

St. Gemma's Hospice

Report and Financial Statements

31 March 2018



**St.
Gemma's
Hospice**

Always caring

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Reference and Administrative Information

Charity Name

St. Gemma's Hospice

Charity Registration Number

1015941

Company Registration Number

02773867

Registered Office

329 Harrogate Road
Moortown
Leeds
LS17 6QD

Patrons

The Right Rev Marcus Stock,
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

Zulfi Hussain

40th Anniversary Patrons

Ed Anderson

Bob Bowman

Liz & Terry Bramall

Chris Pointon

Marilyn Stowe

Christine Talbot

Duncan Wood

Edward Ziff

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
Statutory Auditor
1 City Square
Leeds
LS1 2AL



Hospice Leadership Team Board of Trustees



Kerry Jackson
Chief Executive



Jason Kirk
Chief Operating Officer
& Company Secretary



Dr Mike Stockton
Chief Medical Officer &
Consultant in Palliative
Medicine



Jayne Upperton
Interim Director of Nursing
& Registered Manager



Tracy Dick
Director of Income
Generation

Dr Peter Belfield
Chair of the Board

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

Sue Ansbro
Deputy Chair of the Board
Member of the Finance & Business Committee
Member of the Corporate Governance Committee

Kuldeep Bajwa
Member of the Clinical Governance Committee

Hilary Barrett
Member of the Finance & Business Committee

Dr Elizabeth Carmody
Member of the Clinical Governance Committee

Debra Fairley
Member of the Clinical Governance Committee

Sr Eileen Fucito CP

Sr Carmel Gorman CP

Sr Anne Hammersley CP

Professor Philip Hopkins
(retired 31 December 2017)
Member of the Clinical Governance Committee

Angus Martin
Chair of the Finance & Business Committee
(from 1 October 2017)
Member of the Corporate Governance Committee

Colin Millar (retired 30 September 2017)
Chair of the Finance & Business Committee
(to 30 September 2017)
Member of the Corporate Governance Committee

Professor Julia Newton-Bishop
(appointed 1 February 2018)
Member of the Clinical Governance Committee

Sr Therese O'Regan CP

Chris Schofield
Member of the Finance & Business Committee

Sr Savio Steed CP

Trustees' Report

Our Vision

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

Our Purpose

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

Our Values

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

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

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

Our Strategy 2018-2028

Hospice Values: Caring • Aspiring • Professional



IMPACT

St. Gemma's University Teaching Hospice will improve the standard of care for all patients and families, not just those directly receiving care, through research, teaching and putting evidence into practice.



CONNECT

St. Gemma's Hospice will connect with local health and care providers and commissioners to deliver high quality, efficient palliative and end of life care for Leeds - making sure we get the most out of every pound we spend.



EXTEND

St. Gemma's Hospice aims to influence the future of palliative and end of life care service delivery in Leeds and transform and strengthen our clinical services to serve the whole community.

Scope • Quality • Sustainability

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 2018. 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, including children and young people. 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.

This year marks the Hospice's 40th Anniversary. Since St. Gemma's was founded by the Sisters of the Cross and Passion, we have cared for many thousands of people with a terminal illness and supported their families and friends. The Hospice has grown in size and complexity over the years, but at its core has remained our vision of meeting the needs of individuals with care, compassion and skill.

This year we have undertaken significant engagement with staff, volunteers and service users to develop a new Hospice Strategy containing three core pillars:

- **IMPACT** – as the first University Teaching Hospice, we will continue to deliver high quality education and research, as well as translating research evidence into clinical practice on a day to day basis.

- **CONNECT** – hosting the Leeds Palliative Care Network for the city, we will connect with providers and commissioners to deliver high quality, efficient care for Leeds.

- **EXTEND** – recognising the growing need for palliative and end of life care, we will transform and strengthen our clinical services to meet the needs of the whole community.

St. Gemma's Hospice care is rated Outstanding by the Care Quality Commission (CQC). We have made care quality improvements in a range of areas including strong progress against our three Quality Account priorities: management of delirium; transfer of care between hospital and hospice beds;



and improving our electronic patient records. We continue to monitor patient and family feedback on care; outcomes reported from patients on the wards in 2017/18 showed that 97% of patients felt the Hospice made a positive difference to their life and 82% reported that their quality of life improved or stayed the same. This is particularly positive when we consider that the general health of patients continues to deteriorate due to ongoing advanced disease.

