

St Gemma's Hospice

# Report and Financial Statements

31 March 2017



Charity Registration No. 1015941  
Company Registration No. 02773867



# Contents

---

Reference and Administrative Information .....	3
Trustees' Report .....	5
Trustees' Responsibilities Statement .....	27
Independent Auditor's Report .....	28
Consolidated Statement of Financial Activities .....	30
Balance Sheets .....	32
Consolidated Cash Flow Statement .....	33
Statement of Accounting Policies .....	34
Notes to the Group Financial Statements .....	38



# 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, Catholic Bishop of Leeds  
The Right Rev Nick Baines, Anglican Bishop of Leeds  
Professor Gerald Richards  
Tom Riordan  
Arif Ahmad  
The Earl and Countess of Harewood

## 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  
Registered Auditor  
1 City Square  
Leeds  
LS1 2AL



## Hospice Leadership Team

**Kerry Jackson**  
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



**Jayne Upperton**  
Acting Director of Nursing

## Board of Trustees

**Dr Peter Belfield**  
Chair of the Board (from 17 January 2017)  
Deputy Chair of the Board (to 17 January 2017)

**Rebecca Weinberg**  
Chair of the Board (retired 17 January 2017)

**June Toovey**  
Deputy Chair of the Board  
Chair of the Clinical Governance Committee  
Chair of the Corporate Governance Committee

**Sr Christine Alderson CP** (retired\*)

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

**Kuldeep Bajwa** (appointed\*)

**Hilary Barrett** (appointed\*)

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

**Debra Fairley**  
Member of the Clinical Governance Committee

**Sr Eileen Fucito CP**

**Sr Carmel Gorman** (appointed\*)

**Sr Anne Hammersley** (appointed\*)

**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 Therese O'Regan** (appointed\*)

**Sr Maire O'Sullivan CP** (retired\*)

**Chris Schofield** (appointed\*)

**Sr Savio Steed** (appointed\*)

**Sr Marguerita Traynor CP** (retired\*)

\*10 November 2016

# 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.

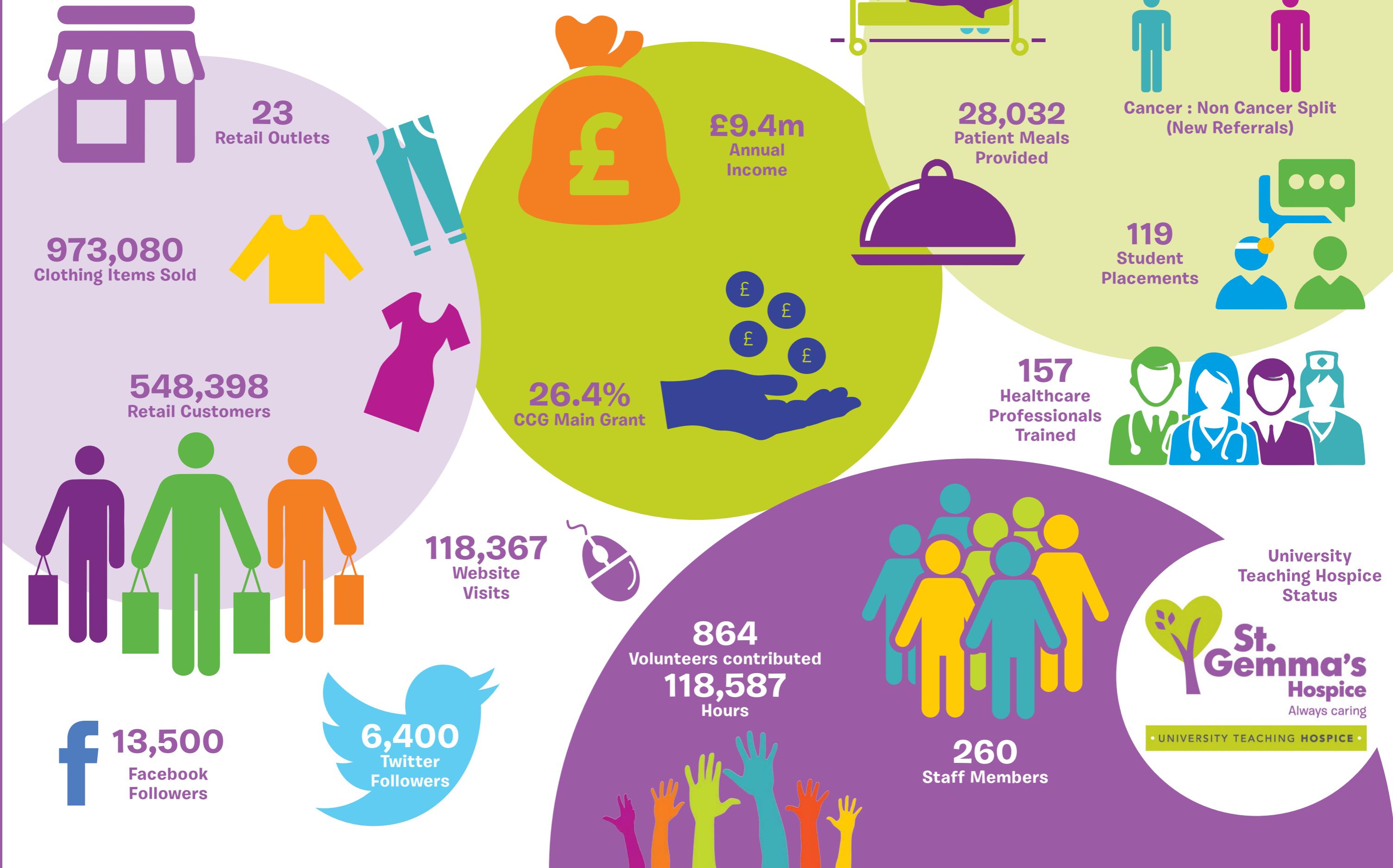
### Operations

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 2016/17



# Statement from the Chair and the Chief Executive

We are delighted to introduce the St Gemma's Report and Financial Statements for the year to 31 March 2017.

St Gemma's Hospice provides and promotes the highest quality palliative and end of life care, education and research. We strive to meet the complex and changing needs and preferences of people with a terminal illness and support their families and carers. Through education and research our Academic Unit of Palliative Care enables us to improve care and support for many more people than those who receive services directly from St Gemma's.

During 2016/17 the Care Quality Commission inspected St Gemma's services and rated our care Outstanding. This wonderful result reflects the efforts and commitment of staff and volunteers to provide the best possible expert care and support to patients and their loved ones, both within the Hospice and in community settings.

We have made care quality improvements in a range of areas including strong progress against our three Quality Account priorities of managing diabetes in end of life care, enhancing support for carers and measuring palliative care outcomes. We have continued to uphold robust governance arrangements including monitoring activity levels and key quality indicators such as medication incidents, pressure injuries and falls.

We have embedded our nurse-led end of life care beds to improve choice and quality of life for those approaching the last weeks or days of life without the need for specialist medical care. We have also embarked on a programme to transform Day Services to offer a more accessible, flexible and responsive model.

We received many lovely comments from patient and families about the care and support they received, supported by evidence from clinical outcome measures of the real difference we make to the quality of life for patients and families.

This year has seen an increase in first referrals to our services of 14% compared to 2015/16. We have been able to respond to increased demand largely through providing additional specialist palliative care services to people at home.

We continue to plan for future rises in demand for palliative and end of life care as well as responding to the needs and preferences of the people we serve. During the year we appointed a Head of Transformation to lead our work on how the Hospice, working with partners in the city, can meet the challenges of the future, not least growing need for palliative and end of life care combined with financial constraints and the pressures faced by our local hospital and community health and social care services.

We are committed to integrated working with partner providers of health and social care in Leeds, with NHS and social care commissioners and with our local community. This year we hosted and led the Leeds Managed Clinical Network for palliative and end of life care. We have worked closely with other charitable organisations and represented the Third Sector on the city's Health and Wellbeing Board. We have worked with the Leeds Carers Partnership to shape the city wide approach to improving support for carers as well as developing our own Carer's Strategy. We have worked with local NHS trusts to improve end of life care for people with diabetes and heart failure.

We have continued to engage with local people. Members of the senior nursing team have spent time in our shops talking to staff, volunteers and members of the public. We worked together with Leeds Involving People to gain feedback from local black and minority ethnic citizens to understand better how we can serve their needs; a Community Steering Group has been established to work towards meeting the needs of our diverse population.



We strive to engage effectively with all stakeholders, including patients, donors and the wider community. Traditional and digital media continue to be used alongside new radio campaigns which have helped us to recruit staff, volunteers, supporters and participants in our events. We reach more people than ever before with our digital / social media platforms enabling us to communicate with over 20,000 people daily.

The St Gemma's Academic Unit of Palliative Care, run in partnership with the University of Leeds, delivers high quality education and research. St Gemma's has recently been officially recognised as a University Teaching Hospice; we are the first hospice to achieve this prestigious status which reflects our substantial research and teaching activity. The Hospice also joined the Leeds Academic Health Partnership.

Investment in St Gemma's people has continued, with our staff survey showing positive results; we have improved mandatory training and induction programmes for staff and volunteers and invested in embedding our values of caring, aspiring and professional.

