

# SAINT CATHERINE'S HOSPICE TRUST

*(Limited by Guarantee)*

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## Annual Report

for the year ended 31 March 2017

### Elected members of the Board of Trustees

D P Flint	Chair	
S P Ward	Deputy chair	
J G H L Armistead		Resigned 03 October 2016
J F P Garnett		
T J Boyes		
D Ford		Resigned 28 November 2016
A M Clarke		
M Middlebrook		
M Chell		
J Stevenson		
C M Wilson		Appointed 28 November 2016
D C Chapman		Appointed 28 November 2016
S C Standard-Sheader		Appointed 28 November 2016

### Secretary

M G Wilkerson

### Statutory auditors

Moore Stephens  
Chartered Accountants  
12-13 Alma Square  
Scarborough  
YO11 1JU

### Bankers

HSBC Bank PLC  
33 St Nicholas Street  
Scarborough  
YO11 2HN

### Solicitors

Thorpe & Co.  
3 Bagdale  
Whitby  
YO21 1QL

### Investment advisers

Investec  
2 Gresham Street  
London  
EC2V 7QN

### Registered office

Saint Catherine's Hospice  
Throxenby Lane  
Scarborough  
YO12 5RE

### Charity registration

284 701

### Company registration

England 1 627 610

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## Report of the trustees

for the year ended 31 March 2017

### Introduction

The form and layout of this annual report follow the Statement of Recommended Practice "Accounting and Reporting by Charities" FRS102 (revised 2015), current statutory requirements and the requirements of the Charity's governing document. The information on page one forms part of the trustees' report.

### Board of Trustees

The names of the Trustees (who are registered with the Registrar of Companies as directors of the company) are stated on page one. The appointment and election of Trustees are governed by the articles of association. Under those articles one third of the Trustees are subject to retirement at each annual general meeting and are eligible for re-election. New Trustees are eligible for election by recommendation of the existing Trustees or by written notice from a member. Each Trustee serves on at least one sub committee and the Chairman is an ex officio member of all sub committees. During the year the Board approved the appointment of three new Trustees, David Chapman, Sue Standard-Sheader and Christine Wilson, and they were elected at the AGM in October 2016. Two long serving Trustees retired from the Board, John Armistead and David Ford. The Board would like to thank John and David for their service, hard work and dedication over many years on behalf of Saint Catherine's.

### Structure, Governance and Management

The governance structure of the Trust is made up of an Executive Committee, known as the Board of Trustees, of up to fifteen Trustees who are recruited from the wider body of members of the Trust which currently number 42. Currently Board Members are nominated by at least two other members of the Board and will previously have been invited to sit on one or more of the Hospice's committees. All board members are elected for a period of three years after which time they can put their name forward for re-election at the AGM if they so wish. The total number of years that a Trustee can normally serve is nine years.

A Job Description and Person Specification for the role of Trustee has been drawn up and all Trustees are required to sign up to a Trustee code of conduct, an eligibility statement declaring they are a fit and proper person to undertake the role of a trustee and a separate confidentiality statement. Trustees are DBS checked. New Trustees will be invited to spend a day at the Hospice to see all the facilities and meet staff and will be provided with guidance on the roles and responsibilities of Hospice Trustees using guidance produced nationally by HospiceUK and the Charity Commission. In addition to Committees and Board meetings the Trustees take part in two away days per year with senior staff and are invited to attend other information evenings such as the volunteers forum. The Board also undertake regular Announced Visits as part of their role and attended on four occasions in 2016-17 and plan further visits in 2017-18.

The Board of Trustees, which is attended by the board members and the Chief Executive, meets four times a year and receives reports from the four committees. Following a review of its governance structure in May 2016 the Board agreed a restructure of the Committees in July 2016 and now have four Committees. These are the Finance and General Purposes (previously Resource) Committee, Clinical Governance and Strategy Committee, Income Generation (previously Funding Development) Committee and the new Employment and Volunteers Committee. Each Committee meets four times a year and are attended by at least two Board members, members of the wider Trust and relevant senior management. The Finance and General Purposes Committee is responsible for financial and investment aspects of governance, which they report to the Board. The Board continues with quarterly Board and Committee meetings. The Board also agreed in April 2017 to invite the Fundraising and Marketing and the Medical Directors to attend the quarterly Board meetings as part of developing the Board's governance structure.

Saint Catherine's Hospice Trust has two wholly owned trading subsidiaries, Scarborough Hospice Sales Ltd and Saint Catherine's Hospice Lottery Limited, both incorporated in England.

The Trustees review and agree the Risk Management Policy on an annual basis and carry out a governance risk analysis and can confirm that the major risks which the charity faced as identified by the trustees through the governance risk analysis have been reviewed and systems or procedures have been established to manage those risks.

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## **Investments**

The articles of association authorise the Trustees to make and hold investments using the general funds of the charity. The Board engages appropriate professional advice in the choice and movement of investments, and, undertook a comprehensive review and benchmarking of our investment management company in 2016-17. To ensure the Hospice is receiving the best service possible and the most effective return on its investments. With the approval of the Charity Commission, the Board agreed to continue to delegate responsibility for the investment portfolio management to Investec.

The Board reviewed the "Statement of Investment Principles" produced in accordance with the Trustee Act 2000, and agreed to maintain this as the organisation's statement.

The main investment policy objectives were aimed at maintaining capital value whilst meeting a target income figure as a minimum but also aim to build reserves if possible. The Hospice continues with its ethical policy of not investing in any tobacco related equities.

## **Statement of Investment Performance**

The Charity has an agreed investment policy with its investment managers based on the requirements from the portfolio: to provide a high level of income and a capital buffer in case of a shortfall in funding-income: to accommodate the level of risk the Trustees are prepared to accept; to take account of the timescale over which the investments are expected to be held. Based on the consideration of these factors the investment benchmark agreed for the portfolio with the investment managers is: 20% of the return of the FTA British Government All Stocks Index, 65% of the FTSE All Share index, 5% of the FTSE World Ex-UK Index, 4% of the Investment Property Database Index and 6% of the "Bank of England Base Rate +2%" return (for infrastructure investment). This allocation is classified as "Medium" risk and imposes separate agreed limitations as to the minimum and maximum amounts of each asset class that can be held.

The Trustees understand that over the long term this agreed format will allow the capital value of the portfolio to be at least retained in real terms and will generate a good level of income to support the hospice. The Trustees also understand that investments do not move in a linear fashion and there will be individual years, and periods perhaps in excess of a year, when the portfolio value may fall. However they also understand that, based on historical returns, equity investment is necessary if the value of both the capital value of the fund and income is to maintain its purchasing power when compared with inflation.

The year to 31st March 2017 was a good year for investment markets although cash returns remain at all-time lows. Both the USA and Chinese economies are in good shape (the two biggest economies) and provide a supportive background for equity investment. Uncertainties remain though with Brexit negotiations ongoing, and Donald Trump's presidency adding to both economic and geo political risk. The portfolio continues to be managed and held for the long term with a strong focus on the best quality securities available. For the year to 31st March 2017 the portfolio saw a total return of +15.4% compared with the benchmark's return of +17.4%. The five year returns show +51.3% return compared to the benchmark's +50.7%.

## **Constitution, Objects, Policies and Organisation**

The Trust is a company without share capital, governed by its memorandum and articles of association, incorporated on 7 April 1982. The liability of members in the event of winding up is limited by guarantee to an amount not exceeding £1 per member. The company is a registered charity (number 284 701).

The primary object of the Trust is to promote the relief of sickness, particularly for patients in need of specialist palliative and end of life care and those with a terminal illness, and the support of their families and carers. The Trust meets this objective through its promotion and provision, where appropriate, of holistic care for patients with a terminal illness who are in need of specialist palliative and end of life care.

