt

Sarah Popp LLB

Heads of Departments

Clinical Manager of the In-Patient Unit and Day Hospice

Kay Greene

Day Hospice

Sisters Lou Hunwick and Jayne Tooth (job share)

In-Patient Unit

Michael Wilson, Senior Charge Nurse

Clinical Manager of the Community Team of St Giles Clinical Nurse Specialists and Lymphoedema Clinic

Sister Ann Hammond

Lymphoedema Clinic

Sister Helen Young

Education Department

Theresa Barker

Physiotherapy Department

Vacant

Fundraising

Laura Pennycuik

Bereavement Department

Nikki Archer

Volunteers

Glenda Leach

Chaplaincy

The Reverend Deborah Sheridan

Information Technology

Breda Moloney

Catering

Cathie Sansom

Domestic

Sharon Milligan (appointed after year end)

Stewards

Brian Tallis

St Giles Hospice Shops Ltd Manager

Lynwen Truesdale

St Giles Hospice (Promotions) Ltd Manager

Richard Simmonite

Report of the Trustees and Directors

This landmark year in the history of St Giles Hospice saw us celebrate 20 years since the first patient was admitted, presenting an opportunity to reflect on our considerable achievements over the past two decades, while at the same time focusing our attention on the future of the charity.

Our Services

The reporting year as a whole saw a series of high-points in terms of expanding and consolidating our services, including:

- increasing the Community Team cover to seven days a week – a total of 5,836 patient visits, up from 4,868 last year
- making Hospice at Home a permanent service in Cannock and Rugeley
- creating a consultant Out-Patient Clinic on site
- relocating the Bereavement Service to be a purpose-built location
- a successful nurse recruitment campaign to facilitate the increase in In-Patient Unit beds, with 4,949 patient bed days, up from 4,671 last year.

In the last few years, pressure by the Government has made palliative care a mainstream concern of the National Health Service. Our aim is to complement and supplement treatment and care available within the NHS, while maintaining our distinct differences – namely our independence, our innovation, our flexibility, our particular approach to and quality of care, and our ability to respond to issues quickly.

If the past 20 years have been exciting, then the future promises to be even more fast-moving in the life of St Giles.

As a forward-looking organisation we are already considering changes that may occur in the demand for hospice care during the next 10 years. We will remain proactive to ensure we stay at the forefront of palliative care.

We plan to extend and create new services, including the development of a satellite centre in Sutton Coldfield in partnership with Sutton Coldfield Municipal Charities, and rolling out Hospice at Home further into our patient catchment area.

Capital Development

In addition, considerable energies are now being put into the preparations for Phase III of our Capital Development Appeal, set to be St Giles' biggest ever appeal of this kind.

In these exciting plans, we hope to expand the In-Patient Unit and make a permanent home for the Education Department, and as ever the project will be heavily dependent on the generous support of grant making trusts.

Their donations will be invested alongside the hospice's own funds, including a significant proportion of the surplus of almost £1m generated during the year under report.

Fundraising Support

At fundraising level, our shops, lottery and fundraising office all achieved record-breaking results, while legacies – a hugely important element in our finances – increased substantially.

St Giles is one of the best-known and most respected charities in the region and we are fortunate in the support we are given by our local colleagues and partners within the NHS.

However, we remain dependent on the financial support received from the local community – individuals, organisations, businesses and trusts – to help us continue our care and expand our services.

This year saw our lottery raise £1.035m, our charity shops £607k, and our Fundraising Office £1.59m including £687k in legacy income – all significant increases on the previous year.

The 20-year anniversary was also the impetus for a number of commemorative initiatives including the successful 20-20-20 fundraising campaign, which aimed to collect 202,020 twenty-pence pieces, and in doing so significantly raised the hospice's profile, particularly in local schools.

St Giles People

Success in all facets of St Giles' invaluable work can be attributed to our dedicated team of staff, volunteers, management and trustees. The hospice's 20th anniversary was a time to say thank you to those who have been with the hospice from the start. They each received an inscribed memento to celebrate their loyal contribution to the hospice's life.

It was with mixed emotions that we underwent a planned change in the role of Chairman of the Board of Trustees. Dr Robert Horton stood down at the conclusion of his four years at the helm. During his term as chairman and a further seven years as a trustee to date, Robert has been party to considerable changes at St Giles including the creation of the post of Group Chief Executive (see below), the setting up of a governance structure, the formation of the now internationally-renowned Lymphoedema Clinic, the launch of Hospice at Home and almost doubling the Community Team.

Robert continues in the role of Deputy Chairman for two years and remains a director of the hospice's shops and promotions companies.

We remain grateful for the contribution of all our trustees, who bring a blend of valuable skills and experience to St Giles. To ensure that we continue to meet the needs of the community we serve, the trustees joined heads of departments on an away weekend to decide the future direction of the organisation and as part of our strategic plan we adopted a seven-point philosophy (see page 9).

In September, Peter officially took on the new role of Group Chief Executive, giving him additional responsibility for income generation and seeing him chair the boards of the hospice's shops and promotions companies, and the Fundraising Committee.

Grateful thanks go to outgoing chairmen Peter Brown (fundraising), Tony Lindop (shops), and Bob Glover (promotions) for all their years of service, and for ensuring the successful transition. All three continue to make a valuable contribution as deputy chairmen of their respective boards, with Peter Brown also remaining as chairman of the Capital Development Appeal Committee.

We are proud to report that a number of our staff were appointed to prestigious positions within national organisations during the year, details of which can be found in the reports that follow. The charity also created several new posts, including that of Support Services Director, Clinical Governance Facilitator and Schools and Colleges Co-Ordinator.