Significant improvements in Hospice governance and operations have been delivered including improved management information, infrastructure, internal processes and systems, as well as major reviews of governance, risk and financial management. We are committed to ethical fundraising and work hard to ensure full compliance with legislation as well as best practice and guidance to

provide a positive experience for all our supporters.

We are delighted to report a strong set of financial results in a challenging economic environment. We achieved our headline income target for the year (£9.4m), continued to manage expenditure effectively and maintained our general reserves in line with our longer term financial plan. We have a great foundation to support the continued delivery of our services.

The year has not been without challenges. The Hospice relies on both NHS and charitable funding streams and we face financially difficult times combined with increasing demand on our services. Recruitment to key staff groups, including registered nurses, has continued to be difficult during the year. With a continuing focus on the long term sustainability of service provision, we have opened a new warehouse, invested in a more dynamic retail and income generation approach and continued to implement robust expenditure controls.

We are only able to provide outstanding care 24 hours a day, 365 days a year because of the continuing support we receive from the wider community, including over 800 volunteers. We are grateful for

the financial contribution we receive from the NHS and value our close partnership working with NHS commissioners and a wide range of health and care providers to improve care for the people of Leeds.

We offer sincere thanks to our Board of Trustees, including the outgoing Chair, Rebecca Weinberg, for her tireless work and valuable leadership during her term as Trustee and Chair; we warmly welcome three new Trustees onto the Board who bring specialist skills and expertise to complement those of the existing Trustees.

Heartfelt thanks also to the Sisters of the Cross and Passion, who continue to provide guidance, support and challenge to the elected Trustees and Hospice Leadership Team.

**Dr Peter Belfield  
Chair  
&  
Kerry Jackson  
Chief Executive**



We are only able to provide outstanding care 24 hours a day, 365 days a year because of the continuing support we receive from the wider community, including over 800 volunteers.

# Strategic Report

St Gemma's Hospice is a registered charity providing and promoting the highest quality care for people with a terminal illness and supporting those close to them, including children and young people, as well as providing education and delivering research programmes. Our Hospice values of caring, aspiring and professional are at the heart of our services.

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 services free of charge to patients, families, friends

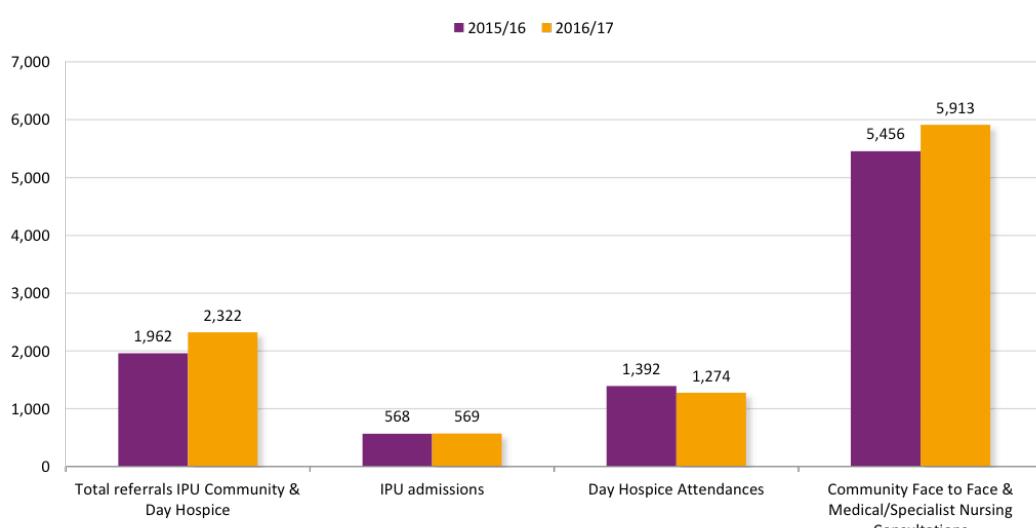
and carers within the St Gemma's catchment area. Our services are open to patients over the age of 18 regardless of race, religion, sexual orientation, age or diagnosis. We provide care to people with a cancer diagnosis but also for people with a range of other illnesses including neurological conditions such as motor neurone disease, and end stage respiratory and heart disease.

The Hospice provides care to people from across the city and sometimes further afield in our 32 bed In-Patient Unit. Community care is provided in people's own homes and care homes primarily in the east of Leeds including surrounding towns and villages. We recognise and respect the individuality and dignity of each person, seeking to meet the unique 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 of doctors, nurses, social workers, therapists, counsellors and chaplains, seeks to alleviate symptoms such as pain and breathlessness, as well as supporting people's emotional and spiritual wellbeing.

Our services are free to patients and those close to them, 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 provided by the Leeds NHS Clinical Commissioning Groups (CCGs) which, inclusive of non-recurrent project funding, represents 27.3% of our total income in 2016/17.

Clinical Activity





Increasing services for patients with diagnoses other than cancer is a strategic goal for the Hospice and we have achieved an increase in referrals year on year, from 16% in 2012/13 to 24% in 2016/17.

Face to face consultations by Clinical Nurse Specialists and medical staff have increased by 8% this year, due to a combination of factors including rising need resulting in higher referrals, increased complexity of care and the challenges being experienced by other community health and social care providers in the city.

Our programme to transform Day Services and deliver more tailored care for patients and families has resulted in a small reduction in the number of patient attendances this year.

Alongside our paid staff of 260 the Hospice is generously supported across all areas of activity by over 800 unpaid volunteers. Volunteer support ranges from bereavement care to manning the reception desk and helping to raise vital funds for St Gemma's; without the continued support of volunteers 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 remains 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.

## Inspection

St Gemma's Hospice is subject to periodic review by the Care Quality Commission; the latest review was an unannounced inspection on 13th July 2016. The Care Quality Commission's report was published on 3rd October 2016 and rated St Gemma's Hospice services as Outstanding.



# The Year Under Review

## Patient and Family Care

This section highlights the outcomes, developments and progress we have made in achieving the following three key priorities identified in last years report:

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

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. Our key performance indicators in 2016/17 do not give rise to any areas of significant concern; our annual Quality Account outlines in detail the areas of focus for quality improvement.

Demonstrating how St Gemma's makes a difference to patients and their families can be difficult. We receive many lovely letters and cards which paint a rich picture of Hospice care and trained volunteers support the provision of feedback from patients, friends and families.

We have also introduced clinical outcome measures to improve palliative care for patients and families by measuring clinical outcomes routinely. One important measure is "Views on Care". Of the in-patients who were able to complete this measure during the year, 77% reported their quality of life improved or remained the same and 97% reported the Hospice made a positive difference to their lives. Most of our patients have deteriorating health with falling quality of life as a result. Such results therefore show the real difference that Hospice care makes.

End of Life Care beds under the leadership of our Nurse Consultant have continued to offer care for patients without specialist palliative care needs.



The beds offer the choice to patients if their preferred place of death is the Hospice, and provide support to those important to them. The average length of stay for these patients is 4 days and a higher proportion of older people and those with a non-cancer diagnosis are admitted to these beds.

In our Community services, we have started work to examine new models of care to meet increased demand and greater need. We have welcomed new clinical staff into the team and more Clinical Nurse Specialists have completed the non-medical prescribing course. Feedback from students on placement has been very positive, one final year student describing their experience as the best placement they have experienced. In our Day Services we have reviewed activity levels, patient and family feedback and other models around the country and as a result we have begun changes to our traditional Day Hospice model.

These changes will provide a more flexible model to meet the individual needs of more patients and families.

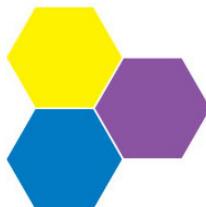
We have developed a Carers Strategy, consistent with the city wide Leeds Commitment to Carers and recognising the importance of working with carers and ensuring they have the right information and support at the right time. A new carer support group has been established within Day Services. We are also actively developing the Living Well @ St Gemma's project, supporting patients to manage their own health and well-being and reduce social isolation.

During the year we worked in partnership with Leeds Involving People on our Compassionate Communities Project. Over 1,000 local black and minority ethnic citizens took part in individual surveys or facilitated focus groups, investigating the understanding of palliative care services and how services could better meet the needs of all communities. A community steering group has been established to take forward the recommendations of the project.

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. Holistic care is about listening to what matters to an individual; this may be a person seeing 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)

**Leeds Palliative & End of Life Care**  
Managed Clinical Network  
*Working Together. Improving Care.*



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 Managed Clinical Network of palliative and end of life care providers in Leeds, which aims to deliver the best possible palliative and end of life care for patients and families. In its first year of operation the Managed Clinical Network has established a management structure and accountability arrangements; a commitment has been agreed to the delivery of the Leeds Palliative & End of Life Education Strategy; a city-wide Opioid Conversion Wheel has been agreed and implemented; and city-wide renal and hepatic guidelines have been developed. In addition a Leeds bereavement survey has been undertaken and recording and sharing of electronic records has been improved. Progress has been made on defining Leeds wide measures for the quality and reach of palliative and end of life care. Another important piece of work has begun to improve communication, recording, referral and transport arrangements in Leeds so that transfer of care between providers is improved for patients.

### Academic Unit of Palliative Care (AUPC)

The Academic Unit of Palliative Care aims to be recognised internationally as an outstanding model for improving care for those approaching the end of life through integrated research, teaching and clinical practice.

