

St Gemma's Hospice

Report and Financial Statements

31 March 2015



Charity Registration No. 1015941
Company Registration No. 02773867





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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
Mr Peter Hartley CBE
Professor Gerald Richards
Mr Tom Riordan

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
Member of the Corporate Governance Committee

Dr Peter Belfield
Deputy Chair of the Board (From 14 October 2014)
Chair of the Corporate Governance Committee
Member of the Clinical Governance Committee

Arif Ahmad
Member of the Finance & Business Committee

Sr Christine Alderson CP

Dr Helen Alpin
(Resigned 14 October 2014)

Sue Ansbro
(Appointed 14 October 2014)
Member of the Finance & Business Committee

Dr Elizabeth Carmody
Member of the Clinical Governance Committee

Sr Eileen Fucito CP
(Appointed 14 October 2014)

Professor Philip Hopkins
Member of the Clinical Governance Committee

Angus Martin
(Appointed 14 October 2014)
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

Sara Rogers
(Resigned 14 October 2014)

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

Sr Marguerita Traynor CP

Morven Whyte
(Resigned 14 October 2014)

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 2014/15

1,043
New Patient
Referrals

750
Volunteers

240
Staff

79,000
Volunteer
Hours

24,000
Patient Meals

2,046
Bereavement
Sessions

7,354
Facebook
Followers

100
GPs Trained

540
Out of Hours
Clinical Calls

1m
Clothing
Items Sold

366
Compliment
Letters

4,196
Community
Visits

1,307
Maintenance
Requests

4,386
Twitter
Followers

Strategic Report



Rebecca Weinberg,
Chair of the Board

includes fundraising, legacies, retail activities and donations. Grant funding is also provided by the Clinical Commissioning Group (CCG) which represents 25% of our total income.

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 does not only provide care for cancer sufferers but for 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

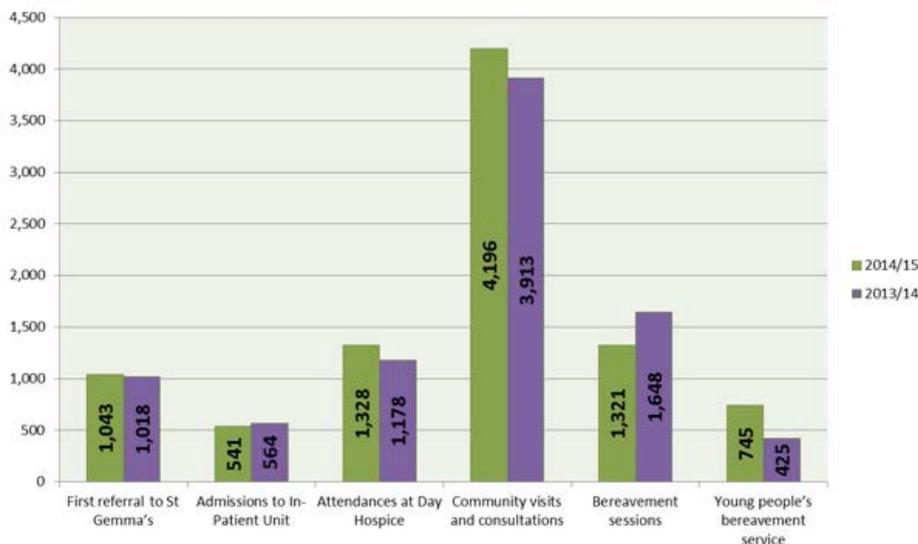
We care for many patients in their own homes and in care homes; our catchment area for these community based services is the East of Leeds and surrounding towns and villages. Services provided in our 32 bed In-Patient Unit and our Day Services facility are open to patients from across Leeds. We also accept in-patient referrals from across the UK where this meets the particular need 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 750 unpaid volunteers work alongside our 240 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.

During 2014/15 our activity included:



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 providers 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 and family feedback, service evaluation and audit, patient safety incidents, benchmarking against other hospices, staff views and the findings of national and local reviews.

Obtaining feedback from users of our services allows us to improve the care we provide to patients at the time as well as enabling improvements year after year. In addition to existing methods for receiving feedback, this year we trained volunteers to talk to patients and families on the wards and seek their feedback.



Feedback from patients paints a rich picture of hospice care. One of our patients, Sara, spoke to us after her second stay at St Gemma's. *Sara told us that she was admitted for urgently required medical care and attention. She told us of her tremendous gratitude for the care, consideration and compassion she received, and that this care was of a unique kind. Most significantly for Sara was the focus on her spiritual as well as medical well-being. She was treated holistically, she never felt she was simply a number or a name, but recognised as a unique individual with her own needs. She felt recognised for her spirit, a spirit that was not diminished by her illness, and this meant a great deal to her, not least when she danced the Argentine tango on the ward!*

Meeting a patient's clinical needs is vitally important, but care at St Gemma's is also about meeting the

needs of the whole person and the needs of the people around them, this is across all our care services, in the community our Day Hospice and our In-Patient Unit. Holistic care is about listening to what matters to the patient; 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.

In-Patient Unit Developments

This year we appointed a Matron to provide clear day to day and strategic leadership to our two wards. Matron's main priorities have been upholding and improving patient safety; developing robust patient and carer feedback and driving forward nurse recruitment. In partnership with Leeds City College, we have developed a programme to recruit nursing assistant apprentices to enhance our ward based team.

Supported by funding from the Foundation of Nursing Studies "Patients First" programme we improved care for patients with cognitive impairment or other communication difficulties, including developing an improved understanding of this group of patients and introducing resources to support their care; tailored staff training was also delivered.

The In-Patient Unit led the introduction of the #HelloMyNameIs campaign within the Hospice. Dr Kate Granger, a doctor who is also a terminally ill cancer patient, made the stark observation that many staff looking after her in hospital did not introduce themselves before delivering care. This felt so wrong that Kate started a campaign to encourage and remind healthcare staff about the importance of introductions in the delivery of care, firmly believing in the importance of making a human connection, beginning a therapeutic relationship and building trust as the first rung on the ladder to providing compassionate care. Kate came to meet staff in the Hospice this June. This campaign fits with the values of St Gemma's and our work on the wards to focus on the 6Cs: Care, Communication, Compassion, Commitment, Competence and Courage.



Community Services Development

Our Community Specialist Nursing service was expanded in April 2014 to provide care seven days of the week, meaning that patients and care professionals in the community can access specialist nursing support every day. This new development was independently evaluated by Healthwatch; patients told them how valuable the service was: "Always there when you need them." Relatives told us they felt supported and no longer alone; and that the service enabled patients to be cared for at home if they wished to. Staff members have told us they can clearly see the difference the new service is making.

Working in partnership with other local healthcare organisations we have 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. The St Gemma's Hospice & Green Acres Nursing Home team have been shortlisted in the 'Enhancing Patient Dignity' category in the Nursing Times Awards 2015. One of the patients who received care at Green Acres told us: "The staff were very caring, wonderful in fact. They really cared about me as an individual. Each member of staff seemed to be nicer than the last."