The policy of the Trust is to provide specialist palliative and end of life care for those with a terminal illness within the Scarborough, Whitby, and Ryedale area of North Yorkshire and those in the north of the East Riding of Yorkshire. The Hospice is commissioned to deliver this care through the Scarborough and Ryedale Clinical Commissioning Group, the Hambleton and Richmondshire Clinical Commissioning Group (for Whitby area), the Vale of York Clinical Commissioning Group (for north Ryedale area), and the East Riding Clinical Commissioning Group (for the Driffield and Bridlington area). Within the constraints of available resources the Trust's policy is to make its services increasingly accessible by expanding its activities into community hospitals and rural areas, and to disseminate knowledge and expertise in palliative care to healthcare professionals and the wider community. There have been no material changes to the policy since the last report.

The Board of Trustees is responsible for the governance of the trust and is aided by the establishment and operation of sub committees covering clinical governance, fundraising and resources. Day to day management is delegated to the Chief Executive, Michael Wilkerson, and the senior professional colleagues who make up the Executive Team.

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## Public Benefit

The Board of Trustees are satisfied that they have complied with the duty in the Charities Act 2011 to have due regard to guidance published by the Charity Commission. A review of the significant activities undertaken by the charity during the year to further its charitable purposes for the public benefit is detailed below.

## Objectives and Activities

The main objects of the Trust are to promote and provide, where appropriate, holistic care for patients with a terminal illness who are in need of specialist palliative and end of life care, the support of their families and carers, and the dissemination of knowledge and expertise in palliative care to health care professionals and the wider community.

The Hospice provides a consultant led specialist palliative and end of life care service to all those with a terminal illness regardless of diagnosis.

The Hospice serves a 1600 square mile area with both in-patient and day Hospice facilities in Scarborough and a range of community services.

Scarborough based:

- Purpose-built Hospice opened in 1985, moving to its current site in 2004 providing 18 single specialist care beds in en-suite in-patient rooms. We also provide nurse led beds providing end of life care for patients from the hospital who had been identified as in the last seven days of
- Carer support bed for one week at a time.
- Day Hospice facility for 12 patients per day currently operated 3 days per week. Patients attending Day Hospice are able to be seen by the full multi-disciplinary team including consultants, physiotherapy, occupational therapy, spiritual support, social worker, hairdresser and creative therapy.
- Rehabilitation gym run by physiotherapists.
- Lymphoedema clinic offering assessment, bandaging, teaching and massage three times a week.
- Consultant outpatient clinics.
- Complementary Therapy clinics.
- Occupational Therapy Service.
- Drop-in sessions for Carers and a Carers Support Course.
- Bereavement Support Service for both children and adults serving the whole area not just those with a connection to Saint Catherine's.
- Out of hours PalCall telephone support service for patients, carers and other healthcare professions.
- Education centre providing a range of specialist courses for healthcare professionals.
- Motor Neurone Support Group and MS Support group meet once per month respectively.
- Nurse led beds as part of the Integrated Palliative Care Services.
- Spiritual Care
- Palliative Care Counselling

Community based:

- Our Day Hospice facilities in Whitby and Malton are currently being reviewed and have been temporarily relocated to our main site at Scarborough. The provision of Day Hospice services for patients in the Whitby and Malton areas continues through our ability to transport patients to our main site when possible. This occurred in early 2017 due to changes in staffing and a reduction in numbers attending in both satellite locations. The services were provided in Whitby and Malton until January 2017. The review of Day Hospice provision will be completed in 2017-18.
- Support for End of Life care beds for specialist palliative care patients within Whitby Hospital. We provided a specialist palliative care Sister until January 2017, and GP with a special interest input four sessions per week. Following staff changes and a review of the requirements for Whitby Hospital by the local Clinical Commissioning Group we currently provide only the GP with special interest. We are working with the local Commissioners to determine the future requirements and model of care and input they require locally.
- Domiciliary based neurology support service provided by two specialist neurology nurses.
- Seven Day a week Specialist Nurse Support to Care Homes as part of the Integrated Palliative Care Services.
- Domiciliary based Community Clinical Nurse Specialists.
- Ryedale consultant clinic held alternatively in Pickering and Malton.
- Consultant clinic at Bridlington Wolds Unit.
- Consultant clinics at Scarborough Hospital.
- Domiciliary Occupational Therapy, physiotherapy and social work visits.
- Domiciliary Bereavement Support visits.
- Consultant support to other healthcare professionals.
- Hospice at Home Service in partnership with Marie Curie for Scarborough and Filey as part of the Integrated Palliative Care Services.

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The main objectives for the year were to develop our work with the clinical commissioning groups and support the development of integrated healthcare and new ways of working particularly in the community. The Hospice also considered the future development of services through the review of its strategy, which was completed and agreed in September 2016.

The Integrated Palliative Care Services have been operating since April 2015. The Scarborough and Ryedale Commissioning Group agreed to continue to fund the Integrated Palliative Care Services until March 2018. The services will be evaluated and reviewed in 2017-18 in conjunction with the Scarborough and Ryedale Commissioning Group to agree future service requirements and funding from 1st April 2018 onwards.

The Hospice relies heavily on the support of volunteers and currently has around 600 volunteers across all our services, in our shops, helping out with fundraising and in our business support services.

## **Achievements and performance**

The Hospice continued to review and deliver the rolling business plan for 2016-17. The five key objectives focussed on the development of the following organisational areas: Board and Governance Development; Clinical Services and Development; Income Generation, Marketing and Communications; Support Services; and Organisational Development. The Hospice set clear objectives in each area and out of 61 objectives, 35 were completed within the year and the work the other 26 are ongoing and will be completed in 2017-18.

The Board completed the review of its strategy and agreed a new Board Strategic Direction for 2016-2020. The five areas the Board have focussed on are: the overall Strategic Development of the Hospice across all its services and functions; the financial sustainability of the Hospice in both the short and long term; the development of its Clinical Services; the development of its Income Generation and Marketing; and the development of its Support Services. The implementation and delivery of the Board strategy will begin in the 2017-18 rolling Business Plan.

The Hospice continues to review the delivery and development of all its services in light of the changes in the local health and social economies, seeking to respond to local plans and objectives. During the year 2016-17 we had 317 admissions to the In-Patient Unit with 99 being admissions from Scarborough Hospital to a Nurse Led Bed. 166 Patients attended Day Hospice with 34 being patients who attended the satellite units located in Malton and Whitby areas. 820 clients were supported by the Bereavement Team including clients who were supported pre bereavement. In the last 12 months the Hospice at Home Team has cared for 444 patients in their own home with around 40% of these patients having a non cancer diagnosis. The Care Homes Team who provide support and education for staff providing end of life care, continues to grow, caring for 402 patients in care homes with around 74% of referrals having a non cancer diagnosis.

The Hospice was inspected by the Care Quality Commission who are the body who regulate and inspect our services. The Hospice was awarded an overall rating of 'Outstanding'. The five key lines of enquiry the CQC inspection followed were:

- . Is the service safe? - we were rated as 'Good'
- . Is the service effective? - we were rated as 'Good'
- . Is the service caring? - we were rated as 'Outstanding'
- . Is the service responsive? - we were rated as 'Outstanding'
- . Is the service well-led? - we were rated as 'Outstanding'

The Hospice continues to play a role in the wider healthcare agenda through Palliative Care Locality Groups in the Scarborough and Ryedale, and East Riding, Clinical Commissioning Group areas. The Executive Team continues to engage with all the local Commissioners and with the wider healthcare developments around the Sustainability and Transformation Plan footprints. Members of the Executive Team also engage with other regional and national bodies.