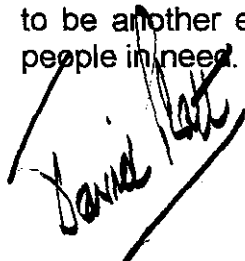
Healthcare Commission Inspection & Charity Commission Review Visit

The report following our annual Healthcare Commission inspection was extremely positive.

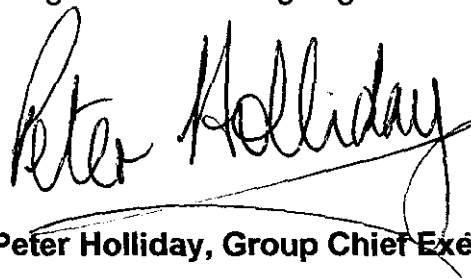
While the Commission's regulations prevent us from including extracts of the report here, the full report can be found on-line at www.healthcarecommission.org.uk, or a copy can be viewed on request at the hospice.

Since the end of the reporting year, the Charity Commission Review Visit concluded St Giles is 'particularly well-advanced in achieving the hallmarks of a well-run charity'.

Such glowing reports represent both a fitting end to what has been an eventful and immensely busy year for St Giles, and an excellent start to what promises to be another exciting chapter in our organisation's on-going work for local people in need.



David W Platt, Chairman



Peter Holliday, Group Chief Executive

St Giles Hospice Philosophy

As part of the development of the hospice's Strategic Plan, the trustees agreed the adoption of the following philosophy:

Best Possible Quality of Living

St Giles Hospice's primary purpose is to enable the best possible quality of living and dying for those who are terminally ill. We aim to achieve this through delivery of the highest standards of specialist and holistic care in a choice of settings to those with cancer and other complex end of life diseases (palliative care).

Serving the Whole Community

We are committed to equity of access to our services for the whole community we serve, including patients' carers. Aware of our responsibility to the wider community as the area's major independent charity, we aim to ensure sound governance and management of the charity. As part of our governance, we strive to keep the community informed of our work and to be recognised as a centre of expertise and excellence. We involve the community in our care through the promotion of volunteering, in both service delivery and fundraising.

In Collaboration with the NHS

We believe we best serve our community by working in collaboration with the National Health Service. We aim to complement and supplement treatment and care available within the NHS, to contribute to the strategic planning of palliative care, and to share expertise with other professionals within the wider community.

New Expertise

We aim to be aware of new areas of expertise acquired in fulfilling our primary purpose and to develop such expertise as a part of our service provision.

Free at the Point of Delivery

Our care is free at the point of delivery, without charge to patient or carer. We therefore aim to be prudent and cost effective with expenditure whilst ensuring the most effective and co-ordinated income generation.

Independent and Innovative

St Giles is an independent charity. We are determined to use to best advantage the flexibility this offers us in the development of services, and to be innovative and at the forefront of clinical, educational, IT and fundraising developments within the hospice movement. We are always ready to respond to unforeseen opportunities to develop our services and our income generation activities.

Supportive and Caring

Our commitment to delivery of the highest standard of care can only be met through recruiting the highest quality staff and volunteers and ensuring their continued development. Further, our dedication to care can only have integrity if we also care for all volunteers and staff throughout the St Giles group. We are therefore committed to a culture of caring for and valuing everyone associated with St Giles, including continuing education of staff and volunteers.

Working in the Community

St Giles Hospice's unrivalled reputation for providing high-quality specialist medical care means services remain in ever-growing demand. To ensure the growing need is met, the charity expanded its services during the year including making Hospice at Home a permanent provision in Cannock and Rugeley, moving to seven-day Community Team cover and creating a consultant Out-Patient Clinic.

The work of the hospice is held in high regard not just by the people it serves, but also by the medical profession at local and national level. St Giles continues to work closely, and share its expertise, with other health care providers – both locally and within the wider community - with the overall aim of achieving an integrated approach and equality of access to palliative care.

This collaborative effort has been particularly evident in the hospice's work with the Pan Birmingham Cancer Network, which has benefited both from the 12-month secondment of Medical Director Dr Diana Webb, and the contribution of data to assist in the creation of a strategy for needs assessment for cancer patients.

Community Team of St Giles Clinical Nurse Specialists

An expansion to the service provision was implemented in September to provide a weekend telephone support service. In addition, members of the team use their professional judgement to make patient visits at the weekend if considered necessary.

The weekend service is already experiencing a high demand from patients, their relatives and health care professionals.

To assist with the additional workload, a new staff nurse joined the team – bringing the total number of Clinical Nurse Specialists to 16.

Referrals continued to increase – at times averaging between 90 and 100 per month – and the team handles a caseload of approximately 320 patients a month.

Hospice at Home

Hospice at Home has now been confirmed as a permanent service in the Cannock and Rugeley areas. The programme complements the care offered by the Community Team and allows patients nearing the end of their life to remain in the familiar surroundings of their own home.

During the year, St Giles began fundraising with a view to launching the service in Tamworth. The trustees and management continue to explore ways to expand this vital service further, provided additional funding can be found.

Palliative Medicine Specialists

In addition to caring for patients at the hospice and training nurses and doctors in palliative care, the team of three consultants and other doctors also works alongside NHS staff at many of the region's major hospitals.

St Giles' palliative medicine consultants are the only ones across the whole of the Greater Birmingham area. The Pan Birmingham Cancer Network is striving to rectify this situation and a decision was taken for Diana Webb, St Giles' Medical Director, to be seconded to the network for 12 months from January 2004 to help design a consultant recruitment strategy.

Education Department

St Giles' dedicated Education Department provides continuing education for hospice staff, and passes on the hospice's expertise to other health care professionals.

The department continues to work in close partnership with Staffordshire University on two validated courses and is developing an undergraduate level course in lymphoedema.

When validated, this will make St Giles one of only three centres providing lymphoedema management training at this level in the UK.

