

St Gemma's Hospice

# Report and Financial Statements

31 March 2016



Charity Registration No. 1015941  
Company Registration No. 02773867





# Contents

Reference and Administrative Information .....	4
Trustees' Report .....	6
Trustees' Responsibilities Statement .....	25
Independent Auditor's Report .....	26
Consolidated Statement of Financial Activities .....	27
Balance Sheets .....	29
Consolidated Cash Flow Statement .....	30
Statement of Accounting Policies .....	31
Notes to the Group Financial Statements .....	34



# Reference and administrative information

---

## Charity Name

St Gemma's Hospice

## Charity Registration Number

1015941

## Company Registration Number

02773867

## Registered Office

329 Harrogate Road  
Moortown  
Leeds  
LS17 6QD

## Patrons

The Right Rev Marcus Stock, Roman Catholic Bishop of Leeds  
The Right Rev Nick Baines, Anglican Bishop of Leeds  
Professor Gerald Richards  
Mr Tom Riordan  
The Earl and Countess of Harewood  
Mr Arif Ahmad  
Mr Peter Hartley, CBE (Retired 14 April 2016)

## Bankers

HSBC Bank plc  
108 Harrogate Road  
Leeds  
LS7 4NU

## Investment Advisers

Investec Wealth and Investment  
2 Gresham Street  
London  
EC2V 7QN

## Auditor

Deloitte LLP  
Chartered Accountants and Registered Auditor  
1 City Square  
Leeds  
LS1 2AL



## Hospice Leadership Team

**Kerry Jackson**  
Chief Executive



**Cath Miller**  
Director of Nursing  
& Deputy Chief Executive



**Jason Kirk**  
Director of Corporate Services  
& Company Secretary



**Tracy Dick**  
Director of Income Generation



**Dr Mike Stockton**  
Consultant in Palliative Medicine  
& Director of Medicine

## Board of Trustees

**Rebecca Weinberg**  
Chair of the Board  
Member of the Clinical Governance Committee  
(to 8 March 2016)  
Member of the Corporate Governance Committee

**Dr Peter Belfield**  
Deputy Chair of the Board  
Chair of the Corporate Governance Committee  
Member of the Clinical Governance Committee  
(to 8 March 2016)

**Arif Ahmad**  
(Resigned 19 January 2016)

**Sr Christine Alderson CP**

**Sue Ansbro**  
Member of the Finance & Business Committee

**Dr Elizabeth Carmody**  
Member of the Clinical Governance Committee

**Debra Fairley**  
(Appointed 19 January 2016)  
Member of the Clinical Governance Committee

**Sr Eileen Fucito CP**

**Professor Philip Hopkins**  
Member of the Clinical Governance Committee

**Angus Martin**  
Member of the Finance & Business Committee

**Colin Millar**  
Chair of the Finance & Business Committee  
Member of the Corporate Governance Committee

**Sr Maire O'Sullivan CP**

**June Toovey**  
Chair of the Clinical Governance Committee  
Member of the Corporate Governance Committee

**Sr Marguerita Traynor CP**

# Trustees' Report

---

## Our Vision:

The needs of people living with a terminal illness and those close to them are met with care, compassion and skill

## Our Purpose:

St Gemma's Hospice acknowledges the value of life and the importance of dignity in death. We provide and promote the highest quality palliative and end of life care, education and research

## Our Values:

**Caring** - Treating each person with kindness, empathy, compassion and respect

**Aspiring** - Continually learning and developing; striving for excellence in everything we do

**Professional** - Delivering high standards through team work, a skilled workforce and good governance

## Our Strategic Objectives:

### Patients

Deliver high quality, equitable services that meet the palliative and end of life care needs of the people of Leeds and support carers and the bereaved.

### Research & Development

Improve care locally, nationally and internationally for those approaching end of life through integrated research, teaching and learning.

### People

Build a high performing workforce operating in a culture of engagement, innovation and development.

### Operations

Deliver physical environments and support services that are safe, suitable and facilitate effective performance.

### Finance & Efficiency

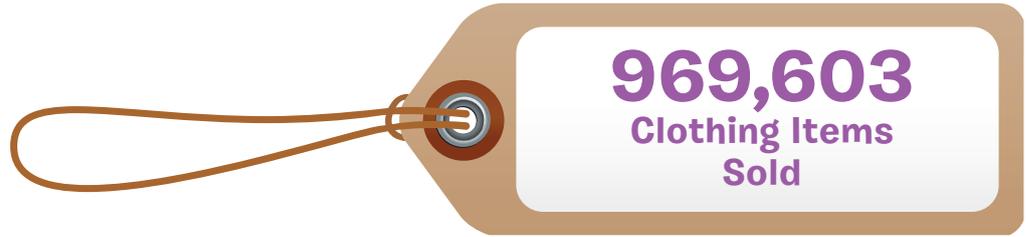
Secure a sustainable financial future with funding from a diverse range of income sources and services delivered efficiently and effectively.

# Strategic Highlights 2015/16

10,611



Facebook Followers



1,962  
Patient Referrals

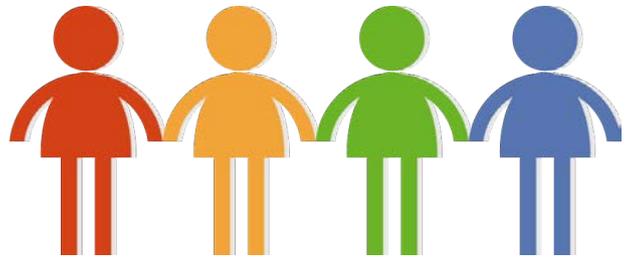


5,456  
Community Consultations

92  
GPs Trained



£9.5m  
Income



247  
Staff Members



24,000  
Patient Meals Provided

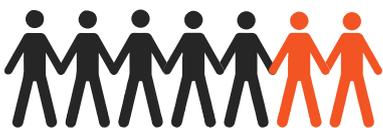
127,184  
Website Visits



5,300  
Twitter Followers



129,177  
Volunteer Hours



77% : 23%  
Cancer : Non Cancer Split  
(New Referrals)



2,617  
Bereavement Sessions

# Report of the Trustees

## For the year ending 31 March 2016



*Rebecca Weinberg,  
Chair of the Board*

The Trustees are pleased to present their annual report together with the consolidated financial statements of the charity and its subsidiary for the year ending 31 March 2016.

The financial statements comply with the Charities Act 2011, the Companies Act 2006 and the Charities Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard (FRS102).

## Strategic Report

St Gemma's Hospice is a registered charity. The Charity's objectives as set out in the company's Memorandum and Articles of Association are:

- The palliative care, treatment or relief of people with active, progressive and advanced illness without regard to their means, culture, faith or belief at St Gemma's Hospice in Leeds and such other places as the Charity thinks fit and in the community;
- The relief of those who have experienced loss and bereavement, in particular families, friends and carers, through the provision of counselling, advice and support; and
- The provision of education and training for professionals and volunteers engaged in palliative care.

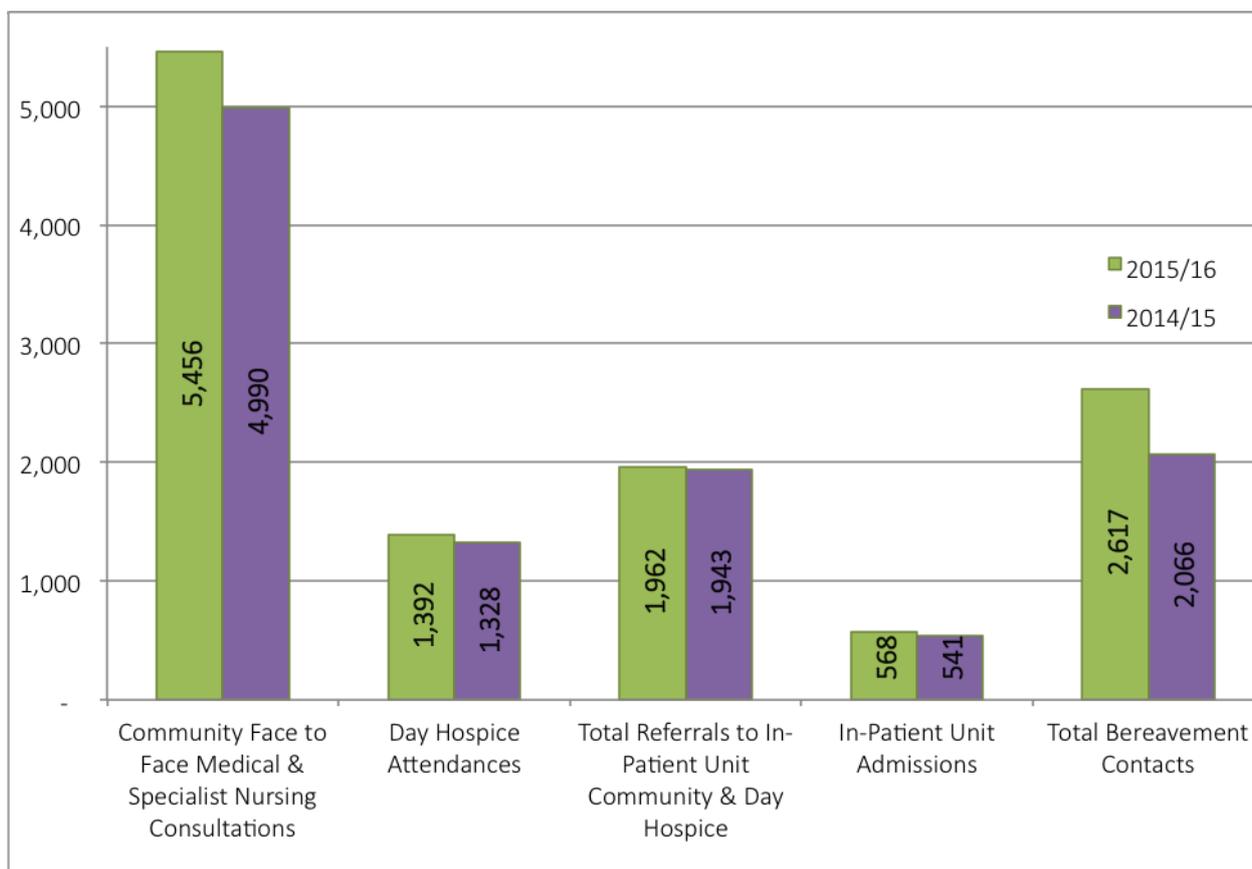
The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives of the Hospice and in planning future activities which are set out in this report.

The Hospice benefits the public by providing all its services free of charge to patients, families, friends and carers living in its catchment area.

St Gemma's Hospice provides and promotes the highest quality palliative and end of life care, education and research. We care for people with a terminal illness and we support those close to them, including children and young people.

Our values of caring, aspiring and professional are at the heart of our services, recognising and respecting the dignity of each person. Our services are open to people over the age of 18 regardless of race, religion, sexual orientation, age or diagnosis. St Gemma's not only provides care for cancer sufferers, but also for people with other illnesses including neurological conditions such as motor neurone disease, and end stage respiratory and heart disease.