A review was undertaken of our medical domiciliary visits. Domiciliary visits (DV) may be viewed as a 'consultant ward round in the community', enhancing the care provided by our Community Nurse Specialists. Patients visited were highly symptomatic, having a median of six problems. There was a tendency to visit younger patients (under 65). Most patients required one medical visit only (79%) but some patients who had highly complex needs required multiple visits. The Hospice continues to use and monitor the DV model but recognises it is time intensive.

Day Hospice

The number of attendances to the Day Hospice has increased this year by 12%. 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. This year patients took on the Tour de France challenge utilising a new, specialist exercise bike to clock up the miles. Exercise classes have been introduced in 2015 under the direction of the

physiotherapists and have been very popular with the majority of patients joining in. The environment has been reconfigured to make more activity spaces for exercise, art, quizzes, using the computer and relaxing.

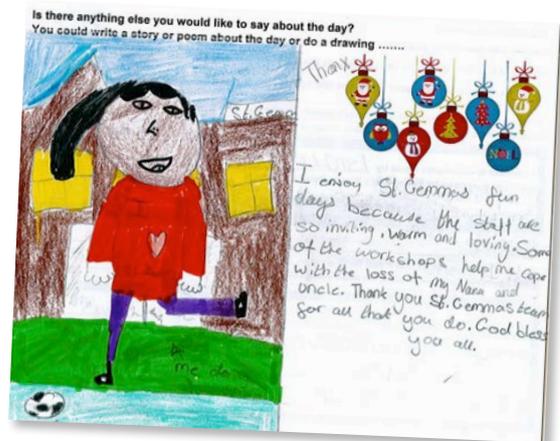
Clinical Support Services

Clinical Support Services encompass physiotherapy, occupational therapy, spiritual care, complementary therapy, dietetics and social work. The services have been central to leading the falls patient safety programme, which will continue into 2015/16. The Therapies Team took the lead to promote a Healthy Workplace, providing challenges and information for staff on exercise, diet, relaxation and general wellbeing. There have been a number of fun days for children who have experienced bereavement, from Christmas parties to Easter egg hunts and meeting exotic animals. Our Young People's Service provides therapeutic and emotional support to children and young people facing or dealing with bereavement. Social activities such as this provide a vital opportunity for them to take time out and meet others in a similar situation. The service supports children from across Leeds and is partly funded by BBC Children in Need.

One of the children said to another child:

'You'll be alright here, we have a good time and people look after us.'

The social work team has been working in partnership with the local authority to ensure the Hospice is in line with the latest safeguarding



legislation, Deprivation of Liberty Safeguards and has provided training and guidance to ensure this is managed sensitively, supporting families and protecting the rights of the patient.

Environmental Improvements

With funding from the Department of Health, we completed improvements to the environment on the wards, improving ward entrances to make them more welcoming and changing the flooring and décor, making it more hygienic and easier to maintain. We created improved space for prescribing and dispensing medicines. Two rooms were furnished with state of the art equipment which allows patients with restricted physical abilities to more easily operate environmental controls in their room such as the lamp, fan, TV and bed controls - all of which can be done with a single switch operated via hand, foot or head.

The main Hospice reception area has been upgraded; this is often people's first contact with St Gemma's and it is vitally important that people feel safe and welcome as soon as they arrive at the Hospice. Improvements were also made to the Day Hospice environment.

A new Path of Life was opened by the Anglican Bishop of Leeds Nick Baines, a beautifully planted peaceful area for people to sit and reflect away from the Hospice wards.



Research and Education

Our Academic Unit of Palliative Care (AUPC), established in partnership with the University of Leeds, delivers education and research.

Our largest research project, called IMPACCT, is looking at ways to reduce distress from cancer pain in palliative care patients and reduce the number of hospital admissions. Patients, carers and staff have been recruited to the programme and papers are being published which will inform the future shape of end of life care for all patients across the country

and beyond. Our educational programme has gone from strength to strength. In addition to training our own staff and volunteers, we hosted over 150 placements at the Hospice, including doctors and nurses. Over 50 students undertook modules on the St Gemma's Graduate Certificate in Palliative Care. We hosted and provided training to health and social care professionals across the city, including district nurses, community staff nurses and care home staff. GP training on symptom management, effective communication and end of life care was provided to over 100 GPs and was well evaluated.

Through the AUPC, we have participated in the Department of Health 'Connecting People Programme' under which senior Department of Health staff seek to better understand patients, carers and staff.

Raising Funds

St Gemma's is reliant on the amazing generosity of local people who give their time to volunteer, gift their unwanted items to our chain of 22 charity shops and donate their hard earned money. Gifts in Wills continue to provide substantial funds each year. We are particularly touched that individuals care so much about the work of St Gemma's that they remember us in this most significant way. Our dedicated and energetic fundraisers always seem to find new ways to engage with the community. Worthy of particular note during the year was the auction of over 400 postcard sized pieces of art in a 'Secret Art Project.' We appealed to some well-known individuals and had an overwhelming response, plus national media coverage. Stephen Fry, Katherine Jenkins, Prime Minister David Cameron and Brian Blessed are among the high-profile names who kindly sent us their artistic creations.

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.

An unannounced visit by Leeds City Council's environmental health department in January 2015 resulted in a five out of five score for our food hygiene.

Staff and Volunteers

St Gemma's dedicated staff and volunteers drive the quality of care that we provide - doctors, nurses, therapists, social workers, housekeepers and receptionists to name but a few. During 2014/15 we have worked hard to improve meaningful engagement and involvement of staff and volunteers, including Investors in People, staff surveys, conferences and open communication. For the first time we have employed individuals into apprenticeships within our retail team and on the wards.

We are delighted to welcome as new Patrons well known and influential individuals within the city – the Roman Catholic Bishop of Leeds, Marcus Stock, the Anglican Bishop of Leeds, Nick Baines and Mr Tom Riordan. We look forward to working with them to promote end of life care issues and the work of the Hospice.

Grateful thanks are due to Trustees who have retired since the last Annual Report: Sister Maria Angelica Algorta, Dr Helen Alpin, Sara Rogers and Morven Whyte. We are delighted to welcome onto our Board as new Trustees Sue Ansbro, Angus Martin and Sister Eileen Fucito.



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. Delivering improvements is not always easy; one of our priorities last year was meeting the needs of patients with an increased risk of falls. We have taken a number of steps to reduce the risk of patient falls, whilst seeking to support patients to maintain their independence. There is more work we need to do in this area and we have, therefore, retained this as a priority area for the coming year. Alongside this, in 2015/16 we will focus on enhancing support for young people before and after bereavement, as well as involving

them in shaping clinical services relevant to them. We will also embark on a project to measure clinical outcomes for patients to more clearly establish the benefits of palliative care and help shape our services for the future.

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.

One way of achieving this is to continue and potentially expand the pilot project with end of life care beds in Green Acres Nursing Home supported by the Hospice. To date, the pilot project is demonstrating high quality care and high levels of patient satisfaction, reduced hospital admission and rapid access to medicines, increased psychological support for families, training and development for the nursing home staff and reduced paperwork and administration time for a range of professionals.