We have been given permission to use the prestigious title of University Teaching Hospice, signifying our substantial contribution to research

and teaching in palliative care in collaboration with the University of Leeds, and in recognition of our important role nationally. St Gemma's is the first hospice in the UK (and the world) to be identified in this way, and we are all very proud of this huge step forward for the AUPC and the Hospice.

Our main **research** focus in 2016/17 has been the IMPACCT trial, testing our previously developed pain management support tools with patients and exploring the benefits of earlier referral to palliative care services. During the year we have secured further funding for this trial and for our two research nurses who support palliative care trials across the city. Other successful research funding bids include a second prestigious 5 year senior research fellowship to develop and integrate better pain assessment for cancer patients into routine care. The AUPC also strengthened collaborations with other research groups, contributing 29 participants to a European-wide study to identify the characteristics of a palliative care population; and working with University College London in a study to develop a prognostic tool.



• UNIVERSITY TEACHING HOSPICE •



In relation to Learning and Teaching the abrupt cessation of funding from Health Education England meant that we could not continue our Post-Graduate Certificate course. In its place we are now one of the few centres outside London to offer the internationally recognised European Certificate in Palliative Care which is already proving popular.

The AUPC has continued to host and provide palliative and end of life care education to health care professionals across Leeds and the wider Yorkshire & Humber region. Examples include Advanced Communications Skills training to senior clinicians, GP training in symptom management; and end of life care training to community based staff. The regional palliative medicine learning group continues to be very popular with over 40 delegates attending each of the three mornings run this year. We have hosted 119 students on placement including medical, pre-registration nursing, social work and therapies.

The AUPC introduced educational drama and narrative this year by hosting "Don't Leave Me Now", a play that explores the impact of early onset dementia. St. Gemma's Hospice and the School of Dementia Studies at the University of Bradford have worked collaboratively to develop a peer facilitator dementia care training programme for regional hospice staff.

We have also increased the learning and teaching resources through the installation of new Audio-Visual equipment in the AUPC / resource room and 2016/17 setting up the Learning Management System for all staff at St Gemma's Hospice.

The Evidence Based Practice Group remains productive. A number of clinical guidelines have

been updated at the Hospice including; mouth care, breathlessness and a set of diabetes related guidelines; we have also contributed to new city-wide palliative care guidelines. A clinical audit programme has been developed with audits undertaken including delirium and non-medical prescribing. The audit cycle is completed with recommendations for practice, updates to guidelines where necessary, and education for staff.

We remain committed to the implementation of the OACC (Outcome Assessment and Complexity Collaborative) suite of patient-related outcome measures developed by King's College, London. These have become everyday practice within the In-Patient Unit and Day Services. They help us understand levels of patient function and independence, patients' views regarding symptom burden, as well as the impact we have on their quality of life.

### Environmental Improvements

We continue to invest in our Estate and infrastructure to harness environmental benefits, ensure compliance with legislation, improve safety and reduce costs. During 2016/17 we completed the upgrade of the laundry room, replacing the ageing gas dryers and commercial iron press. We have continued our lighting upgrade programme with the roll-out of more efficient LED lighting on the wards. We enhanced safety on the wards with the completion of the fire compartmentation programme and improved CCTV coverage.

We received a number of prestigious awards for our gardens during 2016. This included two Gold awards in Leeds in Bloom, Gold in the Britain in Bloom and Britain in Bloom Yorkshire Rose

permanent landscape award. The grounds have undergone significant changes during the past few years moving away from masses of brightly coloured bedding plants to a more cost effective and sustainable modern perennial and shrub style of gardens. This beautiful landscape is complemented with a tropical garden to create a unique haven for patients and their visitors. The hard work and forward planning of the gardening staff and volunteers ensures we continue to create gardens that are valued by everyone.

### Hospice Quality Partnership (HQP)

The Hospice is a shareholder in Hospice Quality Partnership Limited (Registered company number 09236150). The Hospice Quality Partnership (HQP) is an innovative, commercially orientated collaboration between independent local hospices and affiliate partners designed to maximise value for money. This new partnership is contributing 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. During the year we have utilised the HQP Partnership for two major contracts (electricity and photocopiers) and are actively working with HQP on the upgrade of our telephony infrastructure in 2017.

### Raising Funds

The people of Leeds and beyond again offered incredible support to St Gemma's, raising funds in a wide variety of ways so that the Hospice can continue to offer its vital services completely free of charge to patients and their families.

We continue to be amazed and humbled by the number of people who make a final gift to St Gemma's through remembering the work of the Hospice in their Will. Donations in memory of a loved one are also a very special way of supporting the Hospice and this income increased substantially during 2016/17 compared to previous years. St Gemma's is also very grateful to those supporters who choose to make a regular monthly gift towards the running costs of the Hospice. This cost effective way of donating continues to slowly increase year on year.

In 2016 we held our first Bubble Rush, welcoming 3,000 participants to the beautiful grounds of Harewood House, raising over £70,000 of income. Other more long standing events such as the Midnight Walk, Dog Walk and Santa Dash continued to attract participants and high levels of sponsorship. The Hospice mascot, Gemma the Giraffe, has been instrumental in increasing engagement and funds from our younger supporters. Generous shoppers at Marks & Spencer in Moortown donated over £18,000 in loose change during the year and our collecting boxes in various locations across the city have boosted this total to £52,000.

We have been proud to receive more than £180,000 in donations from numerous companies and businesses in Leeds who organised their own fundraising events and initiatives. Corporate volunteers provided hundreds of hours of support each month to the Hospice's retail chain and fundraising events. Our own Matron was 'arrested' alongside key business people from across the city as part of Jail & Bail, raising £8,000 in 'bail' money.



In the last year, the chain of St Gemma's charity shops collectively raised £2.7m, the most ever raised in the Hospice's history. This incredible milestone tops off a busy, challenging but rewarding year for the retail team. Not only are they raising money day in, day out, but they are an integral part of the communities and high streets where they are situated. Last year, after careful consideration, the Hospice decided to acquire a new 10,000 square feet storage warehouse with offices in Bramley to support our growing operation – the 'Retail Hub'. We also opened a new store in Hunslet and our business plan for 2017/18 includes a further new shop in Moortown and moves to larger units where this is possible.

The Hospice's regular newsletter to supporters is well received and keeps everyone up to date on how their generous support is changing the lives of local people. We are also noticing huge growth in the number of followers/likes from our Facebook and Twitter friends. Social media is proving to be a quick and cost effective way for us to engage with our supporters.

Underpinning the outward facing work of the Income Generation Team is the small number of staff who focus particularly on supporter care. They have worked hard to improve the experience of our supporters particularly by sending out 'thank you' letters in a more timely way and ensuring supporters are communicated with when and how best suits them.

It would simply not be possible to raise the money needed to support our patients without the fantastic team of volunteers who donate their time across all areas of Income Generation. Everyone at St Gemma's is very grateful to all who support the Hospice in whatever way they can.

## Staff

The Hospice values the hard work, commitment and contribution of all staff. We are committed to supporting Hospice staff and aim to ensure all staff are well-informed and engaged. The results of the annual staff survey highlighted the staff's commitment to providing high quality care for patients and being motivated to seeing the Hospice succeed. All feedback from the survey was carefully considered.



With the theme of 'St Gemma's: Celebrating and Achieving', the 2016 Staff Conference included presentations from each area of the Hospice to raise awareness of how each department contributes to its work.

More than 50 Hospice staff and volunteers have attended the Alzheimer's Society 'Dementia Friends' awareness session delivered by the Hospice Dementia Friends Champion.

The Hospice remains committed to developing and training our staff. A series of workshops has been introduced to continue our work in embedding the Hospice's values and behaviours. Building on our positive foundations in retail and health care apprenticeships, the national apprenticeship scheme will allow the Hospice to recruit apprentices at different levels of training across the Hospice.

The Hospice is committed to being an equal opportunities employer where everyone has the opportunity to contribute and develop.



## Volunteers

St Gemma's benefitted from the support and dedication of over 800 volunteers in 2016/17.

Together these volunteers contributed over 118,000 hours to the day to day running of the Hospice and its retail operations. Our volunteers continue to provide a strong relationship between the Hospice and the local community, helping to raise awareness of our work.

During the year, St Gemma's broadened its volunteer base and developed a number of new roles, including roles supporting clinical service delivery. We have also continued to welcome young people who have volunteered as part of the Duke of Edinburgh scheme. Going forward, we hope to develop more volunteer roles to enhance services across the Hospice and aim to involve more young people and areas of the local community who are currently under-represented in our volunteer team.



Hospice's work. Their dedication was formally recognised during National Volunteers Week and at Festive thank you events, including a celebration of volunteers' long service.

## Members, Patrons and Trustees

A new Provincial Leadership Team was appointed at a Chapter of the Sisters of the Cross and Passion. We are delighted to welcome new Members Sister Therese O'Regan (Provincial Leader), Sister Savio Steed, Sister Carmel Gorman and Sister Anne Hammersley who will serve a five year term.

We would like to thank outgoing Members Sister Maire O'Sullivan, Sister Marguerita Traynor, and Sister Christine Alderson for their great support and wise counsel during their five year term.

We are delighted to welcome new Trustees Kuldeep Bajwa, Hilary Barrett and Chris Schofield who bring specialist skills and expertise to the Board.