Our services are provided free of charge to patients, families, friends and carers but they are not free to provide. Most of our funding comes from the incredible generosity of our local community and includes fundraising, legacies, retail activities and donations. Grant funding is also provided by the Leeds NHS Clinical Commissioning Groups (CCGs) which, inclusive of non-recurrent project funding, represents 28.6% of our total income in 2015/16 (main grant is 25.7% of total income). The Hospice uses a range of activity measures to monitor its charitable work:



We care for many patients in their own homes and in care homes; our catchment area for these community based services is the East of Leeds and surrounding towns and villages. Services provided in our 32-bed In-Patient Unit and our Day Services facilities are open to patients from across Leeds. We also accept in-patient referrals from across the UK where this meets the particular needs of the patient.

St Gemma's seeks to meet the unique individual needs of each user of Hospice services in a holistic way, enabling people to live every day as well as they can. Our specialist clinical team includes doctors, nurses, social workers, therapists, counsellors and chaplains. The clinical staff seek to control and alleviate symptoms such as pain and breathlessness, as well as supporting people's emotional and spiritual wellbeing.

Around 700 unpaid volunteers work alongside our 247 staff to deliver care and raise vital funds. Volunteers contribute to all areas of the Hospice, from providing bereavement support to manning the reception desk and helping us fundraise; without their continued support it would not be possible to offer the same high level of care.

Research and education within the St Gemma's Academic Unit of Palliative Care is at the core of our work, helping us to improve the quality of care within St Gemma's but also reaching further than our own direct service provision can. We train health and social care professionals in Leeds and across the wider region and our research has international influence.

# The Year Under Review

## Patients and Their Families

We measure the quality of our clinical care in a variety of ways including patient outcome measures, patient and family feedback, service evaluation and audit, patient safety incidents, benchmarking against other hospices, staff views and the findings of national and local reviews.

Demonstrating how St Gemma's makes a difference to patients and their families can be difficult. We receive many wonderful letters and cards which paint a rich picture of Hospice care. An example from our Community Service is as follows:

*“The Community Clinical Nurse Specialist visited Mum . She stayed a couple of hours, learned so much about my mum and gave us great information and advice. She was lovely with mum, and my sister and I were educated on things we know nothing about. How many drugs we could give her, when to discuss with the doctor if we upped her dose, where to get help with carers allowance, how to keep in touch, what we might expect. She followed up with a call three days later, and explained her holiday cover. She worked collaboratively with the district Nurse Team (many knew and loved her) and the doctor.*

*We only saw her once and spoke to her once but she made a big difference to us and our confidence.*

*In the end we had a lovely 9 days with our Mum. That was priceless to us.*

*We laughed. We cried.*

*We watched Emmerdale, three in a bed drinking sherry. She saw her friends for the last time sat serenely in her bed ringing her little bell for tea to be delivered. She died in her favourite place, her own bed, her own bedroom, in her own home. We are devastated but know she had the best death that she could have had.”*



This year we have introduced patient reported outcome measures to enhance our evidence of the difference hospice care makes to an individual in

terms of their symptoms and overall wellbeing. These outcome measures have helped us to demonstrate that St Gemma's care improves the quality of life for the vast majority of inpatients, usually at a time when their physical health status is deteriorating. They also allow us to identify areas where we can improve things immediately for patients and families.

Meeting a patient's clinical needs is vitally important, but care at St Gemma's is about meeting the needs of the whole person and the needs of the people around them. Holistic care is about listening to what matters to an individual; it is about people being able to see their pet from a Hospice bed, reuniting families long out of touch, arranging a wedding at the Hospice or welcoming bereaved children to a fun day.

## Managed Clinical Network (MCN)

Working closely with patients and families is at the core of our work. Collaborative working with other health and social care professionals in Leeds is also vitally important. St Gemma's hosts a new Managed Clinical Network of palliative and end of life care providers in Leeds. Organisations with experience of, and responsibility for, palliative and end of life care have made a collective decision to act together to do all we can to achieve for everyone what we would want for our own families. The Managed Clinical Network aims to facilitate strategic and operational collaboration between providers of health and social care services in Leeds in order to deliver the best possible palliative and end of life care for patients and families. The focus will be on patients and their families achieving the outcomes described in Ambitions for Palliative and End of life Care:

- Each person is seen as an individual;
- Each person gets fair access to care;
- Maximising comfort and wellbeing;
- Care is coordinated;
- All staff are prepared to care; and
- Each community is prepared to help.

## In-Patient Unit (IPU) Developments

Patient Safety has continued to be the focus for the Matron and the Senior Nursing team. This has resulted in a reduction in falls and pressure ulcers across the unit. The IPU, despite ongoing recruitment challenges, has increased the number of admissions and delivered a number of new projects this year. The Nurses with Special Interest Project is now in its second wave, with a total of eight projects ongoing. Nurses take on a specific project such as mouth care, continence, enteral feeding, pressure care or Motor Neurone Disease (MND). Each nurse has a detailed remit to provide information files, teaching and shared learning on their chosen topic. Our two Apprentice Healthcare Assistants will qualify in the next few months and take up their roles as Healthcare Assistants in Training while they complete the in-house competencies.

Our Assessment Pathway and End of Life Care documents have been reviewed and are being relaunched, following input from the Multi-Disciplinary Team (MDT). Senior Nurses have produced a document benchmarking nursing care at the end of life against three key national documents: National Institute for Health and Care Excellence (NICE) Guidance; Ambitions for Palliative and End of Life Care: A national framework for local action 2015-2020; and One Chance to get it right. This has produced an action plan for wider MDT discussion.

We have appointed a Nurse Consultant, a qualified non-medical prescriber who has led the establishment of four End of Life Care beds on the IPU, for patients who do not need specialist palliative care services but cannot or do not wish to remain at home or in hospital. The End of Life Care beds provide nurse led care and support to patients and families. Funding has been received from an Innovation for Improvement grant from the Health Foundation and the project is under ongoing evaluation.

In addition to the patient reported outcome measures outlined above, the Friends and Family and Carers' questionnaires have continued to provide excellent feedback on care, as have audio recordings of patient and family experiences.

## Community and Day Services Department

The Community Service has seen increasing levels of activity this past year, with the number of consultations increasing by 9%. The service is greatly valued by patients, families and professionals. Activity is being carefully monitored to ensure demand can be met.

The number of attendances to the Day Hospice continues to increase (up by 5%). This continues to be a highly valued service, acting as a place of safety for patients where they feel they can 'be themselves'. Patient needs are assessed, their medicines are reviewed and their care is actively coordinated.



The Clinical Nurse Specialists (CNSs) continue to enhance their knowledge and skills with the number of non-medical prescribers (NMP) increasing year on year. An exciting development this year is that the Day Hospice Sister is undertaking the NMP course and this will offer new opportunities in the service.

Team members have spoken at a Hospice UK conference that was hosted by St Gemma's, demonstrating the benefits NMPs provide for patients, families and health professionals.

The friends and family test was introduced to Day Hospice and this has provided some very positive feedback, including:

*"You've made me feel ten times better than when I first came."*

*"It's improved my confidence."*

*"You approach people in the right way, try to get people to look ahead with helpful hints to make life easier."*

Recruitment of Clinical Nurse Specialists has been a challenge, with national shortages in key clinical staffing areas. We have implemented alternative staffing models to support current service need, supporting our CNS workforce with increased numbers of Registered Nurses.

In 2014/15, working in partnership with other local healthcare organisations, we commissioned and supported four beds in Green Acres Nursing Home, dedicated to providing care to people near the end of their lives who do not wish to be in hospital and cannot go home. This was a pilot project which has in 2015/16 concluded. The pilot project showed that most patients were admitted from hospital; a higher proportion had a non-cancer diagnosis than our usual patient referrals; and generally patients were frail and elderly with multiple needs.

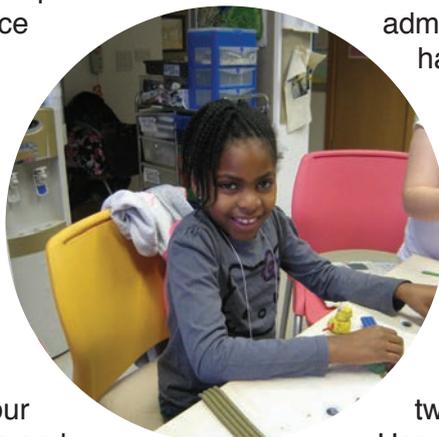
Feedback from patients, families, Green Acres staff, St Gemma's staff and the GP practice supporting the project was very positive, but with some key areas of learning. We are evaluating the project to inform future models of care.

### Clinical Support Services (CSS)

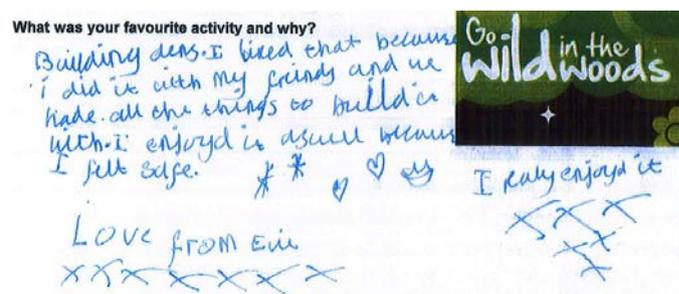
Clinical Support Services (CSS) encompass physiotherapy, occupational therapy, spiritual care, complementary therapy, dietetics and social work. The services have been central to the patient falls safety programme, which continued into 2015/16 and has demonstrated a 23% reduction in falls. There have been considerable staffing challenges in CSS which have impacted particularly on social work and physiotherapy.

Understanding our local population is fundamental to current and future service delivery. Clinical Support Services were successful in gaining funding from the Community Foundation to run a project in partnership with Leeds Involving People (LIP). The project will help the Hospice identify the palliative and end of life care needs of the population of LS7 and LS8 and then to take forward recommendations within the resources identified. The project will run over 18 months.

The Young People's Service has gone from strength to strength this year as we set out to increase the voice of the young people who use our service. We increased staffing levels and as a result were able to increase the number of contacts made by the team by more than 60%. In addition to one to one support sessions, the service has run a number of group events, including the setting up of a service user empowerment group, a teenage support group and running Days to Remember. Social group events for this year included weekend sailing, Christmas party, Laser Quest and Woodland Bushcraft.



What the young people told us about the events:



Our Young People's Service featured on the televised Children in Need appeal night, recognising the major impact it has on supporting young people when someone they love is dying and through bereavement.

The service continues to lead around safeguarding including education and training on Deprivation of Liberty Safeguards across the Hospice.

### Academic Unit of Palliative Care (AUPC)

Our Academic Unit of Palliative Care (AUPC), established in partnership with the University of Leeds, delivers research, learning and teaching and evidence based practice:

#### Research

Our largest research project, funded by the National Institute for Health Research (NIHR) and called IMPACCT, is looking at ways to reduce distress from cancer pain in palliative care patients and reduce the number of hospital admissions. A randomised controlled trial has opened in 7 sites across Yorkshire and Humber and is recruiting well. We completed another trial funded by NIHR called SMARTER (Self-Management of Analgesia and Related Treatments at the End of Life) in which we coordinated recruitment between two hospices in Hampshire and two in Yorkshire (St Michael's in Harrogate and St Andrew's in Grimsby). The research team based at the University of Leeds was also awarded competitive funding from Yorkshire Cancer Research to investigate the relationship between contact with palliative care services and improved outcomes at the end of life for patients with cancer. In addition, Dr Lucy Ziegler was awarded a prestigious 5-year Senior Research Fellowship from Yorkshire Cancer Research.

