

# ***SAINT CATHERINE'S HOSPICE TRUST***

*(Limited by Guarantee)*

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## **Annual Report**

**for the year ended 31 March 2018**

### **Elected members of the Board of Trustees**

S P Ward	Chair
M Middlebrook	Deputy chair
J F P Garnett	
T J Boyes	
A M Clarke	Resigned 2 October 2017
D P Flint	
M Chell	
J Stevenson	
C M Wilson	
D C Chapman	
S C Standard-Sheader	

### **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 2018

### 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. This year Diane Flint and Dr Phil Garnett were re-elected to the Board. 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. One long serving Trustee retired from the Board, Ann Clark. The Board would like to thank Ann for her service, hard work and dedication over many years on behalf of Saint Catherine's as part of the Board and as Chair of the Clinical Strategy and Governance Committee.

### 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 46. 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 Role 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 an annual away day 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 three occasions in 2017-18 and plan further visits in 2018-19. In 2018-19 the Hospice will also be introducing Patient-Led Assessments of the Care Environment (PLACE) and trustees will participate in these assessments.

The Board of Trustees, which is attended by the board members and the Chief Executive, Medical Director and Fundraising and Marketing Director, meets four times a year and receives reports from the four committees. These are the Finance and General Purposes Committee, Clinical Governance and Strategy Committee, Income Generation Committee and the 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 Clinical Governance and Strategy Committee is responsible for clinical governance, and related information governance, of the services, which they report to Board. The Finance and General Purposes Committee is responsible for financial and investment aspects of governance, along with corporate information governance matters, which they report to the Board. The Board continues to review its governance structure of Board and Committee meetings and will be undertaking a review in 2018-19 to ensure the structure delivers good governance of the organisation.

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.

### 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. With the approval of the Charity Commission, the Board continues 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. Following the review in 2016-17 the Board agreed to maintain this investment risk profile with the investment management company to ensure the Hospice is receiving the best returns possible on its investments.

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## 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 12 months to 31st March 2018 was a positive year for all investment asset classes despite a sharp fall in equity markets towards the end of the period. Global economies generally remain in good shape but with equity markets close to all-time highs any losses in confidence can quickly see markets lower. Returns on cash though remain very low and the UK's Brexit negotiations remain mired in uncertainty, although there is hope that the UK can negotiate a trade deal acceptable to all parties. President Trump's trade tariffs could yet upset equity market valuations and share prices if they disrupt companies' profitability.

The portfolio is managed for long term growth in its capital value, and as high a level of income that can reasonably be generated. The portfolio's total return (capital growth with income added) of +3.4% for the twelve months to 31st March 2018 compared to the benchmark's return of +1.7%; the 3 year cumulative return has been +15.8% compared with the benchmark's +18.0% and the five years show +36.1% compared to the benchmark's +35.4%.

## 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 (No. 284701).

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 the North 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, information and financial governance, income generation activities and use of our resources. Day to day management is delegated to the Chief Executive, Michael Wilkerson, and the senior professional colleagues who make up the Executive Team.

## 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.

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## Scarborough based:

- Purpose-built Hospice opened in 1985, moving to its current site in 2004 providing specialist care beds in single en-suite in-patient rooms. We also provide nurse led beds providing end of life care for patients in the hospital who had been identified as in the last seven days of life.
- 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. In 2018-19, a new model of day care, called the Wellbeing Centre, will be established and continually reviewed to ensure it meets the needs of the patients, families and carers.
- 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 those with a connection to Saint Catherine's. The service to the wider community is currently under review following an organisational restructure in 2017-18.
- 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 remain under review 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. The review of Day Hospice provision was completed in 2017-18 and a new model of day care, the Wellbeing Centre, has been established in 2018-19. The Wellbeing Centre will offer both the traditional model of day care alongside the opportunity on one day to among other things, book clinics, attend specific educational events, receive a multi-disciplinary team assessment. The Wellbeing Centre model will be evaluated in 2018-19 and outreach to Whitby and Ryedale areas will be considered as part of this review.
- Support for End of Life care beds for specialist palliative care patients within Whitby Hospital. Following staff changes over recent years and a review of the requirements for Whitby Hospital by the local Clinical Commissioning Group we currently provide a GP with special interest. We continue to work 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 Specialist Palliative Care Clinical Nurse Specialists.
- Community consultant access through domiciliary visits or clinics.
- 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.

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 Clinical Commissioning Group agreed to continue to fund the Integrated Palliative Care Services until March 2019. The services continue to be evaluated and reviewed again in 2018-19 in conjunction with the Scarborough and Ryedale Clinical Commissioning Group to ensure the services meet the needs of the communities they serve. During 2018-19 the Hospice and SRCCG will work together to develop a new service specification and agree future funding from 1st April 2019 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. The Board are incredibly grateful to all those who volunteer time for their commitment to the Hospice and would like to express their gratitude and thanks to all our volunteers.