The Hospice has continued to deliver high quality care and service to our patients, families and clients. The Hospice publishes its Quality Account annually and some feedback from patients, carers and professionals in 2016-17 was:

Patients and clients have said:

"One patient told me how amazing the nursing staff are, how friendly and kind everybody is, how well they were being looked after and the food was great even though they had little appetite."

"I feel just so overwhelmed by the care I am receiving."

"I don't know how people coped before the service was available."

"I feel privileged to have been a patient in the inpatient unit and the day hospice."

"You are all like my extended family."

"I am writing to thank the service in putting me in a better place than I first came to you for help. I have been through a lot of problems since my wife died but your counsellor has been tremendous in helping with my difficulties. I would like to thank everybody who I met at the hospice for their help and understanding."

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Carers have said:

"We just wanted to say a big thank you for everything you do at Saint Catherine's. Our mum was only with you for 3 nights before she sadly passed away, but the fact she felt so at ease to leave home helped the transition. All we can say is Thank you."

"Thankyou for all your support and care during Dad's last few days. Without this support available his last wishes would not have been possible ....." (to be at home with his wife and sons)

A Professional Residential Care Home Manager said:

"Without the Care Home Support team and Hospice at Home's expertise and services, we would struggle to give the compassionate loving end of life care our service users and their families deserve. Staff feel very reassured and confident in giving compassionate end of life care with your involvement. ....Without these services, this resident could possibly have died in pain and more than likely in hospital in unfamiliar surroundings, whereas he died peacefully with care staff that he knew, surrounded by his family"

The Care Quality Commission wrote in their inspection report:

"People told us that staff were caring and listened to them."

"People were able to make decisions about the care and support that they received and told us that staff at the service communicated well with them. Confidentiality was respected through safe storage of records and by the staff who offered privacy when having difficult or sensitive conversations demonstrating respect for people's privacy and dignity. People spoke with such thankfulness about the respect shown to them by staff giving examples of how staff had helped them retain their dignity."

The Trustees evaluate the effectiveness of all income generation activities with reference to planned income and the overall Income Generation and Marketing strategy through both the Income Generation Committee and the Board meetings. The Fundraising and Marketing Director and Chief Executive provide reports to the respective Committee and Board to report financial income. Monthly Management Accounts report actual against budget and are provided to Trustees quarterly.

The Hospice is now a member of the Fundraising Regulator and continues to review the legal requirements and best practice guidance for all income generation activities, to ensure all practices and ethics meet the required standards. The Trustees receive regular updates on any matters of concern at the Income Generation Committee. Currently the Hospice does not undertake any cold-call canvassing for the Lottery. No other cold-call approach is undertaken in any income generation activity.

The Hospice recognises the crucial importance of all its Income Generation activities. The Hospice has expanded significantly over recent years resulting in increased expenditure and resulting demands for an increase in funding. Through the Hospice's work with four local Clinical Commissioning Groups the Hospice developed the Integrated Palliative Care Services gaining commissioner funding towards these services. The Hospice continues to review its requirements from all income generation activities and areas where efficiencies can be made in delivering our care and support services. The Hospice is always incredibly grateful to all its supporters and donors and recognises the challenges faced by many charities in the current economic climate.

In 2016-17 some areas of our income generation activities did not achieve the expected targets and were down on the previous year of 2015-16. Our donations, legacies, and community support continued to deliver in excess of our expectations. Our fundraising events income was under our expectations and new initiatives will be introduced in 2017-18. Our legacies continue to exceed expectations and the Trustees are incredibly grateful to all those who consider leaving a gift in their wills to the Hospice. The income from our lottery, sale of new goods and our trusts and grants applications were slightly under target for the year. The specific drop in our income from the sale of new goods is attributed to lower income over our Christmas period, and specifically from reduced sales and retail cost of our Christmas Cards and annual Calendars. The main area of concern for the Board is the retail operation, which was considerably under the expected target. This under delivery has been addressed through a restructuring review undertaken in 2016-17 and the results of this work are beginning to improve turnover and profit in 2017-18. The downturn in our retail income was part of a wider trend for charities and matched similar charitable organisations retail experience in 2016-17.

## **Plans for future periods**

The Board developed the new strategy for 2016-2020 and our main objectives are:

1. To be a lead provider for Specialist Palliative and End of Life Care working in collaboration with others to deliver patient focussed services.
2. To deliver holistic care to patients, which meets their physical, psychological, spiritual and social needs.
3. To ensure the health and wellbeing of patients, families and carers is at the heart of all we do and develop.
4. To ensure the Hospice achieves a financially sustainable position by 2020 utilising our reserves to ensure stability in the delivery and development of our services.
5. To increase our income generation through diverse income streams and business opportunities that ensures long-term financial sustainability.

We continue to work towards demonstrating the impact of the work we do and evaluating the Integrated Palliative Care Services.

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The Board of Trustees in conjunction with members of the Board Committees and the Executive Team will ensure the delivery of the Board Strategic Direction 2016-2020. Fundamentally, the Board is seeking to ensure the Hospice is 'fit for the future' and on a solid and secure financial foundation to continue the delivery of services for the future.

## **Financial review and reserves policy**

The reserves policy is monitored and reviewed annually by the Finance and General Purposes Committee and the Board of Trustees.

The policy on reserves was reviewed and the Trustees agreed to stay with the formula of trying to build free reserve levels back to one year's running costs after taking into account guaranteed income, whilst at the same time looking to fund organisational development. The Reserves Policy will be reviewed again in 2017-18 following the reappointment of the current investment management company. The Trustees recognise the importance of using free reserves to help ensure continuity in the event of any large variation in income, any emergency financial demands, bridge any cash flow problems, pay for any future projects and to help generate income. The current level of free reserves allows the Trustees to cover these potential demands. The Hospice currently has free reserves of £3,819,663.

The Hospice has expanded significantly in recent years (as stated previously) and the Trustees recognise the need to use some free reserves in the coming three years to help bridge the gap between income and expenditure. This is to continue to support investment and growth in our income generation and the development of our clinical services to further support patients, their carers and families.

The main funding sources for the Hospice continue to be legacies, voluntary donations, shops, lottery and contract income from Clinical Commissioning Groups. The Hospice recognises the current difficult economic times may have a further impact on income generation in the coming years and continually monitor this situation through regular financial reporting and review. The Trustees recognise the importance of the effective and efficient use of resources across all areas of the organisation. The future business plan for 2017-18 will include objectives to review current service delivery and resources used to ensure the ongoing commitment to utilise the Hospice resources effectively and efficiently.

## **Relationships**

The Hospice continues to encourage its senior personnel to participate in the activities of the various professional organisations available to them. Each of the multi-disciplinary functions meets with its peers in other Hospices across Yorkshire and the Humber, which includes CEO Forums and the Executive Clinical Leads in Hospice and Palliative Care Forum.

The work of the National Council for Palliative Care, the Cancer Network, HospiceUK and the Forum of Hospice Chairpersons at both regional and national level, is supported.

Regular contact and liaison is maintained both with the purchasers and fellow providers of health care in the region covered by the Hospice, and we remain committed to a policy of cooperation.

## **Risk management**

The Trustees acknowledge their responsibility in identifying major risks to which the Hospice may be exposed and have a formal process of risk management. An updated Risk Management Policy has been approved and a mechanism for regular annual review detailed. The Board Risk Register is reviewed every six months in May and November each year.

The major risks to which the charity is exposed, as identified by the Trustees, have been reviewed through the day to day Executive Team activities, and systems have been established to mitigate those risks. The risk identification process for non financial risk is undertaken initially by the Chief Executive in conjunction with the professional managers of the Executive Team. As areas of risk are identified, they are reviewed initially by the Executive Team, and may then be referred to either a Trustee Committee for consideration, or directly to a Board Meeting. A decision on appropriate action or implementation of a system will then be made by Trustees.