We plan to generate research funding for new projects as well as securing funding for ongoing areas of research. We aim to influence NHS commissioning decisions around research and continue to disseminate research through published papers and conference presentations.

### Learning and Teaching

The AUPC offers a comprehensive training programme for our own staff and volunteers and to individuals external to the Hospice. We are an active teaching Hospice and have hosted over 120 placements at the Hospice, including doctors and nurses. This year has seen the successful launch of the Postgraduate Certificate (PG) in Palliative Care (Masters Level) and there were 8 students undertaking the full PG Certificate and a further 13 taking individual modules and the new programme has been evaluated extremely well. We also delivered a palliative care module for pre-registration nursing students; 28 students completed this module. We hosted and provided training to health and social care professionals across the city, including district nurses, community staff nurses and care home staff. General Practitioner (GP) training on symptom management, effective communication and end of life care was provided to over 90 GPs and was well evaluated.

We also provide education to professionals across the region. We have taken over the running and delivery of the Yorkshire and Humber Advanced Communication Skills Course, training a range of different senior clinicians from hospital trusts, community services and hospices. We host a quarterly learning group which delivers evidence based teaching sessions for Specialist Medical Registrars and Medical Consultants across the region. St Gemma's has been working in collaboration with University of Bradford School of Dementia Studies and has provided peer facilitator training for staff in 6 hospices in the Yorkshire and Humber region, supporting them in training their own staff in looking after patients with dementia who access services.

### Evidence Based Practice

Our Evidence Based Practice Group has been relaunched and is involved in updating clinical guidelines and carrying out key clinical audits. As outlined above, the In-Patient Unit has implemented patient reported outcome measures

and is now routinely using four nationally validated measures and has recently implement a fifth, IPOS (Integrated Palliative Outcome Scale). This is being used weekly on ward rounds to identify issues from a patient perspective and enable the team to assess how effectively symptoms are addressed. The Community team has now assigned a dedicated member of staff to implement these outcome measures in our Community Services and Day Hospice.

### Environmental Improvements

We continue to invest in our estate and infrastructure to harness environmental benefits, ensure compliance with legislation and reduce costs. In January 2016, the ageing Building Management System (BMS) software was replaced to ensure the control and monitoring of heating, ventilation and water temperature was optimised across the Hospice. We replaced inefficient industrial washing machines with the latest 'smart' machines that can accept heavier loads, operate at lower temperatures and utilise less detergent. We have continued with our lighting upgrade programme with the introduction of timed zone lighting to the basement and corridors and the roll-out of more efficient LED lighting to the Dales Ward. The Hospice received a number of prestigious awards for its gardens during 2015/16. This included 3 gold awards in the Leeds in Bloom and Yorkshire in Bloom competitions. This underlines our commitment to create a cleaner and greener local environment that harnesses the talents of our volunteers and fosters strong community engagement.



## Hospice Quality Partnership (HQP)

During the year the Hospice became a shareholder in Hospice Quality Partnership Limited (Registered company number 09236150). This is a unique commercial collaboration between 53 partner hospices established to drive value for money and maximise resources that can be directed to front line services. This new partnership will contribute to our strategic objectives by generating economies of scale through collective procurement, provision of professional procurement advice and the creation of benchmarking information to support service improvements.

## Raising Funds

2015/16 was a challenging year for income generation but with the great support of the people of Leeds the team managed to raise the funds needed to keep the Hospice's vital services completely free of charge to patients and their families.

Over 600 companies supported St Gemma's by making donations, taking part in or organising their own events and volunteering their time to help with a variety of jobs around the Hospice. We are so appreciative of the support that companies give to the Hospice.

In November we held our biggest and most sparkly Winter Ball; over 750 people attended raising an amazing £62,841 for the Hospice.

We were delighted to welcome our new Hospice mascot, Gemma the Giraffe who will help by supporting St Gemma's with collections, events and raising money from schools; we think she will be a great asset to the team!

Our first Colour Run was held in September. It was a spectacular colour filled day with over 1,200 people taking part raising around £50,000 for the Hospice.

The second year of our Christmas Tree Collection saw an increase of 113% in income and a reduction in expenditure as the administration and logistics of the event were managed in house. The Hospice recycled 1,561 trees with the help of 80 volunteers and the use of 31 vans.

A new in memory initiative, Celebration of Life, took place during the summer months. Supporters made a donation to plant a Memory Marker along the Path of Life bearing the name of a special person. The Celebration of Life raised vital funds and provided some comfort for people missing someone they love.

Make a Will Month was once again a great success, raising awareness of legacies and contributing over £29,000 in donations. Thirty solicitors around Leeds, Bradford, Wetherby, Harrogate and Ilkley supported the scheme with over 260 Will writing appointments in the month of October.

Gifts from supporters who donate regularly on either a monthly or an annual basis topped £130,000, the largest ever sum donated.

The moving story of one of the bereaved children supported by the St Gemma's Young People's Service was featured on BBC Children in Need and the Hospice was subsequently successful in obtaining a grant of £138,000 over three years to support this vital work across Leeds.

Our chain of 22 charity shops worked hard to keep profit levels up, relocating the Garforth shop to bigger premises and transforming the Horsforth New Road Side unit to a specialist children's outlet. The Hospice was overwhelmed by the amount of interest shown in a donated wedding dress which came with a handwritten note wishing any future bride the same long and happy marriage as the original owner.



Income generation is supported by a fantastic team of volunteers and it would just not be possible to raise the amount of income the Hospice needs to run without their help and dedication. Everyone at St Gemma's is very grateful to all who enable the Hospice to provide our vital care services.

## Inspections

We are awaiting an inspection from the Care Quality Commission (CQC). The last inspection was December 2013 when the Hospice was seen as fully compliant. St Gemma's works closely with the CQC and has used the CQC "key lines of enquiry" to assure quality of care as safe, caring, responsive, effective and well led. St Gemma's upholds the fundamental standards of care including the new Duty of Candour. An unannounced visit by Leeds City Council's Environmental Health Department in July 2015 resulted in a food hygiene rating of 5 (Very Good).

## Staff

The Hospice values the hard work, commitment and contribution of all staff. We continue to engage and communicate with staff regularly and openly in a variety of ways. A successful staff conference was held which focussed on the Hospice strategy for the next three years. A staff survey was also undertaken which highlighted staff satisfaction at being able to make a real difference to both patients and the community within a caring, professional team.

St Gemma's supports apprenticeships and has worked in partnership with local training providers to give young people in the local community the opportunity to develop their career. Apprenticeships are part of our plan to develop talent while preserving the specialist knowledge and skills of the Hospice for the future through tailored training, which gives the confidence that we will have competent professional staff going forward. Two retail apprentices completed their training and were successful in securing permanent posts within the Hospice retail team. Two health care apprentices will shortly complete their training. New apprentices are being recruited to build on these positive foundations.



## Volunteers

St Gemma's has over 700 volunteers who together contributed over 129,000 hours throughout 2015/16 in areas ranging from administration, bereavement support and complementary therapies to fundraising, gardening, reception and retail. Their dedication and hard work contributes directly to the day to day running of the Hospice and supports the shops which are a focal point for St Gemma's in the community. The value of the work provided by volunteers is in excess of £1.2m, which represents a 6-fold return on the Hospice's investment.

A new position of Volunteers Coordinator was created with the aim of further developing a fulfilling volunteering experience - from recruitment and inductions, through to support and recognition. A 3-year Volunteer Strategy has also been approved to deliver St Gemma's vision, purpose and values through a culture of greater engagement with the local community and development of volunteers and volunteering within the Hospice. Volunteer recruitment has improved due to development of our website, social media, and wider involvement in the local community through networks such as volunteer centres, universities and online volunteering sites.

## Patrons and Trustees

We are delighted to welcome as new Patrons well known and influential individuals within the city – the Earl and Countess of Harewood and Arif Ahmad. We look forward to working with them to promote end of life care issues and the work of the Hospice.

We would like to thank Peter Hartley who has stepped down as a Patron. Peter first became involved with the Hospice in 2000 as Chairman of the Home from Home Appeal. We thank him for his wise counsel and support over the last ten years.

We are delighted to welcome onto our Board as a new Trustee Debra Fairley. Grateful thanks are due to Trustee Arif Ahmad who has retired since the last Annual Trustees Report.

## Risk Management

The Board of Trustees assesses and reviews the management of the major risks to which the charity and its subsidiary company, St Gemma's Hospice Services Limited, are exposed, including financial, clinical and business risks.



During 2015/16 a new risk framework was introduced to support the identification and management of key risks and ensure risk management was an integral part of planning, decision making and the day to day operations of service delivery. This framework incorporates new procedures, processes and identifies clear roles and responsibilities in the reporting and management of key risks.

The risk register is developed by the Hospice Leadership Team and is scrutinised by the relevant Committees and Board on a quarterly basis. The Chief Executive prepares an Annual Governance Statement (AGS) which identifies how the Hospice ensures effective governance and risk management in compliance with the voluntary 'Code of Good Governance' framework.

The key risks facing the Hospice are: the achievement of voluntary income targets to support financial sustainability; the reliance on a one year contract with Leeds Clinical Commissioning Groups (CCGs) with funding subject to Government policy changes; and our ability to attract, recruit and retain nursing and medical and other clinical staff to support quality service delivery. The financial risk associated with key income targets is being managed through the implementation of a new income strategy which includes the diversification of income streams, the effective monitoring of key targets (utilising trends and sector benchmarking) all supported by a longer term financial plan. We have been successful in securing CCG funding for 2016/17 and continue to work closely with Leeds CCGs in negotiating a longer term contract. During 2015/16, we have undertaken a comprehensive review of our recruitment processes and procedures and the benefits of this investment are expected in 2016/17.

During the year attention has also been focussed on operational risks arising from fire, health and safety and the impact of a disaster event. The Hospice has invested in these areas to ensure robust policies and procedures are in place, staff training is up to date and we remain compliant with legislation.

# Looking Ahead

Our strategic objectives for 2015 to 2018 are set out on page 6. In setting our strategy we have taken account of the needs and wishes of patients and families, carers and friends, as well as the changing economic and social environment, the likely demand for services and the types of services which may be needed. St Gemma's strategy is consistent with the Leeds End of Life Care Strategy which is supported by providers and commissioners across Leeds.

## Improving Clinical Care

Each year the Hospice sets priorities for improving quality; these are outlined in detail in our annual Quality Account. Priorities identified for delivery in 2016/17 have been developed taking account of patient and family feedback, clinical incidents and complaints. Our three priorities are:

- Patient Safety: Management of diabetes in end of life care;
- Patient Experience: Enhancing support for carers; and
- Clinical Effectiveness: Measuring palliative care outcomes.

Alongside these Quality Account priorities we also plan to review the guidance outlined in the Hospice UK publication around Rehabilitative Palliative Care and review our care model to ensure a person first approach across all clinical services.

## Equality of Access for Patients

Providing and improving equality of access to high quality end of life care services for everyone is vitally important, particularly in light of the forecast increases in the number of older people with complex care needs.

The End of Life Care beds led by our Nurse Consultant will continue to provide a new Hospice inpatient based service and we will evaluate the impact of this for patients and families.

We will support city wide palliative heart failure services with dedicated medical consultant time and develop and implement our Dementia Strategy.