Two successful study days have been organised away from the department in order to accommodate more delegates. One of these, 'Spirituality, Hope, Human Rights and Cultural Issues in Palliative Care', held at Drayton Manor Park (since the end of the reporting year), attracted 80 participants from across the UK.

The wide variety of courses offered by the department, ranging from single study days through to year-long courses, remains extremely popular.

Collaborative links with universities, and the support of the hospice's nursing teams, has enabled a growing number of student nurses to be offered placements at St Giles.

Plans have also been drawn up to appoint a new Schools and Colleges Co-ordinator to forge links with local education establishments and raise the profile of the hospice among both teachers and pupils.

Caring at St Giles Hospice

St Giles Hospice's work in the community is supported by the extensive services offered at the main hospice site.

Day Hospice

The Day Hospice continues to experience high demand for its 20-plus daily places. Patients usually attend for one day each week to receive specialist nursing and psychological support, and share their experiences with others. They also participate in a range of creative therapies to develop new skills and enhance their quality of life.

Special projects during the year included some patients designing and making a painted Perspex panel to hang in the hospice Chapel, while others enjoyed a nine-week creative art programme run by a qualified art therapist who generously volunteered her time. During the year Day Hospice Sister Lou Hunwick established a Breathlessness Management Programme, available to all St Giles' patients.

In-Patient Unit

The In-Patient Unit offers specialist support for those too ill to be cared for at home, and the phased increase from 15 to 18 beds has now been completed. A successful nurse recruitment campaign and skill review were undertaken, both to cater for the increased capacity, and to ensure each patient continues to receive individual care tailored to their specific needs.

All staff have now received St Giles' professional portfolio to assist them in their professional and personal development, while several were supported in undertaking undergraduate and masters level degrees. Areas of clinical governance continue to be developed, with particular emphasis during the year on risk management and patient satisfaction questionnaires.

Out-Patient Clinic

A new out-patient facility was opened at St Giles Hospice in February. The clinic will ensure a greater number of patients receive specialist medical care from St Giles' palliative care consultants, by reducing the need for time-consuming home visits.

Caring for the Whole Person

St Giles cares not just for the patients' physical well-being, but also their emotional, psychological and spiritual welfare. The Chaplaincy team continued to be an important element in this provision and is on call continually, responding to the needs of patients and their families of all religions and none.

During the year the team was strengthened by new Hindu and Muslim faith representatives.

The year saw the Chaplaincy's involvement grow in home visits, bereavement care and funeral services. The local community continues to support the annual Thanksgiving Service for St Giles at Lichfield Cathedral, and quarterly 'Time to Remember' memorial services held at churches across the hospice's patient catchment area.

Bereavement Service

St Giles' dedicated Bereavement Service completed its transfer to a new purpose-built location within the hospice building in November. The move facilitated the creation of a second counselling room, a new children's room and a waiting area.

Demand for the service's specialist expertise remains high with staff and 37 specially-trained volunteer Bereavement Visitors undertaking 2,350 hours of clinical contact with clients.

The service's reputation for excellence continues to be recognised in the wider community too, with the number of referrals from other health care providers equating to 8% of the year's workload.

During the year, department head Nikki Archer was appointed Secretary of the Association of Bereavement Service Co-ordinators, a national organisation she cofounded. Since the end of the reporting year, Nikki has been seconded for one day per week for the next 12 months, to the Pan Birmingham Cancer Network.

In addition, Children's Bereavement Co-Ordinator Carmel Britton was appointed to the panel of the Advisory Group for the Childhood Bereavement Network Community Fund Project. Activities for young people again included a successful therapeutic activity weekend at the Stanley Head Outdoor Activity Centre in Staffordshire.

Lymphoedema Clinic

The Lymphoedema Clinic celebrated its 10th anniversary during the reporting year and its caring services remain in high demand. While many lymphoedema clinics in the UK are 'capping' their services and narrowing their criteria for referral, St Giles continues to offer a full service for anyone suffering from chronic oedema. The clinic received 361 new referrals and a total of 4,200 patient appointments were undertaken.

The dedicated team increased by one, to one part-time and four full-time nurses, ensuring that waiting times are kept to a minimum. The quality of care remains of the highest standard and teaching commitments are honoured without compromising patient care.

Education remains a high priority, with the clinic completing another successful lymphoedema module at diploma level in conjunction with Staffordshire University.

The year saw the creation of two new patient groups. The six-month Clinical Support Group helps patients struggling to come to terms with their condition, while the Patient Voice Group will be consulted when any new patient documentation is written, to ensure that it is user-friendly.

The team continues to update its skills by attending regular reviews to ensure that practices remain at the cutting-edge of lymphology.

Supporting the Care

While St Giles is indebted to local NHS colleagues for the funding it receives from government, the ever increasing demands placed upon the hospice's services mean that it is also heavily dependent on the support of the local community.

Without the outstanding support of charitable trusts, companies, organisations and individuals - who give their time or money – St Giles could not deliver the high level of service currently provided to local people with cancer and other serious illnesses. Thanks to their generosity St Giles' income for the year was £4.9m, an increase from £4.38m in the year to March 2003.

St Giles Hospice Promotions

St Giles Hospice Promotions, the wholly-owned subsidiary company managing the St Giles Hospice Lottery, recorded another outstanding year.

The lottery, the most successful of its kind in the UK, celebrated a record-breaking year with profits of £1.035m – a significant improvement on the previous year's figure, itself a record, of £1m.

Almost 60 pence out of every one pound lottery stake goes to St Giles, compared to the National Lottery where just 28 pence is passed to 'good causes' and of this only 4.7 pence to charities and other voluntary organisations.

However, while public awareness of the lottery remains high, the year saw membership level off for the first time. In response, St Giles Hospice Promotions is taking a proactive approach to recruiting new players.