The project demonstrates real partnership working with our local acute hospital, GPs and other community healthcare providers, NHS commissioners and an independent nursing home.

Another key area of development is to open nurse led beds within St Gemma's wards. We have recently been successful in securing funding from The Health Foundation's Innovating for Improvement programme for this project. This will further increase access for patients who do not have specialist medical palliative care needs but who wish to die in the Hospice.

We also plan to identify and seek to remove some of the barriers to referral to our services and assess how well we meet the needs of carers and the bereaved.

Research and Development

Through our Academic Unit of Palliative Care, research and development 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, developing a Masters Level Certificate course in palliative care. 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.

Our plan for education includes St Gemma's staff but also 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 ongoing 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.

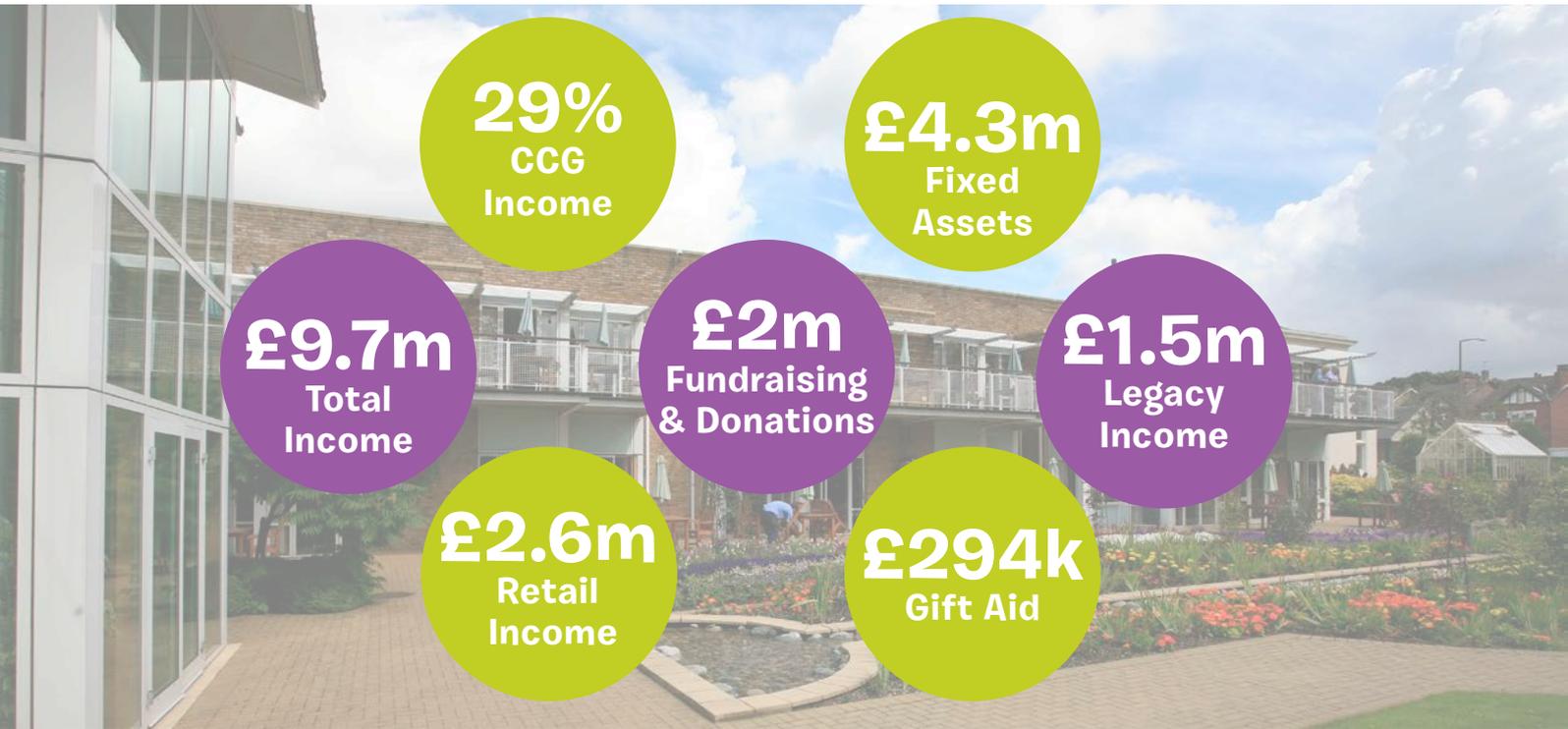


Coordination of Care

It is critical that providers of end of life care in Leeds work together in partnership to ensure more coordinated services for patients and the most effective use of our scarce resources. Together with other providers we have begun discussions about establishing a managed clinical network of providers in Leeds, where providers of care work together to ensure service improvements are delivered in the best way for patients and their families. We have also begun early discussions around the feasibility of having a single point of telephone contact for end of life care patients, families and professionals in the City.



Financial Review



Total income for the year was **£9,662,572** (2013/14: £9,682,073). Legacy income has increased by **£259,615** (21%). However grant funding was **£291,720** lower due to the one off impact of a Department of Health refurbishment grant received in 2013/14. This was invested in the wards and main reception area of the Hospice as part of a major environment upgrade programme during 2014/15.

Overall income from donations and fundraising events has increased by **£81,389** (4.25%) and this is due to the success of major events like the Winter Ball, 10 year anniversary Question of Sport, Midnight Walk and the Secret Art Project. Shops' income of **£2,554,460** has reduced by **£88,584** (3.35%) on 2013/14 due to an increasingly competitive market place and staff changes.

Overall expenditure increased by **£356,072** in the year which represents an increase of **3.8%**. This increase is a direct result of investment in supporting four beds in Green Acres Nursing Home and providing care seven days of the week by St Gemma's Community Nursing Team. These projects were supported through funds received in 2013/14.

The total net incoming resources for the year show a deficit of **£88,501** before other recognised gains and losses. This is made up of surpluses in the general fund due to the income from legacies and from non-recurrent Clinical Commissioning Group (CCG) funding. This is offset by expenditure in the

designated fund which is largely depreciation and utilisation of restricted funds.

The gain on the investment portfolio of **£352,861** was in line with the general increase in the Stock Market during the year. The portfolio is managed by external fund managers (Investec) and continues to be closely monitored by the Finance and Business Committee. This growth represents six years in a row of positive returns. Hospice investments returned +10.7% over the twelve month period compared to the benchmark's return of +10.4%. Overall investment income was **£182,423** of which the investment portfolio contributed **£163,222** to the incoming resources of the Hospice. The portfolio is invested in a mixture of equities, bonds, property and infrastructure assets.

The trading subsidiary company, St Gemma's Hospice Services Ltd, continued to sell bought in goods and provide room hire on a commercial basis in the Academic Unit of Palliative Care. The company made a net surplus of **£30,552** (2014: £19,377) in the year which will be transferred to the Hospice under Gift Aid.

