

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

**31 MARCH 2002**

**REGISTERED CHARITY NO 509014**



**Company Number 1430090**

# **ST GILES HOSPICE (Limited by Guarantee) REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2002**

## **Serving the Community**

St Giles Hospice's reputation for offering thoroughly individual, high-quality care means that our services remain in great and ever growing demand.

In addition to an increasing number of patient referrals, the hospice is also seeing a trend of growing dependence – with patients being referred to the hospice when their illness is at a more advanced stage, with more complex problems. This is most probably the result of people living longer with cancer.

The work of the hospice is held in the highest regard among both the medical profession and local people – not just for offering the highest quality services, but also for ensuring that those services truly meet the needs of the community.

The past year has seen the hospice broaden its vision to work in even closer partnership with other health care providers. This occurs both at an operational level where the hospice's community nurses and consultants work alongside other health professionals, and at a strategic level to ensure the services provided by St Giles complement those offered by others.

In addition, efforts have been made to build further on the excellent relationships enjoyed with other hospices both locally and nationally, in order to share areas of best practice.

To ensure that St Giles continues to meet the needs of the community both now and in the future, staff and trustees have been working to develop hospice strategy.

Senior staff and trustees attended an away weekend in June 2001, and a follow-up away day in March 2002, both of which proved extremely fruitful in deciding the direction that future enhancements to the hospice's care should take.

The results point to a tremendously exciting future for St Giles, with the development and implementation of the new Hospice at Home programme (see below) the first of a number of potentially major developments.

### **St Giles Clinical Nurse Specialists**

The team of community nurses visiting patients in their own homes has seen demand grow significantly over the past twelve months.

New patients referred to St Giles following the closure of the Sue Ryder hospice at Staunton Harold Hall, together with the growth in referrals following a promotional campaign during September's Awareness Week, have led to demand exceeding availability of appointments and a waiting list is now in operation.

To ensure the service continues to meet the needs of the community, local GPs were asked to complete an assessment questionnaire. This produced an extremely positive response, commending the team for the care it provides.

A number of areas for minor improvement were highlighted, including the provision of a service outside of normal working hours, already being introduced.

In addition to their direct work with patients, the team is also operating in partnership with major pharmaceutical manufacturers to increase awareness of the importance of palliative care.

### **Hospice at Home**

Complementing the service offered by the team of community nurses is St Giles' new 'Hospice at Home' programme, the pilot scheme for which was approved by the trustees during the year.

The aim of Hospice at Home is to prevent patients nearing the end of life from needing to be admitted to hospice or hospital – instead allowing them to be cared for in familiar and re-assuring surroundings, for 24 hours a day where necessary.

Hospice at Home also provides respite for families and friends caring for loved ones when their illness is at an earlier stage.

The twelve-month pilot scheme, operating in the Cannock and Rugeley areas, began in July and is being funded entirely by St Giles Hospice. Should it prove successful, the intention is to expand the programme into other areas in the future, if new funding can be found to meet the cost.

### **Palliative Care Specialists**

The hospice's team of consultants and other doctors specialising in palliative care has been expanded over the year, with a new appointment at consultant standard.

As well as caring for patients at the hospice and training nurses and junior doctors in palliative care, the team also works alongside NHS staff at many of the region's major hospitals – including Queen's Hospital in Burton upon Trent, Good

Hope Hospital in Sutton Coldfield, Manor Hospital in Walsall, and Stafford District General Hospital.

The palliative care consultants from St Giles are the only ones across the whole of Staffordshire and much of Birmingham, so their time remains very much in demand.

### **Education Department**

The hospice's dedicated Education Department has seen another extremely busy year. This has included a change of personnel with Theresa Barker taking over as Head of Education, and Viv Forrester joining the unit as Lecturer/Practitioner.

The department continues to work in close partnership with Staffordshire University on two validated courses. Both remain very popular, with places on the diploma level course in lymphoedema now booked up until 2004. Staff also teach palliative care on other university courses, and are continuing their development work towards further university courses in the future.

The wide variety of courses offered by the department caters for professionals from a number of different fields, and ranges from year-long programmes through to single study days. For example, a day course on providing care and support for bereaved children has proved extremely popular among schoolteachers.

Students and staff now benefit from an enhanced and improved library facility, which has been relocated from the main hospice building to the Education Department.

Following the receipt of a £6,000 Millennium Award from national charity Help the Hospices, the library catalogue has been computerised by a team of six hospice volunteers – an impressive achievement given that many of them had no previous computer experience.

## **Caring at St Giles Hospice**

The work of St Giles in the community, in South Staffordshire, Walsall, Birmingham, South Derbyshire, North Warwickshire and West Leicestershire, is supported by the various services on our site at Whittington.