## Strategic Report:

### 1. Achievements and performance

The Hospice continued to review and deliver the rolling business plan for 2017-18. 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 42 objectives, 15 were completed within the year, one was delayed until 2018-19, whilst the remainder are objectives spanning a number of years. Therefore, work is ongoing in 2018-19 in relation to 27 of these objectives.

The Board Strategic Direction 2016-2020 focuses on five areas: 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 began in 2017-18 and continues in the 2018-19 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 2017-18 we had 250 admissions to the In-Patient Unit with 43 being admissions from Scarborough Hospital to a Nurse Led Bed. The number of patients referred to our Day Hospice was 203 over the year and we averaged 103 attendances a month in the year. 463 clients were supported by the Bereavement Team including clients who were supported through our palliative counselling team. In the last 12 months the Hospice at Home has cared for 557 patients in their own home with around 42% of these patients having a non cancer diagnosis. The Care Homes Team who provide support and education for staff providing end of life care in care homes and were involved with 320 patients in care homes with around 75% of referrals having a non cancer diagnosis. Our Community Palliative Care Clinical Nurse Specialists received 497 referrals and this resulted in over 1700 face to face visits. Our Therapies Team in total saw patients resulting in over 2300 face to face sessions.

The Hospice was inspected by the Care Quality Commission in 2016, 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 2017-18 was:

Patients and clients have said:

"My wife and I are very grateful for the support we have received. It is important to us to avoid .....going into hospital and that she should be pain free and comfortable. This has been achieved with the help of the hospice Care Homes Team. The end of life care was dignified and considerate of ..... needs at this late stage of her illness. We can only add our heartfelt thanks and best wishes that such wonderful care is available to other patients and their families in the future."

"I found the team very helpful when I was poorly, and the support with getting a doctor to come and phoning to check I was ok made me feel there was someone there when I needed them."

"We never felt lonely with the support from the team, which included a call at 2am."

Carers have said:

"You all made a sad time a little more bearable. We were able to have Dad at home with us for his last 6 days, for which I am eternally grateful."

"We are delighted with the care that my mother in law received. Every single member of your staff and your volunteers were extraordinarily helpful and considerate. We cannot imagine any part of your support for her or for the family that could be improved."

"The dedication of your staff and kindness on display at all times was inspirational. Thank you for showing me that death can actually be an affirmation of life."

Professionals have said:

"My experience of the hospice at home service has been great - the patient and carers got the support and care needed quickly from the right people; they didn't have to wait until a doctor could visit or phone. It also reduced my workload and I value the expert opinion."

"I have had involvement with both H@H and the Care Home Support Team. I have been extremely impressed by their support for patients, families, staff and GPs. They are very prompt, efficient and professional. With increasing numbers of patients being cared for at home and in homes, it is a service that we could never manage without now."

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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. The Hospice does not undertake any cold-call canvassing for the Lottery and no other cold-call approach is undertaken in any income generation activity.

During 2017-18 the Hospice work on Information Governance centred around compliance with the forthcoming General Data Protection Regulation (GDPR) prior to the implementation of GDPR from 25th May 2018. Alongside this work the Hospice has reviewed and revised its overarching Information Governance policy, structure and associated procedures, processes and systems in preparation for, and establishing of, the robust structure and risk based methodology required for, achieving compliance with ISO27001/13. The work in 2018-19, will see continuing journey of compliance, with new systems and processes ensuring the implementation of GDPR 2018, records and document management and establishing its scoping statement for ISO27001/13.

The Hospice recognises the crucial importance of all its Income Generation activities. The Hospice expanded significantly for a number of years up to 2016, which resulted in increased expenditure and demand on all income generation activities. Through the Hospice's work with four local Clinical Commissioning Groups the Hospice developed the Integrated Palliative Care Services, gaining commissioner contract funding contribution 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 continuing economic climate.

In 2017-18 the Hospice recognised improvements in some areas of our income generation activities although a number still remained under the anticipated targets. There was significant improvement in our Shops income with an increase of nearly £100k on the 2016-17 figures, recovering to the level generated in 2015-16. 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 was slightly under target for the year. Plans are in place to re-launch our Lottery as a £2 play in 2018-19 to increase this income stream in future years. The income from the sale of new goods grew slightly in 2017-18. The donations in 2016-17 included a large restricted donation of £40k for the Nurse Call System which was specific one-off donation not repeated in 2017-18, and so the donation income in 2017-18 reflected expectation.

In 2017-18 the Board of Trustees took the very difficult decision to restructure some areas of the Hospice to reduce annual running costs. The Board recognised our income generation had remained around £5.5m for a number of years and over the same period annual operating costs had remained around £6m. The Hospice had also been unable to provide any cost of living pay rise for 3 years and this was creating difficulty in recruitment and retention of staff as the Hospice has been unable to keep in step with salaries paid in the NHS. The Board were aware this situation was unsustainable in the medium term and therefore took decisive action to reduce annual operating costs for 2018-19, whilst enabling the Hospice to adjust its pay structure. This sadly resulted in 14 redundancies and around 11 vacant posts being removed from the organisation. These changes were predominantly within our management structure and non-clinical areas. The outcome of this work reduced the annual operating costs from around £6m to £5.5m. The Hospice continues to focus on its Income Generation activities and the efficient and effective use of all its resources, and will continue to review the financial situation over the coming years. This will allow the Hospice to continue to effectively use its reserves to support and care for the patients, families and carers who need our services.