We are committed to working closely in partnership with other providers and commissioners of health, care and academic services in Leeds. St. Gemma's hosts the Leeds Palliative Care Network, bringing together providers to deliver the highest quality of consistent, equitable and sustainable care in the final phase of life. The Network provides a strong partnership that transcends traditional boundaries to bring about real system change.

St. Gemma's is the first University Teaching Hospice; our Academic Unit of Palliative Care continues to deliver high quality education and research, working in close collaboration with the University of Leeds. Over the last year we provided education to a wide range of professionals including specialist palliative care doctors, GPs, medical students, nurses, health support workers and therapists. A number of research projects have made strong progress and new research grants have been secured. Patients have been recruited in Leeds and beyond to research studies.

For the first time this year, we participated in the Sunday Times Best Companies Survey, achieving a place in the Top 100 Best Not-For-Profit Organisations to Work For. Staff are justifiably proud to be part of their team and of the high quality services we provide.



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 almost 900 volunteers. We reach out to the local community to ensure that as many people as possible are aware of our services, how they can be accessed, and our need for funds. This year, in addition to our normal channels of communication, we have launched a successful 'Mythbusting' campaign, aimed at addressing some of the most common misconceptions about hospice care.

We continue to face challenges, not least from our reliance on charitable funding to meet the growing needs of the community we serve and the increasing complexity of care. Recruitment to key staff groups has also continued to cause pressure, particularly in relation to registered nurses; we continue to respond to these challenges.

We are pleased to report financial results that are in line with our long-term plans. In what remains a challenging economic environment, headline income has grown by 3.7% to £9.7m and we continue to make efficiencies to limit growth in



expenditure. General reserves remain strong at £6.3m, which cover our assessed financial risks and support our future investment plans.

We offer sincere thanks to our Board of Trustees, including Professor Phillip Hopkins and Colin Millar who left us during the year and we warmly welcomed Professor Julia Newton-Bishop as a new Trustee onto the Board.

We also welcomed Zulfi Hussain as a Patron, and a number of 40th Anniversary Patrons providing us with valuable support during the year: Ed Anderson, Bob Bowman, Liz and Terry Bramall, Chris Pointon, Marilyn Stowe, Christine Talbot, Duncan Wood and Edward Ziff.

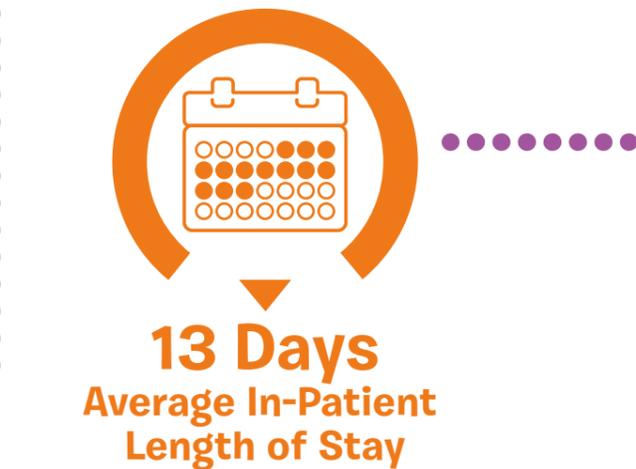
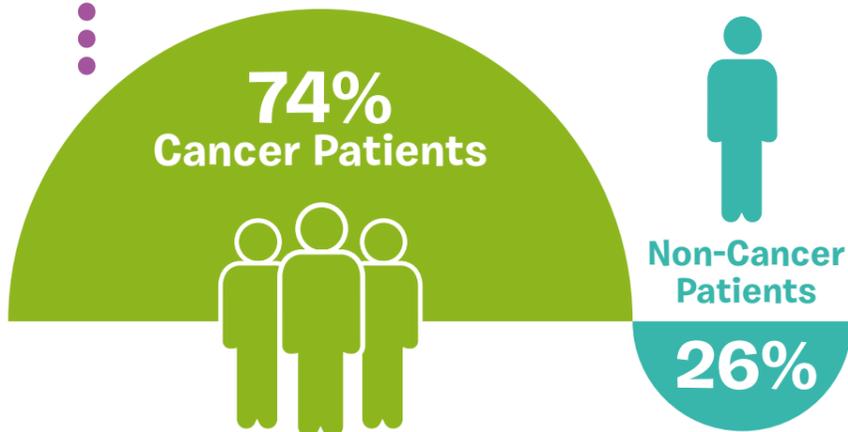
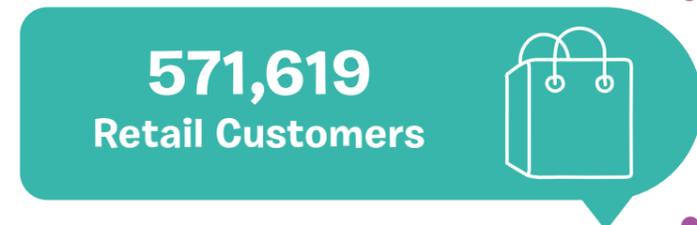
Heartfelt thanks also to the Sisters of the Cross and Passion, who continue to provide guidance, support and challenge to the elected Trustees and Hospice Leadership Team.