In respect of financial risk, the trustees identify major risk through consideration at the Finance and General Purposes Committee and this is then fed in to the Board which is attended by trustees who include some who are either professionally qualified in finance or experienced in handling financial matters as part of their professions. Security of IT services has been confirmed by the successful completion of NHS Information Governance Toolkit Statement of Compliance to Level 2 (IGSoC Level II).

## **Appreciation**

The Board again expresses its appreciation of all who work so generously for Saint Catherine's, senior management, professional staff and volunteers. Their united efforts make possible the delivery of care to our patients at the highest level of quality and the continuing outreach of knowledge and expertise in palliative care to the communities we serve.

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

The trustees (who are also directors of Saint Catherine's Hospice Trust for purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether UK applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The directors are responsible for keeping proper and adequate accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware; and the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

**Diane Flint**

Chair, on behalf of the Board

21 August 2017

## Independent auditor's report to the members and trustees of Saint Catherine's Hospice Trust

for the year ended 31 March 2017

We have audited the financial statements of St Catherine's Hospice Trust for the year ended 31 March 2017 which are set out on pages ten to twenty five. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and with Chapter 3 of Part 8 of the Charities Act 2011 and regulations made under section 154 of that Act. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company 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

As explained more fully in the Trustees' Responsibilities Statement set out on page seven, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2017 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

### Opinion on other matter prescribed by the Companies Act 2006.

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

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

Sarah-Jane Sargent (Senior Statutory Auditor)

for and on behalf of Moore Stephens

Statutory Auditors

Chartered Accountants

12-13 Alma Square

Scarborough YO11 1JU

22 August 2017

Moore Stephens is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

# SAINT CATHERINE'S HOSPICE TRUST

(Limited by Guarantee)

## Consolidated statement of financial activities

(incorporating a consolidated income and expenditure account)

for the year ended 31 March 2017

	Note	Continuing operations		
		Unrestricted funds	Restricted funds	Total funds
		£	£	£
<b>Income and endowments from:</b>				
<b>Donations and legacies:</b>				
Legacies notified		1,060,610	-	1,060,610
Donations		381,107	90,961	472,068
General trusts and foundations		12,587	50,656	63,243
Fundraising income		177,554	-	177,554
<b>Other trading activities:</b>				
Special events		229,722	-	229,722
Charity shops		884,920	-	884,920
Room hire		6,031	-	6,031
Support services		53,788	-	53,788
Scarborough Hospice Sales Ltd	9	58,413	-	58,413
Saint Catherine's Hospice Lottery Ltd	9	365,128	-	365,128
<b>Investments</b>	2	122,591		122,591
<b>Charitable activities:</b>				
Contract income		1,388,289	569,638	1,957,927
Education course income		62,131	-	62,131
<b>Other Income</b>				
Gain on disposal of fixed assets		3,540	-	3,540
<b>Total income</b>		4,806,411	711,255	5,517,666
<b>Expenditure on:</b>				
<b>Raising funds:</b>				
Costs of generating voluntary income		259,379	-	259,379
Fund raising trading		926,912	-	926,912
Investment management costs		19,896	-	19,896
Scarborough Hospice Sales Ltd	9	26,844	-	26,844
Saint Catherine's Hospice Lottery Ltd	9	213,700	-	213,700
<b>Charitable activities</b>		4,079,334	673,447	4,752,782
<b>Total expenditure</b>		5,526,066	673,447	6,199,513
<b>Net gains/(losses) on investments</b>		263,569	-	263,569
<b>Net income/(expenditure)</b>		(456,086)	37,808	(418,278)
<b>Transfers between funds</b>		38,114	(38,114)	(0)
<b>Net movement in funds</b>		(417,972)	(307)	(418,278)
<b>Reconciliation of funds:</b>				
<b>Total funds brought forward</b>		9,982,830	12,450	9,995,280
<b>Total funds carried forward</b>		9,564,858	12,143	9,577,002

### Continuing operations

All income and expenditure has arisen from continuing activities.

The statement of financial activities includes all gains and losses recognised in the year.

# SAINT CATHERINE'S HOSPICE TRUST

(Limited by Guarantee)

## Hospice statement of financial activities

(incorporating an income and expenditure account)

for the year ended 31 March 2017

		Continuing operations			
	Note	Unrestricted funds	Restricted funds	Total funds 2017	Total funds 2016
		£	£	£	£
<b>Income and endowments from:</b>					
<b>Donations and legacies:</b>					
Legacies notified		1,060,610	-	1,060,610	1,330,767
Donations		381,107	90,961	472,068	364,003
General trusts and foundations		12,587	50,656	63,243	71,353
Fundraising income		177,554	-	177,554	245,777
<b>Other trading activities:</b>					
Special events		229,722	-	229,722	246,148
Charity shops		884,920	-	884,920	983,778
Room hire		6,031	-	6,031	5,597
Support Services		74,465	-	74,465	74,550
<b>Investments:</b>					
Investments	2	122,591	-	122,591	119,067
Scarborough Hospice Sales Ltd	9	10,892	-	10,892	32,815
Saint Catherine's Hospice Lottery Ltd	9	151,428	-	151,428	156,826
<b>Charitable activities:</b>					
Contract income		1,388,289	569,638	1,957,927	1,942,155
Education course income		62,131	-	62,131	66,120
<b>Other Income</b>					
Gain (loss) on disposal of fixed assets		3,540	-	3,540	-
<b>Total income</b>		<b>4,565,867</b>	<b>711,255</b>	<b>5,277,122</b>	<b>5,638,956</b>
<b>Expenditure on:</b>					
<b>Raising funds:</b>					
Costs of generating voluntary income		259,379	-	259,379	237,842
Fund raising trading		926,912	-	926,912	996,759
Investment management costs		19,896	-	19,896	19,331
<b>Charitable activities</b>		<b>4,079,334</b>	<b>673,447</b>	<b>4,752,782</b>	<b>4,619,363</b>
<b>Total expenditure</b>		<b>5,285,522</b>	<b>673,447</b>	<b>5,958,969</b>	<b>5,873,295</b>
<b>Net gains/(losses) on investments</b>		<b>263,569</b>	<b>-</b>	<b>263,569</b>	<b>(169,334)</b>
<b>Net income/(expenditure)</b>		<b>(456,086)</b>	<b>37,808</b>	<b>(418,278)</b>	<b>(403,673)</b>
<b>Transfers between funds</b>		<b>38,114</b>	<b>(38,114)</b>	<b>(0)</b>	<b>-</b>
<b>Net movement in funds</b>		<b>(417,972)</b>	<b>(307)</b>	<b>(418,278)</b>	<b>(403,673)</b>
<b>Reconciliation of funds:</b>					
<b>Total funds brought forward</b>		<b>9,980,815</b>	<b>12,450</b>	<b>9,993,265</b>	<b>10,396,938</b>
<b>Total funds carried forward</b>		<b>9,562,843</b>	<b>12,143</b>	<b>9,574,987</b>	<b>9,993,265</b>

### Continuing operations

All income and expenditure has arisen from continuing activities.

The statement of financial activities includes all gains and losses recognised in the year.