We would like to thank our outgoing Chair, Rebecca Weinberg, for her tireless work and valuable leadership during her term as Trustee and Chair.



*I love being a volunteer. I have got back quite as much as I have put in, in the way of friendships, satisfaction, and camaraderie.*



A comprehensive training programme for volunteers has been developed this year including bespoke training for clinical volunteers. This programme aims to ensure that all volunteers receive training for their role alongside other staff and volunteers, enabling them to contribute with confidence.

The Hospice continues to seek wider involvement in the local community through networks such as volunteer centres, universities and online volunteering sites. This year Hospice volunteers shared their experiences at St Gemma's when they participated in a Voluntary Action Leeds research project about volunteering across the City of Leeds. St Gemma's volunteers make an essential and extremely valuable contribution towards the



# Looking Ahead

## Patient and Family Care

Our strategic objectives for 2015 to 2018 are set out on page 5. In setting our Hospice 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.

During 2017/18 we will produce our new Hospice Strategy for the period beyond March 2018. Particular attention will be given to our Clinical Strategy, workforce strategy and our medium term financial and reserves planning and risk profile. We have appointed a new Head of Transformation to support this vital work of ensuring a robust and sustainable future for St Gemma's.

## Improving Clinical Care

Each year the Hospice sets priorities for improving quality; these are outlined in detail in our annual Quality Account. In setting our priorities for 2017/18 we have considered the complex and changing needs and preferences of our patients; we have listened to what patients and families have told us, particularly through incidents and complaints; we have considered demographic changes including the increasing number of deaths of older people with complex needs forecast in our city; and we have met with our local Healthwatch. Our priorities for 2017/18 are: management of delirium; improving identification and transfer between care settings of care for people who are dying; and improving our electronic patient records.

Our community engagement work will be improved with the formation of a steering group of local people helping to shape our services today and for the future, informed by the community engagement project run in partnership with Leeds Involving People in 2016/17.



## Equality of Access for Patients

We know that not all of those who could benefit from high quality palliative and end of life care services in our city are able to do so. We also know that demand and need for our services will increase over the coming decade with a growing older population and increasing deaths in Leeds.

We will continue our review of In-Patient, Community and Day Services, developing new models of care and transforming provision as we seek to meet growing and changing need and demand with limited resources. Working in partnership with other organisations, we aim to provide more flexible and responsive services to meet the individual needs of more patients and families, whilst maximising the efficient use of scarce funding and limited staffing.

The Living Well @ St Gemma's project, funded by St James's Place Foundation will be progressed, aiming to enable patients to develop skills to manage their health and wellbeing and reduce social isolation. The project consists of a facilitated therapy programme with support to incorporate the skills learned into every day life at home and by connecting with communities.

We will continue to work with Leeds Community Healthcare NHS Trust to improve the quality of care for patients with advanced heart failure in Leeds, including a monthly city wide multi-disciplinary team heart failure meeting with a St Gemma's consultant as a core member. We have begun work to better meet the needs of people who are homeless at the end of life and this work will continue.

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.

## Coordination of Care

It is critical that commissioners and 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 the Leeds Palliative and End of Life Care Managed Clinical Network (MCN) was launched. This is hosted by St Gemma's Hospice and currently led by our Director of Medicine.

A major area of focus for the MCN in 2017/18 will be maximizing the potential to streamline transfer of care processes between hospital and Hospice. The MCN will lead the development of a Leeds-wide transfer of care system that identifies patients in the final period of life, determines their needs and wishes and enables them to reach the optimum place of care in a timely fashion, providing the right care at the right time in the right place.

We will also continue to deliver ongoing improvements in integration and utilisation of clinical information systems across all provider organisations to support effective transfer of information and referral of patients between services.

## Research and Development

Through our Academic Unit of Palliative Care and working closely with the University of Leeds, 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 launch the prestigious University Teaching Hospice status, continue to secure external research grants and publish high quality research papers as well as evaluating interventions in clinical practice to inform implementation. We will continue to engage and influence NHS Commissioners in the area of palliative and end of life care.

We will fully implement our Learning Management System to enhance the learning and teaching of St Gemma's staff and volunteers and introduce the Yorkshire & Humber End of Life Learning Outcomes for all clinical staff; both projects were begun last year.

We will develop and deliver new local and regional academic education courses including the regional Advanced Communication Skills Programme, the European Certificate in Palliative Care, GP Master Classes and conferences. We will explore and identify ways to maximize our capacity for income

generation from education and the conferencing facilities.

In the field of evidence based practice, we will continue to develop and review clinical guidelines and further develop our clinical audit programme, as well as collaborating with senior clinicians across the organisation to embed a culture and philosophy of evidence based practice into everyday clinical care.

The patient outcome measures introduced across all clinical areas will be further embedded into routine care and the reporting systems to support effective utilisation will be improved.

## Supporting the Hospice



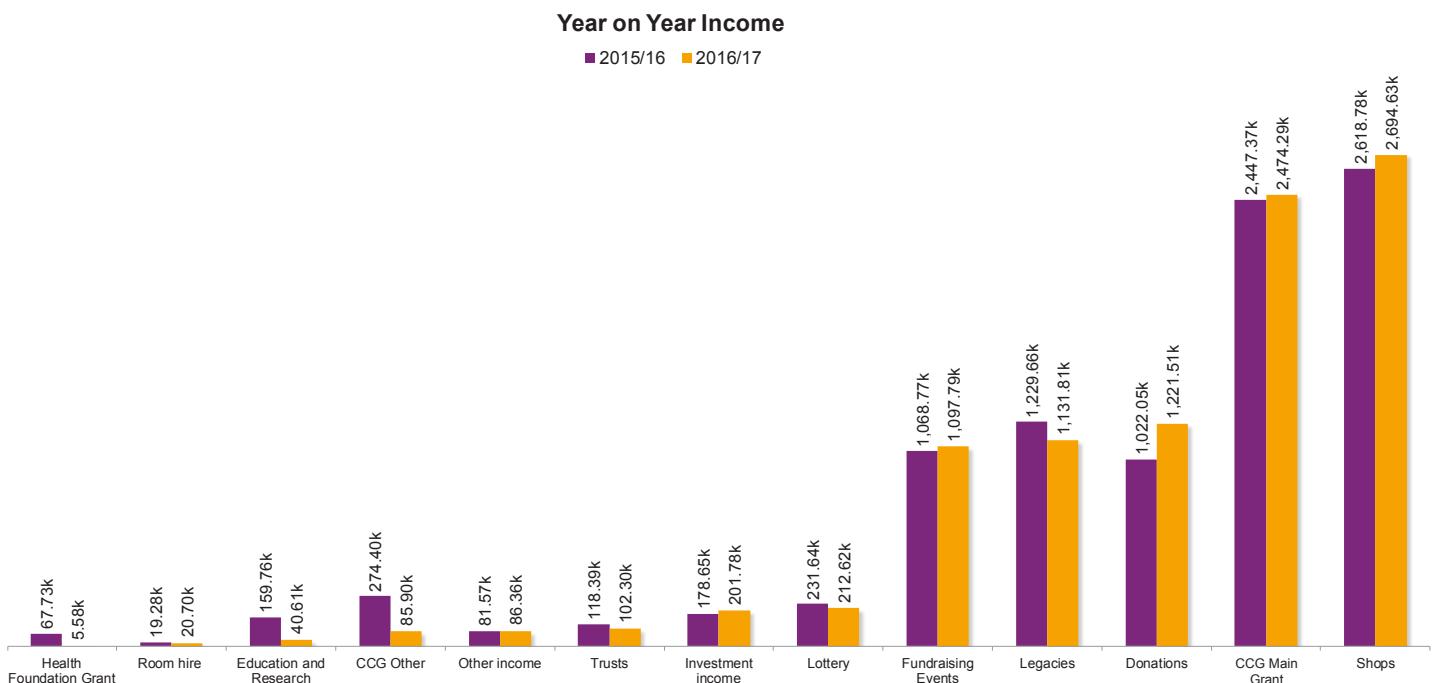
Across all Hospice functions, we are committed to engaging and involving staff, implementing robust governance arrangements, ensuring high quality, fit for purpose infrastructure, environment and systems, managing risk and securing financial sustainability.

We will prepare for the 'Best Companies' survey, develop our Employee Engagement Plan and continue work to embed Hospice values alongside an empowering coaching culture. We will improve recruitment, selection, performance management and appraisal. We will deliver the second year of our Volunteer Strategy.

We will prepare for the new Care Quality Commission regulatory framework for Hospices and deliver action plans arising from detailed reviews of health and safety and fire safety. We will continue to implement IT resilience and operational improvements including those relating to improved recording of clinical patient records.

We will undertake reviews of efficiency and effectiveness to ensure best use of every Hospice pound. We will continue to work with the Hospice Quality Partnership (HQP), a collaborative of hospices seeking best value in procurement of services. We will seek to maximise the performance of our shops chain, including responding rapidly to new opportunities and implementing the findings of an external Retail Review carried out in 2016/17. We will closely review changes to fundraising regulations and continue to ensure that we deliver within legal requirements, best practice and our supporter expectations.

# Financial Review



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).

Total income for the year was £9,375,866 (2016: £9,518,055) representing an overall reduction of £142,189 (1.5%). In 2015/16 the Clinical Commissioning Group (CCG) funded the Green Acres Nursing Home pilot project which ended in March 2016 (£235,130). Last year Health Foundation funded the Nurse Led Beds pilot project (£67,730) the balance of funding was received this year (£5,575).