The recent expansion to the Day Hospice provides a tremendous new facility in which to deliver the hospice's services, and as would be expected of such a major project, the construction work required has been significant.

It is a great credit to the tireless efforts of staff and volunteers that the highest standards of patient care have been maintained throughout this work.

### **Day Hospice**

For obvious reasons, the Day Hospice has been most affected by the construction work.

The service moved off site for eight months to Lichfield's St Michael's Hospital – a brave move that proved a tremendous success, with patients continuing to enjoy the service's special care in their temporary 'home'.

Patients usually attend the Day Hospice 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, which in the past year have been extended with the addition of a new computer, a move that has proved extremely popular.

Following successful promotion of the service to other health care professionals, the last twelve months have seen referrals steadily increasing.

Each patient is considered on an individual basis, with places open not only to those with cancer, but to all those with progressive life limiting illnesses.

### **In-Patient Unit**

The In-Patient Unit has also benefited from the development work, through some important refurbishment of the unit's patient bathrooms.

The fifteen bed unit offers specialist support for those too ill to be cared for at home. Many patients stay for a short time to have their condition stabilised before returning home, while others come when nearing the end of their lives for the specialist care for which St Giles is renowned.

Staff pride themselves on offering thoroughly individual care tailored to the needs of each patient, and responding quickly to their needs when time is of the essence.

A welcome addition to life on the unit over the past twelve months has been the regular visit of a PAT (Pets as Therapy) Dog – a black labrador, which visits with its owner every week and is always warmly welcomed by patients.

The year saw the appointment of Kay Greene as Clinical Manager of both the In-Patient Unit and Day Hospice, following the retirement of Liz Osbourne after a continued period of ill health. Kay brings plenty of experience from her time at St Mary's Hospice in Birmingham, and took up her post on 1 April 2002, the end of the reporting year.

### **Lymphoedema Clinic**

The Lymphoedema Clinic has seen another busy year, operating at full capacity with no spare patient appointments.

Staff have also continued to expand the services provided, with the launch of two new groups. The Healthy Eating Group aims to help the high proportion of lymphoedema sufferers who are overweight, while a further group provides psychological support to younger women with primary lymphoedema.

The service's worldwide reputation means that it continues to attract a large number of health professionals on placements. In the past twelve months these have included two doctors from as far a field as India, and – rather closer at hand – staff from the Birmingham School of Podiatry, who see patients under a reciprocal agreement.

On a sad note, the year also saw the departure of Sister Denise Hardy after eighteen years of service at St Giles. Denise was a major driving force behind the foundation and development of the Lymphoedema Clinic, and leaves behind a team determined to continue the good work she has begun.

### **Caring for the Whole Person**

The special care offered by St Giles Hospice extends not just to the patients' physical well being, but also to their emotional, psychological and spiritual well being.

The past year has seen the new appointment of a Clinical Psychologist, joining the established team of a Complementary Therapist, Occupational Therapist, and Physiotherapist, as St Giles continues to be a forerunner in caring for the whole person.

A part of this care of the whole person is the offer of spiritual care by the Chaplaincy to everyone, regardless of their religious beliefs. The chaplain and four voluntary assistant chaplains are on call all the time, responding to the needs of patients and their families.

### **Bereavement Service**

The hospice's dedicated Bereavement Service continues to experience considerable and growing demand for the support it provides.

The service has for many years helped those whose loved ones have been cared for by St Giles. In doing so it has developed such a reputation for excellence that it is now in demand from the wider community, and the past year has seen a number of referrals from other health care providers.

To cope with this increased demand, the service has appointed a third professional counsellor in a part-time role. In addition, the number of Bereavement Visitors – specially trained volunteers who either visit people in their own homes or see them at St Giles – has grown from eight to twenty-two.

The department's specialist service for children also remains extremely popular, and the year's activities included a successful weekend retreat for ten young people to the Stanley Head Outdoor Activity Centre in Staffordshire.

The past twelve months have also seen the publication of National Standards of Bereavement Care for the first time. Almost all of these were already in place at St Giles, and staff are now working towards ensuring the remainder are met, most of which will require minor changes to administrative procedures.

## **Supporting the Care**

As the previous pages have demonstrated, the demands placed upon our caring services continue to grow.

As such, the support provided by so many local charitable trusts, companies, organisations and individuals – whether giving their money or their time – becomes increasingly invaluable in enabling the work of St Giles to continue.

St Giles' total income decreased slightly, from £5,551,997 in 2001 to £5,474,893 this year. Last year, however, included a remarkable £1,342,261 of legacy income which decreased to a considerably lower, but still highly commendable figure of £602,571 this year.