Another high-note was the company's first Big Bonanza Draw. This well-supported initiative raised almost £30,000 for St Giles, and it is intended to repeat the draw in 2004.

St Giles Hospice Shops

The success of St Giles Hospice Shops continues unabated with the company recording a record profit for the nineteenth consecutive year. Thanks to the public – who represent both suppliers and customers – as well as the hardworking volunteers and staff, the profits were £607k, an increase on the previous year's figure of £585k.

January saw the launch of a new Bridal Room at the charity's Swadlincote shop and since the end of the reporting year a dedicated bookshop has opened in Mere Green. Management continue to investigate opportunities for further charity outlets.

Volunteers

St Giles remains profoundly grateful for the unstinting efforts of the hundreds of dedicated volunteers who are involved in service provision, charity shops and fundraising.

It is estimated that more than 900 volunteers provided over 180,000 volunteer hours during the year. Conservatively valued at £6 an hour, these efforts amount to well over £1m.

A notable success during the year was the recruitment of 20 new volunteer home-sitters, who visit patients to offer emotional and, sometimes, practical support to enable their regular carer to take a valuable break.

Since the end of the reporting year, the hospice's volunteers have received The Queen's Award for Voluntary Service – affirmation, if any were needed, of the tremendous contribution they make to the life of St Giles.

Fundraising Office

The Fundraising Office enjoyed another excellent year, generating a total of £1.59m, a significant increase on last year's total of £1.42m.

The many groups of Friends of St Giles Hospice raised almost £39k through a range of activities including coffee mornings and open gardens. Collecting boxes in shops, businesses and homes across the region raised more than £72k. Legacies, a vital part of St Giles' income, increased substantially to £687k, compared to £609k last year.

The Light up a Life events at Lichfield Cathedral and Cannock town centre, staged in partnership with St Giles Hospice Promotions, once again proved immensely popular and raised £16k. During the year plans were laid for the hospice to add a third ceremony in Burton upon Trent in December 2004, offering more people the opportunity to remember someone special who is no longer with us.

A vast array of one-off events also contributed to supporting the hospice's on-going care, while St Giles continues to receive significant support from the Freemasons, local authorities, and golf clubs.

Charitable Trusts

The hospice is indebted to the following trusts, all of whom have made substantial grants during 2003/2004:

Baron Davenport's Charity
H E & E L Botteley Charity
Criffel Charitable Trust
Dónibee Charitable Trust

The FAF Charitable Trust
The Goodenough Charitable Trust
Lady Tangye Charitable Trust
The Edgar E Lawley Foundation
Lord Austin Trust
Owen Family Trust
R M Douglas Charitable Trust
St John's Hospital
Salamander Charitable Trust
Sutton Coldfield Municipal Charities
Connie & Albert Taylor Charitable Trust
The W E D Charitable Trust
The Workman Trust

Financial Results for the Year & Statutory Requirements

In complying with charity and company law, we are obliged to submit our accounts in a specific format. This document aims to meet those legal requirements and, at the same time, make for interesting reading. We therefore now include some statements which indicate how we are complying with charity and company law.

The trustees of the charity St Giles Hospice are also directors of the company St Giles Hospice (a company limited by guarantee) for the purposes of the Companies Act 1985. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in October 2000 in preparing this annual report and financial statements.

St Giles Hospice was incorporated on 15 June 1979. It is governed by a Memorandum and Articles of Association.

The charity's objective, as defined in the Memorandum, continues to be to care for people suffering from chronic or terminal illness.

Accounts

The Statement of Financial Activities for the year is set out on page 25 of these reports, and the format reflects current accounting requirements. A summary outline of the income and expenditure for the year is shown in the table overleaf.

Summary Income and Expenditure for the year ended 31 March 2004

	2004 £	2003 £
Where our income came from		
NHS grants and payments for consultants	1,618,047	1,414,875
Legacies	687,221	609,512
Friends Groups	38,834	40,222
Net contribution from Fundraising Department	744,666	645,619
Net contribution from St Giles Hospice Shops	607,127	585,671
Net contribution from St Giles Hospice Lottery	1,035,316	1,012,903
Investment income	133,189	106,966
Sundries	32,085	26,271
Total	<u>4,896,485</u>	<u>4,442,039</u>
How our income was spent		
Hospice services	3,794,951	3,489,993
Education and training	119,830	114,373
Investment management fees	8,896	8,005
Management and administration of the charity	27,672	27,204
Total	<u>3,951,349</u>	<u>3,639,575</u>
Surplus of running costs income	945,136	802,464
Reconciliation to the Statement of Financial Activities on page 25		
Endowment fund donations	-	19,000
Gains (losses) on investments	112,239	(255,073)
Income in period for future projects	55,972	21,237
Net movement in funds (page 25)	<u>1,113,347</u>	<u>587,628</u>

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 with fixed commitments, and the nature of the reserves.

The review concluded that to allow the charity to be managed efficiently and to provide a buffer for uninterrupted service, the charity should have between four months' and two years' expenditure available in free reserves to cover periods of insufficient public support.

During the year the charity's free reserves increased from £4.5m to £5.8m, representing approximately 15 months of the annual expenditure budgeted for the year to 31 March 2005.

Changes in Fixed Assets

The movements in fixed assets during the year are set out in note 6 to the financial statements.

Investment Policy and Returns

During the year, the trustees undertook a major review of the management of the hospice's investments. As a result, Gerrard Ltd and Coutts & Co were appointed investment managers.

The investment managers provide three-monthly reports which are reviewed by one or more trustees with the Group Chief Executive, and a report is submitted to trustees.

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 the portfolio within given criteria.

The investments are represented by the *Capital Reserve Fund*, a change of name from the *Endowment Fund*, to indicate its nature more precisely, that is funds put aside from revenue surpluses to safeguard the funding of the hospice through periods of insufficient public support.

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.