Working with our local community to fully understand their needs is central to the delivery of effective care now and in the future. We will continue to raise awareness of death and dying including playing a key role in promoting Dying Matters week and running a Community Engagement Programme during Hospice Care Week. Our Matron has been visiting other hospices as part of her MA in Hospice Leadership to identify the best ways to engage with local communities. We will also deliver our engagement programme with BME communities within Leeds 7 and 8 as outlined earlier.

## Coordination of Care

It is critical that providers of end of life care in Leeds work together in partnership to ensure more coordinated services for patients and families and the most effective use of our scarce resources. In April 2016 commissioners and providers in launched the Leeds Palliative and End of Life Care Managed Clinical Network (MCN). This is hosted by St Gemma's Hospice and our Director of Nursing is the Clinical Lead supported by 3 clinical leads for individual work areas. The MCN will deliver the city's Palliative and End of Life Care Strategy. Setting and delivering cross city priorities will be a core part of our work in 2016/17.

We will continue to work closely with colleagues in other provider organisations, particularly within Sue Ryder Wheatfields Hospice and Leeds Teaching Hospitals NHS Trust, to improve and integrate our clinical information systems to support effective transfer of information and referral of patients between services. Systems will allow more effective and efficient sharing of blood results and other clinical information from multiple specialties and there is the potential for access to digital images and virtual ward information.



## Research and Development

Through our Academic Unit of Palliative Care, research, education and evidence based practice will continue to be a major priority for St Gemma's, to shape future care for the long term. We will continue to work closely with the University of Leeds and our plan for education includes implementation of a Learning Management System to enhance the learning and teaching of St Gemma's staff, to implement the Yorkshire & Humber End of Life learning outcomes for all clinical staff at the Hospice and to continuing to deliver GP training and regional training in dementia.

## Supporting the Hospice

Behind the scenes and across a wide range of areas we are committed to working hard to ensure effective staff engagement and involvement, as well as robust governance arrangements, financial stability and infrastructure and environmental improvements to provide solid foundations for the Hospice for the years ahead. In 2016/17 we will be working closely with Hospice Quality Partnership (HQP) to review contracts for the supply of utilities, stationery, cleaning products and printing services. Securing cost savings in these high spend areas will contribute to the achievement of efficiencies to support the Hospice's 5 year financial plan.



# Financial Review



Total income for the year was **£9,518,055** (2015: restated £9,322,572) representing year on year growth of **£195,483** (2.1%). Legacy income 2014/15 was restated in compliance with the new Charity Statement of Recommended Practice (FRS102). This led to a net reduction of **£340,000** on previous reported results for 2014/15.

Shops' income of **£2,618,779** (2015: £2,554,460) represents a year on year increase of **£64,319** (2.5%) across the chain of 22 charity shops plus the gift shop. Relocating the Garforth shop to a larger unit and transforming the Horsforth New Road Side unit to a specialist children's outlet was crucial to retail success in what continues to be a challenging environment.

Overall income from donations and fundraising events of **£2,090,826** (2015: £1,996,763) has increased by **£94,063** (4.7%).

This growth is due to the continued success of the Winter Ball and the introduction of new events such as the Colour Run.



Legacy income **£1,229,659** (2015: restated £1,136,651) has increased by **£93,008**. This represents an increase of **8.2%**.

Education and Research income of **£159,763** (2015: £196,739) is **£36,976** lower due to one off project funding received in 2014/15.

Overall Expenditure of **£9,993,814** (2015: £9,751,073) increased by **£242,741** in the year which represents an increase of 2.5%. This increase is a result of investment in supporting four beds in Green Acres Nursing Home and additional costs associated with higher income generation across fundraising and shops.

The total net resources for the year show a deficit of **£475,759** (2015: restated deficit £428,501) prior to any net gains or losses from investments. This is made up of a general fund (unrestricted fund) surplus of **£142,754** offset by expenditure in the designated fund which is mainly depreciation.

The investment portfolio generated a loss of **£222,949** for the year (2015: surplus £352,861). The year to March 2016 was a poor year for investment markets and returns generally. This adverse performance is linked to the weakening of the Chinese economy and impact of weaker oil and commodity prices. Overall, the portfolio has seen a total return of -1.4% compared with the benchmark's return of -0.8% for the year. The portfolio continues to be managed and held for the long term so these in year movements are considered short term in nature. Over the past 3 years (to 31 March 2016) the cumulative return has been **+19.0%** compared

to the benchmark's return of **+16.8%**.

At year end the investment portfolio was valued at **£4,976,102** (2015: £5,226,729) with Investment management fees of **£27,678** (2015: £27,846). Overall investment income was **£178,646** (2015: £182,423) of which the investment portfolio contributed **£157,593** (2015: £163,222). The remaining **£21,053** (2015: £19,201) was generated from bank interest on approved short and medium term deposits.

The portfolio is managed by external fund managers (Investec) and performance is monitored by the Finance and Business Committee. During the year the Hospice reviewed the Investment Policy. This policy sets out the investment powers, objectives, the types of investment and the benchmark(s) to use for performance monitoring. A range of benchmarks are used to assess investment performance including a bespoke one agreed with the external fund managers. The portfolio is invested in a mixture of equities (74%), bonds (13%), property (5%) cash (1%) and infrastructure assets (7%). This allocation is classified as "medium risk" and there are agreed limits as to the minimum and maximum amounts of each asset class that can be held.

St Gemma's Hospice Services Ltd (Trading subsidiary) continued to sell bought in goods and provide room hire on a commercial basis in the Academic Unit of Palliative Care (AUPC). The company made a net surplus of **£25,000** (2015: £30,552) in the year which will be transferred to the Hospice under Gift Aid.



## Reserves

A comprehensive review of the reserves policy was completed in 2015/16. The Board of Trustees has introduced a risk based approach to determine the levels of reserves needed to cover key financial risks and support the three year strategy and underpinning financial plan.

The general reserves are drawn from unrestricted funds, excluding funds designated for future expenditure and those funds already invested in tangible fixed assets. The unrestricted general reserve is currently **£6,620,689** (2015: restated £6,694,938) which covers the assessed financial risks and is the equivalent of nine months' running costs.

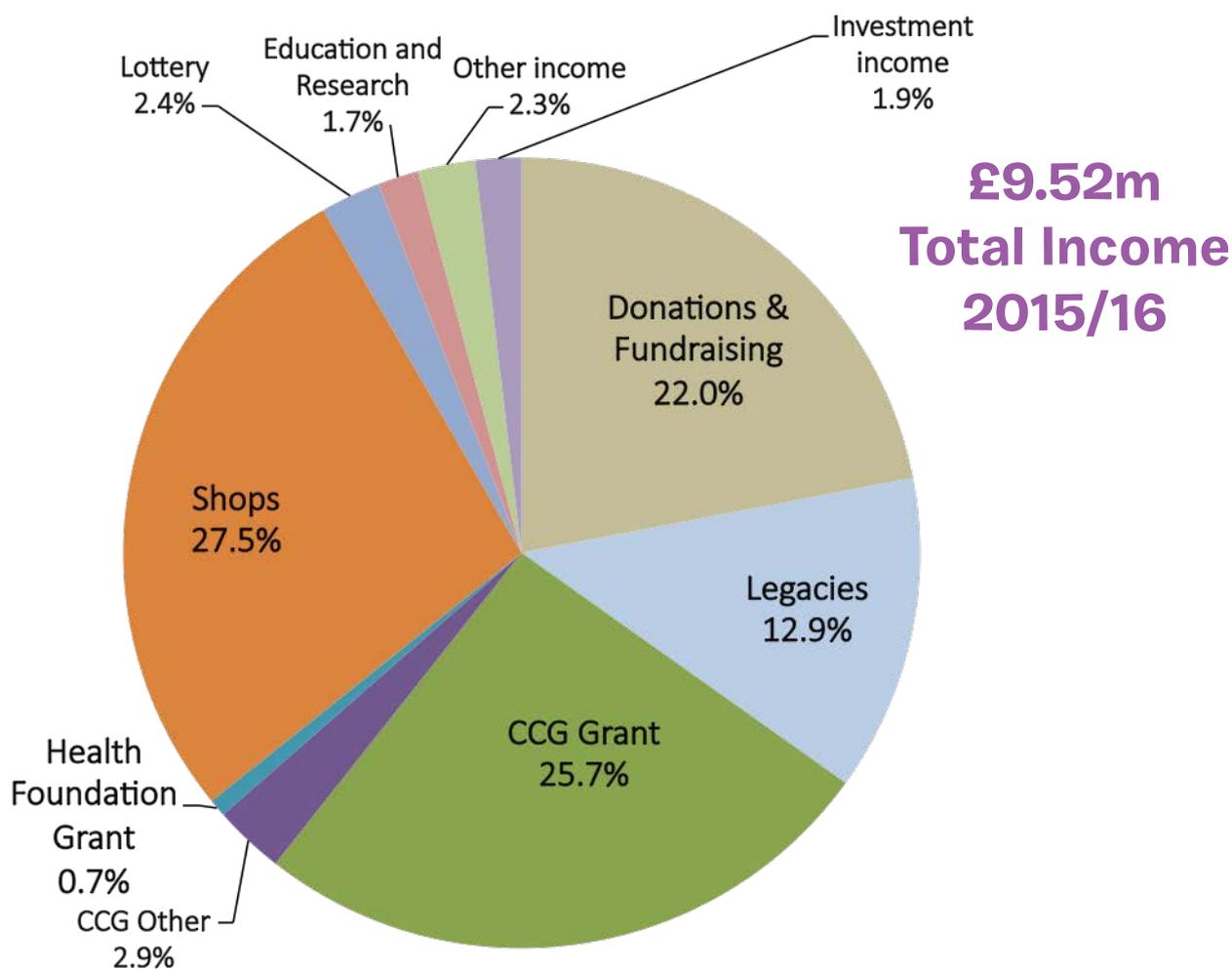
Total designated reserves at 31 March 2016 were **£4,981,868** (2015: £5,568,257) of which **£4,016,829** (2015: £4,323,737) has been invested in fixed assets. **£603,530** (2015: £629,184) is held for the continuing upkeep of the Hospice and for the

development of the gardens. **£563,878** originally designated for the Professor in Palliative Medicine has now been released back into the general reserve as the original obligations of the designated fund have been fulfilled. The Board approved new designated funds for the refurbishment of the Academic Unit of Palliative Care (AUPC) **£250,000** and **£100,000** to support IT development needs of the Hospice. See notes 15 and 16 of the financial statements for further information on reserve utilisation.

## Fixed Assets And Investments

The movements in fixed assets and investments during the period are set out in notes 10 and 11 to the financial statements.

The Board of Trustees has the power to invest the charity's money in the manner they consider most beneficial for the purposes of St Gemma's Hospice.



# Structure, Governance and Management

St Gemma's Hospice was founded in 1978 by the Sisters of the Cross and Passion who retain ultimate control of the company. The members of the company all belong to this congregation.

The Hospice is a charitable company limited by guarantee and a registered charity. The company was set up under a Memorandum of Association which established the objects and powers of the company and is governed under its Articles of Association. The Memorandum and Articles are reviewed by the Corporate Governance Committee.

The directors of the company are also charity Trustees for the purposes of charity law and are known as the Board of Trustees. Trustee Indemnity Insurance is provided for the benefit of the Trustees.