# SAINT CATHERINE'S HOSPICE TRUST

(Limited by Guarantee)

## Balance sheets

as at 31 March 2017

	Note	Group		Parent	
		2017 £	2016 £	2017 £	2016 £
<b>Fixed assets</b>					
Tangible assets	8	5,745,196	5,892,883	5,745,084	5,892,429
Investments	9	2,669,263	2,396,295	2,669,264	2,396,296
		<u>8,414,459</u>	<u>8,289,178</u>	<u>8,414,348</u>	<u>8,288,725</u>
<b>Current assets</b>					
Inventories	10	25,132	31,825	19,704	22,785
Debtors		334,172	441,837	388,710	594,055
Cash at bank and in hand		1,220,422	1,667,632	1,075,544	1,420,919
		<u>1,579,726</u>	<u>2,141,294</u>	<u>1,483,958</u>	<u>2,037,759</u>
<b>Creditors: amounts falling due within one year</b>	11	417,183	435,192	323,319	333,219
<b>Net current assets</b>		<u>1,162,543</u>	<u>1,706,102</u>	<u>1,160,639</u>	<u>1,704,540</u>
<b>Total assets less current liabilities</b>		<u><u>9,577,002</u></u>	<u><u>9,995,280</u></u>	<u><u>9,574,987</u></u>	<u><u>9,993,265</u></u>
<b>Funds</b>					
Unrestricted income funds	13	9,564,859	9,982,830	9,562,843	9,980,815
Restricted income funds		12,143	12,450	12,143	12,450
		<u><u>9,577,002</u></u>	<u><u>9,995,280</u></u>	<u><u>9,574,987</u></u>	<u><u>9,993,265</u></u>

The trustees have prepared group accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of part 15 of the Companies Act.

Approved by the board of directors and authorised for issue on 21 August 2017.

D Flint  
Chair

S Ward  
Deputy Chair

# SAINT CATHERINE'S HOSPICE TRUST

(Limited by Guarantee)

## Consolidated statement of cash flows

for the year ended 31 March 2017

	Note	2017 £	2017 £	2016 £	2016 £
<b>Cash flows from operating activities:</b>					
Net cash provided by (used in) operating activities	(a)	(460,566)		156,129	
Interest paid		<u>-</u>		<u>-</u>	
<b>Net cash provided by (used in) operating activities</b>			(460,566)		156,129
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments		110,965		107,003	
Proceeds from the sale of property, plant and equipment		3,540		-	
Purchase of property, plant and equipment		(103,376)		(35,048)	
Proceeds from sale of investments		386,449		495,003	
Purchase of investments		(395,848)		(388,657)	
Interest received		<u>11,626</u>		<u>12,064</u>	
<b>Net cash provided by (used in) investing activities</b>			13,356		190,365
<b>Change in cash and cash equivalents in the reporting period</b>			<u>(447,210)</u>		<u>346,494</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>			<u>1,667,632</u>		<u>1,321,138</u>
<b>Cash and cash equivalents at the end of the reporting period</b>			<u><u>1,220,422</u></u>		<u><u>1,667,632</u></u>

# SAINT CATHERINE'S HOSPICE TRUST

(Limited by Guarantee)

## Notes to the cash flow statement

(a) Reconciliation of net income/(expenditure) to net cash flow from operating activities	2017	2016
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(418,278)	(403,673)
Adjustments for:		
Depreciation charges	251,063	255,201
(Gains)/losses on investments	(263,569)	169,334
(Gains)/losses on disposal of fixed assets	(3,540)	-
Interest received	(11,626)	(12,064)
Dividends, interest and rents from investments	(110,965)	(107,003)
(Increase)/decrease in stocks	6,693	1,422
(Increase)/decrease in debtors	107,665	304,992
Increase/(decrease) in creditors	(18,009)	(52,080)
Net cash provided by (used in) operating activities	<u>(460,566)</u>	<u>156,129</u>
(b) Cash and cash equivalents	2017	2016
	£	£
Cash in hand	1,220,422	1,667,632
Total cash and cash equivalents	<u>1,220,422</u>	<u>1,667,632</u>

## Notes to the accounts

for the year ended 31 March 2017

### 1 Accounting policies

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The Hospice Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policies.

#### 1.01 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Where VAT is charged income is recognised net of VAT. For legacies, entitlement is when income is probable and measurable. A legacy receipt is normally probable when: there has been a grant of probate, executors have established that there are sufficient assets and any conditions attached to the legacy are in control or met by the charity. A legacy is measurable when it can be measured or estimated with sufficient reliability. Donations and gifts are recognised when receivable at market value, with the exception of gifts donated for resale which are recognised as income on point of sale as charity shop income. Income from events and fundraising are recognised when the event takes place. Dividends from investments are recognised once the dividend has been declared and notification has been received of the dividend due. Income from the Health Authority, government and other grants, whether a capital or revenue grant, are recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably. Income is deferred where it is received in advance to be expended in the following period or it relates to a future fundraising event.

#### 1.02 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category on an actual basis wherever practical. Where an apportionment between categories has been used this is disclosed in note 4 below. Expenditure on raising funds comprise fund-raising costs incurred in seeking voluntary contributions, shop expenses and investment management advice. Expenditure on charitable activities comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Governance costs, which are now included within support costs in accordance with Charities SORP (FRS 102), relate to those expenses incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements. Irrecoverable vat is included within the relevant expenditure heading.

#### 1.03 Volunteers

The value of services provided by volunteers is not incorporated into these financial statements.

#### 1.04 Depreciation

Depreciation of fixed assets has been provided at various rates which are anticipated to amortise the cost on a straight line basis over the assets' expected useful lives. Indicative annual rates are:-

Freehold buildings	2.5%	Motor vehicles	25%
Fixtures, fittings, tools & equipment	25%	Short leasehold property	over the period of the lease

No depreciation is charged on freehold land. There is a capitalisation threshold of £600 for tangible fixed assets.

#### 1.05 Inventories

Stocks are valued at the lower of cost and net realisable value and comprise consumables and goods for resale. Items donated for resale are not included in the financial statements until they are sold.

#### 1.06 Foreign currencies

The charity has a presentation and functional currency of Pound Sterling (GBP).

#### 1.07 Subsidiaries

The charity has two wholly-owned trading subsidiaries, Scarborough Hospice Sales Limited (company number 02053320) and Saint Catherine's Hospice Lottery Limited (company number 03580724), both incorporated in England. Scarborough Hospice Sales Limited sells calendars and other items to raise funds for the benefit of Saint Catherine's Hospice. Saint Catherine's Hospice Lottery Limited promotes charitable lotteries for the benefit of Saint Catherine's Hospice. Both are obliged under their constitutions to apply their profits towards the promotion and carrying out of the objects of Saint Catherine's Hospice Trust. A summary of the subsidiaries' trading results is shown in note 7 to these accounts. These financial statements consolidate the results of the Hospice and both its subsidiaries.

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## Notes to the accounts

for the year ended 31 March 2017

### 1.08 Fund accounting

Unrestricted income funds are available for use at the discretion of the trustees in furtherance of the general objectives of the hospice. Restricted income funds are funds to be used in accordance with specific restrictions imposed by donors or funds which have been raised for a particular purpose. The aim and use of each restricted fund is set out in the notes to the financial statements.

### 1.09 Operating leases

Operating lease rentals are included within expenses of the period to which they relate.

### 1.10 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

### 1.11 Pensions

The charity operates pension arrangements for the benefit of participating employees under two defined contribution schemes, the assets of which are held separately from those of the charity in independently administered funds. The charity also makes contributions to the NHS scheme which is an unfunded defined benefit scheme. The charity is unable to identify its share of the underlying assets and liabilities of the NHS scheme therefore it is accounted for as if it was a defined contribution scheme. Contributions payable to all schemes are charged to the Statement of Financial Activities in the period to which they relate.

### 1.12 Financial instruments

The charity only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade, other debtors and creditors.

Debt instruments that are payable or receivable within one year, typically debtors or creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

### 1.13 Preparation of the accounts on a going concern basis

The trustees have prepared the accounts on a going concern basis on the grounds that the charity has a healthy bank balance and a reasonable expectation that ongoing funding will be forthcoming for the charity to continue in business.