Employee Involvement and Employment of the Disabled

The trustees are deeply appreciative of the work carried out by the dedicated and committed team of employees at St Giles, in maintaining the excellence in the provision of specialist care for which the hospice is renowned.

As a people-focused organisation, employees are regularly consulted on issues of concern to them, and management continue to develop collaborative working practices at all levels.

The charity has a number of detailed personnel policies including those in relation to grievances for both staff and volunteers, sickness, maternity leave and volunteers.

In accordance with the charity's commitment to equal opportunities, St Giles has established fair employment practices in the recruitment, selection, retention and training of disabled staff. Full details of all the policies are available from the charity's offices.

Governance and Internal Control

Trustees serve for a five-year period, after which they may seek re-election. When a trustee reaches the age of 75, the trustees will seek to appoint an additional member under 70. The trustees met seven times during the year, including a weekend meeting with heads of departments to review strategy.

Four governance committees – clinical, human resources, estates & facilities, and finance – report directly to the board of trustees. Each committee, chaired by a trustee, comprises trustees and the senior management team. In future, it is proposed to open governance committees to other staff and volunteers.

The trustees regularly review the skills required for the governance of the charity, and vacancies for trustees are publicised, indicating skills required, to encourage individuals from all walks of life to apply.

Company and charity law require the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity, and of the surplus or deficit of the charity for that period. In preparing those financial statements, the trustees have:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that are reasonable and prudent
- stated that applicable accounting standards have been followed
- prepared the financial statements on the going concern basis.

The trustees have overall responsibility for ensuring that the charity has appropriate systems of controls, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial status of the charity, and enable them to ensure that the financial statements comply with the Companies Act 1985.

They are also liable for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities. In addition they are charged with providing reasonable assurance that:

- the charity is operating efficiently and effectively
- its assets are safeguarded against unauthorised use or disposition
- proper records are maintained and financial information used within the charity or for publication is reliable and the charity complies with relevant laws and regulations.

The systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. They include:

- an annual budget approved by the trustees
- regular consideration by the trustees of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews
- delegation of authority and segregation of duties
- risk assessment and management.

The trustees, through the governance committees, have formal processes in place to assess clinical and business risks and to implement risk management strategies. This on-going process involves identifying the types or risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of reducing them.

Management are responsible for implementing the trustees' policies, and identifying and evaluating risks for their consideration. Procedures are also in place for reporting failings immediately to appropriate levels of management and the trustees, together with details of corrective action being undertaken.

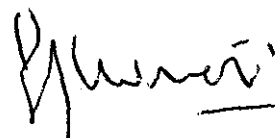
Auditors

A resolution proposing that Burman & Co be re-appointed as auditors of the charity will be put to the Annual General Meeting.

This report was approved by the trustees on 14 July 2004.

A handwritten signature in black ink, appearing to read 'David Platt', written over a horizontal line.

David W Platt (Chairman)

A handwritten signature in black ink, appearing to read 'Bernard Kumeta', written over a horizontal line.

Bernard Kumeta

Report of the Independent Auditors to the Members of St Giles Hospice Ltd

We have audited the financial statements of St Giles Hospice Ltd for the year ended 31 March 2004 which comprise the statement of financial activities, balance sheet, cash flow statement and related notes. These financial statements have been prepared under the historical cost convention and on the basis of the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable 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 auditors

The trustees (who are also the directors of St Giles Hospice Ltd for the purposes of company law) are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the report of the trustees is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the trustees' annual report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the charitable company and group as at 31 March 2004 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Burman & Co
Chartered Accountants and Registered Auditors,
Redditch.

15 July 2004

Consolidated Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 31 March 2004

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2004 £	Total 2003 £
Incoming resources						
Donations		367,324	178,982		546,306	498,248
Legacies		687,221			687,221	609,512
Fundraising		455,413			455,413	371,537
<i>Activities in furtherance of the charity's objects:</i>						
Grants (district health authorities including supply of consultants' sessions)		1,618,047			1,618,047	1,414,875
Training and bursaries		19,321			19,321	13,708
<i>Activities for generating funds:</i>						
Merchandising gross income	2	3,080,239			3,080,239	2,941,324
Investment income		131,945		1,244	133,189	106,967
Sundry income		12,764			12,764	12,565
Total incoming resources		6,372,274	178,982	1,244	6,552,500	5,968,736
Resources expended						
<i>Cost of generating funds:</i>						
Fundraising costs		162,247			162,247	143,709
Merchandising costs	2	1,437,796			1,437,796	1,342,751
Investment management fees		8,896			8,896	8,005
<i>Charitable expenditure:</i>						
<i>Cost of activities in furtherance of the charity's objects:</i>						
Hospice services		3,608,671	186,280		3,794,951	3,489,993
Education & training		119,830			119,830	114,373
Management & administration		27,672			27,672	27,204
Total resources expended	3	5,365,112	186,280		5,551,392	5,126,035
Net income before transfers		1,007,162	(7,298)	1,244	1,001,108	842,701
Transfers between funds		127,359	(126,115)	(1,244)		
Net incoming resources		1,134,521	(133,413)		1,001,108	842,701
Gains/(Losses) on investment assets						
Realised		7,408			7,408	(103,800)
Unrealised		104,831			104,831	(151,273)
Net movement in funds		1,246,760	(133,413)		1,113,347	587,628
Fund balances brought forward at 1 April 2003		4,567,331	3,178,309	43,724	7,789,364	7,201,736
Fund balances carried forward at 31 March 2004		5,814,091	3,044,896	43,724	8,902,711	7,789,364

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 230 of the Companies Act 1985, as amended, the company's profit and loss account is not separately presented.