The Board of Trustees consists of the current members of the company who serve for a term of five years and such other persons who are elected in a general meeting to hold office for an initial term of three years after which they are eligible for re-election. Their election must be approved in writing by the Province Leader, being the person with the powers and responsibilities of the Congregation of the Sisters of the Cross and Passion.

At 31 March 2016 there were four members of the Board of Trustees who were representatives of the Sisters of the Cross and Passion. The remaining members of the Board of Trustees

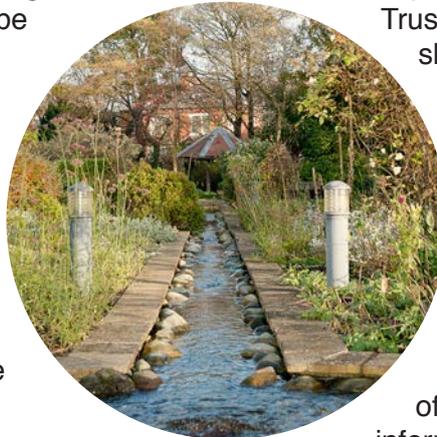
have been recruited for their experience and skills in relevant areas including medicine and nursing, finance and commerce. The Trustees who served during the year are set out on page 5.

The Board is responsible for the overall direction and management of the organisation. The Board has overall responsibility for ensuring the organisation is managed efficiently, approves the strategy and oversees its implementation. The Board powers are detailed in the Memorandum of Association and Articles of Association which govern the Company.

St Gemma's has a formal code of conduct for Trustees with job descriptions and role profiles for key positions (e.g. Chair). There is an induction programme in place for all new Trustees to familiarise them with the operation of the Hospice. This includes meeting with the Hospice Leadership Team and familiarising themselves with the Hospice strategy and governance arrangements.

Development opportunities are available for Trustees to ensure we continue to develop skills, knowledge and expertise to support effective Board performance.

Full meetings of the Board of Trustees are held at least four times a year to review the performance of the Hospice and to agree any major changes to the strategy or financial plans. Regular presentations from senior members of staff keep the Board of Trustees informed about the work of the Hospice.



The Board is supported by three Committees that meet on a quarterly basis:

**Clinical Governance Committee – Chair, Mrs June Toovey**

This Committee has delegated responsibility for oversight of clinical governance and clinical quality.

**Corporate Governance Committee – Chair, Dr Peter Belfield**

This Committee has delegated responsibility for oversight of Hospice corporate governance arrangements.

**Finance and Business Committee – Chair, Mr Colin Millar**

This Committee has delegated responsibility for oversight of the financial, income generation and operational performance of the Hospice.

## Scheme of Delegation

The Board has approved a scheme of delegation under which the majority of operational management and decision making is delegated to the Chief Executive. The Chief Executive has a key role in the management and monitoring of service delivery, patient satisfaction, financial performance, the assessment and control of risk, and the prioritisation and allocation of resources.

The Chief Executive, Kerry Jackson, leads a Hospice Leadership Team (HLT) consisting of the Director of Nursing and Deputy Chief Executive, Cath Miller; Director of Income Generation, Tracy Dick; Director of Medicine and Consultant in Palliative Care, Dr Mike Stockton; and Director of Corporate Services, Jason Kirk. The HLT has a strategic role in driving forward the Hospice and assisting the Chief Executive in discharging the duties delegated by the Board. The Chief Executive and HLT are not members of the Board and have no beneficial interest in the Company.

The delegated powers contained in the Committee terms of reference, the schedule of matters specifically reserved for the Board and the formal scheme of delegation to the Chief Executive give clarity around responsibility and accountability to the Board.

## Internal Controls

The Board has overall responsibility for establishing and maintaining the whole system of internal control and the management of risk, including reviewing the effectiveness of internal controls. The Board has adopted a risk-based approach to establishing and maintaining internal controls, which are embedded within day to day management and governance processes. A three year audit plan has been developed to consider key risks within the internal control environment and link to the corporate risk register.

## Senior Staff Pay

The Hospice Leadership Team (HLT) membership is listed on page 4. The HLT are in charge of challenging, leading, running and supporting the Hospice to achieve its aims.

The pay of the senior staff is reviewed by the Board of Trustees, through its Remuneration Committee. The amount paid to senior employees is carefully considered, comparable to other roles in the market and is benchmarked against other local hospices and national hospice reward and charity reward surveys and data. Best practice recommendations on setting remuneration, including those of the National Council for Voluntary Organisations (NCVO) are also taken into consideration. The Hospice also directly employs three medical consultants on NHS equivalent contracts, in line with national agreements.

The levels paid are those necessary to ensure a well-run, effective organisation in line with regulatory requirements. Competitive salaries also help the Hospice to attract, recruit and retain the best possible calibre of staff, in a fiercely competitive environment.



## Going Concern

The Trustees have reviewed the cash position of the Hospice and the cash forecasts for twelve months from the date of signing the financial statements. They are satisfied that the charity has a reasonable expectation of continuing in operational existence for the foreseeable future and so they have continued to adopt the going concern basis in preparing the financial statements. During 2015/16 a new 5 year financial plan was developed with cashflow and reserves statements to further support the operational sustainability of the Hospice.

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

## Auditor

Deloitte LLP have expressed their willingness to continue as auditor for the next financial year. A resolution to reappoint Deloitte LLP as auditors will be proposed at the forthcoming Annual General Meeting.

The Trustees' Report, including the Strategic Report, was approved by the Board and signed on its behalf by:



**Mrs Rebecca Weinberg (Chair)**



# Trustees' Responsibilities Statement

---

The Trustees (who are also directors of St Gemma's Hospice for the 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to Presume that the charitable company will continue in operation.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

# Independent Auditor's Report To The Members Of St Gemma's Hospice

We have audited the financial statements of St Gemma's Hospice for the year ended 31 March 2016 which comprise the Group Statement of Financial Activities, Group and Charity Balance Sheet, Group Cash Flow Statement, the Statement of Accounting Policies and the related notes 1 to 23. 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 FRS 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. 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 auditor

As explained more fully in the Trustees' Responsibilities Statement, 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.

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 group's and the parent charity'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 annual report 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 charity's affairs as at 31 March 2016 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

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

In our opinion the information given in the Trustees' 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 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity 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 Anderson*

**Sarah Anderson FCCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP**

Chartered Accountants and Statutory Auditor  
Leeds, United Kingdom

# Consolidated Statement of Financial Activities

## (including consolidated income and expenditure account)

### Year Ended 31 March 2016

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	31 March 2016 Total Funds £	Total funds restated 2015 £
<b>INCOME FROM</b>						
Donations, legacies and trusts	2	2,282,008	-	88,092	2,370,100	2,265,002
Other trading activities:						
Sale of donated goods		2,546,596	-	-	2,546,596	2,491,194
Fundraising events		1,068,774	-	-	1,068,774	1,003,756
Lottery		231,644	-	-	231,644	253,376
Commercial trading operations		91,459	-	-	91,459	83,560
	3	<u>3,938,473</u>	<u>-</u>	<u>-</u>	<u>3,938,473</u>	<u>3,831,886</u>
Charitable activities – Provision of Hospice Services:						
CCG funding		2,447,369	-	274,402	2,721,771	2,769,368
Health Foundation grant		-	-	67,730	67,730	-
Education and research		72,327	-	87,436	159,763	196,739
Bistro		76,726	-	-	76,726	74,354
Other		4,846	-	-	4,846	2,800
	4	<u>2,601,268</u>	<u>-</u>	<u>429,568</u>	<u>3,030,836</u>	<u>3,043,261</u>
Investments	5	178,646	-	-	178,646	182,423
<b>Total income</b>		<b><u>9,000,395</u></b>	<b><u>-</u></b>	<b><u>517,660</u></b>	<b><u>9,518,055</u></b>	<b><u>9,322,572</u></b>
<b>EXPENDITURE ON</b>						
Raising funds:						
Cost of selling donated goods		1,703,950	83,737	-	1,787,687	1,701,605
Costs of raising income from donations, legacies, trusts and fundraising events		1,036,025	28,992	-	1,065,017	968,736
Investment management costs		27,678	-	-	27,678	27,846
Lotteries		79,623	-	-	79,623	94,113
Commercial trading operations		66,458	-	-	66,458	53,008
		<u>2,913,734</u>	<u>112,729</u>	<u>-</u>	<u>3,026,463</u>	<u>2,845,308</u>
Charitable activities – Provision of Hospice Services						
		5,943,907	502,020	521,424	6,967,351	6,905,765
<b>Total Expenditure</b>	6	<b><u>8,857,641</u></b>	<b><u>614,749</u></b>	<b><u>521,424</u></b>	<b><u>9,993,814</u></b>	<b><u>9,751,073</u></b>

# Consolidated Statement of Financial Activities

## (including consolidated income and expenditure account)

### Year Ended 31 March 2016

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	31 March 2016 Total Funds £	Total funds restated 2015 £
<b>Net (expenditure)/ income before investment gains/ (losses)</b>	8	142,754	(614,749)	(3,764)	(475,759)	(428,501)
Net (losses)/ gains on investments	11	(222,949)	-	-	(222,949)	352,861
<b>Net expenditure</b>		(80,195)	(614,749)	(3,764)	(698,708)	(75,640)
Transfer between funds	15/16	5,946	28,360	(34,306)	-	-
<b>Net movement in funds</b>		<b>(74,249)</b>	<b>(586,389)</b>	<b>(38,070)</b>	<b>(698,708)</b>	<b>(75,640)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward as previously reported		6,674,938	5,568,257	424,574	12,667,769	12,403,409
Prior period Adjustment		20,000	-	-	20,000	360,000
Total funds brought forward as restated		6,694,938	5,568,257	424,574	12,687,769	12,763,409
Net movement in funds for the year		(74,249)	(586,389)	(38,070)	(698,708)	(75,640)
<b>Total funds carried forward</b>	17	<b>6,620,689</b>	<b>4,981,868</b>	<b>386,504</b>	<b>11,989,061</b>	<b>12,687,769</b>

There were no other recognised gains or losses other than those listed above and the net income for the year. All income and expenditure derive from continuing activities.

The deficit of parent charity for the year for Companies Act purposes is £723,708 (2015: £106,192). As permitted by Section 408 of the Companies Act 2006, no separate Statement of Financial Activities is presented in respect of the parent charity.

See note 14 for comparative Consolidated Statement of Financial Activities analysed by funds.

See note 23 for details of restatement.