Reserves

In line with the Charity Commission guidelines, the Board of Trustees has adopted a reserves policy to maintain a minimum level of reserves to ensure that the Hospice can continue to provide its current level of services having regard to possible future fluctuations in income and expenditure.

The current reserves policy is to hold a minimum of nine months' running costs in general reserve. These reserves are drawn from unrestricted funds, excluding funds designated for future expenditure and those funds already invested in fixed assets. The unrestricted general fund at 31 March 2015 is **£6,674,938** (£5,703,774) which is the equivalent of eight months' running costs. The reserves policy is currently being reviewed to consider an improved risk based approach to the levels of reserves whilst also recognising the need to continue to invest in the charitable activities.

Total designated reserves at 31 March 2015 were **£5,568,257** of which **£4,323,737** has been invested in fixed assets. **£629,184** is held for the continuing upkeep of the Hospice and for the development of the gardens. **£584,000** remains designated for

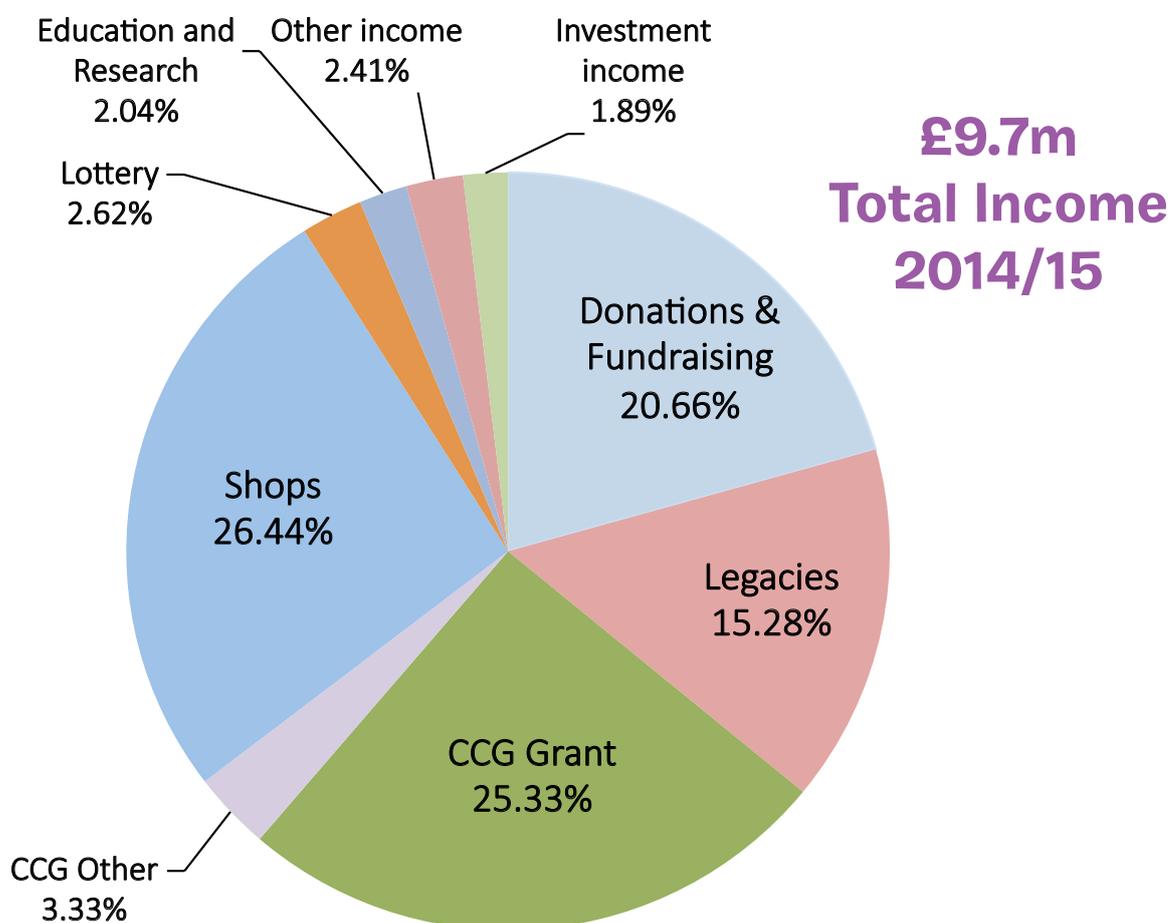
the Professor in Palliative Medicine. All designated funds are being considered within the wider review of the reserves policy. See notes 14 and 15 of the financial statements for further information on reserve utilisation.

Fixed Assets And Investments

The movements in fixed assets and investments during the period are set out in notes 9 and 10 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.

The Investment Policy states that the Board of Trustees delegates the day-to-day investment powers of the equity portfolio to fund managers, and a six monthly review meeting is held with Investec to discuss the performance of the portfolio. Any surplus funds are held in short to medium term deposits taking into account the cash flow requirements of the Hospice, the stability and credit rating of the institution and the rate of return available.



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 2015 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 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 ensures 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:

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.

Corporate Governance Committee – Chair, Dr Peter Belfield

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

Clinical Governance Committee – Chair, Mrs June Toovey

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

Scheme of Delegation

The Board has approved a scheme of delegation under which the majority of operational management 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, 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.

Statement of the Board on Internal Controls Assurance

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. There is regular evaluation of the nature and extent of risk. The arrangements adopted by the Board in reviewing the effectiveness of the system on internal control, together with some key elements of the control framework include:

- **Annual Governance Statement**

The Annual Governance Statement (AGS) gives assurance to the Board that robust governance and risk management arrangements are in place and are effective. The Board has adopted the

'Good Governance Code' (a code for the voluntary, charity and community sector) that provides a governance framework which considers 6 key principles of good governance which reflect best practice in the sector. An action plan is developed as an integral part of the AGS to underpin continuous improvement and address any governance weaknesses.

- **Identifying and Evaluating Key Risks**

The risk management framework sets out arrangements for identifying, evaluating and controlling significant risks. Risk management responsibilities are included in the framework to ensure that all levels of the organisation are covered. Managers, together with risk owners, if appropriate, review all high risks on a quarterly basis and this is reported through the relevant Committee.

- **Fraud**

St Gemma's acknowledges the need to maintain the highest standards of probity in all activities and has procedures in place to detect and deter fraudulent activity. St Gemma's has also implemented an anti-fraud policy. This policy covers the prevention, detection and reporting of fraud and the recovery of assets. We also have a whistle-blowing policy which provides a framework for staff and volunteers to raise concerns about fraudulent and/or other unauthorised activities.

- **Control Environment and Internal Controls**

The processes to identify and manage the key risks to which the organisation is exposed are an integral part of the internal control environment. These processes, which are reviewed annually and revised where necessary, include strategic planning, monthly performance monitoring, budget control and management, raising risk awareness and monitoring health and safety practice and performance. The new delegation framework introduces an annual audit plan and supporting internal control review to give the Board additional assurance that robust internal controls are in place and that any weaknesses are being properly managed.