Shops' income of £2,694,631 (2016: £2,618,779) represents a year on year increase of £75,852 (2.9%) across the chain of 23 charity shops plus the gift shop. Trading in the high street is not without its challenges in today's market; however we have successfully expanded our retail offer with the acquisition of a warehouse (with integral on site shop) and the opening of a new larger unit in

Hunslet both contributing to the growth in income. Alongside expansion of the retail chain in some locations, we have taken decisions not to renew leases in some shops where returns did not support ongoing investment.

Overall income from donations and fundraising events of £2,319,293 (2016: £2,090,826) has increased by £228,467 (10.9%). This growth is due to the introduction of new events such as the Bubble Rush and the continued success of long standing events like the Midnight Walk, Windermere Row and Santa Dash. General and In Memory donations performed well this year.



Legacy income £1,131,809 (2016: £1,229,659) has decreased by £97,850 (8.0%). This level of legacy income is consistent with previous years and trends.

Education and Research income of £40,608 (2016: £159,763) is £119,155 lower due to one off project funding received in the previous financial year and a change in the accounting treatment of the Professorial role that reflects a new arrangement

with the University of Leeds. All Research income generated by the Academic Unit of Palliative Care (AUPC) is held and administered by the University of Leeds.

Overall expenditure of **£10,128,409** (2016: £9,993,814) increased by **£134,595** in the year which represents an increase of 1.3%. This increase is a result of the annual pay award and additional costs associated with higher income generation across fundraising and shops.

The total net resources for the year show a deficit of **£98,560** (2016: deficit £698,708). This is made up of a general fund (unrestricted funds) surplus of **£452,458** offset by expenditure in the designated fund which is mainly depreciation and utilisation of restricted funds. This was a planned deficit in line with the approved five year financial plan which supports continued investment in hospice services.

The investment portfolio generated a capital gain of **£653,983** compared to a loss of **£222,949** for the year to March 2016. The year to March 2017 was a good year for investment markets although cash returns remain at all-time lows. Overall, the portfolio has seen a total return of +17.1% compared with the benchmark's return of +19.4% for the year.

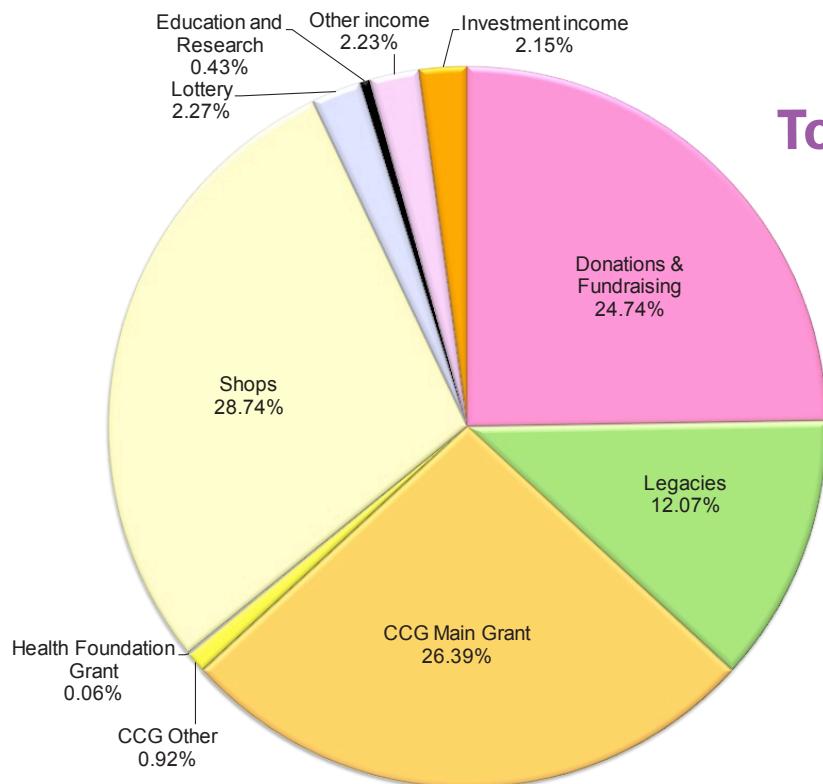
The portfolio continues to be managed and held for the long term. Over the past 3 years (to 31 March 2017) the cumulative return has been +28.0% compared to the benchmark's return of +30.7%.

The five year returns show +62.0% compared to the benchmark's +58.2%.

At year end the investment portfolio was valued at **£5,601,206** (2016: 4,976,102) with Investment Management fees of **£28,879** (2016: £27,678). Overall investment income was £201,775 (2016: £178,646) of which the investment portfolio contributed **£174,021** (2016: £157,593). The remaining **£27,754** (2016: £21,053) 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. The investment portfolio and policy were independently reviewed by Mazars in September 2016. All investment decisions are made in accordance with the approved investment policy. This policy sets out the investment powers, objectives, the types of investment and the benchmarks 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. At the year end the portfolio was invested in a mixture of equities (77%), bonds (11%), property (5%) cash (1%) and infrastructure assets (6%). This allocation is classified as "medium risk" and there are agreed limits to the minimum and maximum amounts of each asset class that can be held.

**£9.4m  
Total Income  
2016/17**



St Gemma's Hospice Services Ltd (trading subsidiary) continued to sell bought in goods and provides room hire on a commercial basis in the Academic Unit of Palliative Care (AUPC). The company made a net surplus of £19,691 (2016: £25,000) in the year which will be transferred to the Hospice under Gift Aid.

## Reserves

The Board of Trustees operates 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 £6,527,541 (2016: £6,620,689) which covers the assessed financial risks and is the equivalent of eight months' running costs.

Total designated reserves at 31 March 2017 were £5,103,452 (2016: £4,981,868) of which £3,959,651 (2016: £4,016,829) has been invested in fixed assets. £563,526 (2016: £603,530) is held for the continuing upkeep of the Hospice and for the development of the gardens. The Board approved the creation of a new designated fund (£250,000) to support the ongoing transformation 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 2017 there were five 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, legal and commerce. The Trustees who served during the year are set out on page 4.

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, Mrs June Toovey**

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 Acting Director of Nursing, Jayne Upperton; 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.

## 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.

## Risk Management and Principal Risks

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.

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 in compliance with the new voluntary 'Charity Governance Code'.



The key risks facing the Hospice are:

- The achievement of voluntary income targets to support financial sustainability. This financial risk is being managed through the implementation of an income strategy which includes the diversification of income streams and the effective monitoring of key targets which are supported by a five year financial plan;
- Our ability to attract, recruit and retain clinical staff to support quality service delivery. To address this we actively engage in workforce planning and have recruitment and retention strategies in place;
- Ability to meet current and future demand for our services. We regularly monitor national and regional trends in order to forecast how they will impact on the services we offer and how these services need to be adapted to meet these changing requirements.
- We have been successful in securing Clinical Commissioning Group (CCG) funding for two years until March 2019 and continue to work closely with Leeds CCGs in negotiating a longer term contract.
- During the year we have focussed on significant operational risks arising from fire, health and safety and the impact of a disaster event. Independent reviews of fire, health and safety and cyber security were undertaken during 2016. The action plans from these reviews will be delivered in 2017/18.

### Trustees Fundraising Statement

Income Generation at St Gemma's is conducted by a team of fundraisers and retail staff directly

employed by the charity and led by the Director of Income Generation. No external professional fundraisers have been utilised during the year. The Hospice benefited from some relatively low value commercial participation partnerships with local companies which were managed by the Senior Fundraiser (Corporate) and governed by written agreements. St Gemma's Hospice is registered with the Fundraising Regulator. The Director of Income Generation is a member of the Institute of Fundraising and the whole income generation team are members of the National Association of Hospice Fundraisers. There have been no failures to comply with the standards set by these organisations.

The Trustees monitor the activities of the income generation team via quarterly meetings of the Finance and Business Committee. The Chair of the Committee also meets monthly with the Directors of Corporate Services and Income Generation. Trustees have received and considered regular reports throughout the year which have demonstrated that individuals have not been subject to undue pressure to donate. Policies to protect vulnerable individuals are in place and all fundraisers are aware of their responsibilities in this area.

During 2016/17 there were nine complaints relating to the Hospice's fundraising activities. This is similar to 2015/16 and lower than previous years and does not give rise to undue concerns in light of the volume of transactions and interactions of the Hospice with donors, supporters and shoppers. There are no particular themes and all complaints have been resolved during the year.



## 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 2016/17 the five year financial plan was refreshed. This includes a long term cashflow plan 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.

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



**Dr Peter Belfield**  
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 2017 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) 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 2017 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

- the information given in the Strategic Report and the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we

have not identified any material misstatements in the Strategic Report and the Trustees' Annual Report.