## **2. 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.

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.

### 3. 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 £3,424,391.

The Trustees recognise the continuing need to use some free reserves in the coming years to help bridge the gap between income and expenditure. This is to continue to support our income generation and the delivery of our clinical services to provide care and support to the patients, their carers and families who need our services.

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 2018-19 includes a focus of continuous improvement for the Hospice to ensure the efficient and effective use of all our resources for the benefit of our patients, families and carers.

### 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).

The Board and senior management in 2017-18 started a thorough review of all the organisations health, safety and risk management policies, procedures, systems and processes. This will continue to completion in 2018-19.

### 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 wider constituency.

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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.

**Simon Ward**

Chair, on behalf of the Board

20 August 2018



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

for the year ended 31 March 2018

We have audited the financial statements of Saint Catherine's Hospice Trust (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the consolidated and parent company statement of financial activities, the consolidated and parent company balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable group's and the parent charitable company's affairs as at 31 March 2018 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.

### Basis for opinion

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

### Conclusions relating to going concern

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

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

### Other information

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

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

We have nothing to report in this regard.

### Opinions on other matter prescribed by the Companies Act 2006

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

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

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

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

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:

- adequate and sufficient accounting records have not been kept by the parent company, or returns adequate for our audit have not been received
- the parent 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.

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

**for the year ended 31 March 2018**

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees (who are also the directors of the parent company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditor's responsibilities for the audit of the financial statements**

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

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

### **Use of our report**

This report is made solely to the charitable group's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's trustees, as a body, in accordance 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 group's members and the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable group, the charitable group's members as a body, and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Sarah-Jane Sargent (Senior Statutory Auditor)  
for and on behalf of Moore Stephens  
Statutory Auditors  
Chartered Accountants  
12-13 Alma Square  
Scarborough YO11 1JU

21 August 2018

Moore Stephens is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under 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 2018

	Note	Continuing operations		
		Unrestricted funds	Restricted funds	Total funds
		£	£	2018
				2017
				£
<b>Income and endowments from:</b>				
<b>Donations and legacies:</b>				
Legacies notified		1,017,087	65,845	1,082,932
Donations		343,878	42,659	386,537
General trusts and foundations		52,970	53,497	106,467
Fundraising income		150,982	-	150,982
<b>Other trading activities:</b>				
Special events		231,419	-	231,419
Charity shops		981,307	-	981,307
Room hire		4,597	-	4,597
Support services		48,662	-	48,662
Scarborough Hospice Sales Ltd	9	60,285	-	60,285
Saint Catherine's Hospice Lottery Ltd	9	324,345	-	324,345
<b>Investments</b>	2	104,098		104,098
<b>Charitable activities:</b>				
Contract income		1,357,341	569,638	1,926,979
Education course income		59,793	-	59,793
<b>Other Income</b>				
Gain on disposal of fixed assets		-	-	-
<b>Total income</b>		4,736,764	731,639	5,468,403
<b>Expenditure on:</b>				
<b>Raising funds:</b>				
Costs of generating voluntary income		284,917	-	284,917
Fund raising trading		967,034	-	967,034
Investment management costs		20,232	-	20,232
Scarborough Hospice Sales Ltd	9	28,730	-	28,730
Saint Catherine's Hospice Lottery Ltd	9	168,557	-	168,557
<b>Charitable activities</b>		3,933,497	665,239	4,598,736
<b>Other expenditure:</b>				
Loss on disposal of fixed assets		1,937		1,937
<b>Total expenditure</b>		5,404,904	665,239	6,070,143
<b>Net gains/(losses) on investments</b>		1,645	-	1,645
<b>Net income/(expenditure)</b>		(666,495)	66,400	(600,095)
<b>Transfers between funds</b>		-	-	-
<b>Net movement in funds</b>		(666,495)	66,400	(600,095)
<b>Reconciliation of funds:</b>				
<b>Total funds brought forward</b>		9,564,859	12,143	9,577,002
<b>Total funds carried forward</b>		8,898,364	78,543	8,976,907