The hospice's fundraising departments are developing a close working partnership, and nowhere was this more evident than in St Giles' first 'Light up a Life' initiative.

Light up a Life invited local people to remember someone special to them who is no longer with us, and saw the hospice's Shops, Lottery, and Appeal Office all publicising the initiative – with the lottery office handling the responses and the Appeal Office co-ordinating the ceremony at Lichfield Cathedral.

In all more than 1600 names were remembered, raising over £12,000 for the hospice's work. The initiative is set to be repeated in 2002.

### **Appeal Office**

The Appeal Office enjoyed another good year, generating a total of £1,345,000, including legacies.

Hospice collecting boxes in shops, businesses and homes across the region raised some £57,000, up by over £5,000 on the previous year. In addition, the many Groups of Friends raised over £35,000 through activities including coffee mornings, open gardens, concerts, and even duck races.

The office also supports the work of the many generous organisations who nominate St Giles to receive the benefit of their fundraising. The year's highlights included receipt of £8,520 from the Drayton Manor Business Men's Sporting Lunch for Charity, and £5,100 from the Lichfield Lions Charity Golf Day.

Continued support was also received from many local and parish councils, and also from the Freemasons through the individual lodges and Grand Charity.

All this was achieved against the background of the Foot & Mouth crisis, which led to the cancellation of many fundraising events during 2001, and affected many of the hospice's supporters including farmers and butchers groups.

While the Appeal Office works to support the hospice's ongoing care, a separate Development Appeal has been running to fund the capital cost of the expansion to the Day Hospice.

Thanks to the generosity of supporters across the region, a total of £750,000 had been raised by the end of the reporting year in March 2002. The charitable trusts contributing to this appeal are listed later in this document.

### **St Giles Hospice Shops**

St Giles Hospice Shops enjoyed another excellent year, raising a record total of £546,000, a significant increase on the previous year's figure of £458,000.

The result includes the first full year's trading at the latest hospice shop in Walmley, but was otherwise achieved without any increase to the network of eleven shops and furniture warehouse. As such, the shops remain amongst the most successful of any such group in the UK in terms of profit per shop.

The hospice remains indebted to the public, who are both suppliers and customers, as well as volunteers and staff – particularly General Manager Lynwen Truesdale, who has marked her first year at the helm with such an impressive result.

The year also saw growth in furniture sales, aided by the introduction of furniture at the Cannock shop, to complement the selection already offered by the Wyld Green shop and Furniture Warehouse. Management continue to explore opportunities for further shops in new locations across the region.

### **Volunteers**

St Giles is profoundly grateful for the unstinting efforts of its huge army of volunteers who are involved in service provision, charity shops and fund-raising. It is estimated that over 800 volunteers have provided over 160,000 volunteer hours during the year. If this is conservatively valued at £6 an hour the volunteer effort amounts to almost £1 million. Without that contribution St Giles could not deliver anything like the level of service currently supplied.

Tasks are undertaken anywhere from the laundry to the lottery office, from the shops to the Lymphoedema Clinic, and new roles during the course of the year have included the updating and management of the hospice library (see Education Department) and the training of new Bereavement Visitors.

The service within the hospice continues to adapt to the changing regulatory requirements affecting its work, including the introduction of police checks for volunteers (as well as all staff) in all such organisations, which came into effect at the end of the reporting year.

The year also saw changes within the department which supports the hospice volunteers. This included a move to new offices as part of the development work, and the appointment of two new staff to existing positions in Gill Christie and Sue Hawker.

### **St Giles Hospice Promotions**

St Giles Hospice Promotions, the subsidiary company managing the hospice lottery, continued its trend of posting record results. The weekly draw raised a total of £794,000, again showing a significant improvement on the previous year's figure of £625,000.

The result means that the lottery remains the most successful of its kind anywhere in the UK, not only in terms of the number of players taking part, but also in terms of the amount per one pound stake passed to the charity.

Thanks to the economies of scale from such a large membership, approaching sixty pence in the pound now goes to St Giles. This is in stark contrast to the National Lottery where only 28 pence is passed to 'good causes', and of this only 4.7 pence to charities and other voluntary organisations.

As a note of caution, the St Giles Hospice Lottery is now reaching saturation point in terms of homes and individuals to be targeted. While new initiatives are being developed to generate funds, it is likely that the amount raised for St Giles each year will soon plateau, and may even show a slight decline.

### **Finance & Administration Department**

The Finance & Administration Department has also had a busy year, including the change of accounting procedures to those recommended by the Charity Commission's latest Statement of Recommended Practice, the results of which can be seen on the following pages.

The next year will see accounting procedures further developed to provide management and other users with a greater degree of control and analysis.