Consolidated Balance Sheet as at 31 March 2004

	Note	2004		2003	
		Group £	Company £	Group £	Company £
Fixed assets					
Tangible assets	6	3,215,840	3,206,739	3,253,249	3,251,107
Investments	7	2,297,499	2,297,503	2,015,572	2,015,576
		<u>5,513,339</u>	<u>5,504,242</u>	<u>5,268,821</u>	<u>5,266,683</u>
Current assets					
Stock		57,365	30,353	68,371	48,884
Debtors	8	149,452	615,534	154,238	641,493
Building society deposits		1,185,437	1,185,437	1,146,083	1,146,083
Cash at bank and in hand		3,030,763	2,223,464	1,947,816	1,132,691
		<u>4,423,017</u>	<u>4,054,788</u>	<u>3,316,508</u>	<u>2,969,151</u>
Creditors (amounts falling due within one year)	9	(1,033,645)	(656,319)	(795,965)	(446,470)
Net current assets		<u>3,389,372</u>	<u>3,398,469</u>	<u>2,520,543</u>	<u>2,522,681</u>
Total net assets		<u>8,902,711</u>	<u>8,902,711</u>	<u>7,789,364</u>	<u>7,789,364</u>
Funds					
Unrestricted funds	10	5,814,091	5,814,091	4,567,331	4,567,331
Restricted funds	11	3,044,896	3,044,896	3,178,309	3,178,309
Endowment fund	11	43,724	43,724	43,724	43,724
Total funds		<u>8,902,711</u>	<u>8,902,711</u>	<u>7,789,364</u>	<u>7,789,364</u>

Approved by the trustees on 14 July 2004 and signed on their behalf by D Platt (Chairman) and B Kumeta.

Consolidated Cash Flow Statement for the Year Ended 31 March 2004

	Note	2004		2003	
		£	£	£	£
Net cash inflow from activities	(i)		1,264,829		884,746
Returns on investments and servicing of finance					
Interest received		91,935		12,388	
Dividend income		<u>40,010</u>		<u>33,790</u>	
			131,945		46,178
Capital expenditure and financial investment					
Payments to acquire tangible fixed assets		(104,786)		(121,270)	
Receipts from sales of tangible fixed assets				414	
Purchase of investments		<u>(547,285)</u>		<u>(323,804)</u>	
Proceeds from sales of investments		<u>128,978</u>		<u>304,781</u>	
			(523,093)		(139,879)
Financing					
Net movement in cash flows attributable to capital reserve fund					71,784
Increase in cash in the year	(ii)		<u>873,681</u>		<u>862,829</u>

Notes to the Consolidated Cash Flow Statement for the Year Ended 31 March 2004

	2004 £	2003 £
(i) Reconciliation of changes in resources to net inflow from operating activities		
Net incoming resources	1,001,108	842,701
Net endowment fund income		(4,000)
Investment income	(131,945)	(113,962)
Depreciation charge	142,194	147,930
Decrease/ (Increase) in stocks	11,006	(2,016)
Decrease/ (Increase) in debtors	4,786	(44,655)
Increase in creditors	<u>237,680</u>	<u>58,748</u>
	<u>1,264,829</u>	<u>884,746</u>

(ii) Analysis of net cash resources

	1 April 2003 Cashflow £	31 March 2004 £
Cash at bank & in hand	1,947,816	1,082,947
Building society deposits	1,146,083	39,354
Farmers & Butchers account	43,724	43,724
Capital reserve fund cash	<u>1,098,698</u>	<u>(248,620)</u>
	<u>4,236,321</u>	<u>873,681</u>
		<u>5,110,002</u>

Notes to the Financial Statements for the Year Ended 31 March 2004

1. ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" published in October 2000 and applicable accounting standards.

The financial statements consolidate the accounts of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The charity has availed itself under paragraph (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the charity's activities.

(b) Company status

The charity is a company limited by guarantee. 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) 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 capital reserve 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.

The endowment fund represents those assets which must be held permanently by the charity. Income arising on the endowment fund can be used in accordance with the objects of the charity and is included as unrestricted income.

(d) Depreciation

Depreciation is calculated to write-off the tangible assets by equal annual instalments over their estimated useful lives.

The principal rates in use are:

Freehold buildings	2% of cost
Short leasehold properties	Over life of 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.

(e) Donations

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

(f) Capital grants and legacies

Capital grants and legacies received are credited to the income and expenditure account in the year in which they are receivable.

(g) Contributions and fees from national health service trusts

Contributions and fees from national health service trusts are credited to income and expenditure in the period to which they relate.

(h) Stock

Stock is stated at the lower of cost and estimated net realisable value.

(i) Pension contributions

Pension contributions for the group personal pension plan are charged against income when payable.

(j) Investments

Investments are stated at market value at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

(k) Reserves

To enable the charity to be managed efficiently, and provide a financial buffer for uninterrupted services, the charity should have between four months and two years' expenditure available in free reserves to cover periods of insufficient public support.

2. MERCHANDISING INCOME AND COSTS

The charity has two wholly owned trading subsidiaries which are incorporated in the UK. St Giles Hospice Shops Limited acts as an agent for St Giles Hospice for the sale or other disposal of donated goods and also sells bought in goods which form its trading activities. The principle activity of St Giles Hospice (Promotions) Limited is to run a lottery but it also undertakes other promotional activities. Both companies covenant their taxable profits to St Giles Hospice. A summary of their trading results is shown in the profit and loss account, set out below.