### 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 2018

		Continuing operations			
	Note	Unrestricted funds	Restricted funds	Total funds 2018	Total funds 2017
		£	£	£	£
<b>Income and endowments from:</b>					
<b>Donations and legacies:</b>					
Legacies notified		1,017,087	65,845	1,082,932	1,060,610
Donations		343,878	42,659	386,537	472,068
General trusts and foundations		52,970	53,497	106,467	63,243
Fundraising income		150,982	-	150,982	177,554
<b>Other trading activities:</b>					
Special events		231,419	-	231,419	229,722
Charity shops		981,307	-	981,307	884,920
Room hire		4,597	-	4,597	6,031
Support Services		59,184	-	59,184	74,465
<b>Investments:</b>					
Investments	2	105,348	-	105,348	122,591
Scarborough Hospice Sales Ltd	9	19,782	-	19,782	10,892
Saint Catherine's Hospice Lottery Ltd	9	155,788	-	155,788	151,428
<b>Charitable activities:</b>					
Contract income		1,357,341	569,638	1,926,979	1,957,927
Education course income		59,793	-	59,793	62,131
<b>Other Income</b>					
Gain on disposal of fixed assets		-	-	-	3,540
<b>Total income</b>		<b>4,539,476</b>	<b>731,639</b>	<b>5,271,115</b>	<b>5,277,122</b>
<b>Expenditure on:</b>					
<b>Raising funds:</b>					
Costs of generating voluntary income		284,917	-	284,917	259,379
Fund raising trading		967,034	-	967,034	926,912
Investment management costs		20,232	-	20,232	19,896
<b>Charitable activities</b>		<b>3,933,497</b>	<b>665,239</b>	<b>4,598,736</b>	<b>4,752,782</b>
<b>Other expenditure:</b>					
Loss on disposal of fixed assets		1,937		1,937	-
<b>Total expenditure</b>	4	<b>5,207,617</b>	<b>665,239</b>	<b>5,872,856</b>	<b>5,958,969</b>
<b>Net gains/(losses) on investments</b>		<b>1,645</b>	<b>-</b>	<b>1,645</b>	<b>263,569</b>
<b>Net income/(expenditure)</b>		<b>(666,496)</b>	<b>66,400</b>	<b>(600,096)</b>	<b>(418,278)</b>
<b>Transfers between funds</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net movement in funds</b>		<b>(666,496)</b>	<b>66,400</b>	<b>(600,096)</b>	<b>(418,278)</b>
<b>Reconciliation of funds:</b>					
<b>Total funds brought forward</b>		<b>9,562,843</b>	<b>12,143</b>	<b>9,574,986</b>	<b>9,993,265</b>
<b>Total funds carried forward</b>		<b>8,896,347</b>	<b>78,543</b>	<b>8,974,890</b>	<b>9,574,987</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 2018

	Note	Group		Parent	
		2018 £	2017 £	2018 £	2017 £
<b>Fixed assets</b>					
Tangible assets	8	5,489,818	5,745,196	5,487,321	5,745,084
Investments	9	2,377,153	2,669,263	2,377,154	2,669,264
		<u>7,866,971</u>	<u>8,414,459</u>	<u>7,864,475</u>	<u>8,414,348</u>
<b>Current assets</b>					
Inventories	10	23,974	25,132	19,291	19,704
Debtors		319,896	334,172	415,586	388,710
Cash at bank and in hand		1,182,479	1,220,422	1,012,763	1,075,544
		<u>1,526,349</u>	<u>1,579,726</u>	<u>1,447,640</u>	<u>1,483,958</u>
<b>Creditors: amounts falling due within one year</b>	11	416,413	417,183	337,225	323,319
<b>Net current assets</b>		<u>1,109,936</u>	<u>1,162,543</u>	<u>1,110,415</u>	<u>1,160,639</u>
<b>Total assets less current liabilities</b>		<u><u>8,976,907</u></u>	<u><u>9,577,002</u></u>	<u><u>8,974,890</u></u>	<u><u>9,574,987</u></u>
<b>Funds</b>					
Unrestricted income funds	13	8,898,364	9,564,859	8,896,347	9,562,844
Restricted income funds		78,543	12,143	78,543	12,143
		<u><u>8,976,907</u></u>	<u><u>9,577,002</u></u>	<u><u>8,974,890</u></u>	<u><u>9,574,987</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 20 August 2018.

S Ward  
Chair

M Middlebrook  
Deputy Chair

# SAINT CATHERINE'S HOSPICE TRUST

(Limited by Guarantee)

## Consolidated statement of cash flows

for the year ended 31 March 2018

	Note	2018 £	2018 £	2017 £	2017 £
<b>Cash flows from operating activities:</b>					
Net cash provided by (used in) operating activities	(a)	(424,116)		(460,566)	
Interest paid		<u>-</u>		<u>-</u>	
<b>Net cash provided by (used in) operating activities</b>			(424,116)		(460,566)
<b>Cash flows from investing activities:</b>					
Dividends, interest and rents from investments		99,579		110,965	
Proceeds from the sale of property, plant and equipment		-		3,540	
Purchase of property, plant and equipment		(11,681)		(103,376)	
Proceeds from sale of investments		487,977		386,449	
Purchase of investments		(194,221)		(395,848)	
Interest received		<u>4,519</u>		<u>11,626</u>	
<b>Net cash provided by (used in) investing activities</b>			386,173		13,356
<b>Change in cash and cash equivalents in the reporting period</b>			<u>(37,943)</u>		<u>(447,210)</u>
<b>Cash and cash equivalents at the beginning of the reporting period</b>			<u>1,220,422</u>		<u>1,667,632</u>
<b>Cash and cash equivalents at the end of the reporting period</b>			<u><u>1,182,479</u></u>		<u><u>1,220,422</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	2018	2017
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(600,095)	(418,278)
Adjustments for:		
Depreciation charges	265,121	251,063
(Gains)/losses on investments	(1,645)	(263,569)
(Gains)/losses on disposal of fixed assets	1,937	(3,540)
Interest received	(4,519)	(11,626)
Dividends, interest and rents from investments	(99,579)	(110,965)
(Increase)/decrease in stocks	1,158	6,693
(Increase)/decrease in debtors	14,276	107,665
Increase/(decrease) in creditors	(770)	(18,009)
Net cash provided by (used in) operating activities	<u>(424,116)</u>	<u>(460,566)</u>
(b) Cash and cash equivalents	2018	2017
	£	£
Cash in hand	1,182,479	1,220,422
Other non cash movements	-	-
Total cash and cash equivalents	<u>1,182,479</u>	<u>1,220,422</u>