# Balance Sheets

## At 31 March 2016

	Note	Group		Charity	
		2016 £	2015 As restated £	2016 £	2015 As restated £
<b>FIXED ASSETS</b>					
Tangible assets	10	4,016,829	4,323,737	4,016,829	4,323,737
Investments	11	4,976,102	5,226,729	4,976,104	5,226,731
		<u>8,992,931</u>	<u>9,550,466</u>	<u>8,992,933</u>	<u>9,550,468</u>
<b>CURRENT ASSETS</b>					
Stocks		23,292	21,289	-	-
Debtors	12	774,269	925,282	817,567	947,751
Current asset investments		1,905,271	672,949	1,905,271	672,949
Cash at bank and in hand		1,105,657	2,287,361	1,081,485	2,282,209
		<u>3,808,489</u>	<u>3,906,881</u>	<u>3,804,323</u>	<u>3,902,909</u>
<b>CREDITORS: amounts falling due within one year</b>	13	<u>(812,359)</u>	<u>(769,578)</u>	<u>(808,195)</u>	<u>(765,608)</u>
<b>NET CURRENT ASSETS</b>		<u>2,996,130</u>	<u>3,137,303</u>	<u>2,996,128</u>	<u>3,137,301</u>
<b>NET ASSETS</b>		<u>11,989,061</u>	<u>12,687,769</u>	<u>11,989,061</u>	<u>12,687,769</u>
Represented by:					
<b>FUNDS</b>					
Unrestricted funds:					
Designated fund	15	4,981,868	5,568,257	4,981,868	5,568,257
General fund	15	6,620,689	6,694,938	6,620,689	6,694,938
Restricted funds	16	386,504	424,574	386,504	424,574
		<u>11,989,061</u>	<u>12,687,769</u>	<u>11,989,061</u>	<u>12,687,769</u>

The financial statements on pages 27 to 30 were approved by the Board of Trustees on



**Mrs Rebecca Weinberg**  
Chair of the Board of Trustees

# Consolidated Cash Flow Statement

## Year Ended 31 March 2016

	Notes	Group 2016 £	Group 2015 As restated £
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	18	93,057	(138,115)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends and interest received		178,646	182,423
Purchase of tangible fixed assets		(248,763)	(359,740)
Proceeds on sale of fixed assets		-	-
Purchase of investments		(759,431)	(793,296)
Proceeds on sale of investments		756,220	809,747
Movement on cash held by Investment Managers		30,889	11,395
<b>Net cash outflow from investing activities</b>		<u>(42,439)</u>	<u>(149,471)</u>
<b>Change in cash and cash equivalents during the year</b>		<u>50,618</u>	<u>(287,586)</u>
<b>Cash and cash equivalents at the beginning of the year</b>		<u>2,960,310</u>	<u>3,247,896</u>
<b>Total cash and cash equivalents at the end of the year</b>		<u><u>3,010,928</u></u>	<u><u>2,960,310</u></u>
<b>Reconciliation to balance sheet:</b>			
Cash at bank and in hand		1,105,657	2,287,361
Current asset investments		1,905,271	672,949
Balance at 31 March 2016		<u><u>3,010,928</u></u>	<u><u>2,960,310</u></u>

# Statement of Accounting Policies

## Year Ended 31 March 2016

### Company and charitable status

St Gemma's Hospice, a public benefit entity, is incorporated in England and Wales as a company limited by guarantee not having a share capital. All Trustees are the members of the company. Each member has undertaken to contribute to the assets in the event of winding up a sum not exceeding £10. The charity is a registered charity. The registered office is given on page 4.

### Basis of accounting

The financial statements have been prepared under the historical cost convention with the exception of investments which have been included at market value. The financial statements have been prepared in accordance with Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2015)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2015, and the Companies Act 2006.

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. The transition date was 1 April 2014. For more information see note 14.

The principal accounting policies are set out below :

### Basis of consolidation

The consolidated financial statements comprise St Gemma's Hospice and its wholly-owned subsidiary undertaking, St Gemma's Hospice Services Limited. The summarised profit and loss account for the subsidiary is shown in note 1. The results of the subsidiary are consolidated on a line by line basis.

### Preparation of the financial statements – going concern basis

The principal risks facing the charity are discussed in the Trustees' report. The Trustees have reviewed the cash position of the charity and cash forecasts at the date of signing the financial statements and are satisfied that the charity will be able to meet all of its financial commitments.

As a consequence, the Trustees believe that the charity is well placed to manage its financial risks successfully. After making enquiries, the Trustees have a reasonable expectation that the charity has adequate reserves to continue in operational existence for the foreseeable future. Accordingly,

the Trustees continue to adopt the going concern basis in preparing the financial statements.

### Income

Income is recognised when the Group and Charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably. Income received by way of donations, fundraising events, trading, legacies and Leeds Clinical Commissioning Groups receipts are credited in the accounts when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. These are shown gross before deductions of related expenses and net of VAT.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed where material.

Income tax recoverable on income received and bank interest received are included in these accounts on the accruals basis.

Deferred income includes amounts received in respect of grants received for work to be carried out in the next financial year.

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity, which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

The full value of the freehold peppercorn rent is not valued due to the prohibitive cost of doing so.

All income arises in the United Kingdom.

### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings as follows.

Costs of raising funds include the costs incurred in generating voluntary income, fundraising trading costs, including the costs of running the charity shops, and investment management costs.

Charitable expenditure has been analysed by activity, these costs enable the Hospice to meet its charitable aims and objectives.

Support costs are those functions that assist the work of the Hospice but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's activities. Governance costs are associated with the governance arrangements of the charity. They include compliance with statutory and constitutional requirements, expenditure incurred on Board of Trustees meetings and legal advice for the Trustees. These costs have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in note 7.

Expenditure is included in the Statement of Financial Activities inclusive of any VAT which cannot be recovered.

### Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Board of Trustees in the furtherance of the general objectives of the charity. Designated funds are amounts that have been put aside at the discretion of the Board of Trustees. Restricted funds are funds subject to specific conditions imposed by donors. Where

restricted funds are received for the purchase of fixed assets then the funds are transferred to designated funds once the purchase has been made. See Notes 15 and 16 for further information on funds and funds utilisation.

### Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation.

Tangible fixed assets individually costing more than £1,000 are capitalised and included in the accounts at cost. Provision is made for depreciation on all tangible assets at rates calculated to write off the cost of each asset over its expected useful life as follows:

Improvements to leasehold property costs	- 5%
<i>per annum on a straight line basis</i>	
Fixtures and fittings	- 20%
<i>per annum on a straight line basis</i>	
Motor vehicles	- 25%
<i>per annum on reducing balance basis</i>	
Computers	- 25%
<i>per annum on a straight line basis</i>	



### Investments

Investments are included in the financial statements at market value. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Current investments represent monies invested in short-term liquid money market instruments.

In the parent charity balance sheet, investments in subsidiary undertakings are measured at cost less impairment.

### Stock

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

## Employee benefits

The Hospice operates two pension schemes. A defined benefit scheme with the National Health Service Superannuation Scheme, which is only available to staff who have previously contributed to the scheme. The administration of this scheme is dealt with by the National Health Service Pension agencies. In addition there is a Group Personal Pension Scheme administered by Standard Life which is available to all other employees. Contributions to both Schemes are charged directly to the Statement of Financial Activities. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

## Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

## Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs). The charity and group only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. With the exception of fixed asset investments, basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due. Current asset investments includes short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account. 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 normally recognised at their settlement amount after allowing for any trade discounts due.

## Taxation

The company is a registered charity and has no liability to corporation tax on its charitable activities.

The trading subsidiary is liable to corporation tax on its taxable profits. Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

## Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies described above, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

# Notes to the Group Financial Statements

## Year Ended 31 March 2016

### 1. NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY

The charity has a wholly owned subsidiary, St Gemma's Hospice Services Limited which is incorporated in the UK and registered in England. The company undertakes trading activities including the sale of bought in goods and the provision of room hire within the academic Unit of Palliative Care of St Gemma's Hospice. A summary of its trading results for the period is shown below, the company donates its taxable profit to St Gemma's Hospice under Gift Aid. Audited accounts will be filed with the Registrar of Companies.

<b>Profit and Loss account</b>	<b>2016</b> £	<b>2015</b> £
Turnover	91,459	83,560
Cost of sales	38,471	25,534
Gross Profit	52,988	58,026
Administrative expenses	1,754	2,298
Management charge	26,234	25,176
Operating profit	25,000	30,552
Charitable donation to St Gemma's Hospice	(25,000)	(30,552)
Retained in subsidiary	-	-
Aggregate Capital and reserves	2	2

### 2. INCOME FROM DONATIONS, LEGACIES AND TRUSTS

	<b>2016</b> <b>Unrestricted</b> <b>Funds</b> £	<b>2016</b> <b>Restricted</b> <b>Funds</b> £	<b>2016</b> <b>Total</b> £	<b>2015</b> <b>Total</b> <b>As restated</b> £
Donations	1,011,803	10,249	1,022,052	993,007
Legacies	1,229,659	-	1,229,659	1,136,651
General grants from Trusts	40,546	77,843	118,389	135,344
	<u>2,282,008</u>	<u>88,092</u>	<u>2,370,100</u>	<u>2,265,002</u>

At 31 March 2016 there were legacies totalling £79,300 (2015: £478,200 restated) that had been notified as receivable to the charity but have not been included in the financial statements as their value can not be reliably quantified.

Included in donations income is gift aid received or receivable of £131,542 (2015: £148,848).

### 3. INCOME FROM OTHER TRADING ACTIVITIES

	2016 £	2015 As restated £
Sale of donated goods	2,546,596	2,491,194
Fund raising events	1,068,774	1,003,756
Lottery	231,644	253,376
Income from wholly owned subsidiary:		
Room hire	19,276	20,294
Sale of purchased goods	72,183	63,266
	<u>3,938,473</u>	<u>3,831,886</u>

The sales of donated and purchased goods in 2016 includes donations under retail gift aid of £787,149 (2015: £604,320) and the associated gift aid of £188,421 (2015: £145,270) resulting from sales on behalf of supporters through the retail shops. St Gemma's Hospice had 22 shops at the year end (2015: 22).

### 4. INCOME FROM CHARITABLE ACTIVITIES

	2016 Unrestricted Funds £	2016 Restricted Funds £	2016 Total £	2015 Total £
<b>Provision of Hospice services</b>				
Grant income from NHS Leeds	2,447,369	274,402	2,721,771	2,769,368
Health Foundation grant	-	67,730	67,730	-
Education and research	72,327	87,436	159,763	196,739
Bistro	76,726	-	76,726	74,354
Other	4,846	-	4,846	2,800
	<u>2,601,268</u>	<u>429,568</u>	<u>3,030,836</u>	<u>3,043,261</u>

### 5. INVESTMENT INCOME

	2016 £	2015 £
Listed securities	157,593	163,222
Bank and other interest	21,053	19,201
	<u>178,646</u>	<u>182,423</u>

## 6. ANALYSIS OF EXPENDITURE

	2016 Direct Costs	2016 Support Costs	2016 Total	2015 Total As restated
	£	£	£	£
<b>Expenditure on raising funds</b>				
Costs of selling donated goods	1,679,499	108,188	1,787,687	1,701,605
Costs of raising income from donations, legacies, trusts and fundraising events	978,467	86,550	1,065,017	968,736
Investment management fees	27,678	-	27,678	27,846
Cost of lotteries	79,623	-	79,623	94,113
Cost of wholly owned subsidiary:				
Room hire	17,842	-	17,842	19,476
Purchased goods	48,616	-	48,616	33,532
	<u>2,831,725</u>	<u>194,738</u>	<u>3,026,463</u>	<u>2,845,308</u>
<b>Expenditure on charitable activities</b>				
<b>Provision of Hospice services</b>				
Inpatient Care	3,984,089	616,670	4,600,759	4,610,573
Community Care	1,111,699	92,386	1,204,085	1,117,735
Day Hospice	592,639	29,588	622,227	617,785
Bereavement Support	141,123	14,033	155,156	168,991
Education and research	354,213	30,911	385,124	390,680
	<u>6,183,763</u>	<u>783,588</u>	<u>6,967,351</u>	<u>6,905,765</u>
<b>Total resources expended</b>	<u><u>9,015,488</u></u>	<u><u>978,326</u></u>	<u><u>9,993,814</u></u>	<u><u>9,751,073</u></u>

Support costs have been restated to include governance costs and total support costs above have been allocated across the activities as set out in note 7.