Dr Peter Belfield
Chair

Kerry Jackson
Chief Executive



Strategic Highlights 2017/18



Strategic Report

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

- the palliative care, treatment or relief of people with active, progressive and advanced illness without regard to their means, culture, faith or belief at St. Gemma's Hospice in Leeds and such other places as the Charity thinks fit and in the community
- the relief of those who have experienced loss and bereavement, in particular families, friends and carers, through the provision of counselling, advice and support
- 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 range of diagnoses including cancer, neurological conditions and end stage respiratory and heart disease. We also provide support to families and carers including children and young people.

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 spiritual care workers, seeks to alleviate symptoms such as pain and breathlessness, as well as supporting people's emotional and spiritual wellbeing.

Although our services are free to patients and those



close to them, 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. The core grant income received from the NHS represents 26% of the total income generated by St. Gemma's Hospice in 2017/18.

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



The Year Under Review

Patient and Family Care

In 2017/18 we saw an increase in the number of people referred to St. Gemma's services, as anticipated in line with changing demographics. Our number of new referrals was 1,313 representing an increase of over 14% on the previous year. The impact was particularly seen by our Community Clinical Nurse Specialists, who experienced a 20% increase in the team caseload during the year. For Community and ward-based patients we are improving our processes for assessing the dependency of each individual, to make sure our care is more effectively tailored to the needs of each individual and family.

Like other healthcare providers, recruitment of Registered Nurses has been a challenge and has continued to be an area of focus in 2017/18. We have made changes to the nursing workforce to support recruitment and retention, which will begin to be realised in 2018/19. We continue to review staffing ratios and the mix of qualified to unqualified staff. During the year we have:

- increased the number of Healthcare Assistants to ensure safe and timely response to patient needs and we continue to drive recruitment to Registered Nursing posts
- introduced within the In-Patient Unit an Advanced Healthcare Assistant role under the leadership of our Nurse Consultant. We are also part of the West Yorkshire Partnership, piloting the Nursing Associate role.

During 2017/18 we made changes to our Day Services, aiming to create more flexible services to meet the different needs of patients, expanding services for carers and providing options for patients to access a range of services from the multi-disciplinary team. These changes have resulted in a reduction in the number of Day Services' attendances in the short term (998 during the year), but these are expected to increase over time. The new model includes a Drop-In Service for patients and carers, a Carers Group and a Breathlessness Group.

Equality of Access

We support informed patient choice and strive to deliver care in the setting the patient chooses: either in their own home with Specialist Nurse and Medical Consultant support, in Day Services or in the In-

Patient Unit wards. We know that many more people still die in hospital each year than would choose to. For two years St. Gemma's has provided nurse-led End of Life Care beds offering more people the choice to die within the Hospice. The numbers of patients cared for in these beds is increasing, with 113 patients in 2017/18, 35% of whom were aged over 80, and 35% of whom had a non-cancer diagnosis. As a result of implementing this model our Nurse Consultant, Catherine Malia, won the Kate Granger Award for Outstanding Achievement at the Yorkshire Choice Awards.

As part of our Leeds Compassionate Communities project we have established a Community Engagement Steering Group involving local black and minority ethnic citizens; with training and facilitation from Leeds Involving People, the group is acting as an advisory panel guiding the development of culturally aware and accessible services.