### **Employee Involvement and Employment of the Disabled**

Employees are consulted on issues of concern to them and to the hospice in a variety of ways with management intent on continuing to develop collaborative working at all levels.

The charity has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Grievance policies for both staff and volunteers
- Sickness policy
- Maternity leave policy
- Volunteers policy

In accordance with the charity's commitment to equal opportunities, the charity has established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these and all other policies are available from the charity's offices.

St Giles is a people-focused organisation and, complementing our volunteers, we are privileged to have the services of a most dedicated, committed and hard-working team of staff. The trustees are pleased to be able to take this opportunity of expressing to a wider public their deep appreciation of all that staff are doing to maintain St Giles as the area's foremost local charity and carer, and as a leader amongst hospices nationally.

## Financial Results for the Year & Statutory Requirements

In complying with charity and company law, we have to submit our accounts in a specific format and attach a trustees' report. In this report, we have attempted to blend the legal requirements with an interesting read and hope that you have enjoyed reading of all that is happening at St Giles.

We must, however, 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 Ltd for the purposes of the Companies Act. 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 is a charitable company limited by guarantee and was set up on 15 June 1979. It is governed by a memorandum and articles of association: it is proposed to amend these at the Annual Meeting to reflect the many changes in the nature of the services supplied since St Giles opened as well as changes in the way the charity is managed. Its broad objects, as defined in our memorandum, continue 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 the following pages. The somewhat technical nature of this statement reflects current accounting requirements. In summary outline, the income and expenditure for the year are shown in the table below.

### *Income and Expenditure for the year ended 31 March 2002*

	2002 £	2001 £
<b><i>Income for provision of St Giles' services</i></b>		
NHS grants and payments for consultants	1,135,532	981,677
Fundraising		
Legacies	602,571	1,342,261
Friends Groups	35,050	38,514
Net contribution from Appeal Office fundraising	596,138	546,151
Trading		
Net contribution from St Giles Hospice Shops	546,310	458,753
Net contribution from St Giles Hospice Lottery	794,315	626,164

Investment income	71,076	86,045
Sundries	16,760	22,286
<b>Total</b>	<b><u>3,797,752</u></b>	<b><u>4,101,851</u></b>
<b><i>Expenditure on provision of St Giles' services</i></b>		
Hospice services	3,070,788	2,685,243
Education and training	65,228	82,075
Management and administration of the charity	46,011	42,129
<b>Total</b>	<b><u>3,182,027</u></b>	<b><u>2,809,447</u></b>
<b><i>Surplus of running costs income</i></b>	<b>615,725</b>	<b>1,292,404</b>
<b><i>Endowment fund investments</i></b>		
Income, net of costs	32,202	29,868
Losses on investments	(63,580)	(160,091)
Capital appeal, net of running costs	186,310	184,007
<b><i>Revenue surplus and contributions to capital fund net movement in funds in the accounts</i></b>	<b><u>£770,657</u></b>	<b><u>£1,346,188</u></b>

## **Reserves**

The trustees have reviewed the reserves of the charity. This review encompassed 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 services, the trustees would seek to increase free reserves to ensure that the charity has available two years' expenditure in free reserves to cover periods of insufficient public support. During the year the charity's free reserves increased from £3,437,000 to £4,007,000, representing approximately 13 months' of the annual expenditure budgeted for the year to 31 March 2003.

The capital appeal fund increased during the year from £2,938,000 to £3,142,000, representing the year's income from phase 2 of the Development Appeal for the extension of the Day Hospice.

## **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**

The charity has delegated the management of its endowment fund investments to Tilney Investment Management. The investment objectives are to achieve long term capital and income growth in a conservative manner, following guidelines agreed by the trustees. The investment managers have discretion in the management of the portfolio within given criteria.

The memorandum and articles of association permit funds to be invested in such manner as the trustees think fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable.

The investment managers provide six monthly investment reports which are reviewed by one or more trustees with the chief executive officer and a report submitted to trustees. A major review of investment management strategy was commenced after the year end.

### **Governance and Internal Control**

Under proposals to be put to the Annual Meeting, trustees will serve for a five year period and may thereafter seek re-election. On reaching the age of 75, the trustees will seek to appoint an additional trustee aged under 70. The trustees met eight times during the year, including a weekend and a whole day meeting with senior staff to review strategy.

The trustees have appointed a governance committee comprising trustees and the senior management team. The committee reports to the trustees, itself receiving reports from 4 sub-committees: clinical, estates & facilities, finance, and human resources.

The trustees have decided in future to seek applications for trusteeship by public announcement. During the year the trustees carried out an exercise to review their composition and effectiveness. This identified the need for a trustee with financial accounting experience. The trustees are actively seeking candidates who will meet the requirements.