## 7. ANALYSIS OF SUPPORT COSTS

2016	Provision of Hospice Services							Total	Basis of allocation
	Raising Funds £	Inpatient Care £	Community Care £	Day Hospice £	Bereavement Support £	Education & Research £	Total £		
Governance	12,164	38,518	5,771	1,848	877	1,930	61,108	Headcount	
Finance	35,044	110,972	16,625	5,324	2,525	5,563	176,053	Headcount	
IT	31,886	100,972	15,127	4,845	2,298	5,061	160,189	Headcount	
HR	15,388	48,729	7,300	2,338	1,109	2,443	77,307	Headcount	
Admin	33,255	105,308	15,777	5,053	2,396	5,279	167,068	Headcount	
Estates and Depreciation	55,577	175,994	26,366	8,444	4,005	8,822	279,208	Headcount	
	11,424	36,177	5,420	1,736	823	1,813	57,393	Headcount	
<b>Total</b>	<b>194,738</b>	<b>616,670</b>	<b>92,386</b>	<b>29,588</b>	<b>14,033</b>	<b>30,911</b>	<b>978,326</b>		
2015 As restated	Raising Funds £	Inpatient Care £	Community Care £	Day Hospice £	Bereavement Support £	Education & Research £	Total £	Basis of allocation	
Governance	10,281	34,763	5,208	1,668	791	1,742	54,453	Headcount	
Finance	36,030	121,830	18,252	5,845	2,772	6,107	190,836	Headcount	
IT	39,876	134,836	20,200	6,469	3,068	6,759	211,208	Headcount	
HR	31,402	106,182	15,908	5,095	2,416	5,322	166,325	Headcount	
Admin	21,787	73,669	11,037	3,535	1,676	3,693	115,397	Headcount	
Estates and Depreciation	44,837	151,609	22,713	7,274	3,450	7,599	237,482	Headcount	
	8,399	28,398	4,254	1,363	646	1,423	44,483	Headcount	
<b>Total</b>	<b>192,612</b>	<b>651,287</b>	<b>97,572</b>	<b>31,249</b>	<b>14,819</b>	<b>32,645</b>	<b>1,020,184</b>		

The allocation of support costs has been restated for prior year, to include governance costs in the allocation. The allocation is based upon the headcount in these areas, adjusted for those costs which were only incurred on the Hospice site, being IT, finance and administration together with a proportion of building and maintenance costs.

## 8. NET EXPENDITURE FOR THE YEAR

	2016 £	2015 £
<b>This is stated after charging/(crediting):</b>		
Cost of stock recognised as expense	38,471	25,534
Auditor's remuneration:		
- Fees payable to the charity's auditor for the audit of the charity's	18,400	16,365
- Fees payable to the charity's auditor for other services to the group:		
taxation services	1,225	1,614
the audit of the charity's subsidiary	3,300	2,500
Depreciation		
- on owned fixed assets	205,231	184,740
- on leased fixed assets	350,440	350,190
Rental of land and buildings under operating leases	371,290	367,980
Hire of equipment under operating leases	11,164	9,945
	<u>          </u>	<u>          </u>

## 9. ANALYSIS OF STAFF COSTS, TRUSTEES' REMUNERATION AND EXPENSES AND THE COST OF KEY MANAGEMENT PERSONNEL

	2016 £	2015 £
<b>Aggregate remuneration comprised:</b>		
Wages and salaries	5,850,344	6,058,290
Social security costs	465,616	437,784
Other pension costs	467,150	450,163
	<u>          </u>	<u>          </u>
	<u>6,783,110</u>	<u>6,946,237</u>

The average monthly number of whole time equivalent (WTE) employees during the period was as follows:

	2016		2015	
	No.	WTE	No.	WTE
Provision of Hospice Services	154	124	146	118
Raising funds	59	49	58	48
Support functions	34	28	32	27
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>247</u>	<u>201</u>	<u>236</u>	<u>193</u>

The number of employees who were remunerated in excess of £60,000 per annum were:

	2016	2015 (restated)
	No.	No.
£60,000 - £70,000	3	3
£70,001 - £80,000	1	1
£90,000 - £100,000	1	1
£110,001 - £120,000	-	1
£120,001 - £130,000	2	1

The key management personnel of the parent Charity are the same those of the Group. The key management personnel in the Hospice leadership team are listed at the front of the report, and their remuneration for the year totalled £464k (2015: £437k). This includes employers' pension contributions but excludes employers' national insurance contributions. Employers' national insurance contributions for the key management personnel totalled £50k (2015: £47k).

The restatement for 2015 relates to the inclusion of an employee who joined the charity part-way through 2015 but had annual equivalent remuneration in excess of £60,000.

As shown above, St Gemma's Hospice employs seven individuals who have salaries over £60,000. Three of these are medical consultants who are directly employed on NHS equivalent contracts, in line with national agreements. The others are members of the Hospice leadership team, responsible for running the Hospice. The Chief Executive is not the most highly paid employee. No trustees received remuneration during the current or prior year. No travel and subsistence expenses were paid to trustees.

## 10. TANGIBLE FIXED ASSETS

CHARITY AND GROUP	Improvements to Leasehold Property £	Computer Equipment £	Fixtures And Fittings £	Motor Vehicles £	Total £
<b>Cost</b>					
At 1 April 2015	6,665,892	255,854	2,195,758	54,055	9,171,559
Additions	5,000	22,923	220,840	-	248,763
Disposals	-	-	-	-	-
At 31 March 2016	<u>6,670,892</u>	<u>278,777</u>	<u>2,416,598</u>	<u>54,055</u>	<u>9,420,322</u>
<b>Depreciation</b>					
At 1 April 2015	2,754,241	176,576	1,868,516	48,489	4,847,822
Charge for year	350,440	40,603	163,237	1,391	555,671
Disposals	-	-	-	-	-
At 31 March 2016	<u>3,104,681</u>	<u>217,179</u>	<u>2,031,753</u>	<u>49,880</u>	<u>5,403,493</u>
<b>Net book value</b>					
At 31 March 2016	<u>3,566,211</u>	<u>61,598</u>	<u>384,845</u>	<u>4,175</u>	<u>4,016,829</u>
At 31 March 2015	<u>3,911,651</u>	<u>79,278</u>	<u>327,242</u>	<u>5,566</u>	<u>4,323,737</u>

All tangible fixed assets are used for or to support charitable purposes.

## 11. FIXED ASSET INVESTMENTS

<b>CHARITY</b>	<b>Cost Unlisted £</b>	<b>Valuation Listed £</b>	<b>Total £</b>
Cost / market value at 1 April 2015	2	5,226,729	5,226,731
Additions	-	759,431	759,431
Disposal proceeds	-	(756,220)	(756,220)
Unrealised losses	-	(143,508)	(143,508)
Realised losses	-	(79,441)	(79,441)
Decrease in cash deposits	-	(30,889)	(30,889)
Cost / market value at 31 March 2016	2	4,976,102	4,976,104

<b>GROUP</b>	<b>Valuation Listed £</b>	<b>Total £</b>
Market value at 1 April 2015	5,226,729	5,226,729
Additions	759,431	759,431
Disposal proceeds	(756,220)	(756,220)
Unrealised losses	(143,508)	(143,508)
Realised losses	(79,441)	(79,441)
Decrease in cash deposits	(30,889)	(30,889)
Market value at 31 March 2016	4,976,102	4,976,102

The unlisted investment represents an investment in the subsidiary undertaking:

<b>Name of Subsidiary</b>	<b>Class of Shares Held</b>	<b>Percentage of Shares Held</b>
St Gemma's Hospice Services Limited	Ordinary	100%

During the year, a minority share in an unlisted investment in Hospice Quality Partnership was acquired for £10.

### Listed Investments

The historic cost of listed fixed asset investments at 31 March 2016 was £4,092,830 (2015: £4,052,627). The investments are managed by an external fund manager. The funds can be analysed as follows:

	<b>2016 £</b>	<b>2015 £</b>
Fixed interest	664,532	762,509
UK Equities	2,645,016	2,612,316
Overseas equities	1,041,175	1,170,756
Property	253,624	237,179
Alternative Assets	339,050	380,375
Cash deposits	32,705	63,594
	4,976,102	5,226,729

## 12. DEBTORS

	<b>Group</b>		<b>Charity</b>	
	<b>2016 £</b>	<b>2015 as restated £</b>	<b>2016 £</b>	<b>2015 as restated £</b>
Amounts falling due within one year:				
Trade debtors	2,906	5,176	-	-
Amounts due from subsidiary undertaking	-	-	46,204	27,645
Income tax recoverable	88,448	60,711	88,448	60,711
Other debtors	569,208	757,829	569,208	757,829
Prepayments	113,707	101,566	113,707	101,566
	774,269	925,282	817,567	947,751

### 13. CREDITORS: amounts falling due within one year

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Trade creditors	242	573	-	-
Taxation and social security costs	-	37,261	-	37,261
Other creditors	85,270	54,957	81,348	51,560
Accruals and deferred income	726,847	676,787	726,847	676,787
	<u>812,359</u>	<u>769,578</u>	<u>808,195</u>	<u>765,608</u>

### 14. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES as restated

	Year to 31 Mar 15 Unrestricted Funds £	Year to 31 Mar 15 Designated Funds £	Year to 31 Mar 15 Restricted Funds £	Year to 31 Mar 15 Total funds £
<b>INCOME FROM</b>				
Donations, legacies and trusts	2,173,240	-	91,762	2,265,002
Other trading activities:				
Sale of donated goods	2,491,194	-	-	2,491,194
Fundraising events	1,003,756	-	-	1,003,756
Lottery	253,376	-	-	253,376
Commercial trading operations	83,560	-	-	83,560
	<u>3,831,886</u>	<u>-</u>	<u>-</u>	<u>3,831,886</u>
Charitable activities – Provision of Hospice Services				
CCG funding	2,697,409	-	71,959	2,769,368
Education and research	67,689	-	129,050	196,739
Bistro	74,354	-	-	74,354
Other	2,800	-	-	2,800
	<u>2,842,252</u>	<u>-</u>	<u>201,009</u>	<u>3,043,261</u>
Investments	182,423	-	-	182,423
<b>Total income</b>	<u>9,029,801</u>	<u>-</u>	<u>292,771</u>	<u>9,322,572</u>
<b>Expenditure on:</b>				
Raising funds:				
Cost of selling donated goods	1,620,305	81,300	-	1,701,605
Costs of raising income from donations, legacies, trusts and fundraising events	933,262	35,474	-	968,736
Investment management costs	27,846	-	-	27,846
Lotteries	94,113	-	-	94,113
Commercial trading operations	51,837	1,171	-	53,008
	<u>2,727,363</u>	<u>117,945</u>	<u>-</u>	<u>2,845,308</u>
Charitable activities – Provision of Hospice Services	5,979,480	507,706	418,579	6,905,765
<b>Total Expenditure</b>	<u>8,706,843</u>	<u>625,651</u>	<u>418,579</u>	<u>9,751,073</u>