During the year we developed a Dementia Strategy which will be implemented over the next five years and involves teaching all staff in any role within the Hospice about dementia.

Improving Clinical Care

St. Gemma's Hospice is committed to continuous quality improvement with a focus on professional development for clinical teams, service improvements for patients and ensuring the best use of resources.

Each year St. Gemma's identifies priorities for the improvement of patient and family care. These are set out in our annual Quality Account.



We made strong progress against our priorities for 2017/18 which were:

- Patient Safety: Review of the care and management of patients with delirium to ensure Hospice practice is compliant with new evidence
- Patient Experience: streamlining and improving the transfer of care for patients who transfer from a hospital ward to a hospice bed
- Clinical Effectiveness: further implementation of electronic patient records.

We measure the quality of our clinical care in a variety of ways including patient outcome measures, patient and family feedback such as complaints, 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 for 2017/18 do not give rise to any areas of significant concern. During the year we introduced falls safety huddles to the wards following work with Leeds Teaching Hospitals and the NHS Improvement Academy.

We have introduced the routine measurement of clinical outcomes to improve palliative care for patients and families. 82% of in-patients who were able to complete a questionnaire reported their quality of life improved or remained the same, with 97% reporting that the Hospice made a positive difference to their lives. Most of our patients have deteriorating health with falling quality of life as a result; the feedback shows the real difference that Hospice care makes.

All patients are treated with dignity and respect when cared for by St. Gemma's Hospice. The patient, and those important to them, are treated as individuals, have co-ordinated care and are asked what matters most to them. We pride ourselves on going the extra mile for patients and families. This can be by helping celebrate a memorable occasion, bringing in pets to visit patients and making memories for the future.

We receive many lovely letters and cards from patients and families which paint a rich picture

of Hospice care; trained volunteers support the provision of feedback from patients, friends and families. We also proactively seek feedback from patients and those important to them across all our services, including education.

On the In-Patient Unit trained volunteers support patients and families to provide feedback on their experience. The volunteers visit the wards monthly and meet with patients and families. Over the last year, they have met with 24 patients and families, the results of which are very positive, with 100% of those interviewed rating our care as excellent. We continue to learn from and implement any improvements suggested. Patients and families in Day Services have also provided feedback on their care, with the same result of 100%.

Coordination of Care

The Leeds Palliative Care Network (LPCN) is hosted by St. Gemma's Hospice. As a collaborative partnership group, the Network is committed to the highest quality of consistent, equitable and sustainable care in the final phase of life. It brings together health and social care and academic professionals across Leeds, provides strong partnerships and transcends the traditional boundaries to bring about systems-wide change. Key areas of focus include:

- Enhancing end of life care for people with heart failure, dementia and frailty, which includes improving the transfer of care of patients from hospital to hospice
- Better coordination of care through electronic systems: implementing consistent systems and collecting key data to better understand care and to improve services
- Delivering expert education for community and hospital staff, GPs and care homes, which includes developing and delivering tele-education in order to support more professionals to improve patient care and integrating research and evidence into all developments
- Supporting the Clinical Commissioning Group (CCG) to develop the new strategic vision for palliative care across Leeds.

Academic Unit of Palliative Care (AUPC)

There have been a number of exciting and important developments marking progress within the Academic Unit of Palliative Care within the past year.

The most notable of achievements was the formal award of University Teaching Hospice status, which we celebrated with Sir Alan Langlands, Vice-Chancellor of the University of Leeds, in September 2017. St. Gemma's is the first and only Hospice approved to carry this title, which cements our place as a leading academic centre in palliative care within the UK.

Research

We have expanded our research team with significant external grant income from Yorkshire Cancer Research and the National Institute for Health Research (NIHR) and have continued to recruit to national studies.

The Improving the Management of Pain from Advanced Cancer in the Community (IMPACCT) programme is a research project funded by the NIHR. St. Gemma's Hospice successfully completed the recruitment of 161 patients into the IMPACCT feasibility trial which evaluated our previously developed pain management support tools in clinical practice. The AUPC also supported eight other Clinical Nurse Specialist teams nationally to complete the recruitment. The data will be analysed and the results will be published later in 2018.

The AUPC research nurses have also supported a number of other studies in the past year, including evaluation of a potential new drug for cancer bone pain and a study looking at the assessment and treatment of opioid induced constipation.