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; and
- prepared the financial statements on the going concern basis.

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

Through its governance committee, the trustees are introducing formal risk management processes to assess clinical and business risks and to implement risk management strategies. This on-going process involves identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks.

In addition, the trustees have:

- clarified the responsibility of management to implement the trustees' policies and to identify and evaluate risks for their consideration;
- ensured the implementation of procedures 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.

## **Day Hospice – Official Opening by HRH The Prince of Wales**

Since the end of the year under report, we have seen perhaps the most prestigious day in St Giles' nineteen year-history, with the opening of the extended Day Hospice facility by His Royal Highness The Prince of Wales.

The official opening took place on 14 May 2002, and saw His Royal Highness meet with Day Hospice patients, volunteers and staff before unveiling the plaque to mark the completion of the £750,000 project.

When doing so, the Prince paid tribute to St Giles' staff and volunteers, heralding them as among the many "unsung heroes and heroines" across the UK who make hospices such special places.

He then toured St Giles' other departments, in particular spending extended time talking to terminally or seriously ill patients in the hospice's In-Patient Unit.

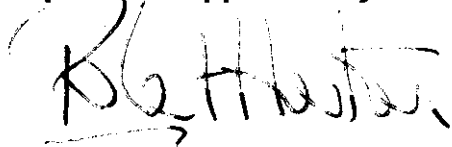
His final appointment was at an official reception attended by many of the individuals, businesses and trusts who have supported the Development Appeal.

Addressing the reception, he commended St Giles and other hospices like it for the "vital" role they play in caring for those who are seriously ill, saying:

"I wanted to take this opportunity to express my huge appreciation to all of those people throughout the country in the hospice movement, who make a profound difference to all the patients they care for. We owe you a great debt of gratitude."

There is no finer way for the trustees to finish their report.

**This report was approved by the Board on 28 August 2002.**

A handwritten signature in black ink, appearing to read 'R Horton', with a horizontal line underneath.

**Dr Robert Horton (Chairman)**

## Report of the Auditors to the Members

We have audited the financial statements on pages 15 to 18 for the year ended 31st March 2002 which have been prepared on the basis of the accounting policies set out therein.

### Respective responsibilities of trustees and auditors

As described on pages 12 and 13, the trustees 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 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 company is not disclosed.

We read the report of the trustees and consider the implications for our report if we become aware of any apparent misstatements within it.

### 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 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 31st March 2002 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  
29th August 2002

## Consolidated Statement of Financial Activities (incorporating an income and expenditure account) for the year ended 31 March 2002

Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2002 £	Total 2001 £
<b>Incoming resources</b>					
Legacies & donations	923,115	291,095		1,214,210	1,889,021
Covenants & gift aid	56,369			56,369	47,797
Collecting boxes	57,455			57,455	51,292
Fundraising & appeal sales	208,479			208,479	244,147
Give as you earn	7,102			7,102	5,100
<i>Activities in furtherance of the charity's objects:</i>					
Grants from district health authorities including the supply of consultants' sessions	1,135,532			1,135,532	981,677
Training unit & bursaries	6,477			6,477	10,767
<i>Activities for generating funds:</i>					
Merchandising gross income	2,660,292			2,660,292	2,181,791
Investment income	71,076	6,516	41,102	118,694	128,886
Sundry income	10,283			10,283	11,519
<b>Total incoming resources</b>	<b>5,136,180</b>	<b>297,611</b>	<b>41,102</b>	<b>5,474,893</b>	<b>5,551,997</b>
<b>Resources expended</b>					
<i>Cost of generating funds:</i>					
Fundraising costs	130,062			130,062	134,518
Merchandising costs	1,319,667			1,319,667	1,096,874
Investment management fees			8,900	8,900	4,879
<i>Charitable expenditure:</i>					
<i>Costs of activities in furtherance of the charity's objects:</i>					
Hospice services	2,973,744	97,044		3,070,788	2,685,243
Education & training	65,228			65,228	82,075
Management & administration	46,011			46,011	42,129
<b>Total resources expended</b>	<b>4,534,712</b>	<b>97,044</b>	<b>8,900</b>	<b>4,640,656</b>	<b>4,045,718</b>
<b>Net income before transfers</b>	<b>601,468</b>	<b>200,567</b>	<b>32,202</b>	<b>834,237</b>	<b>1,506,279</b>
Transfers between funds	(396,289)		396,289		
<b>Net incoming resources</b>	<b>205,179</b>	<b>200,567</b>	<b>428,491</b>	<b>834,237</b>	<b>1,506,279</b>
<b>Gains/(Losses) on investment assets</b>					
Realised			10,132	10,132	(23,056)
Unrealised			(73,712)	(73,712)	(137,035)
<b>Net movement in funds</b>	<b>205,179</b>	<b>200,567</b>	<b>364,911</b>	<b>770,657</b>	<b>1,346,188</b>
Fund balances brought forward at 1st April 2001	1,875,173	2,954,695	1,601,211	6,431,079	5,084,891
<b>Fund balances carried forward at 31st March 2002</b>	<b>2,080,352</b>	<b>3,155,262</b>	<b>1,966,122</b>	<b>7,201,736</b>	<b>6,431,079</b>