## **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 FCCA  
(Senior Statutory Auditor)**

for and on behalf of Deloitte LLP  
Statutory Auditor  
Leeds, United Kingdom



# Consolidated Statement of Financial Activities

## (Including consolidated income and expenditure account)

For the year ended 31 March 2017

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	31 March 2017 Total Funds £	Total funds 2016 £
<b>INCOME FROM</b>						
Donations, legacies and trusts	2	2,388,984	-	66,629	2,455,613	2,370,100
Other trading activities:						
Sale of donated goods		2,630,153	-	-	2,630,153	2,546,596
Fundraising events		1,097,785	-	-	1,097,785	1,068,774
Lottery		212,622	-	-	212,622	231,644
Commercial trading operations		85,182	-	-	85,182	91,459
	3	4,025,742	-	-	4,025,742	3,938,473
Charitable activities – Provision of Hospice Services:						
CCG funding		2,524,290	-	35,901	2,560,191	2,721,771
Health Foundation grant		-	-	5,575	5,575	67,730
Education and research		40,608	-	-	40,608	159,763
Bistro		84,424	-	-	84,424	76,726
Other		1,938	-	-	1,938	4,846
	4	2,651,260	-	41,476	2,692,736	3,030,836
Investments	5	201,775	-	-	201,775	178,646
<b>Total income</b>		<b>9,267,761</b>	<b>-</b>	<b>108,105</b>	<b>9,375,866</b>	<b>9,518,055</b>
<b>EXPENDITURE ON</b>						
Raising funds:						
Cost of selling donated goods		1,875,587	43,630	-	1,919,217	1,787,687
Costs of raising income from donations, legacies, trusts and fundraising events		1,136,530	15,523	-	1,152,053	1,065,017
Investment management costs		28,879	-	-	28,879	27,678
Lotteries		105,622	-	-	105,622	79,623
Commercial trading operations		65,492	-	-	65,492	66,458
		3,212,110	59,153	-	3,271,263	3,026,463
Charitable activities – Provision of Hospice Services		6,257,176	419,198	180,772	6,857,146	6,967,351
<b>Total Expenditure</b>	6	<b>9,469,286</b>	<b>478,351</b>	<b>180,772</b>	<b>10,128,409</b>	<b>9,993,814</b>

# Consolidated Statement of Financial Activities

## (Including consolidated income and expenditure account)

For the year ended 31 March 2017

---

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	31 March 2017 Total Funds £	Total funds 2016 £
<b>Net (expenditure)/ income before investment gains/ (losses)</b>	8	(201,525)	(478,351)	(72,667)	(752,543)	(475,759)
Net (losses)/ gains on investments	11	653,983	-	-	653,983	(222,949)
<b>Net expenditure</b>		<b>452,458</b>	<b>(478,351)</b>	<b>(72,667)</b>	<b>(98,560)</b>	<b>(698,708)</b>
Transfer between funds	15/16	(545,606)	599,935	(54,329)	-	-
<b>Net movement in funds</b>		<b>(93,148)</b>	<b>121,584</b>	<b>(126,996)</b>	<b>(98,560)</b>	<b>(698,708)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		6,620,689	4,981,868	386,504	11,989,061	12,687,769
Net movement in funds for the year		(93,148)	121,584	(126,996)	(98,560)	(698,708)
<b>Total funds carried forward</b>	17	<b>6,527,541</b>	<b>5,103,452</b>	<b>259,508</b>	<b>11,890,501</b>	<b>11,989,061</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 £118,251 (2016: £723,708). 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.

The notes on pages 38 to 50 form part of these financial statements.

# Balance Sheets

As at 31 March 2017

	Note	Group		Charity	
		2017 £	2016 £	2017 £	2016 £
<b>FIXED ASSETS</b>					
Tangible assets	10	3,959,651	4,016,829	3,959,651	4,016,829
Investments	11	5,601,206	4,976,102	5,601,208	4,976,104
		<u>9,560,857</u>	<u>8,992,931</u>	<u>9,560,859</u>	<u>8,992,933</u>
<b>CURRENT ASSETS</b>					
Stocks		21,992	23,292	-	-
Debtors	12	608,539	774,269	646,452	817,567
Current asset investments		2,011,552	1,905,271	2,011,552	1,905,271
Cash at bank and in hand		545,326	1,105,657	523,086	1,081,485
		<u>3,187,409</u>	<u>3,808,489</u>	<u>3,181,090</u>	<u>3,804,323</u>
<b>CREDITORS: amounts falling due within one year</b>	13	(857,765)	(812,359)	(851,448)	(808,195)
<b>NET CURRENT ASSETS</b>		<u>2,329,644</u>	<u>2,996,130</u>	<u>2,329,642</u>	<u>2,996,128</u>
<b>NET ASSETS</b>		<u>11,890,501</u>	<u>11,989,061</u>	<u>11,890,501</u>	<u>11,989,061</u>
Represented by:					
<b>FUNDS</b>					
Unrestricted funds:					
Designated fund	15	5,103,452	4,981,868	5,103,452	4,981,868
General fund	15	6,527,541	6,620,689	6,527,541	6,620,689
Restricted funds	16	259,508	386,504	259,508	386,504
		<u>11,890,501</u>	<u>11,989,061</u>	<u>11,890,501</u>	<u>11,989,061</u>

The financial statements on pages 30 to 32 were approved by the Board of Trustees on 18th July 2017

**Dr Peter Belfield**  
**Chair to the Board of Trustees**

Company Number: 02773867

The notes on pages 38 to 50 form part of these financial statements.

# Consolidated Cash Flow Statement

For year ended 31 March 2017

	Notes	Group 2017 £	Group 2016 £
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	18	(265,365)	93,057
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends and interest received		201,775	178,646
Purchase of tangible fixed assets		(419,339)	(248,763)
Proceeds on sale of fixed assets		-	-
Purchase of investments		(922,137)	(759,431)
Proceeds on sale of investments		990,209	756,220
Movement on cash held by Investment Managers		(39,193)	30,889
<b>Net cash outflow from investing activities</b>		<u>(188,685)</u>	<u>(42,439)</u>
<b>Change in cash and cash equivalents during the year</b>		<u>(454,050)</u>	<u>50,618</u>
<b>Cash and cash equivalents at the beginning of the year</b>		<u>3,010,928</u>	<u>2,960,310</u>
<b>Total cash and cash equivalents at the end of the year</b>		<u><u>2,556,878</u></u>	<u><u>3,010,928</u></u>
<b>Reconciliation to balance sheet:</b>			
Cash at bank and in hand		545,326	1,105,657
Current asset investments		2,011,552	1,905,271
<b>Balance at 31 March 2017</b>		<u><u>2,556,878</u></u>	<u><u>3,010,928</u></u>

The notes on pages 38 to 50 form part of these financial statements.

# Statement of Accounting Policies

For year ended 31 March 2017

## 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 3.

## 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 Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption available to it in respect of its separate financial statements in relation to presentation of a cash flow statement.

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 <i>per annum on a straight line basis</i>	- 5%
Fixtures and fittings <i>per annum on a straight line basis</i>	- 10%
Motor vehicles <i>per annum on reducing balance basis</i>	- 25%
Computers <i>per annum on a straight line basis</i>	- 25%

## 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

For year ended 31 March 2017

## 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.

Profit and Loss account	2017 £	2016 £
Turnover	85,183	91,459
Cost of sales	(36,823)	(38,471)
Gross Profit	48,360	52,988
Administrative expenses	(1,497)	(1,754)
Management charge	(27,172)	(26,234)
Operating profit	19,691	25,000
Charitable donation to St Gemma's Hospice	(19,691)	(25,000)
Retained in subsidiary	-	-
Aggregate Capital and reserves	2	2

## 2. INCOME FROM DONATIONS, LEGACIES AND TRUSTS

	2017 Unrestricted Funds £	2017 Restricted Funds £	2017 Total £	2016 Total £
Donations	1,219,188	2,320	1,221,508	1,022,052
Legacies	1,121,809	10,000	1,131,809	1,229,659
General grants from Trusts	47,987	54,309	102,296	118,389
	2,388,984	66,629	2,455,613	2,370,100

At 31 March 2017 there were legacies totalling £198,500 (2016: £79,300) 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 £151,054 (2016: £131,542).

### 3. INCOME FROM OTHER TRADING ACTIVITIES

	2017 £	2016 £
Sale of donated goods	2,630,153	2,546,596
Fund raising events	1,097,785	1,068,774
Lottery	212,622	231,644
Income from wholly owned subsidiary:		
Room hire	20,704	19,276
Sale of purchased goods	64,478	72,183
	<hr/>	<hr/>
	4,025,742	3,938,473

The sales of donated and purchased goods in 2017 includes donations under retail gift aid of £786,560 (2016: £787,149) and the associated gift aid of £189,292 (2016: £188,421) resulting from sales on behalf of supporters undertaken by St Gemma's Hospice Services Limited through the retail shops. St Gemma's Hospice had 23 shops at the year end (2016: 22).