• Information Governance

The Hospice has achieved Level 2 on the Information Governance Statement of Compliance (IGSoC); this means we are recognised for the secure handling and storage of personal data. The Board delegates responsibility for information governance (IG) to the Chief Executive (Accountable Officer). The Senior Information Risk Owner (SIRO - Director of Corporate Services) assists the Chief Executive in providing a report on Information Governance risk management (SIRO report) to support the Annual Governance Statement presented to the Board. The SIRO works closely with the Caldicott Guardian (Director of Medicine and Consultant in Palliative Medicine), the Information Governance Lead (Director of Nursing) and IT Security Officer (Head of Estates and Facilities) in managing information assets, information risks and patient information.

• Monitoring Arrangements

Regular management reporting on control issues provides assurance to the Board and supporting Committees. This is supplemented by a programme of regular risk based reviews by audit (through the annual audit plan) that provides independent assurance to the Board. Forecasts and budgets are prepared which allow the Board of Trustees and Management to monitor the key business risks and financial objectives and progress towards financial plans set for the year and the medium term; regular management accounts are prepared promptly, providing relevant, reliable and up-to-date financial and other information and significant variances from budgets are investigated as appropriate.



• Policies, Procedures and Training

Formal policies and procedures are in place, including the documentation of key systems and rules relating to the delegation of authorities. This includes a regular review of policies to ensure they are fit for purpose and have been properly equality impact assessed. Experienced and suitably qualified staff are responsible for important business functions and decisions which are contained in an annual delegation letter. Annual appraisal procedures are in place to maintain standards of performance and any skill gaps are met through the annual training and development plan.

Principal Risks and Uncertainties

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. These risks are identified in the risk register and are risk assessed. The risk register is developed by the Hospice Leadership Team and is scrutinised and reviewed by the Risk Management Group biannually, by the relevant Committees quarterly and by the Board at least annually. Systems are established to mitigate exposure to these risks. A review of risk management arrangements is to be undertaken during 2015 to ensure they are fit for purpose and continue to support the Business Plan and achievement of Strategic Objectives. The principal financial risk facing the charity is its ability to generate sufficient income to cover expenditure incurred in fulfilling the objectives of the charity to support the new 3 year strategy.

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.

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

Mrs Rebecca Weinberg (Chair)
29 July 2015

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).

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 business.

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.

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 were appointed as auditors during the year. A resolution to reappoint Deloitte LLP as auditors will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Trustees on 29 July 2015.



Signed on its behalf by
Mrs Rebecca Weinberg (Chair)

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 2015 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 22. 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).

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 2015 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.



Matthew Hughes BSc (Hons) ACA (Senior Statutory Auditor) for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, United Kingdom

Group Statement of Financial Activities (Incorporating Income and Expenditure Account) Year Ended 31 March 2015

	Notes	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 £	Year 31-Mar-14 Total Funds £
INCOMING RESOURCES						
Voluntary income	2	3,240,441	-	91,762	3,332,203	2,970,684
Activities for generating funds	3	3,104,685	-	-	3,104,685	3,156,290
Investment income	4	182,423	-	-	182,423	180,871
Incoming resources from generated funds		6,527,549	-	91,762	6,619,311	6,307,845
Incoming resources from charitable activities	5	2,842,252	-	201,009	3,043,261	3,374,228
TOTAL INCOMING RESOURCES		9,369,801	-	292,771	9,662,572	9,682,073
RESOURCES EXPENDED						
Costs of generating voluntary income		938,700	35,474	-	974,174	868,549
Fundraising activities		1,732,381	82,471	-	1,814,852	1,793,872
Investment management costs		27,846	-	-	27,846	24,876
		2,698,927	117,945	-	2,816,872	2,687,297
Charitable expenditure:						
Charitable activities		5,953,463	507,706	418,579	6,879,748	6,657,248
Governance costs		54,453	-	-	54,453	50,456
		6,007,916	507,706	418,579	6,934,201	6,707,704
TOTAL RESOURCES EXPENDED	6	8,706,843	625,651	418,579	9,751,073	9,395,001
Net incoming/(outgoing) resources before transfers	7	662,958	(625,651)	(125,808)	(88,501)	287,072
Transfer between funds	14,15	(44,655)	328,522	(283,867)	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR (NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR		618,303	(297,129)	(409,675)	(88,501)	287,072
OTHER RECOGNISED GAINS AND LOSSES						
Net investment gains	10	352,861	-	-	352,861	232,255
NET MOVEMENT IN FUNDS		971,164	(297,129)	(409,675)	264,360	519,327
Fund balances brought forward at 1 April 2014		5,703,774	5,865,386	834,249	12,403,409	11,884,082
Fund balances carried forward at 31 March 2015	15, 16	6,674,938	5,568,257	424,574	12,667,769	12,403,409

The Charity has no recognised gains or losses other than those shown above.

All of the above activities are derived from continuing activities.

The deficit for the period for Companies Act purposes represents the net expenditure for the period of £88,501 (2014 net income of £287,072).

Balance Sheets

At 31 March 2015

	Notes	GROUP		CHARITY	
		2015 £	2014 £	2015 £	2014 £
FIXED ASSETS					
Tangible assets	9	4,323,737	4,498,927	4,323,737	4,498,927
Investments	10	5,226,729	4,901,714	5,226,731	4,901,716
		9,550,466	9,400,641	9,550,468	9,400,643
CURRENT ASSETS					
Stocks		21,289	15,500	-	-
Debtors	11	905,282	428,038	927,751	443,731
Current asset investments		672,949	2,130,237	672,949	2,130,237
Cash at bank and in hand		2,287,361	1,117,659	2,282,209	1,116,317
		3,886,881	3,691,434	3,882,909	3,690,285
CREDITORS - amounts falling due within one year	12	(769,578)	(651,269)	(765,608)	(650,122)
NET CURRENT ASSETS		3,117,303	3,040,165	3,117,301	3,040,163
CREDITORS - amounts falling due in more than one year	13	-	(37,397)	-	(37,397)
NET ASSETS		12,667,769	12,403,409	12,667,769	12,403,409
Represented by:					
INCOME FUNDS					
Unrestricted:					
Designated fund	14	5,568,257	5,865,386	5,568,257	5,865,386
General fund	14	6,674,938	5,703,774	6,674,938	5,703,774
Restricted funds	15	424,574	834,249	424,574	834,249
		12,667,769	12,403,409	12,667,769	12,403,409

The financial statements of St Gemma's Hospice, company number 02773867, were approved by the Board of Trustees on 29 July 2015 and signed on its behalf by:



Mrs Rebecca Weinberg
Chair of the Board of Trustees

Group Cash Flow Statement

Year Ended 31 March 2015

	Notes	2015 £	2014 £
Net cash (outflow)/ inflow from operating activities	17	(138,115)	182,820
Returns on investments and servicing of finance:			
Investment income			
Interest		19,201	28,878
Dividends		163,222	151,993
		<u> </u>	<u> </u>
Net cash inflow from investments and servicing of finance		182,423	180,871
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(359,740)	(483,412)
Proceeds on disposal of fixed assets		-	-
Purchase of fixed asset investments		(793,296)	(1,269,068)
Proceeds on disposal of fixed asset investments		809,747	817,938
		<u> </u>	<u> </u>
Net cash outflow from capital expenditure and financial investment		(343,289)	(934,542)
		<u> </u>	<u> </u>
Cash outflow before management and financing of liquid resources		(298,981)	(570,851)
Management of liquid resources			
Movement in short term investment deposits		11,395	(23,994)
		<u> </u>	<u> </u>
Decrease in cash and current asset investments	17	<u><u>(287,586)</u></u>	<u><u>(594,845)</u></u>

Statement of Accounting Policies

Year Ended 31 March 2015

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 applicable accounting standards and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) revised in 2008, and the Companies Act 2006.