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 s.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 2002

	Note	2002		2001	
		Group £	Company £	Group £	Company £
<b>Fixed assets</b>					
Tangible assets	6	3,280,323	3,274,160	2,592,707	2,586,261
Investments	7		4		4
		<u>3,280,323</u>	<u>3,274,164</u>	<u>2,592,707</u>	<u>2,586,265</u>
<b>Fund deposits</b>					
The Farmers & Butchers endowment fund		39,724	39,724	39,724	39,724
Endowment fund		<u>1,526,398</u>	<u>1,526,398</u>	<u>1,061,487</u>	<u>1,061,487</u>
		<u>1,566,122</u>	<u>1,566,122</u>	<u>1,101,211</u>	<u>1,101,211</u>
<b>Current assets</b>					
Stock		66,355	52,614	78,002	62,471
Debtors	11	109,583	484,101	122,570	480,240
Building society deposits		1,493,768	1,493,768	1,858,496	1,858,496
Cash at bank & in hand		<u>1,422,802</u>	<u>757,868</u>	<u>1,173,149</u>	<u>599,548</u>
		<u>3,092,508</u>	<u>2,788,351</u>	<u>3,232,217</u>	<u>3,000,755</u>
<b>Creditors (amounts falling due within one year)</b>	12	(737,217)	(426,475)	(495,056)	(256,760)
<b>Net current assets</b>		<u>2,355,291</u>	<u>2,361,876</u>	<u>2,737,161</u>	<u>2,743,995</u>
<b>Total net assets</b>		<u>7,201,736</u>	<u>7,202,162</u>	<u>6,431,079</u>	<u>6,431,471</u>
<b>Funds</b>					
The Farmers & Butchers endowment fund	8	39,724	39,724	39,724	39,724
Endowment fund	8	1,926,398	1,926,398	1,561,487	1,561,487
Capital appeal fund	9	3,142,287	3,142,287	2,938,037	2,938,037
Other restricted funds	9	12,975	12,975	16,658	16,658
Accumulated fund	13	<u>2,080,352</u>	<u>2,080,778</u>	<u>1,875,173</u>	<u>1,875,565</u>
<b>Total funds</b>		<u>7,201,736</u>	<u>7,202,162</u>	<u>6,431,079</u>	<u>6,431,471</u>

Approved by the trustees on 28th August 2002 and signed on their behalf by RM Horton (Chairman) and D Platt (Treasurer).

## Consolidated Cash Flow Statement for the Year Ended 31 March 2002

	Note	2002		2001	
		£	£	£	£
<b>Net cash inflow from operating activities</b>	(i)		1,133,759		1,639,477
<b>Returns on investments and servicing of finance</b>					
Interest received			77,592		94,139
<b>Capital expenditure and financial investment</b>					
Payments to acquire tangible fixed assets		(830,177)		(111,055)	
Receipts from sales of tangible fixed assets		40			
Purchase of investments		(461,187)		(68,758)	
Proceeds from sales of investments		<u>202,895</u>		<u>76,617</u>	
			(1,088,429)		(103,196)
<b>Financing</b>					
Net movement in cash flows attributable to endowment fund			32,202		30,434
<b>Increase in cash in the year</b>	(ii)		<u>155,124</u>		<u>1,660,854</u>

## Notes to the Consolidated Cash Flow Statement for the Year Ended 31 March 2002

	2002 £	2001 £
<b>(i) Reconciliation of changes in resources to net inflow from operating activities</b>		
Net incoming resources	802,035	1,475,845
Investment income	(77,592)	(94,139)
Depreciation charges	142,521	60,142
Decrease/(Increase) in stocks	11,647	(8,167)
Decrease in debtors	12,987	114,985
Increase in creditors	<u>242,161</u>	<u>90,811</u>
	<u>1,133,759</u>	<u>1,639,477</u>

### (ii) Analysis of net cash resources

	1st April 2001 £	Cashflow £	31st March 2002 £
Cash at bank & in hand	1,173,149	249,653	1,422,802
Building society deposits	1,858,496	(364,728)	1,493,768
Farmers & Butchers account	39,724		39,724
Endowment fund cash	<u>146,998</u>	<u>270,199</u>	<u>417,197</u>
	<u>3,218,367</u>	<u>155,124</u>	<u>3,373,491</u>

# Notes to the Financial Statements for the Year Ended 31 March 2002

## 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 with paragraph 3 (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

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Endowment funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. Investment income and gains are allocated to the appropriate fund.