### 1.14 Judgements and key sources of estimation uncertainty

In preparing the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

### 1.15 Critical judgements in applying the company's policies

The trustees do not consider that there are any significant judgements which have had to be made in preparing these financial statements and they also do not consider that any of the estimates and assumptions used in the preparation of these financial statements have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

# SAINT CATHERINE'S HOSPICE TRUST

(Limited by Guarantee)

## Notes to the accounts

for the year ended 31 March 2017

2	Investment income	Group		Parent	
		2017	2016	2017	2016
		£	£	£	£
	Bank interest	11,626	12,064	11,626	12,064
	Dividends	100,150	83,642	100,150	83,642
	Interest	1,000	11,613	1,000	11,613
	Rental income	9,815	11,748	9,815	11,748
		<u>122,591</u>	<u>119,067</u>	<u>122,591</u>	<u>119,067</u>
3	Staff costs and numbers	Group			
		2017	2016		
		£	£		
	Wages and salaries	4,002,648	3,974,659		
	Social security costs	326,415	294,014		
	Pension costs	264,689	267,385		
	Other employee benefits	4,098	3,781		
		<u>4,597,850</u>	<u>4,539,839</u>		

Trustees receive no emoluments and are not reimbursed for any expenses incurred.

The total amount of termination payments recognised as expenditure in the SOFA for the period amounts to £68,528 (2016 - £26,907). These relate to redundancy payments, payments in lieu of notice and ex-gratia payments.

The charity considers that key management personnel for both the Trust and the group is the executive management team which now comprises the Chief Executive and 7 other members of staff. The executive management team was previously known as the senior management team which comprised the Chief Executive and 4 other members of staff. However from February 2015 a wider team of experienced and skilled people were engaged in the key operational decision making and management of the organisation and the executive management team was created. The total employee benefits of the key management personnel since their appointments to the respective teams were £459,070 (2016 - £444,233).

The number of employees whose total employee benefits excluding pension contributions were over £60,000, classified within bands of £10,000 is as follows:

	2017	2016
£60,000 - £70,000	1	1
£70,000 - £80,000	1	1
£80,000- £90,000	1	-
£90,000 - £100,000	-	1
Over £100,000	<u>-</u>	<u>-</u>

The average monthly head count of employees, analysed by function, was:

	2017	2016
	No.	No.
Ancillary staff	42	43
Administrative staff	16	17
Patient care	110	107
Shop staff	21	25
Lottery staff	1	2
	<u>190</u>	<u>194</u>

# SAINT CATHERINE'S HOSPICE TRUST

(Limited by Guarantee)

## Notes to the accounts

for the year ended 31 March 2017

### 4 Analysis of expenditure on charitable activities

	<i>Basis of allocation:</i>	Voluntary income	Shops Events	Inpatient unit	Clinics & therapy	Community care	Sub total c/f
		£	£	£	£	£	£
<b>Direct costs</b>							
Salaries	<i>Direct</i>	165,666	478,891	1,820,524	343,725	1,179,153	3,987,959
External labour	<i>Direct</i>	-	-	12,164	2,338	9,556	24,058
Transport	<i>Direct</i>	224	24,479	3,714	7,483	29,302	65,203
Training	<i>Direct</i>	-	96	-	-	204	300
Premises	<i>Floor area</i>	-	199,421	583	3,191	-	203,195
Consumables	<i>Direct</i>	5,254	73,209	126,862	36,637	756	242,719
Maintenance	<i>Direct</i>	12,548	29,700	35,143	6,759	-	84,149
Publicity	<i>Direct</i>	22,173	-	-	-	-	22,173
Sundries	<i>Direct</i>	2,085	3,440	2,298	1,704	-	9,527
Professional fees	<i>Direct</i>	324	10,210	2,092	418	1,675	14,719
Depreciation	<i>Usage</i>	1,214	10,359	37,016	15,893	-	64,482
<b>Support costs</b>							
Salaries	<i>Staff time</i>	19,068	36,197	185,719	38,060	53,245	332,290
Transport	<i>Usage</i>	650	1,234	6,330	1,297	1,815	11,326
Training	<i>Usage</i>	2,104	3,993	20,489	4,199	5,874	36,658
Premises	<i>Floor area</i>	4,748	9,013	46,246	9,477	13,259	82,743
Consumables	<i>Usage</i>	5,074	9,632	49,418	10,128	14,168	88,419
Maintenance	<i>Usage</i>	2,209	4,194	21,520	4,410	6,170	38,503
Publicity	<i>Usage</i>	-	-	-	-	-	-
Sundries	<i>Usage</i>	1,298	2,464	12,644	2,591	3,625	22,622
Professional fees	<i>Usage</i>	3,689	7,003	35,932	7,364	10,302	64,290
Depreciation	<i>Usage</i>	9,888	18,771	96,310	19,737	27,612	172,319
Governance	<i>Usage</i>	1,163	4,607	11,328	2,321	6,777	26,196
<b>Total</b>		<b>259,379</b>	<b>926,912</b>	<b>2,526,332</b>	<b>517,735</b>	<b>1,363,492</b>	<b>5,593,849</b>

	Sub total b/f	BSS	Education	Investment	Total 2017	Total 2016
	£				£	£
<b>Direct costs</b>						
Salaries	3,987,959	153,717	84,528	-	4,226,204	4,160,450
External labour	24,058	8,115	-	-	32,173	63,737
Transport	65,203	6,552	67	-	71,822	79,309
Training	300	-	-	-	300	21,015
Premises	203,195	-	-	-	203,195	212,892
Consumables	242,719	6,034	12,226	-	260,979	248,576
Maintenance	84,149	-	4,985	-	89,134	94,998
Publicity	22,173	-	-	-	22,173	14,284
Sundries	9,527	2,069	528	-	12,124	19,622
Professional fees	14,719	-	-	16,069	30,788	29,633
Depreciation	64,482	-	-	-	64,482	59,490
<b>Support costs</b>						
Salaries	332,290	16,064	9,315	1,463	359,131	367,446
Transport	11,326	548	317	50	12,240	12,914
Training	36,658	1,772	1,028	161	39,619	5,531
Premises	82,743	4,000	2,319	364	89,427	94,494
Consumables	88,419	4,274	2,479	389	95,562	85,613
Maintenance	38,503	1,861	1,079	169	41,613	27,740
Publicity	-	-	-	-	-	147
Sundries	22,622	1,094	634	100	24,449	3,293
Professional fees	64,290	3,108	1,802	283	69,483	47,706
Depreciation	172,319	8,330	4,830	759	186,238	195,364
Governance	26,196	980	568	89	27,833	29,041
<b>Total</b>	<b>5,593,849</b>	<b>218,519</b>	<b>126,705</b>	<b>19,896</b>	<b>5,958,969</b>	<b>5,873,295</b>

Governance costs above include salaries of £12,515 (2016: £11,949).

\* BSS = Bereavement Support Service

# SAINT CATHERINE'S HOSPICE TRUST

(Limited by Guarantee)