### 4. INCOME FROM CHARITABLE ACTIVITES

	2017 Unrestricted Funds £	2017 Restricted Funds £	2017 Total £	2016 Total £
<b>Provision of Hospice services</b>				
Grant income from NHS Leeds	2,524,290	35,901	2,560,191	2,721,771
Health Foundation grant	-	5,575	5,575	67,730
Education and research	40,608	-	40,608	159,763
Bistro	84,424	-	84,424	76,726
Other	1,938	-	1,938	4,846
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>2,651,260</b>	<b>41,476</b>	<b>2,692,736</b>	<b>3,030,836</b>

### 5. INVESTMENT INCOME

	2017 £	2016 £
Listed securities	174,021	157,593
Bank and other interest	27,754	21,053
	<hr/>	<hr/>
	<b>201,775</b>	<b>178,646</b>

## 6. ANALYSIS OF EXPENDITURE

	2017 Direct Costs	2017 Support Costs	2017 Total	2016 Total
	£	£	£	£
<b>Expenditure on raising funds</b>				
Costs of selling donated goods	1,814,236	104,981	1,919,217	1,787,687
Costs of raising income from donations, legacies, trusts and fundraising events	1,053,671	98,382	1,152,053	1,065,017
Investment management fees	28,879	-	28,879	27,678
Cost of lotteries	105,622	-	105,622	79,623
Cost of wholly owned subsidiary:				
Room hire	18,178	-	18,178	17,842
Purchased goods	47,314	-	47,314	48,616
	<hr/>	<hr/>	<hr/>	<hr/>
	3,067,900	203,363	3,271,263	3,026,463
<b>Expenditure on charitable activities</b>				
<b>Provision of Hospice services</b>				
Inpatient Care	4,101,990	601,690	4,703,680	4,600,759
Community Care	968,585	89,828	1,058,413	1,204,085
Day Hospice	561,285	28,711	589,996	622,227
Bereavement Support	142,467	12,478	154,945	155,156
Education and research	320,118	29,994	350,112	385,124
	<hr/>	<hr/>	<hr/>	<hr/>
	6,094,445	762,701	6,857,146	6,967,351
<b>Total expenditure</b>	<b>9,162,345</b>	<b>966,064</b>	<b>10,128,409</b>	<b>9,993,814</b>
	<hr/>	<hr/>	<hr/>	<hr/>

## 7. ANALYSIS OF SUPPORT COSTS

2017	Provision of Hospice Services						Total	Basis of allocation
	Raising Funds £	Inpatient Care £	Community Care £	Day Hospice £	Bereavement Support £	Education & Research £		
Governance	13,651	40,390	6,030	1,927	838	2,013	64,851	Headcount
Finance	37,319	110,416	16,484	5,269	2,290	5,504	177,282	Headcount
IT	34,091	100,866	15,059	4,813	2,092	5,028	161,949	Headcount
HR	13,576	40,168	5,997	1,917	833	2,002	64,493	Headcount
Admin	34,034	100,697	15,033	4,805	2,088	5,020	161,677	Headcount
Estates and Depreciation	56,797	168,041	25,087	8,016	3,484	8,378	269,803	Headcount
	13,895	41,112	6,138	1,962	853	2,049	66,009	Headcount
Total	203,363	601,690	89,828	28,711	12,478	29,994	966,064	
2016	Raising Funds £	Inpatient Care £	Community Care £	Day Hospice £	Bereavement Support £	Education & Research £	Total	Basis of allocation
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
Total	194,738	616,670	92,386	29,588	14,033	30,911	978,326	

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

	2017 £	2016 £
<b>This is stated after charging/(crediting):</b>		
Cost of stock recognised as expense	36,823	38,471
Auditor's remuneration:		
- Fees payable to the charity's auditor for the audit of the charity's	14,800	18,400
- Fees payable to the charity's auditor for other services to the group:		
taxation services	1,500	1,225
the audit of the charity's subsidiary	3,400	3,300
Depreciation		
- on owned fixed assets	122,310	205,231
- on leased fixed assets	354,207	350,440
Rental of land and buildings under operating leases	400,751	371,290
Hire of equipment under operating leases	3,768	11,164
	<hr/>	<hr/>

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

	2017 £	2016 £
<b>Aggregate remuneration comprised:</b>		
Wages and salaries	6,165,872	5,850,344
Social security costs	539,625	465,616
Other pension costs	492,066	467,150
	<hr/>	<hr/>
	7,197,563	6,783,110
	<hr/>	<hr/>

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

	2017	2016		
	No.	WTE	No.	WTE
Provision of Hospice Services	160	127	154	124
Raising funds	64	54	59	49
Support functions	35	31	34	28
	<hr/>	<hr/>	<hr/>	<hr/>
	259	212	247	201
	<hr/>	<hr/>	<hr/>	<hr/>

The number of Group employees whose emoluments, excluding pension contributions and employers' national insurance, but including benefits in kind, were in excess of £60,000 was:

	2017 No.	2016 No.
£60,000 - £70,000	2	3
£70,001 - £80,000	1	1
£80,001 - £100,000	1	1
£100,001 - £130,000	1	2
£130,001 - £140,000	1	-

The key management personnel of the parent Charity are the same of the Group. The total remuneration (including pension contributions and employers' national insurance) of the key management personnel of the Group for the year totalled £531k (2016: £514k). As shown above, St Gemma's Hospice employs six individuals who have salaries over £60,000. Two 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 (HLT), responsible for running the Hospice. The Chief Executive is not highest 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 2016	6,670,892	278,777	2,416,598	54,055	9,420,322
Additions	-	94,933	324,406	-	419,339
Disposals	-	-	-	-	-
At 31 March 2017	<u>6,670,892</u>	<u>373,710</u>	<u>2,741,004</u>	<u>54,055</u>	<u>9,839,661</u>
<b>Depreciation</b>					
At 1 April 2016	3,104,681	217,179	2,031,753	49,880	5,403,493
Charge for year	354,207	49,140	72,126	1,044	476,517
Disposals	-	-	-	-	-
At 31 March 2017	<u>3,458,888</u>	<u>266,319</u>	<u>2,103,879</u>	<u>50,924</u>	<u>5,880,010</u>
<b>Net book value</b>					
At 31 March 2017	<u>3,212,004</u>	<u>107,391</u>	<u>637,125</u>	<u>3,131</u>	<u>3,959,651</u>
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>

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

## 11. FIXED ASSET INVESTMENTS

CHARITY	Cost Unlisted £	Valuation Listed £	Total £
Cost / market value at 1 April 2016	2	4,976,102	4,976,104
Additions	-	922,137	922,137
Disposal proceeds	-	(990,209)	(990,209)
Unrealised gains	-	620,047	620,047
Realised gains	-	33,936	33,936
Increase in cash deposits	-	39,193	39,193
Cost / market value at 31 March 2017	<u>2</u>	<u>5,601,206</u>	<u>5,601,208</u>
GROUP		Valuation Listed £	Total £
Market value at 1 April 2016		4,976,102	4,976,102
Additions		922,137	922,137
Disposal proceeds		(990,209)	(990,209)
Unrealised gains		620,047	620,047
Realised gain		33,936	33,936
Increase in cash deposits		39,193	39,193
Market value at 31 March 2017		<u>5,601,206</u>	<u>5,601,206</u>

The unlisted investment represents an investment in the subsidiary undertaking:

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

St Gemma's Hospice also holds a minority share in an unlisted investment, Hospice Quality Partnership, which was acquired for £10.

## Listed Investments

The historic cost of listed fixed asset investments at 31 March 2017 was £4,280,623 (2016: £4,092,830). The investments are managed by an external fund manager. The funds can be analysed as follows:

	2017 £	2016 £
Fixed interest	611,502	664,532
UK Equities	3,109,688	2,645,016
Overseas equities	1,191,446	1,041,175
Property	252,672	253,624
Alternative Assets	364,000	339,050
Cash deposits	71,898	32,705
	<hr/>	<hr/>
	5,601,206	4,976,102
	<hr/>	<hr/>

## 12. DEBTORS

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Amounts falling due within one year:				
Trade debtors	3,708	2,906	-	-
Amounts due from subsidiary undertaking	-	-	41,621	46,204
Income tax recoverable	33,160	88,448	33,160	88,448
Other debtors	462,481	569,208	462,481	569,208
Prepayments	109,190	113,707	109,190	113,707
	<hr/>	<hr/>	<hr/>	<hr/>
	608,539	774,269	646,452	817,567
	<hr/>	<hr/>	<hr/>	<hr/>

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

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Trade creditors				
Trade creditors	634	242	-	-
Taxation and social security costs	-	-	-	-
Other creditors	126,568	85,270	123,527	81,348
Accruals and deferred income	730,563	726,847	727,921	726,847
	<hr/>	<hr/>	<hr/>	<hr/>
	857,765	812,359	851,448	808,195
	<hr/>	<hr/>	<hr/>	<hr/>

## 14. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Year to 31 Mar 16 Unrestricted Funds £	Year to 31 Mar 16 Designated Funds £	Year to 31 Mar 16 Restricted Funds £	Year to 31 Mar 16 Total funds £
<b>INCOME FROM</b>				
Donations, legacies and trusts	2,282,008	-	88,092	2,370,100
Other trading activities:				
Sale of donated goods	2,546,596	-	-	2,546,596
Fundraising events	1,068,774	-	-	1,068,774
Lottery	231,644	-	-	231,644
Commercial trading operations	91,459	-	-	91,459
	<hr/>	<hr/>	<hr/>	<hr/>
	3,938,473	-	-	3,938,473