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. A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented as the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005. The gross income of the charity was £9,662,572 (2014: £9,682,073) and the net outgoing resources were £88,501 (2014: incoming resources £287,072).

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 for twelve months from 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.

Incoming resources

Income received by way of donations, fundraising events, trading, legacies and Leeds Clinical Commissioning Groups (CCG) 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. Income tax recoverable on income received and bank interest received are included in these accounts on the accruals basis. Deferred income includes amounts received where there is a time restriction in place. Gifts in kind and donated services are included at the lower of their value to charity and their estimated market value. No amount is included for services donated by volunteers. 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.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Costs of generating 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.

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.

Support costs are those costs which enable fund generating and charitable activities to be undertaken. These costs include finance, information systems and property costs.

Tangible fixed assets

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 money market instruments. The unlisted investment in subsidiary undertaking is valued at cost.

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.

Pension costs

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.

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 14 and 15 for further information on funds.

Leased assets

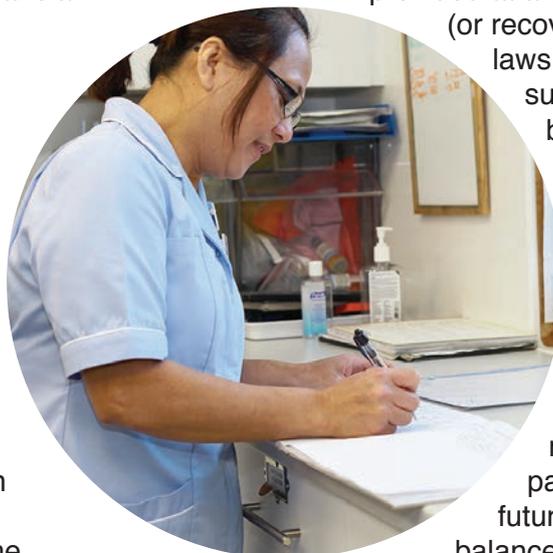
Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they relate.

Company status

The charity is a company limited by guarantee. The members of the company are the Trustees named on page 5. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

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.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

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.

Notes to the Group Financial Statements

Year Ended 31 March 2015

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 year end 31 March 2015 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.

Summary Profit and Loss Account	2015	2014
	£	£
Turnover	83,560	72,163
Cost of Sales	25,534	30,310
Gross Profit	<u>58,026</u>	<u>41,853</u>
Administrative expenses	2,298	2,059
Management charge	25,176	20,417
Operating profit	<u>30,552</u>	<u>19,377</u>
Amount gift aided to St Gemma's Hospice	(30,552)	(19,377)
Retained in subsidiary	<u>-</u>	<u>-</u>
Aggregate Capital and reserves	<u>2</u>	<u>2</u>

2 VOLUNTARY INCOME

	2015	2015	2015	2014
	Unrestricted	Restricted	Total	Total
	Funds	Funds		
	£	£	£	£
Donations	1,714,958	5,250	1,720,208	1,654,084
Legacies	1,476,651	-	1,476,651	1,217,036
Trusts	48,832	86,512	135,344	99,564
	<u>3,240,441</u>	<u>91,762</u>	<u>3,332,203</u>	<u>2,970,684</u>

At 31 March 2015 there were legacies totalling £498,200 (2014 : £448,941) that had been notified as receivable to the charity but have not been included in the financial statements as their value can not be quantified with certainty. A large proportion of this money is dependent on house sales and it is estimated that this amount will be received over the next 3 years. Included in Voluntary Income is gift aid received or receivable of £148,848 (2014 : £137,105).

3 ACTIVITIES FOR GENERATING FUNDS

	2015	2014
	£	£
Sale of donated and purchased goods	2,554,460	2,643,044
Fund raising events	276,555	261,290
Lottery	253,376	246,200
Room hire	20,294	5,756
	<u>3,104,685</u>	<u>3,156,290</u>

The sale of donated and purchased goods in 2015 includes donations under retail gift aid of £604,320 (2014 : £576,367) and the associated gift aid of £145,270 (2014 : £136,627) resulting from sales on behalf of supporters through the retail shops. St Gemma's Hospice had 22 Charity shops at the year end (2014: 22).

4 INVESTMENT INCOME

	2015	2014
	£	£
Listed securities	163,222	151,993
Bank and other interest	19,201	28,878
	<u>182,423</u>	<u>180,871</u>

5 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2015 Unrestricted Funds £	2015 Restricted Funds £	2015 Total £	2014 Total £
CCGs Leeds	2,697,409	71,959	2,769,368	2,781,836
Department of Health grant	-	-	-	291,720
Education and research	67,689	129,050	196,739	224,700
Other	77,154	-	77,154	75,972
	<u>2,842,252</u>	<u>201,009</u>	<u>3,043,261</u>	<u>3,374,228</u>

6 TOTAL RESOURCES EXPENDED

	2015 Direct Costs £	2015 Support Costs £	2015 Total £	2014 Total £
Costs of generating funds				
Costs of generating voluntary income	896,915	77,259	974,174	868,549
Costs of selling donated and purchased goods	1,614,347	86,916	1,701,263	1,694,710
Cost of lotteries	94,113	-	94,113	93,745
Cost of room hire	19,476	-	19,476	5,417
Costs of activities for generating funds	<u>1,727,936</u>	<u>86,916</u>	<u>1,814,852</u>	<u>1,793,872</u>
Investment management fees	27,846	-	27,846	24,876
	<u>2,652,697</u>	<u>164,175</u>	<u>2,816,872</u>	<u>2,687,297</u>
Direct charitable expenditure				
Inpatient Care	3,959,285	724,302	4,683,587	4,706,028
Community Care	1,020,163	38,629	1,058,792	878,118
Day Hospice	586,536	19,315	605,851	607,163
Bereavement Support	154,170	9,657	163,827	124,262
Education and research	358,034	9,657	367,691	341,677
	<u>6,078,188</u>	<u>801,560</u>	<u>6,879,748</u>	<u>6,657,248</u>
Governance costs	54,453	-	54,453	50,456
Total resources expended	<u>8,785,338</u>	<u>965,735</u>	<u>9,751,073</u>	<u>9,395,001</u>

Support costs totalling £965,735 (2014 : £852,588) have been allocated across the activities based upon the headcount in these areas, adjusted for those costs which are only incurred on the Hospice site. These costs include IT, finance and administration together with a proportion of building and maintenance costs.