## Notes to the accounts

for the year ended 31 March 2018

### 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 2018

### 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.

#### 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.

#### Critical accounting estimates and assumptions

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful lives and residual values of the assets. The assumptions used regarding useful economic lives and residual values are assessed annually. They are amended when necessary to reflect current estimates based on market conditions and physical conditions of the assets.

# SAINT CATHERINE'S HOSPICE TRUST

(Limited by Guarantee)

## Notes to the accounts

for the year ended 31 March 2018

2	Investment income	Group		Parent	
		2018	2017	2018	2017
		£	£	£	£
	Bank interest	4,519	11,626	4,519	11,626
	Dividends	89,354	100,150	89,354	100,150
	Interest	-	1,000	1,250	1,000
	Rental income	10,225	9,815	10,225	9,815
		<u>104,098</u>	<u>122,591</u>	<u>105,348</u>	<u>122,591</u>
3	Staff costs and numbers	Group			
		2018	2017		
		£	£		
	Wages and salaries	3,999,397	4,002,648		
	Social security costs	317,220	326,415		
	Pension costs	247,833	264,689		
	Other employee benefits	623	4,098		
		<u>4,565,073</u>	<u>4,597,850</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 £142,734 (2017 - £68,528). 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 Team which following the organisational restructure in December 2017 now comprises the Chief Executive and 3 other senior management staff, who are the Fundraising and Marketing Director, Medical Director and Clinical Services Director. From April to December 2017, the Executive Team comprised of the senior staff mentioned and in addition four Heads of Service. The total employee benefits of the key management personnel since their appointments to the respective teams were £497,637 (2017 - £523,792).

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

	2018	2017
£60,000 - £70,000	2	1
£70,000 - £80,000	1	1
£80,000- £90,000	1	1
£90,000 - £100,000	-	-
Over £100,000	<u>-</u>	<u>-</u>

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

	2018	2017
	No.	No.
Ancillary staff	47	48
Administrative staff	29	28
Patient care	134	147
Shop staff	29	28
	<u>239</u>	<u>251</u>

The comparatives have been updated to correctly include casual employees.

# SAINT CATHERINE'S HOSPICE TRUST

(Limited by Guarantee)

## Notes to the accounts

for the year ended 31 March 2018

### 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>	190,598	478,298	1,695,092	358,435	1,116,563	3,838,986
External labour	<i>Direct</i>	-	-	9,213	1,739	7,177	18,129
Transport	<i>Direct</i>	36	25,143	2,710	796	26,677	55,362
Training	<i>Direct</i>	-	-	-	-	90	90
Premises	<i>Floor area</i>	-	230,474	1,477	2,071	-	234,022
Consumables	<i>Direct</i>	2,916	69,961	118,344	31,463	963	223,647
Maintenance	<i>Direct</i>	1,589	9,863	30,971	4,119	-	46,542
Publicity	<i>Direct</i>	28,035	-	-	-	-	28,035
Sundries	<i>Direct</i>	1,186	6,524	1,119	906	-	9,735
Professional fees	<i>Direct</i>	608	11,149	2,143	429	1,714	16,043
Depreciation	<i>Usage</i>	643	21,545	31,978	13,535	-	67,701
<b>Support costs</b>							
Salaries	<i>Staff time</i>	26,229	49,249	220,083	48,072	66,584	410,217
Transport	<i>Usage</i>	934	1,755	7,840	1,713	2,372	14,614
Training	<i>Usage</i>	1,870	3,511	15,690	3,427	4,747	29,245
Premises	<i>Floor area</i>	5,747	10,791	48,221	10,533	14,589	89,881
Consumables	<i>Usage</i>	3,189	5,988	26,759	5,845	8,096	49,877
Maintenance	<i>Usage</i>	3,733	7,010	31,325	6,842	9,477	58,387
Publicity	<i>Usage</i>	-	-	-	-	-	-
Sundries	<i>Usage</i>	79	148	660	144	200	1,231
Professional fees	<i>Usage</i>	4,517	8,482	37,902	8,279	11,467	70,647
Depreciation	<i>Usage</i>	11,580	21,743	97,162	21,223	29,396	181,104
Governance	<i>Usage</i>	1,428	5,400	11,985	2,618	7,301	28,732
<b>Total</b>		<b>284,917</b>	<b>967,034</b>	<b>2,390,674</b>	<b>522,189</b>	<b>1,307,413</b>	<b>5,472,227</b>