## Notes to the accounts

for the year ended 31 March 2017

### 5 Comparative for the Consolidated Statement of Financial Activity

	Unrestricted funds £	Restricted funds £	Total funds 2016 £
<b>Income and endowments from:</b>			
<b>Donations and legacies:</b>			
Legacies notified	1,330,767	-	1,330,767
Donations	321,176	42,827	364,003
General trusts and foundations	22,599	48,754	71,353
Fundraising income	245,777	-	245,777
<b>Other trading activities:</b>			
Special events	246,148	-	246,148
Charity shops	983,778	-	983,778
Room hire	5,597	-	5,597
Support services	57,895	-	57,895
Scarborough Hospice Sales Ltd	81,239	-	81,239
Saint Catherine's Hospice Lottery Ltd	384,200	-	384,200
<b>Investments</b>	119,067	-	119,067
<b>Charitable activities:</b>			
Contract Income	1,623,601	318,554	1,942,155
Education course income	66,120	-	66,120
<b>Total income</b>	<b>5,487,964</b>	<b>410,135</b>	<b>5,898,099</b>
<b>Expenditure on:</b>			
<b>Raising funds:</b>			
Costs of generating voluntary income	237,842		237,842
Fund raising trading	996,759		996,759
Investment management costs	19,331		19,331
Scarborough Hospice Sales Ltd	31,769		31,769
Saint Catherine's Hospice Lottery Ltd	227,374		227,374
<b>Charitable activities</b>	4,201,467	417,896	4,619,363
<b>Total expenditure</b>	<b>5,714,542</b>	<b>417,896</b>	<b>6,132,438</b>
<b>Net gains/(losses) on investments</b>	(169,334)	-	(169,334)
<b>Net income/(expenditure)</b>	(395,912)	(7,761)	(403,673)
<b>Transfers between funds</b>	7,279	(7,279)	-
<b>Net movement in funds</b>	(388,633)	(15,040)	(403,673)
<b>Reconciliation of funds:</b>			
<b>Total funds brought forward</b>	10,371,463	27,490	10,398,953
<b>Total funds carried forward</b>	<b>9,982,830</b>	<b>12,450</b>	<b>9,995,280</b>

# SAINT CATHERINE'S HOSPICE TRUST

(Limited by Guarantee)

## Notes to the accounts

for the year ended 31 March 2017

### 6 Comparative for the Statement of Financial Activity

	Unrestricted funds £	Restricted funds £	Total funds 2016 £
<b>Income and endowments from:</b>			
<b>Donations and legacies:</b>			
Legacies notified	1,330,767		1,330,767
Donations	321,176	42,827	364,003
General trusts and foundations	22,599	48,754	71,353
Fundraising income	245,777		245,777
<b>Other trading activities:</b>			-
Special events	246,148		246,148
Charity shops	983,778		983,778
Room hire	5,597		5,597
Support services	74,550		74,550
<b>Investments:</b>			-
Investments	119,067		119,067
Scarborough Hospice Sales Ltd	32,815		32,815
Saint Catherine's Hospice Lottery Ltd	156,826		156,826
<b>Charitable activities:</b>			-
Contract Income	1,623,601	318,554	1,942,155
Education course income	66,120		66,120
<b>Total income</b>	<b>5,228,821</b>	<b>410,135</b>	<b>5,638,956</b>
<b>Expenditure on:</b>			
<b>Raising funds:</b>			
Costs of generating voluntary income	237,842	-	237,842
Fund raising trading	996,759	-	996,759
Investment management costs	19,331	-	19,331
<b>Charitable activities</b>	<b>4,201,467</b>	<b>417,896</b>	<b>4,619,363</b>
<b>Total expenditure</b>	<b>5,455,399</b>	<b>417,896</b>	<b>5,873,295</b>
<b>Net gains/(losses) on investments</b>	<b>(169,334)</b>	<b>-</b>	<b>(169,334)</b>
<b>Net income/(expenditure)</b>	<b>(395,912)</b>	<b>(7,761)</b>	<b>(403,673)</b>
<b>Transfers between funds</b>	<b>7,279</b>	<b>(7,279)</b>	<b>-</b>
<b>Net movement in funds</b>	<b>(388,633)</b>	<b>(15,040)</b>	<b>(403,673)</b>
<b>Reconciliation of funds:</b>			
<b>Total funds brought forward</b>	<b>10,369,448</b>	<b>27,490</b>	<b>10,396,938</b>
<b>Total funds carried forward</b>	<b>9,980,815</b>	<b>12,450</b>	<b>9,993,265</b>

# SAINT CATHERINE'S HOSPICE TRUST

(Limited by Guarantee)

## Notes to the accounts

for the year ended 31 March 2017

### 7 Operating leases

Minimum lease payments under non-cancellable operating leases fall due as follows:

	Group		Parent	
	2017	2016	2017	2016
	£	£	£	£
On land and buildings:				
Within one year	149,386	153,250	149,386	153,250
Within two to five years	396,094	388,333	396,094	388,333
Over five years	257,004	320,000	257,004	320,000
	<u>802,484</u>	<u>861,583</u>	<u>802,484</u>	<u>861,583</u>
On other assets:				
Within one year	17,004	20,438	17,004	20,438
Within two to five years	42,804	59,808	42,804	59,808
	<u>59,808</u>	<u>80,246</u>	<u>59,808</u>	<u>80,246</u>

Included within the statement of financial activities are operating lease rentals of £173,688 (2016 - £183,768).

### 8 Tangible assets

Group	Freehold land & buildings £	Short leasehold property £	Fixtures fittings, tools & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
As at 31.03.16	7,983,066	-	707,110	100,773	8,790,950
Additions	-	-	94,376	9,000	103,376
Disposals	-	-	(9,533)	(22,700)	(32,233)
As at 31.03.17	<u>7,983,066</u>	<u>-</u>	<u>791,953</u>	<u>87,073</u>	<u>8,862,093</u>
<b>Depreciation</b>					
As at 31.03.16	2,225,619	-	577,371	95,076	2,898,067
Provided in year	177,800	-	67,323	5,940	251,063
Disposals	-	-	(9,533)	(22,700)	(32,233)
As at 31.03.17	<u>2,403,419</u>	<u>-</u>	<u>635,161</u>	<u>78,316</u>	<u>3,116,897</u>
<b>Net book value</b>					
As at 31.03.16	<u>5,757,447</u>	<u>-</u>	<u>129,739</u>	<u>5,697</u>	<u>5,892,883</u>
As at 31.03.17	<u>5,579,647</u>	<u>-</u>	<u>156,792</u>	<u>8,757</u>	<u>5,745,196</u>
Parent	Freehold land & buildings £	Short leasehold property £	Fixtures fittings, tools & equipment £	Motor vehicles £	Total £
<b>Cost</b>					
As at 31.03.16	7,983,066	-	697,341	100,773	8,781,181
Additions	-	-	94,376	9,000	103,376
Disposals	-	-	(9,533)	(22,700)	(32,233)
As at 31.03.17	<u>7,983,066</u>	<u>-</u>	<u>782,184</u>	<u>87,073</u>	<u>8,852,324</u>
<b>Depreciation</b>					
As at 31.03.16	2,225,619	-	568,056	95,076	2,888,752
Provided in year	177,800	-	66,981	5,940	250,721
Disposals	-	-	(9,533)	(22,700)	(32,233)
As at 31.03.17	<u>2,403,419</u>	<u>-</u>	<u>625,504</u>	<u>78,316</u>	<u>3,107,240</u>
<b>Net book value</b>					
As at 31.03.16	<u>5,757,447</u>	<u>-</u>	<u>129,285</u>	<u>5,697</u>	<u>5,892,429</u>
As at 31.03.17	<u>5,579,647</u>	<u>-</u>	<u>156,680</u>	<u>8,757</u>	<u>5,745,084</u>

# SAINT CATHERINE'S HOSPICE TRUST

(Limited by Guarantee)

## Notes to the accounts

for the year ended 31 March 2017

### 9 Fixed asset investments

	Subsidiary undertakings (at cost) £	Group Listed investments (at valuation) £	Parent Total £
<b>Cost or valuation</b>			
As at 31.03.16	1	2,396,295	2,396,296
Additions	-	395,848	395,848
Disposals	-	(390,500)	(390,500)
Revaluation surplus/(deficit)	-	267,620	267,620
As at 31.03.17	1	2,669,263	2,669,264

#### Provisions

As at 31.03.16	-	-	-
Provided in year	-	-	-
As at 31.03.17	-	-	-

#### Net book value

As at 31.03.16	1	2,396,295	2,396,296
As at 31.03.17	1	2,669,263	2,669,264

Original cost of assets stated at valuation

2,182,701

The listed investments portfolio at 31 March 2017 is as follows:-

	£	%
Fixed interest - United Kingdom	384,275	14.4%
Equities - United Kingdom	1,721,091	64.5%
- Overseas	253,810	9.5%
Property - United Kingdom	99,618	3.7%
Infrastructure - United Kingdom	210,469	7.9%
	2,669,263	100%