PROFIT AND LOSS ACCOUNT

	Donated Goods £	St Giles Hospice Shops Limited £	Total Shops Activities £	St Giles Hospice (Promotions) Limited £	Total 2004 £	Total 2003 £
Merchandising income	1,131,142	211,474	1,342,616	1,718,625	3,061,241	2,922,084
Interest Receivable		4,283	4,283	14,715	18,998	19,240
	<u>1,131,142</u>	<u>215,757</u>	<u>1,346,899</u>	<u>1,733,340</u>	<u>3,080,239</u>	<u>2,941,324</u>
Cost of sales	715	87,851	88,566	384,188	472,754	472,982
Other operating costs	<u>630,372</u>	<u>20,834</u>	<u>651,206</u>	<u>313,836</u>	<u>965,042</u>	<u>869,769</u>
	<u>631,087</u>	<u>108,685</u>	<u>739,772</u>	<u>698,024</u>	<u>1,437,796</u>	<u>1,342,751</u>
Operating profit	<u>500,055</u>	<u>107,072</u>	<u>607,127</u>	<u>1,035,316</u>	<u>1,642,443</u>	<u>1,598,573</u>
Covenanted to St Giles Hospice		<u>107,072</u>	<u>107,072</u>	<u>1,035,316</u>	<u>1,142,388</u>	<u>1,116,568</u>
Net assets/ (liabilities)		<u>2</u>	<u>2</u>	<u>2</u>	<u>4</u>	<u>4</u>

3. TOTAL RESOURCES EXPENDED

	Staff Costs £	Depreciation £	Other Costs £	Total £
Charitable expenditure				
Hospice services	2,883,694	130,999	780,258	3,794,951
Education & training	91,664		28,166	119,830
Management & administration	19,712		7,960	27,672
Cost of generating funds				
Fundraising costs	91,450		70,797	162,247
Merchandising costs	456,798	11,195	969,803	1,437,796
Investment management fees			8,896	8,896
	<u>3,543,318</u>	<u>142,194</u>	<u>1,865,880</u>	<u>5,551,392</u>
Other costs include:			2004 £	2003 £
Auditors' remuneration:				
Hospice:				
Audit fee			5,500	5,500
Accountancy, taxation & other services			<u>2,300</u>	<u>2,300</u>
Subsidiaries:				
Audit fee			2,700	2,700
Accountancy, taxation & other services			<u>4,500</u>	<u>4,500</u>

4. STAFF COSTS

	2004	2003
	£	£
Salaries & Wages	3,181,394	2,864,315
Social Security costs	239,714	193,403
Pension costs	122,210	115,276
	<u>3,543,318</u>	<u>3,172,994</u>

(a) Employees

The average number of persons employed during the year (including part-time but excluding volunteers), calculated on a full time equivalent basis, analysed by function was:-

	2004	2003
	No.	No.
Hospice services	91	93
Fundraising	5	5
Education & training	3	3
Management & administration	7	7
Merchandising	34	33

(b) Volunteers

During the year the hospice has benefited substantially from the regular services of 506 (2003:456) volunteers. Additionally, volunteers working in the Hospice Shops and its associated warehouse number approximately 349 (2003: 379). Hospice Promotions have also received the assistance of 6 (2003:4) volunteers during the year.

(c) Emoluments

The number of employees whose emoluments amounted to over £50,000 in the year was as follows:

	2004	2003
	No.	No.
£50,000 - £60,000	1	-
£60,001 - £70,000	2	1

No trustee of St Giles Hospice Limited or director of St Giles Hospice Shops Limited or St Giles Hospice (Promotions) Limited, received any emoluments during the year (2003:£NIL). The trustees neither received nor waived any emoluments during the year (2003:£NIL) and no out-of-pocket expenses were reimbursed.

5. CHANGES IN RESOURCES AVAILABLE FOR CHARITY USE

	Unrestricted Funds	Restricted Funds	Total 2004	Total 2003
	£	£	£	£
Net movement in funds for the year	1,246,760	(133,413)	1,113,347	587,628
Net increase/(decrease) in tangible fixed assets for direct charitable purposes	8,952	(46,361)	(37,409)	(27,074)
Net movement in funds available for future activities	<u>1,255,712</u>	<u>(179,774)</u>	<u>1,075,938</u>	<u>560,554</u>

6. TANGIBLE FIXED ASSETS GROUP

	Freehold Land & Building	Fixtures Fittings & Equipment	Short Leasehold Properties	Motor Vehicles	Total
	£	£	£	£	£
Cost at 1 April 2003	3,691,191	798,103	15,250	74,000	4,578,544
Additions	46,374	35,170	-	23,242	104,786
Disposals	-	-	-	(17,787)	(17,787)
	<u>3,737,565</u>	<u>833,273</u>	<u>15,250</u>	<u>79,455</u>	<u>4,665,543</u>

	Accumulated Depreciation at 1 April 2003				
	£	£	£	£	£
Charge for the year	73,598	55,419		13,177	142,194
Depreciation on Disposals	-	-	-	(17,786)	(17,786)
	<u>637,310</u>	<u>761,167</u>	<u>15,250</u>	<u>35,976</u>	<u>1,449,703</u>

	Net Book Value At 31 March 2004				
	£	£	£	£	£
	<u>3,100,255</u>	<u>72,106</u>	<u>43,479</u>	<u>3,215,840</u>	
	<u>3,127,479</u>	<u>92,355</u>	<u>33,415</u>	<u>3,253,249</u>	

Included in the group assets above are fixed assets of the subsidiary undertakings amounting to £9,101 (2003: £2,142) at net book value

Capital Commitments

	Group and Company 2004	Group and Company 2003
	£	£
Contracted not provided	<u>Nil</u>	<u>Nil</u>

7. INVESTMENTS

(i) Investment in subsidiary companies

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

	2004	2003
	£	£
Shares in group companies at cost	<u>4</u>	<u>4</u>

(ii) The Farmers and Butchers Endowment Fund

In accordance with the wishes of the Farmers and Butchers, monies donated by them have been credited to an endowment fund. Income from the fund forms part of the unrestricted income of the charity.