7 NET INCOMING/(OUTGOING) RESOURCES FOR THE YEAR

This is stated after charging/(crediting):	2015 £	2014 £
Auditors' remuneration:		
- for audit services	18,865	18,524
- for other services	1,614	2,240
Depreciation	534,930	507,118
Rental of land and buildings under operating leases	367,980	342,596
Hire of equipment under operating leases	9,945	9,945
	<u>9,945</u>	<u>9,945</u>

8 EMPLOYEE INFORMATION

	2015 £	2014 £
Staff costs:		
Wages and salaries	6,058,290	6,024,343
Social security costs	437,784	446,160
Other pension costs	450,163	372,150
	<u>6,946,237</u>	<u>6,842,653</u>

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

	2015 No	2015 WTE	2014 No.	2014 WTE
Principal activities	146	118	147	118
Fundraising activities	13	11	14	12
Charity shops	45	37	46	35
Support functions	32	27	34	28
	<u>236</u>	<u>193</u>	<u>241</u>	<u>193</u>

The Board of Trustees did not receive any remuneration in the current or prior year.

The aggregate amount of expenses reimbursed to members of the Board of Trustees during the period was nil (2014 : nil). The number of members of the Board of Trustees reimbursed for expenses was nil (2014 : nil). Indemnity insurance is provided for the members of the Board of Trustees. Premiums paid during the period were £1,810 (2014 : £2,266).

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

	2015 No.	2014 No. (restated)
£60,000 - £70,000	2	2
£70,001 - £80,000	1	1
£90,000 - £100,000	1	1
£110,001 - £120,000	1	1
£120,001 - £130,000	1	1

All employees earning over £60,000 participated in one of the pension schemes. Total contributions paid during the period in respect of these employees was £59,542 (2014 : £59,180 restated to exclude employer's social security costs).

9 TANGIBLE FIXED ASSETS

CHARITY AND GROUP	Improvements to Leasehold Property £	Computer Equipment £	Fixtures and Fittings £	Motor Vehicles £	Total £
Cost:					
1 April 2014	6,574,510	189,916	1,993,338	54,055	8,811,819
Additions	91,382	65,938	202,420	-	359,740
31 March 2015	<u>6,665,892</u>	<u>255,854</u>	<u>2,195,758</u>	<u>54,055</u>	<u>9,171,559</u>
Depreciation:					
1 April 2014	2,404,051	138,057	1,724,150	46,634	4,312,892
Charge for the year	350,190	38,519	144,366	1,855	534,930
31 March 2015	<u>2,754,241</u>	<u>176,576</u>	<u>1,868,516</u>	<u>48,489</u>	<u>4,847,822</u>
Net book value:					
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>
1 April 2014	<u>4,170,459</u>	<u>51,859</u>	<u>269,188</u>	<u>7,421</u>	<u>4,498,927</u>

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

10 FIXED ASSET INVESTMENTS

CHARITY	Cost	Valuation	Total
	Unlisted £	Listed in GB £	
Market value at 31 March 2014	2	4,901,714	4,901,716
Additions	-	793,296	793,296
Disposal proceeds	-	(809,747)	(809,747)
Unrealised gains	-	328,865	328,865
Realised gains	-	23,996	23,996
Increase in cash deposits	-	(11,395)	(11,395)
Market value at 31 March 2015	<u>2</u>	<u>5,226,729</u>	<u>5,226,731</u>

GROUP	Valuation		Total
	Listed		
Market value at 31 March 2014	4,901,714		4,901,714
Additions	793,296		793,296
Disposal proceeds	(809,747)		(809,747)
Unrealised gains	328,865		328,865
Realised gains	23,996		23,996
Increase in cash deposits	(11,395)		(11,395)
Market value at 31 March 2015	<u>5,226,729</u>		<u>5,226,729</u>

The net investment gain of £352,861 is represented by the unrealised gain of £328,865 and the realised gain of £23,996. The unlisted investment represents an investment in a subsidiary undertaking:

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

Listed Investments

The historic cost of listed fixed asset investments at 31 March 2015 was £4,052,627 (2014 : £3,923,683). The investments are managed by an external fund manager. The funds can be analysed as follows:

	2015 £	2014 £
Fixed Interest	762,509	662,305
UK Equities	2,612,316	2,828,584
Overseas Equities	1,170,756	951,666
Property	237,179	187,820
Alternative Assets	380,375	196,350
Cash deposits	63,594	74,989
	<u>5,226,729</u>	<u>4,901,714</u>

At 31 March 2015, the only investments representing more than 5% of the portfolio by market value are JP Morgan American IT Ordinary GBP0.05, with 5.48% of the portfolio value.

11 DEBTORS	GROUP		CHARITY	
	2015 £	2014 £	2015 £	2014 £
Trade debtors	5,176	987	-	-
Amounts due from subsidiary undertaking	-	-	27,645	16,680
Income tax recoverable	60,711	45,892	60,711	45,892
Other debtors	737,829	278,503	737,829	278,503
Prepayments	101,566	102,656	101,566	102,656
	<u>905,282</u>	<u>428,038</u>	<u>927,751</u>	<u>443,731</u>

12 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	GROUP		CHARITY	
	2015 £	2014 £	2015 £	2014 £
Trade creditors	573	299	-	-
Taxation and social security costs	37,261	42,056	37,261	42,056
Other creditors	54,957	41,324	51,560	40,476
Accruals and deferred income	676,787	567,590	676,787	567,590
	<u>769,578</u>	<u>651,269</u>	<u>765,608</u>	<u>650,122</u>

13 CREDITORS - AMOUNTS FALLING DUE IN MORE THAN ONE YEAR	GROUP		CHARITY	
	2015 £	2014 £	2015 £	2014 £
Taxation and social security costs: Due in 1-2 years	-	37,397	-	37,397
	<u>-</u>	<u>37,397</u>	<u>-</u>	<u>37,397</u>

The amount outstanding is due to HM Customs and Excise in respect of VAT recovered at the time of supply on a proportion of the cost of the renovation of the Hospice. This amount will now be repaid in the next year in line with the revision to the Lennartz ruling.

14 UNRESTRICTED FUNDS

CHARITY AND GROUP	1 April 2014 £	Income £	Expenditure £	Transfers £	31 March 2015 £
Designated Funds					
Maintenance and gardens	660,402	-	-	(31,218)	629,184
Investing in People	22,173	-	(4,000)	-	18,173
Professor in Palliative Medicine	584,000	-	-	-	584,000
Securing your Hospice for the Future	99,884	-	(86,721)	-	13,163
Fixed assets	4,498,927	-	(534,930)	359,740	4,323,737
	<u>5,865,386</u>	<u>-</u>	<u>(625,651)</u>	<u>328,522</u>	<u>5,568,257</u>
General Fund	5,703,774	9,722,662	(8,706,843)	(44,655)	6,674,938
Total unrestricted funds	<u>11,569,160</u>	<u>9,722,662</u>	<u>(9,332,494)</u>	<u>283,867</u>	<u>12,243,195</u>

The Maintenance and Gardens Fund is for ongoing building maintenance work to ensure that the Hospice building is kept to the highest possible standard. 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 reserve for the Professor in Palliative Medicine, together with restricted funding, represents the potential net cost to St Gemma's Hospice until June 2016. A review of this funding will be undertaken during 2015 to ensure it meets the needs of the Academic Unit of Palliative Care. 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.