The investment in subsidiary undertakings comprises 100% of the issued £1 share capital of Saint Catherine's Hospice Lottery Limited and Scarborough Hospice Sales Limited. Summaries of the results of the subsidiaries are as follows:

#### Scarborough Hospice Sales Limited

	2017 £	2016 £
Revenue	58,413	81,239
Cost of sales	(39,154)	(38,590)
Gross profit	19,259	42,649
Administrative expenses	(7,367)	(9,834)
Operating profit	11,892	32,815
Charitable donations - Saint Catherine's Hospice Trust	(10,892)	(32,815)
Interest payable and similar expense	(1,000)	-
Profit on ordinary activities before taxation	-	-
Tax on profit on ordinary activities	-	-
Profit for the financial year	-	-
Assets	21,991	35,582
Liabilities	(20,985)	(34,576)
Net assets	1,006	1,006
Represented by:		
Capital	6	6
Reserves	1,000	1,000
	1,006	1,006

# SAINT CATHERINE'S HOSPICE TRUST

(Limited by Guarantee)

## Notes to the accounts

for the year ended 31 March 2017

### Saint Catherine's Hospice Lottery Limited

	£	£
Revenue	365,128	384,200
Cost of sales	(102,075)	(100,300)
Gross profit	263,053	283,900
Administrative expenses	(111,625)	(127,074)
Charitable donations - Saint Catherine's Hospice Trust	(151,428)	(156,826)
Profit on ordinary activities before taxation	-	-
Tax on profit on ordinary activities	-	-
Profit for the financial year	-	-
Assets	134,074	224,765
Liabilities	(133,063)	(223,754)
Net assets	1,011	1,011
Represented by:		
Capital	1	1
Reserves	1,010	1,010
	1,011	1,011

	Group		Parent	
	2017	2016	2017	2016
	£	£	£	£
<b>10 Debtors: amounts due within one year</b>				
Trade debtors	38,466	202,006	33,178	198,225
Amounts owed by subsidiary companies	-	-	60,184	156,357
Other debtors	28,943	16,160	28,943	16,160
Prepayments	29,097	44,730	28,739	44,372
Accrued income	237,666	178,941	237,666	178,941
	<u>334,172</u>	<u>441,837</u>	<u>388,710</u>	<u>594,055</u>

	Group		Parent	
	2017	2016	2017	2016
	£	£	£	£
<b>11 Creditors: amounts falling due within one year</b>				
Trade creditors	69,634	58,691	63,478	56,069
Amounts owed to subsidiary companies	-	-	-	-
Taxation and social security	94,454	83,641	90,401	76,996
Other creditors	17,465	14,617	13,065	13,217
Accruals	152,563	162,229	144,895	153,960
Deferred income	83,067	116,014	11,480	32,977
	<u>417,183</u>	<u>435,192</u>	<u>323,319</u>	<u>333,219</u>

### Deferred income reconciliation

Balance brought forward	116,014	176,082	32,977	93,214
Amount released to the SOFA	(116,014)	(176,082)	(32,977)	(93,214)
Amount deferred in the year	83,067	116,014	11,480	32,977
Balance carried forward	<u>83,067</u>	<u>116,014</u>	<u>11,480</u>	<u>32,977</u>

# SAINT CATHERINE'S HOSPICE TRUST

(Limited by Guarantee)

## Notes to the accounts

for the year ended 31 March 2017

### 12 Pension costs

The trust operates two defined contribution pension schemes, the assets of which are held separately from those of the trust in independently administered funds. In addition it also makes contributions to the NHS Scheme which is an unfunded defined benefit scheme and as the charity is unable to identify its share of the underlying assets and liabilities this is also accounted for as a defined contribution scheme. Each member of the scheme pays a common contribution rate as set by the government. The pension costs charge for the year represents contributions payable by the trust to the funds.

	2017 £	2016 £
Defined contribution schemes	76,357	81,990
NHS Scheme	190,173	185,917
	<u>266,530</u>	<u>267,907</u>

Pension contributions amounting to £11,241 (2016 - £11,607) were payable to the defined contribution schemes and £25,789 (2016 - £25,521) were payable to the NHS fund as at the year end. These amounts are included in creditors.

	At 31 March 2017 £	Movement in resources			At 31 March 2016 £
		Transfers £	Incoming £	Outgoing £	
<b>Unrestricted funds</b>					
General fund	<u>9,564,859</u>	<u>38,114</u>	<u>4,806,411</u>	<u>(5,262,496)</u>	<u>9,982,830</u>
<b>Restricted funds</b>					
Drugs and pharmacy services grant	-	-	42,172	(42,172)	-
Heather unit - Whitby Hospital	-	-	-	(530)	530
NHS - pension scheme contributions	-	-	-	-	-
Restricted contract income	-	-	569,638	(569,638)	-
Restricted donations	2,866	(38,114)	48,789	(8,363)	555
Restricted trust funds	<u>9,277</u>	<u>-</u>	<u>50,656</u>	<u>(52,744)</u>	<u>11,365</u>
	<u>12,143</u>	<u>(38,114)</u>	<u>711,255</u>	<u>(673,447)</u>	<u>12,450</u>
<b>Total funds</b>	<u>9,577,002</u>	<u>(0)</u>	<u>5,517,666</u>	<u>(5,935,944)</u>	<u>9,995,280</u>

The Heather unit fund represents donations received from patients and relatives to be spent on the Heather unit.

Restricted contract income relates to £129,275 received for the End of Life beds project, £168,742 for the Care Home Project Funding, £240,084 for Hospice at Home Project and £31,537 for Lymphodema services.

Restricted trust fund income includes £14,000 received to be spent on the Ryedale Day Hospice, £16,425 received to be spent on the Hospice at Home projects, £11,350 received to be spent on Dementia care, and various other trust fund income received for specific restricted purposes.

### 14 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances are represented by:			
Tangible fixed assets	5,745,196		5,745,196
Investments	2,669,263		2,669,263
Cash at bank and in hand	1,208,279	12,143	1,220,422
Other net current assets/(net current liabilities)	(57,879)	-	(57,879)
	<u>9,564,859</u>	<u>12,143</u>	<u>9,577,002</u>

# SAINT CATHERINE'S HOSPICE TRUST

(Limited by Guarantee)

## Notes to the accounts

for the year ended 31 March 2017

### 15 Related party transactions

The total amount of donations received without conditions from trustees and other related parties was £2,652 (2016 - £3,778).

### 16 Auditors' remuneration

	Group		Parent	
	2017	2016	2017	2016
	£	£	£	£
Audit	14,465	13,320	7,500	7,000
Accountancy, taxation and other services	8,739	2,500	5,499	2,500
	<u>23,204</u>	<u>15,820</u>	<u>12,999</u>	<u>9,500</u>

### 17 Capital commitments

	Group		Parent	
	2017	2016	2017	2016
	£	£	£	£
Contracted for but not provided in the accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 18 Financial assets and liabilities

	Group	
	2017	2016
Financial assets measured at fair value through profit & loss	<u>2,669,263</u>	<u>2,396,295</u>
Financial assets measured at cost less impairment	<u>1</u>	<u>1</u>
Financial assets measured at amortised cost	<u>38,466</u>	<u>202,006</u>
Financial liabilities measured at amortised cost	<u>239,662</u>	<u>235,537</u>

Financial assets measured at fair value comprise investments held at market value.

Financial assets measured at cost less impairment comprise investments in subsidiaries held.

Financial assets measured at amortised cost comprise trade debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accrued expenses.