#### 14. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES as restated (continued)

	Year to 31 Mar 15 Unrestricted Funds £	Year to 31 Mar 15 Designated Funds £	Year to 31 Mar 15 Restricted Funds £	Year to 31 Mar 15 Total funds £
Net gains on investments	352,861	-	-	352,861
<b>Net (expenditure)/income</b>	675,819	(625,651)	(125,808)	(75,640)
Transfer between funds	(44,655)	328,522	(283,867)	-
<b>Net movement in funds</b>	631,164	(297,129)	(409,675)	(75,640)
<b>RECONCILIATION OF FUNDS:</b>				
Total funds brought forward as previously reported	5,703,774	5,865,386	834,249	12,403,409
Prior year adjustment	360,000	-	-	360,000
Total funds brought forward as restated	6,063,774	5,865,386	834,249	12,763,409
Net movement in funds for the year	631,164	(297,129)	(409,675)	(75,640)
<b>Total funds carried forward</b>	6,694,938	5,568,257	424,574	12,687,769

#### 15. UNRESTRICTED FUNDS

CHARITY AND GROUP	1 April 2015 As restated £	Income and net loss on investments £	Expenditure £	Transfers £	31 March 2016 £
<b>Designated Funds</b>					
Maintenance and gardens	629,184	-	(19,129)	(6,525)	603,530
Investing in People	18,173	-	(9,136)	-	9,037
Professor in Palliative Medicine	584,000	-	(20,122)	(563,878)	-
AUPC refurbishment	-	-	-	250,000	250,000
IT Development	-	-	-	100,000	100,000
Securing your Hospice for the Future	13,163	-	(10,691)	-	2,472
Fixed assets	4,323,737	-	(555,671)	248,763	4,016,829
	5,568,257	-	(614,749)	28,360	4,981,868
<b>General Fund</b>	6,694,938	8,777,446	(8,857,641)	5,946	6,620,689
<b>Total unrestricted funds</b>	12,263,195	8,777,446	(9,472,390)	34,306	11,602,557

The Maintenance and Gardens Fund is held for the continuing upkeep of the Hospice and for the development of the gardens.

The Investing in People Fund was set up to provide financial support for staff development needs which have been identified as strategic priorities and require more substantial funding than the training budget provides.

The Professor in Palliative Medicine reserve, together with restricted funding, represented the potential net cost to St Gemma's Hospice. This has now been transferred to general funds. The Fixed Asset Fund represents reserves invested in Fixed Assets and each year a transfer is made equivalent to the value of additions in the year.

The AUPC refurbishment and IT Development funds were designated during the year, being transferred from general funds.

## 16. RESTRICTED FUNDS

CHARITY AND GROUP	1 April 2015 £	Income £	Expenditure £	Transfers £	31 March 2016 £
IPU & Day Hospice	54,422	-	(3,631)	-	50,791
Children's bereavement service	13,607	49,169	(45,910)	(13,607)	3,259
Informatics Consultancy	34,501	-	(18,292)	-	16,209
Competency Framework/EOL care outcomes	83,870	30,000	-	-	113,870
Companion's scheme	6,743	-	-	-	6,743
CRUSE bereavement support	2,909	-	(2,760)	(149)	-
AV Equipment/Education	61,124	-	-	-	61,124
City wide education programme	33,982	-	-	-	33,982
FONS	209	-	(209)	-	-
Bed status web-site	3,600	-	(3,600)	-	-
Volunteer coordinator	48,000	-	(13,379)	-	34,621
Learning management system	15,000	-	-	-	15,000
DoLS training	4,359	-	(1,754)	-	2,605
End of Life survey	1,000	-	(1,000)	-	-
QUELCA training*	-	2,714	-	-	2,714
Conference update in symptom management*	-	1,805	-	-	1,805
Dementia EOL training for care homes*	-	3,931	-	-	3,931
Communication skills training*	-	1,336	-	-	1,336
IV pump replacement*	-	16,350	-	(16,350)	-
Leeds Compassionate Communities	-	2,500	-	-	2,500
Riser/recliner chairs	-	4,200	-	(4,200)	-
Purchase and replacement of equipment	-	3,597	-	-	3,597
Sundry restricted donations	150	1,231	(1,381)	-	-
Community Nursing	-	20,000	(20,000)	-	-
Greenacres - Better Care Fund	-	235,130	(235,130)	-	-
Health Foundation - Nurse led beds	-	67,730	(35,313)	-	32,417
Managed Clinical Network	-	13,136	(13,136)	-	-
Chair in palliative medicine	61,098	64,831	(125,929)	-	-
Balance at 31 March 2016	424,574	517,660	(521,424)	(34,306)	386,504

The children's bereavement project is funded by BBC Children in Need to employ childrens bereavement workers.

The IPU and Day Hospice refurbishment money was raised from an appeal and NHS Commissioners. Work has been identified over the next few years to use the remaining balance to continue to improve both of these areas.

The Hospice has received additional funding (items marked \*) from the Leeds NHS Clinical Commissioning Groups (CCGs) which includes the purchase of clinical equipment and funding to cover the costs of training relating to end of life care. In addition, £235k was received to fund a pilot project to support four beds in Green Acres Nursing Home, dedicated to providing care to people near the end of their lives who do not wish to be in hospital and are not able to go home. This project has now concluded.

The Managed Clinical Network, funded by the CCG's, is hosted by the Hospice to deliver the city's Palliative and End of Life Care strategy.

Funding has been received from the Health Foundation to establish four End of Life Care beds on the In-Patient Unit, for patients who do not need specialist palliative care services.

## 17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Charity	Unrestricted Fund £	Designated Fund £	Restricted Funds £	Total 2016 £	Total 2015 £
Tangible assets		4,016,829	-	4,016,829	4,323,737
Investments	4,976,104	-	-	4,976,104	5,226,731
Current assets	2,452,780	965,039	386,504	3,804,323	3,902,909
Current liabilities	(808,195)	-	-	(808,195)	(765,608)
Total net assets	<u>6,620,689</u>	<u>4,981,868</u>	<u>386,504</u>	<u>11,989,061</u>	<u>12,687,769</u>

Group	Unrestricted Fund £	Designated Fund £	Restricted Funds £	Total 2016 £	Total 2015 £
Tangible assets	-	4,016,829	-	4,016,829	4,323,737
Investments	4,976,102	-	-	4,976,102	5,226,729
Current assets	2,456,946	965,039	386,504	3,808,489	3,906,881
Current liabilities	(812,359)	-	-	(812,359)	(769,578)
Total net assets	<u>6,620,689</u>	<u>4,981,868</u>	<u>386,504</u>	<u>11,989,061</u>	<u>12,687,769</u>

## 18. NOTES TO THE CASHFLOW STATEMENT

Reconciliation of net incoming resources to net cashflow from operating activities	2016 £	2015 £
Net expenditure for the reporting period	(698,708)	(75,640)
Investment income	(178,646)	(182,423)
Depreciation	555,671	534,930
Losses/(gains) on investments	222,949	(352,861)
Loss on sale of fixed assets	-	-
(Increase) in stock	(2,003)	(5,789)
Decrease/(Increase) in debtors	151,013	(137,244)
Increase/(decrease) in creditors	42,781	80,912
Net cash inflow/(outflow) from operating activities	<u>93,057</u>	<u>(138,115)</u>

## 19. FINANCIAL COMMITMENTS

At the balance sheet date the total future minimum lease payments under non-cancellable operating leases:

	Land & Buildings		Other	
	2016 £	2015 as restated £	2016 £	2015 as restated £
Within one year	309,656	320,207	2,907	9,945
Between one and five years	1,010,436	999,009	8,824	-
After five years	501,110	595,110	2,022	-
	<u>1,821,202</u>	<u>1,914,326</u>	<u>13,753</u>	<u>9,945</u>

## 20. PENSION COMMITMENTS

The Hospice contributes to two pension schemes. A defined benefit scheme operated by the National Health Service Superannuation Scheme, which is only available to staff who have previously contributed to the scheme. The administration of the scheme is dealt with by the National Health Service Pension agencies. Contributions to this scheme are paid in respect of current service, and there is no liability to the Hospice in respect of past service. In addition there is a Group Personal Pension Scheme, which is a defined contribution pension scheme, administered by Standard Life which is available to all employees. The charge to the Statement of Financial Activities of £467,150 (2015 £450,163) represents contributions to the funds during the period. Contributions payable to the schemes at the year end date totalling £18,939 (2015 £18,535 restated) are included in creditors.

## 21. RELATED PARTIES

### Control

Throughout the period, St Gemma's Hospice was ultimately controlled by the Congregation of the Sisters of the Cross and Passion of our Lord Jesus Christ. The members of the company all belong to this Congregation.

### Transactions

The Congregation retains freehold title to the Hospice which is let to the company on a long term lease for peppercorn rent.

### Trustee donations

The aggregate amount of cash donations received from Trustees during the year was £608. This does not include income received from Trustees in relation to the purchase of tickets or items at fundraising events.

## 22. JOINT ARRANGEMENT

St Gemma's Hospice has an arrangement with Sue Ryder Wheatfields to operate a joint lottery for fundraising purposes. Both parties meet quarterly to discuss its progress.

Income and expenditure has been included at the gross amount in notes 3 and 6 to the financial statements. The net income received during the year from the lottery was £152,021 (2015 £159,263).

## 23. EXPLANATION OF TRANSITION TO FRS 102

This is the first year that the Group has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The following disclosures are required in the year of transition. The last financial statements under previous UK GAAP were for the year ended 31 March 2015 and the date of transition to FRS 102 was therefore 1 April 2014. As a consequence of adopting FRS 102, a number of accounting policies have changed to comply with that standard.

Legacy income is now recognised when the receipt of income is probable rather than virtually certain. The impact of the restatement is shown below.

Donation and Fundraising event income were also restated in line with the new SORP 2015 requirements to disclose such items separately under different headings. The impact of the restatement is to reallocate £727,201 of donations raised from fundraising events to be included in fundraising income instead of in donations.

## Reconciliation of group funds and balances

	Group		Charity	
	At 1 April 2014 £	At 31 March 2015 £	At 1 April 2014 £	At 31 March 2015 £
Fund balances as previously stated	12,403,409	12,667,769	12,403,409	12,667,769
Adjustment for legacy income (unrestricted fund)	360,000	20,000	360,000	20,000
Fund balances as restated	<u>12,763,409</u>	<u>12,687,769</u>	<u>12,763,409</u>	<u>12,687,769</u>

## Reconciliation of net movement in funds for the year ended 31 March 2015

	Group £	Charity £
Net surplus after investment gains for the financial year under previous UK GAAP	264,360	264,360
Adjustment for legacy income now recognised as income in year ended 31 March 2014	<u>(340,000)</u>	<u>(340,000)</u>
Net expenditure after investment gains for the year as restated	<u>(75,640)</u>	<u>(75,640)</u>



329 Harrogate Road  
Moortown  
Leeds, LS17 6QD



[www.twitter.com/stgemmahospice](http://www.twitter.com/stgemmahospice)



[www.facebook.com/st.g.hospice](http://www.facebook.com/st.g.hospice)

Registered Charity No. 1015941

[www.st-gemma.co.uk](http://www.st-gemma.co.uk)



**St.  
Gemma's  
Hospice**  
Always caring