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

### (d) Depreciation

Depreciation is calculated to write-off the tangible assets by equal 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	20% of cost
Motor vehicles	20% of cost

### (e) Donations

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

### (f) Covenants

Income receivable under Covenant, together with the associated income tax recovery, is credited to income and expenditure over the term of the Covenant in equal annual instalments.

### (g) Capital grants and legacies

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

### (h) Contributions and fees from district health authorities

Contributions and fees from district health authorities are credited to income and expenditure, to the extent that the amount payable has been confirmed, in the period to which they relate.

### (i) Stock

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

### (j) Pension costs

Pension costs for the group money purchase scheme are charged against income when paid.

## 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. St. Giles Hospice (Promotions) Limited has been formed to run a lottery. 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 at the top of the next column.

## PROFIT AND LOSS ACCOUNTS

	Donated goods £	St. Giles Hospice Shops Limited £	Total shops activities £	St. Giles Hospice (Promotions) Limited £	Total 2002 £	Total 2001 £
Merchandising income	1,011,730	193,861	1,205,591	1,436,486	2,642,077	2,163,473
Interest receivable		5,768	5,768	12,447	18,215	18,318
	<u>1,011,730</u>	<u>199,629</u>	<u>1,211,359</u>	<u>1,448,933</u>	<u>2,660,292</u>	<u>2,181,791</u>
Cost of sales	489	84,591	85,080	389,332	474,412	396,615
Other operating costs	<u>558,895</u>	<u>21,074</u>	<u>579,969</u>	<u>285,286</u>	<u>845,255</u>	<u>700,259</u>
	<u>559,384</u>	<u>105,665</u>	<u>665,049</u>	<u>674,618</u>	<u>1,319,667</u>	<u>1,096,874</u>
Operating profit	<u>452,346</u>	<u>93,964</u>	<u>546,310</u>	<u>774,315</u>	<u>1,340,625</u>	<u>1,084,917</u>
Covenanted to St. Giles Hospice	-	93,964	93,964	794,349	888,313	699,943
Net assets/(liabilities)	-	2	-	(424)	(422)	(388)

## 3. TOTAL RESOURCES EXPENDED

	Staff Costs £	Depreciation £	Other Costs £	Total £
Charitable expenditure				
Hospice services	2,261,579	131,084	678,125	3,070,788
Education & training	50,850		14,378	65,228
Management & administration	32,479	5,917	7,615	46,011
Costs of generating funds				
Fundraising costs	79,935		50,127	130,062
Merchandising costs	368,076	5,520	946,071	1,319,667
Investment management fees			8,900	8,900
	<u>2,792,919</u>	<u>142,521</u>	<u>1,705,216</u>	<u>4,640,656</u>

Other costs include:

	2002 £	2001 £
Auditors' remuneration:		
Audit fee	5,250	5,000
Accountancy, taxation & other services	1,250	2,200

## 4. STAFF COSTS

	2002 £	2001 £
Salaries & wages	2,505,124	2,333,749
Social security costs	189,272	175,120
Pension costs	98,523	77,048
	<u>2,792,919</u>	<u>2,585,917</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:-

	2002 No.	2001 No.
Hospice services	86	86
Fundraising	5	5
Education & training	3	3
Management & administration	9	7
Merchandising	31	31

### (b) Volunteers

During the year the hospice has benefited substantially from the regular services of over 450 (2001: 436) volunteers. Additionally, volunteers working in the Hospice Shops and its associated warehouse number approximately 375 (2001: 360). Hospice promotions have also received the assistance of 11 (2001: 10) volunteers during the year.

**(c) Emoluments**

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

	2002 No.	2001 No.
£60,001-£70,000	1	1

No trustee of St. Giles Hospice or director of St. Giles Hospice Shops Limited or St. Giles Hospice (Promotions) Limited, received any emoluments during the year (2001: £NIL). The trustees neither received nor waived any emoluments during the year (2001: £NIL) and no out of pocket expenses were reimbursed.