	2004	2003
	£	£
Fund deposits	<u>43,724</u>	<u>43,724</u>

(iii) Capital reserve fund

Capital reserve fund investments

	2004	2003
	£	£
Market value at 1 April 2003	873,151	1,109,201
Add: additions at cost	547,285	323,804
Less: disposals at opening value	(121,570)	(408,581)
Net gains/(losses) on revaluation	<u>104,831</u>	<u>(151,273)</u>
Market value at 31 March 2004	<u>1,403,697</u>	<u>873,151</u>
Cost at 31 March 2004	<u>1,414,313</u>	<u>1,009,300</u>

All investments are listed UK securities.

Investments held at 31 March which represent over 5% of the portfolio value are:

	2004	2003
	Market Value	Market Value
	£	£
Treasury 5% stock 07/06/04		50,965
Old Mutual corporate bond	72,137	71,872
Standard Life investment fund	76,215	79,123
Tilney collective UK fixed interest	<u>82,200</u>	<u>86,625</u>
	230,552	288,585
Other UK listed securities	<u>966,766</u>	<u>507,399</u>
	1,197,318	795,984
Holdings in non UK listed securities	<u>206,379</u>	<u>77,167</u>
Investments held at 31 March	<u>1,403,697</u>	<u>873,151</u>
Cash on deposit awaiting investment at 31 March	74,512	198,207
Money market investment at 31 March	<u>775,566</u>	<u>900,490</u>
Balance at 31 March 2004	<u>2,253,775</u>	<u>1,971,848</u>

Summary of investments

	Group 2004	Company 2004	Group 2003	Company 2003
	£	£	£	£
Investment in subsidiary companies		4		4
The Farmers and Butchers Endowment Fund deposits	43,724	43,724	43,724	43,724
Capital reserve fund investments	<u>2,253,775</u>	<u>2,253,775</u>	<u>1,971,848</u>	<u>1,971,848</u>
	<u>2,297,499</u>	<u>2,297,503</u>	<u>2,015,572</u>	<u>2,015,576</u>

8. DEBTORS

	Group 2004	Company 2004	Group 2003	Company 2003
	£	£	£	£
Trade debtors	12,448	6,856	28,172	22,851
Amount due from subsidiary companies		477,709		496,826
Other debtors	4,299	4,299	5,852	5,852
Prepayments & accrued income	<u>132,705</u>	<u>126,670</u>	<u>120,214</u>	<u>115,964</u>
	<u>149,452</u>	<u>615,534</u>	<u>154,238</u>	<u>641,493</u>

9. CREDITORS (AMOUNTS FALLING DUE WITHIN ONE YEAR)

	2004	2004	2003	2003
	Group	Company	Group	Company
	£	£	£	£
Trade Creditors	126,516	98,939	120,549	100,785
Taxation & social security	62,802	62,802		
Superannuation	26,804	26,804	12,521	12,521
Accruals	189,286	154,818	165,939	133,164
Deferred income	628,237	312,956	496,956	200,000
	<u>1,033,645</u>	<u>656,319</u>	<u>795,965</u>	<u>446,470</u>

Deferred income is represented by grants received in advance and advance lottery ticket payments

10. UNRESTRICTED FUNDS

Group and Company
Analysis of Funds

	2004	2004	2004	2003
	Accumulated	Capital reserve	Total	Total
	Fund	Fund	£	£
Balance at 1 April 2003	2,595,483	1,971,848	4,567,331	4,006,750
Net incoming resources	1,116,408	18,113	1,134,521	815,654
Transfer to capital reserve fund	(151,575)	151,575		
Increase/(decrease) in market value of investments		104,831	104,831	(151,273)
Realised gains/(losses)		7,408	7,408	(103,800)
Balance at 31 March 2004	<u>3,560,316</u>	<u>2,253,775</u>	<u>5,814,091</u>	<u>4,567,331</u>

11(i) RESTRICTED FUNDS

Group and Company	Balance at 1 April 2003	Net incoming resources	Transfer to unrestricted funds	Balance at 31 March 2004
	£	£	£	£
Capital appeal funds	3,163,482	(63,270)	(126,115)	2,974,097
Phase 3 development appeal		21,608		21,608
John Haller memorial	10,000			10,000
Other restricted funds	4,827	34,364		39,191
	<u>3,178,309</u>	<u>(7,298)</u>	<u>(126,115)</u>	<u>3,044,896</u>

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

The Phase III development appeal represents funds already received towards the extension of the In-Patient Unit.

The John Haller memorial represents funds being used for the promotion of educational projects amongst staff.

A charge in respect of the current year depreciation on Freehold Property, in the sum of £63,270, has been made against the Capital appeal fund. The transfer of £126,115 to unrestricted funds represents prior years' depreciation not previously transferred.

(ii) ENDOWMENT FUND

Group and Company

	Balance at 1 April 2003	Net incoming resources	Transfer to unrestricted funds	Balance at 31 March 2004
	£	£	£	£
Farmers and Butchers Endowment Fund (see note 7)	43,724	1,244	(1,244)	43,724

12. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds	Restricted Funds	Endowment Funds	Total 2004
	£	£	£	£
Fund balances at 31 March 2004 are represented by:				
Tangible fixed assets	241,743	2,974,097		3,215,840
Fixed asset investments	2,253,775		43,724	2,297,499
Current assets	4,352,218	70,799		4,423,017
Current liabilities	(1,033,645)			(1,033,645)
Total net assets	<u>5,814,091</u>	<u>3,044,896</u>	<u>43,724</u>	<u>8,902,711</u>

13. 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 the St Giles Hospice group personal pension plan.

14. RELATED PARTY TRANSACTIONS

During the year St Giles Hospice (Promotions) Limited purchased services totalling £616 from Young Design Associates Limited and £9,294 from Ashford House Design Limited, companies in which G Young has an interest. The company also incurred costs amounting to £487 in respect of services provided by Adcocks Solicitors, a firm in which M Adcock has an interest.