	Sub total b/f	BSS	Education	Investment	Total 2018	Total 2017
	£				£	£
<b>Direct costs</b>						
Salaries	3,838,986	176,688	89,185	-	4,104,859	4,226,204
External labour	18,129	9,415	-	-	27,544	32,173
Transport	55,362	5,649	-	-	61,011	71,822
Training	90	-	3,599	-	3,689	300
Premises	234,022	-	-	-	234,022	203,195
Consumables	223,647	852	10,728	-	235,227	260,979
Maintenance	46,542	-	917	-	47,459	89,134
Publicity	28,035	-	-	-	28,035	22,173
Sundries	9,735	2,329	319	-	12,383	12,124
Professional fees	16,043	-	-	16,023	32,066	30,788
Depreciation	67,701	-	-	-	67,701	64,482
<b>Support costs</b>						
Salaries	410,217	22,663	12,178	1,863	446,921	359,131
Transport	14,614	807	434	66	15,921	12,240
Training	29,245	1,616	868	133	31,862	39,619
Premises	89,881	4,966	2,668	408	97,923	89,427
Consumables	49,877	2,755	1,481	226	54,339	95,562
Maintenance	58,387	3,226	1,733	265	63,611	41,613
Publicity	-	-	-	-	-	-
Sundries	1,231	68	38	4	1,341	24,449
Professional fees	70,647	3,903	2,097	321	76,968	69,483
Depreciation	181,104	10,005	5,376	822	197,307	186,238
Governance	28,732	1,234	663	101	30,730	27,833
<b>Total</b>	<b>5,472,227</b>	<b>246,176</b>	<b>-</b>	<b>132,284</b>	<b>-</b>	<b>20,232</b>
					<b>5,870,919</b>	<b>5,958,969</b>

Governance costs above include salaries of £13,294 (2017: £12,515).

\* BSS = Bereavement Support Service

# SAINT CATHERINE'S HOSPICE TRUST

(Limited by Guarantee)

## Notes to the accounts

for the year ended 31 March 2018

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

	Unrestricted funds £	Restricted funds £	Total funds 2017 £
<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	58,413	-	58,413
Saint Catherine's Hospice Lottery Ltd	365,128	-	365,128
<b>Investments</b>	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>	<b>4,806,411</b>	<b>711,255</b>	<b>5,517,666</b>
<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	26,844		26,844
Saint Catherine's Hospice Lottery Ltd	213,700		213,700
<b>Charitable activities</b>	4,079,334	673,447	4,752,781
<b>Total expenditure</b>	<b>5,526,066</b>	<b>673,447</b>	<b>6,199,513</b>
<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)	-
<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>	<b>9,564,858</b>	<b>12,143</b>	<b>9,577,002</b>

# SAINT CATHERINE'S HOSPICE TRUST

(Limited by Guarantee)

## Notes to the accounts

for the year ended 31 March 2018

### 6 Comparative for the Statement of Financial Activity

	Unrestricted funds £	Restricted funds £	Total funds 2017 £
<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	74,465		74,465
<b>Investments:</b>			-
Investments	122,591		122,591
Scarborough Hospice Sales Ltd	10,892		10,892
Saint Catherine's Hospice Lottery Ltd	151,428		151,428
<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>	<b>4,565,867</b>	<b>711,255</b>	<b>5,277,122</b>
<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
<b>Charitable activities</b>	<b>4,079,334</b>	<b>673,447</b>	<b>4,752,781</b>
<b>Total expenditure</b>	<b>5,285,522</b>	<b>673,447</b>	<b>5,958,969</b>
<b>Net gains/(losses) on investments</b>	<b>263,569</b>	<b>-</b>	<b>263,569</b>
<b>Net income/(expenditure)</b>	<b>(456,086)</b>	<b>37,808</b>	<b>(418,278)</b>
<b>Transfers between funds</b>	<b>38,114</b>	<b>(38,114)</b>	<b>-</b>
<b>Net movement in funds</b>	<b>(417,972)</b>	<b>(307)</b>	<b>(418,278)</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>Total funds carried forward</b>	<b>9,562,843</b>	<b>12,143</b>	<b>9,574,987</b>

# SAINT CATHERINE'S HOSPICE TRUST

(Limited by Guarantee)

## Notes to the accounts

for the year ended 31 March 2018

### 7 Operating leases

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

	Group		Parent	
	2018	2017	2018	2017
	£	£	£	£
On land and buildings:				
Within one year	130,055	149,386	130,055	149,386
Within two to five years	311,125	396,094	311,125	396,094
Over five years	193,000	257,004	193,000	257,004
	<u>634,180</u>	<u>802,484</u>	<u>634,180</u>	<u>802,484</u>
On other assets:				
Within one year	17,004	17,004	17,004	17,004
Within two to five years	25,800	42,804	25,800	42,804
	<u>42,804</u>	<u>59,808</u>	<u>42,804</u>	<u>59,808</u>

Included within the statement of financial activities are operating lease rentals of £166,390 (2017 - £173,688).