**5. CHANGES IN RESOURCES AVAILABLE FOR CHARITY USE**

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2002 £	Total 2001 £
Net movement in funds for the year	205,179	200,567	364,811	770,557	1,346,188
Net increase in tangible fixed assets for direct charitable purposes	(45,057)	(642,559)		(687,616)	(50,911)
Net movement in funds available for future activities	160,122	(441,992)	364,811	83,041	1,295,277

**6. TANGIBLE FIXED ASSETS GROUP**

	Freehold Land & Buildings £	Motor Vehicles £	Short Leasehold Properties £	Fixtures, Fittings & Equipment £	Total £
Cost at 1st April 2001	2,902,623	31,531	15,250	678,622	3,628,026
Additions	714,332	28,570		87,275	830,177
Disposals				(100)	(100)
	3,616,955	60,101	15,250	765,797	4,458,103
Accumulated depreciation at 1st April 2001	418,682	23,284	15,250	578,103	1,035,319
Charge for the year	71,773	6,061		64,687	142,521
Adjustment on disposals				(60)	(60)
	490,455	29,345	15,250	642,730	1,177,780

**Net Book Value**

At 31st March 2002	3,126,500	30,756	-	123,067	3,280,323
At 31st March 2001	2,483,941	8,247	-	100,519	2,592,707

Included in the group assets above are fixed assets of the subsidiary undertakings amounting to £6,163 (2001: £6,446) at net book value.

**Capital commitments**

	Group and Company 2002 £	Group and Company 2001 £
Contracted not provided	NIL	835,700

**7. INVESTMENTS**

	2002 £	2001 £
Shares in group companies at cost	4	4

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.

**8. ENDOWMENT FUNDS****(i) The Farmers and Butchers endowment fund**

	2002 Group £	2002 Company £	2001 Group £	2001 Company £
Balance at 1st April 2001	39,724	39,724	39,158	39,158
Income from donations & interest	2,102	2,102	2,263	2,263
Transfers of interest earned	(2,102)	(2,102)	(1,697)	(1,697)
Balance at 1st April 2002	39,724	39,724	39,724	39,724

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.

**(ii) Endowment fund**

	2002 Group £	2002 Company £	2001 Group £	2001 Company £
Balance at 1st April 2001	1,561,487	1,561,487	1,194,974	1,194,974
Income & profits on sale of shares	40,232	40,232	6,812	6,812
Decrease in market value of investments	(73,712)	(73,712)	(137,035)	(137,035)
Transfer to accumulated fund	398,391	398,391	496,736	496,736
Balance at 31st March 2002	1,926,398	1,926,398	1,561,487	1,561,487

During 1993 the trustees decided to create an endowment fund, the principal to be invested and the interest to be used to contribute to meeting the running costs of the Hospice if required.

The trustees resolved to transfer £400,000 from the accumulated fund to the endowment fund. Since these funds had not been transferred at the year end the amounts on deposit in the fund name differ from the fund balance.

**9. RESTRICTED FUNDS**

	Capital Appeal Funds Group £	Capital Appeal Funds Company £	Other Restricted Funds Group £	Other Restricted Funds Company £
Balance at 1st April 2001	2,938,037	2,938,037	16,658	16,658
Net incoming resources	204,250	204,250	(3,683)	(3,683)
Balance at 31st March 2002	3,142,287	3,142,287	12,975	12,975

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

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Fund balances at 31st March 2002 are represented by:				
Tangible fixed assets	153,823	3,126,500		3,280,323
Investments			1,109,201	1,109,201
Current assets	2,663,746	28,762	856,921	3,549,429
Current liabilities	(737,217)			(737,217)
Total net assets	2,080,352	3,155,262	1,966,122	7,201,736

**11. DEBTORS**

	2002 Group £	2002 Company £	2001 Group £	2001 Company £
Amount owed by St. Giles Hospice Shops Limited		159,033		170,663
Other debtors	15,792	11,878	15,495	9,343
Prepayments & accrued income	93,791	313,190	107,075	300,234
	109,583	484,101	122,570	480,240

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

	2002 Group £	2002 Company £	2001 Group £	2001 Company £
Trade creditors	83,011	57,333	57,229	36,426
Taxation & social security	331		45,283	45,283
Superannuation contributions	9,584	9,584	12,905	12,905
Accruals & deferred income	644,291	359,558	379,639	182,146
	737,217	426,475	495,056	256,760

**13. ACCUMULATED FUND**

	2002 Group £	2002 Company £	2001 Group £	2001 Company £
Balance at 1st April 2001	1,875,173	1,875,565	1,293,224	1,294,739
Income & expenditure	601,468	601,502	1,278,685	1,277,562
Transfer to endowment fund	(396,289)	(396,289)	(496,736)	(496,736)
Transfer to capital appeal funds			(200,000)	(200,000)
	2,080,352	2,080,778	1,875,173	1,875,565

**14. 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 money purchase scheme.