15 RESTRICTED FUNDS

CHARITY AND GROUP	1 April 2014 £	Income £	Expenditure £	Transfers £	31 March 2015 £
Foundation of Nursing studies	-	2,500	(2,291)	-	209
Medical equipment	14,093	-	-	(14,093)	-
Beds/mattresses	-	5,000	-	(5,000)	-
Riser/recliner chairs	-	4,500	-	(4,500)	-
Purchase & replacement of equipment	-	5,000	-	(5,000)	-
Sundry restricted donations	-	1,150	(1,000)	-	150
Bereavement Service	-	20,000	(20,000)	-	-
IPU & Day Hospice Refurbishment	137,046	-	(2,502)	(80,122)	54,422
Childrens bereavement worker	3,471	56,112	(45,976)	-	13,607
Informatics Consultancy	60,000	-	(3,431)	(22,068)	34,501
Competency framework/EOLC Outcomes	63,270	50,000	(29,400)	-	83,870
Nurse led beds in care homes	195,000	-	(97,113)	(97,887)	-
Nurse led beds 7/7 working	55,000	-	(39,918)	(15,082)	-
Companion's Scheme	8,467	-	(1,724)	-	6,743
Bed status web-site	-	3,600	-	-	3,600
Volunteer Coordinator	-	48,000	-	-	48,000
Learning Management system	-	15,000	-	-	15,000
DoLS training	-	4,359	-	-	4,359
End of Life survey	-	1,000	-	-	1,000
Bereavement counselling rooms	8,594	-	-	(8,594)	-
Heart Failure Pathway	22,222	-	(7,897)	(14,325)	-
Parkinsons Pathway	28,496	-	(11,300)	(17,196)	-
CRUSE bereavement support	10,740	-	(7,831)	-	2,909
MPET GP education	-	7,011	(7,011)	-	-
AV Equipment & education infrastructure	62,020	-	(896)	-	61,124
City wide education project	32,482	4,750	(3,250)	-	33,982
Chair in Palliative Medicine	133,348	64,789	(137,039)	-	61,098
Balance at 31 March 2015	<u>834,249</u>	<u>292,771</u>	<u>(418,579)</u>	<u>(283,867)</u>	<u>424,574</u>

15 RESTRICTED FUNDS continued

The Hospice has received £48,000 in the year from the Leeds CCGs to fund the recruitment of a Volunteer Coordinator. In addition funding has been received from the Leeds CCGs for the implementation of a Learning Management System and a Bed Status website, as well as funding to undertake Deprivation of Liberty Safeguards (DoLs) training and an End of Life survey.

£50,000 was received from Health Education England to support the End of Life Care Outcomes projects being undertaken within the Academic Unit of Palliative Care. The children's bereavement project is funded by Children in Need to employ children's 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 continually improve both these areas. The appointment of a Professor in Palliative Medicine is part of the Hospice strategy, an appointment was made in 2011 and the Hospice agreed to underwrite the costs until 2016.

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

CHARITY

	Unrestricted Fund £	Designated Fund £	Restricted Funds £	Total 2015 £	Total 2014 £
Tangible assets	-	4,323,737	-	4,323,737	4,498,927
Investments	5,226,731	-	-	5,226,731	4,901,716
Current assets	2,213,815	1,244,520	424,574	3,882,909	3,690,285
Current liabilities	(765,608)	-	-	(765,608)	(650,122)
Long term liabilities	-	-	-	-	(37,397)
Total net assets	<u>6,674,938</u>	<u>5,568,257</u>	<u>424,574</u>	<u>12,667,769</u>	<u>12,403,409</u>
Unrealised gains included in above:					
On investment assets	<u>328,865</u>	<u>-</u>	<u>-</u>	<u>328,865</u>	<u>272,359</u>

GROUP

	Unrestricted Fund £	Designated Fund £	Restricted Funds £	Total £	Total £
Tangible assets	-	4,323,737	-	4,323,737	4,498,927
Investments	5,226,729	-	-	5,226,729	4,901,714
Current assets	2,217,787	1,244,520	424,574	3,886,881	3,691,434
Current liabilities	(769,578)	-	-	(769,578)	(651,269)
Long term liabilities	-	-	-	-	(37,397)
Total net assets	<u>6,674,938</u>	<u>5,568,257</u>	<u>424,574</u>	<u>12,667,769</u>	<u>12,403,409</u>
Unrealised gains included in above:					
On investment assets	<u>328,865</u>	<u>-</u>	<u>-</u>	<u>328,865</u>	<u>272,359</u>

17 CASHFLOW STATEMENT

	2015 £	2014 £
Reconciliation of net incoming resources to net cashflow from operating activities		
Net (outgoing)/ incoming resources	(88,501)	287,072
Investment income	(182,423)	(180,871)
Depreciation	534,930	507,118
Decrease/(increase) in stock	(5,789)	1,962
Decrease/(Increase) in debtors	(477,244)	25,590
Increase/(decrease) in creditors	80,912	(458,051)
Net (outflow)/inflow from operating activities	<u>(138,115)</u>	<u>182,820</u>
Reconciliation of changes in cash during the period		
Balance at 1 April 2014	3,247,896	3,842,741
Balance at 31 March 2015	2,960,310	3,247,896
Decrease in cash	<u>(287,586)</u>	<u>(594,845)</u>
Analysis of the balances of cash and cash equivalents as shown in the balance sheet		
Cash at bank and in hand	2,287,361	1,117,659
Current asset investments	672,949	2,130,237
Balance at 31 March 2015	<u>2,960,310</u>	<u>3,247,896</u>

18 FINANCIAL COMMITMENTS

At the balance sheet date the Charity was committed to making the following payments during the next year in respect of operating leases with expiry dates as follows:

	Land & Buildings		Other	
	2015 £	2014 £	2015 £	2014 £
Within one year	31,690	49,890	5,739	4,752
Between two and five years	111,700	111,700	4,206	5,193
After five years	224,590	181,140	-	-
	<u>367,980</u>	<u>342,730</u>	<u>9,945</u>	<u>9,945</u>

19 CAPITAL COMMITMENTS

	2015 £	2014 £
Expenditure contracted for but not provided for	<u>16,298</u>	<u>70,784</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 (SoFA) of £450,163 (2014 : £372,150) represents contributions to the funds during the period. Contributions payable to the schemes at the year end date totalling £17,509 (2014 : £16,873) 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.

22 JOINT ARRANGEMENT

St Gemma's Hospice has an arrangement with Sue Ryder Care (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 £159,263 (2014: £152,455).





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