	Year to 31 Mar 16 Unrestricted Funds	Year to 31 Mar 16 Designated Funds	Year to 31 Mar 16 Restricted Funds	Year to 31 Mar 16 Total funds
	£	£	£	£
<b>Charitable activities – Provision of Hospice Services</b>				
CCG funding	2,447,369	-	274,402	2,721,771
Health Foundation grant		-	67,730	67,730
Education and research	72,327	-	87,436	159,763
Bistro	76,726	-	-	76,726
Other	4,846	-	-	4,846
	<hr/>	<hr/>	<hr/>	<hr/>
	2,601,268	-	429,568	3,030,836
Investments	178,646	-	-	178,646
<b>Total income</b>	<b>9,000,395</b>	<b>-</b>	<b>517,660</b>	<b>9,518,055</b>
 <b>Expenditure on:</b>				
Raising funds:				
Cost of selling donated goods	1,703,950	83,737	-	1,787,687
Costs of raising income from donations, legacies, trusts and fundraising events	1,036,025	28,992	-	1,065,017
Investment management costs	27,678	-	-	27,678
Lotteries	79,623	-	-	79,623
Commercial trading operations	66,458	-	-	66,458
	<hr/>	<hr/>	<hr/>	<hr/>
	2,913,734	112,729	-	3,026,463
Charitable activities – Provision of Hospice Services	5,943,907	502,020	521,424	6,967,351
<b>Total Expenditure</b>	<b>8,857,641</b>	<b>614,749</b>	<b>521,424</b>	<b>9,993,814</b>
 <b>Net (expenditure)/ income before investment gains/ (losses)</b>	 142,754	 (614,749)	 (3,764)	 (475,759)
Net gains on investments	(222,949)	-	-	(222,949)
<b>Net (expenditure)/income</b>	<b>(80,195)</b>	<b>(614,749)</b>	<b>(3,764)</b>	<b>(698,708)</b>
Transfer between funds	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>RECONCILIATION OF FUNDS:</b>				
Total funds brought forward as previously reported	6,674,938	5,568,257	424,574	12,667,769
Prior year adjustment	20,000	-	-	20,000
	<hr/>	<hr/>	<hr/>	<hr/>
Total funds brought forward	6,694,938	5,568,257	424,574	12,687,769
Net movement in funds for the year	(74,249)	(586,389)	(38,070)	(698,708)
<b>Total funds carried forward</b>	<b>6,620,689</b>	<b>4,981,868</b>	<b>386,504</b>	<b>11,989,061</b>

## 15. UNRESTRICTED FUNDS

CHARITY AND GROUP	1 April 2016	Income and net gain on investments	Expenditure	Transfers	31 March 2017
	£	£	£	£	£
<b>Designated Funds</b>					
Maintenance and gardens	603,530	-	-	(40,004)	563,526
Investing in People	9,037	-	-	-	9,037
AUPC refurbishment	250,000	-	-	(7,694)	242,306
IT Development fund	100,000	-	-	(21,706)	78,294
Service Transformation fund	-	-	-	250,000	250,000
Securing your Hospice	2,472	-	(1,834)	-	638
Fixed assets	4,016,829	-	(476,517)	419,339	3,959,651
	4,981,868	-	(478,351)	599,935	5,103,452
<b>General Fund</b>	<u>6,620,689</u>	<u>9,921,744</u>	<u>(9,469,286)</u>	<u>(545,606)</u>	<u>6,527,541</u>
<b>Total unrestricted funds</b>	<u>11,602,557</u>	<u>9,921,744</u>	<u>(9,947,637)</u>	<u>54,329</u>	<u>11,630,993</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 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 ended 31st March 2016.

The Transformation fund was designated during the year to support ongoing service development needs of the hospice, being transferred from general funds.

### YEAR ENDED 31 MARCH 2016 COMPARATIVES

CHARITY AND GROUP	1 April 2015	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>	<u>6,694,938</u>	<u>8,777,446</u>	<u>(8,857,641)</u>	<u>5,946</u>	<u>6,620,689</u>
<b>Total unrestricted funds</b>	<u>12,263,195</u>	<u>8,777,446</u>	<u>(9,472,390)</u>	<u>34,306</u>	<u>11,602,557</u>

## 16. RESTRICTED FUNDS

CHARITY AND GROUP	1 April 2016			Transfers £	31 March 2017	
	Income £	Expenditure £	£		£	£
IPU & Day Hospice	50,791	-	(1,562)	-	49,229	
Children's bereavement service	3,259	43,679	(46,938)	-	-	
Informatics Consultancy	16,209	-	(1,486)	-	14,723	
Competency Framework/EOL care outcomes	113,870	-	(11,073)	-	102,797	
Companion's scheme	6,743	-	-	-	6,743	
AV Equipment/Education	61,124	-	-	(34,206)	26,918	
City wide education programme	33,982	-	-	-	33,982	
Volunteer coordinator	34,621	-	(24,321)	-	10,300	
Learning management system	15,000	-	-	(15,000)	-	
DoLS training	2,605	-	-	-	2,605	
QUELCA training*	2,714	-	(2,714)	-	-	
Conference update in symptom management*	1,805	-	-	-	1,805	
Dementia EOL training for care homes*	3,931	-	(1,371)	-	2,560	
Communication skills training*	1,336	-	-	-	1,336	
Leeds Compassionate Communities	2,500	2,500	(2,064)	-	2,936	
Riser/recliner chairs	-	3,750	-	(3,750)	-	
Purchase and replacement of equipment	3,597	4,000	(6,224)	(1,373)	-	
Sundry restricted donations	-	12,700	(10,700)	-	2,000	
Health Foundation - Nurse led beds	32,417	5,575	(36,418)	-	1,574	
Managed Clinical Network	-	35,901	(35,901)	-	-	
Balance at 31 March 2017	386,504	108,105	(180,772)	(54,329)	259,508	
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

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

The Competency framework for nursing staff was funded by the CCG and Health Education England provided funding to support the End of Life Care Outcomes project being undertaken within the Academic Unit of Palliative Care.

The audio visual/education equipment in the Academic Unit of Palliative Care (AUPC) is funded by the Yorkshire Deanery.

The City-wide education programme was set up to improve the provision of palliative care education across the city.

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.

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.

## 16. RESTRICTED FUNDS (continued)

### YEAR ENDED 31 MARCH 2016 COMPARATIVES

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

## 17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Charity	Unrestricted Fund £	Designated Fund £	Restricted Funds £	Total 2017 £	Total 2016 £
Tangible assets	-	3,959,651	-	3,959,651	4,016,829
Investments	5,601,208	-	-	5,601,208	4,976,104
Current assets	1,777,781	1,143,801	259,508	3,181,090	3,804,323
Current liabilities	(851,448)	-	-	(851,448)	(808,195)
Long term liabilities	-	-	-	-	-
Total net assets	6,527,541	5,103,452	259,508	11,890,501	11,989,061

<b>Group</b>	<b>Unrestricted Fund £</b>	<b>Designated Fund £</b>	<b>Restricted Funds £</b>	<b>Total 2017 £</b>	<b>Total 2016 £</b>
Tangible assets	-	3,959,651	-	3,959,651	4,016,829
Investments	5,601,206	-	-	5,601,206	4,976,102
Current assets	1,784,100	1,143,801	259,508	3,187,409	3,808,489
Current liabilities	(857,765)	-	-	(857,765)	(812,359)
Long term liabilities	-	-	-	-	-
<b>Total net assets</b>	<b>6,527,541</b>	<b>5,103,452</b>	<b>259,508</b>	<b>11,890,501</b>	<b>11,989,061</b>
<b>2016 Charity comparatives</b>	<b>Unrestricted Fund £</b>	<b>Designated Fund £</b>	<b>Restricted Funds £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
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)
<b>Total net assets</b>	<b>6,620,689</b>	<b>4,981,868</b>	<b>386,504</b>	<b>11,989,061</b>	<b>12,687,769</b>
<b>2016 Group comparatives</b>	<b>Unrestricted Fund £</b>	<b>Designated Fund £</b>	<b>Restricted Funds £</b>	<b>Total 2016 £</b>	<b>Total 2015 £</b>
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)
<b>Total net assets</b>	<b>6,620,689</b>	<b>4,981,868</b>	<b>386,504</b>	<b>11,989,061</b>	<b>12,687,769</b>

## 18. NOTES TO THE CASHFLOW STATEMENT

<b>Reconciliation of net incoming resources to net cashflow from operating activities</b>	<b>2017 £</b>	<b>2016 £</b>
Net expenditure for the reporting period	(98,560)	(698,708)
Investment income	(201,775)	(178,646)
Depreciation	476,517	555,671
Losses/(gains) on investments	(653,983)	222,949
Loss on sale of fixed assets	-	-
(Increase) in stock	1,300	(2,003)
Decrease/(Increase) in debtors	165,730	151,013
Increase/(decrease) in creditors	45,406	42,781
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(265,365)</b>	<b>93,057</b>

## **19. FINANCIAL COMMITMENTS**

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

	Land & Buildings		Other	
	2017	2016 restated	2017	2016
	£	£	£	£
Within one year	347,165	309,656	7,287	2,907
Between one and five years	621,231	1,010,436	27,218	8,824
After five years	-	-	-	2,022
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>968,396</b>	<b>1,320,092</b>	<b>34,505</b>	<b>13,753</b>
	<hr/>	<hr/>	<hr/>	<hr/>

## **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 £492,066 (2016: £467,150) represents contributions to the funds during the period. Contributions payable to the schemes at the year end date totalling £21,217 (2016: £18,939) 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 £630. 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 £107,000 (2016: £152,021).



329 Harrogate Road  
Moortown  
Leeds, LS17 6QD

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



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



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

Registered Charity No. 1015941