### 8 Tangible assets

Group	Freehold land & buildings	Short leasehold property	Fixtures fittings, tools & equipment	Motor vehicles	Total
Cost	£	£	£	£	£
As at 31.03.17	7,983,066	-	791,953	87,073	8,862,092
Additions	-	-	8,881	2,800	11,681
Disposals	-	-	(189,341)	-	(189,341)
As at 31.03.18	<u>7,983,066</u>	<u>-</u>	<u>611,493</u>	<u>89,873</u>	<u>8,684,432</u>
<b>Depreciation</b>					
As at 31.03.17	2,403,419	-	635,161	78,316	3,116,896
Provided in year	194,696	-	66,888	3,537	265,121
Disposals	-	-	(187,403)	-	(187,403)
As at 31.03.18	<u>2,598,115</u>	<u>-</u>	<u>514,646</u>	<u>81,853</u>	<u>3,194,614</u>
<b>Net book value</b>					
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>
As at 31.03.18	<u>5,384,951</u>	<u>-</u>	<u>96,847</u>	<u>8,020</u>	<u>5,489,818</u>
Parent	Freehold land & buildings	Short leasehold property	Fixtures fittings, tools & equipment	Motor vehicles	Total
Cost	£	£	£	£	£
As at 31.03.17	7,983,066	-	782,184	87,073	8,852,323
Additions	-	-	6,382	2,800	9,182
Disposals	-	-	(186,946)	-	(186,946)
As at 31.03.18	<u>7,983,066</u>	<u>-</u>	<u>601,620</u>	<u>89,873</u>	<u>8,674,559</u>
<b>Depreciation</b>					
As at 31.03.17	2,403,419	-	625,504	78,316	3,107,239
Provided in year	194,696	-	66,774	3,537	265,007
Disposals	-	-	(185,008)	-	(185,008)
As at 31.03.18	<u>2,598,115</u>	<u>-</u>	<u>507,270</u>	<u>81,853</u>	<u>3,187,238</u>
<b>Net book value</b>					
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>
As at 31.03.18	<u>5,384,951</u>	<u>-</u>	<u>94,350</u>	<u>8,020</u>	<u>5,487,321</u>

# SAINT CATHERINE'S HOSPICE TRUST

(Limited by Guarantee)

## Notes to the accounts

for the year ended 31 March 2018

### 9 Fixed asset investments

	Subsidiary undertakings (at cost) £	Group Listed investments (at valuation) £	Parent Total £
<b>Cost or valuation</b>			
As at 31.03.17	1	2,669,263	2,669,264
Additions	-	194,221	194,221
Disposals	-	(490,863)	(490,863)
Revaluation surplus/(deficit)	-	4,532	4,532
As at 31.03.18	1	2,377,153	2,377,154
<b>Provisions</b>			
As at 31.03.17	-	-	-
Provided in year	-	-	-
As at 31.03.18	-	-	-
<b>Net book value</b>			
As at 31.03.17	1	2,669,263	2,669,264
As at 31.03.18	1	2,377,153	2,377,154
Original cost of assets stated at valuation		1,979,576	
The listed investments portfolio at 31 March 2018 is as follows:-		£	%
Fixed interest - United Kingdom		315,896	13.3%
Equities - United Kingdom		1,532,973	64.5%
- Overseas		298,624	12.6%
Property - United Kingdom		105,315	4.4%
Infrastructure - United Kingdom		124,345	5.2%
		2,377,153	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	2018 £	2017 £
Revenue	60,285	58,413
Cost of sales	(31,058)	(39,154)
Gross profit	29,227	19,259
Administrative expenses	(8,194)	(7,367)
Operating profit	21,033	11,892
Charitable donations - Saint Catherine's Hospice Trust	(19,783)	(10,892)
Interest payable and similar expense	(1,250)	(1,000)
Profit on ordinary activities before taxation	-	-
Tax on profit on ordinary activities	-	-
Profit for the financial year	-	-
Assets	24,829	21,991
Liabilities	(23,823)	(20,985)
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 2018

### Saint Catherine's Hospice Lottery Limited

	£	£
Revenue	324,345	365,128
Cost of sales	(99,150)	(102,075)
Gross profit	225,195	263,053
Administrative expenses	(69,407)	(111,625)
Charitable donations - Saint Catherine's Hospice Trust	(155,788)	(151,428)
Profit on ordinary activities before taxation	-	-
Tax on profit on ordinary activities	-	-
Profit for the financial year	-	-
Assets	152,663	134,074
Liabilities	(151,652)	(133,063)
Net assets	1,011	1,011
Represented by:		
Capital	1	1
Reserves	1,010	1,010
	1,011	1,011

	Group		Parent	
	2018	2017	2018	2017
	£	£	£	£
<b>10 Debtors: amounts due within one year</b>				
Trade debtors	49,934	38,466	49,934	33,178
Amounts owed by subsidiary companies	-	-	96,287	60,184
Other debtors	23,038	28,943	23,038	28,943
Prepayments	56,951	29,097	56,354	28,739
Accrued income	189,973	237,666	189,973	237,666
	<u>319,896</u>	<u>334,172</u>	<u>415,586</u>	<u>388,710</u>

	Group		Parent	
	2018	2017	2018	2017
	£	£	£	£
<b>11 Creditors: amounts falling due within one year</b>				
Trade creditors	67,664	69,634	64,446	63,478
Amounts owed to subsidiary companies	-	-	-	-
Taxation and social security	76,045	94,454	76,045	90,401
Other creditors	11,873	17,465	9,367	13,065
Accruals	158,907	152,563	152,204	144,895
Deferred income	101,924	83,067	35,163	11,480
	<u>416,413</u>	<u>417,183</u>	<u>337,225</u>	<u>323,319</u>

### Deferred income reconciliation

Balance brought forward	83,067	116,014	11,480	32,977
Amount released to the SOFA	(83,067)	(116,014)	(11,480)	(32,977)
Amount deferred in the year	101,924	83,067	35,163	11,480
Balance carried forward	<u>101,924</u>	<u>83,067</u>	<u>35,163</u>	<u>11,480</u>



# SAINT CATHERINE'S HOSPICE TRUST

(Limited by Guarantee)

## Notes to the accounts

for the year ended 31 March 2018

### 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.

	2018 £	2017 £
Defined contribution schemes	76,172	76,357
NHS Scheme	171,661	190,173
	<u>247,833</u>	<u>266,530</u>

Pension contributions amounting to £9,351 (2017 - £11,241) were payable to the defined contribution schemes and £21,751 (2017 - £25,789) were payable to the NHS fund as at the year end. These amounts are included in creditors.

	At 31 March 2018 £	Movement in resources			At 31 March 2017 £
		Transfers £	Incoming £	Outgoing £	
<b>Unrestricted funds</b>					
General fund	<u>8,898,364</u>	-	4,736,764	(5,403,259)	<u>9,564,859</u>
<b>Restricted funds</b>					
Drugs and pharmacy services grant	-	-	34,984	(34,984)	-
Restricted legacies	65,845	-	65,845	-	-
Restricted contract income	-	-	569,638	(569,638)	-
Restricted donations	6,857	-	7,675	(3,684)	2,866
Restricted trust funds	<u>5,841</u>	-	<u>53,497</u>	<u>(56,933)</u>	<u>9,277</u>
	<u>78,543</u>	-	<u>731,639</u>	<u>(665,239)</u>	<u>12,143</u>
<b>Total funds</b>	<u>8,976,907</u>	-	<u>5,468,403</u>	<u>(6,068,498)</u>	<u>9,577,002</u>

Restricted contract income relates to £129,275 received for the End of Life beds project, £168,742 for the Care Home Project Funding, £240,048 for Hospice at Home Project and £31,537 for Lymphodema services.

Restricted trust fund income includes £18,197 received to be spent on the Ryedale Day Hospice, £10,000 received to be spent on the Hospice at Home projects, £10,000 received to be spent on IPU renovation work, and various other trust fund income received for specific restricted purposes.

Restricted legacy income includes £15,845 received to be spent on the Hospice at Home projects and £50,000 received to be spent on medical equipment.

### 14 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total funds £
Fund balances are represented by:			
Tangible fixed assets	5,489,818	-	5,489,818
Investments	2,377,153	-	2,377,153
Cash at bank and in hand	1,103,936	78,543	1,182,479
Other net current assets/(net current liabilities)	(72,543)	-	(72,543)
	<u>8,898,364</u>	<u>78,543</u>	<u>8,976,907</u>

# SAINT CATHERINE'S HOSPICE TRUST

(Limited by Guarantee)

## Notes to the accounts

for the year ended 31 March 2018

### 15 Related party transactions

The total amount of donations received without conditions from trustees and other related parties was £2,984 (2017 - 2,652).

### 16 Auditors' remuneration

	Group		Parent	
	2018	2017	2018	2017
	£	£	£	£
Audit	14,820	14,465	8,750	7,000
Accountancy, taxation and other services	10,477	8,739	7,250	5,499
	<u>25,297</u>	<u>23,204</u>	<u>16,000</u>	<u>12,499</u>

### 17 Capital commitments

	Group		Parent	
	2018	2017	2018	2017
	£	£	£	£
Contracted for but not provided in the accounts	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

### 18 Financial assets and liabilities

	Group	
	2018	2017
Financial assets measured at fair value through profit & loss	<u>2,377,153</u>	<u>2,669,263</u>
Financial assets measured at amortised cost	<u>49,934</u>	<u>38,466</u>
Financial liabilities measured at amortised cost	<u>238,444</u>	<u>239,662</u>

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

Financial assets measured at amortised cost comprise trade debtors.

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