Education

The AUPC has provided education and training to 767 people in 2017/18. This has included placements for a wide range of students including medical, nursing and therapies. We have delivered

the European Certificate in Palliative Care. In addition, we have delivered GP education, training in dementia and Advanced Communications Skills training, as well as teaching to pre-registration nursing students at degree and Masters level, and have supported the development of the nursing degree apprenticeship at Leeds Beckett University. For Hospice staff we have implemented the electronic Learning Management System (LMS) and we are delivering a two year project to implement the Health Education England Yorkshire & Humber End of Life Care Learning Outcomes which will support a unified approach to the delivery of high quality palliative and end of life care through supporting workforce development.

We are working with Hospice UK as a pilot site on an innovative project to implement ECHO (Extension for Community Healthcare Outcomes) within palliative care. The AUPC will develop an ECHO Hub to deliver education programmes, using video-conferencing technology, to large numbers of health care practitioners within Leeds.

Evaluations from training undertaken continue to show that it has helped healthcare professionals utilise their learning in practice, increased their confidence in communication, and updated them on new evidence and being able to support and teach other colleagues.

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 are well-informed and engaged. The Hospice is committed to being an equal opportunities employer where everyone has the opportunity to contribute and develop.

The Hospice is a Disability Confident Employer. Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every





effort is made to ensure that their employment with the Hospice continues and that appropriate training is arranged. It is the policy of the Hospice that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

This year the Hospice participated for the first time in The Sunday Times 100 Best Companies To Work For survey and was placed 76th in the 100 Best Not-For-Profit Organisations. The survey highlighted that staff are proud to be part of the team, take pride in giving a great service to patients and their families and feel that the senior team is providing strong leadership. Key areas for improvement upon which we will be focusing our efforts in the next year include developing workplace wellbeing initiatives and enhancing ways for departments to work better together.

Our work this year on employee engagement included 15 staff, volunteer and service user engagement events to give everyone in the Hospice team the opportunity to share their thoughts about the Hospice's future direction. Sessions were informal and focused on a 'big conversation' followed by an opportunity to discuss together what we should 'stop', 'start' and 'continue' to do. 51% of the Hospice workforce engaged in this process and have given 530 pieces of feedback.

The emerging themes from the staff survey, the engagement sessions and feedback from the Hospice staff conference (held in July 2017) provide core areas of focus for our new Hospice Strategy and associated Transformation Plan.

The development and training of staff remains a key priority for the Hospice. The Learning Management System has ensured that mandatory training can be accessed and completed at times to suit the working patterns of staff. Tailored training was provided to our Estates and Facilities department to address specific

development needs which had been identified. Following the success of this work, in 2018/19 we will extend this approach to other departments of the Hospice.

The Hospice was awarded the Leeds Commitment to Carers status with a key commitment to "Ensure St. Gemma's is a carer friendly employer". The Hospice is part of the Leeds Working Carers Employers Group run in conjunction with Carers Leeds. The group works with employers across the city with the aim of increasing the wellbeing of working carers and developing information and best practice for employers.

Volunteers

St. Gemma's Hospice has the support of almost 900 volunteers who gave over 124,000 hours of support during 2017/18. We are very grateful for the time, skills and passion that they contribute to St. Gemma's.

This year the Hospice has continued work to attract volunteers from all local areas, ages, socio-economic and ethnic groups to ensure the Hospice's volunteer workforce is representative of the communities it serves.

Our new volunteer recruitment website highlights the diversity of volunteer roles. A video was created during National Volunteers Week to showcase the wide variety of work that can be done across the Hospice. Local groups, including Leeds Compassionate Communities and the Leeds Race, Equality & Community Forum, have also been consulted during the development of recruitment materials.

Two thank you events were held during 2017/18; a summer afternoon tea during National Volunteers Week, and a festive celebration held at Leeds City Museum. These events also celebrated the long service and dedication of our volunteers.

Volunteers have provided feedback this year about their experiences at the Hospice, and have highlighted the benefits of social interaction, gaining skills and giving something back to the Hospice and the community it serves.

In 2018/19 we aim to develop more opportunities across the Hospice to maximise the skills and experience which our volunteers provide. We will produce a new Volunteers Handbook and Managers' guides to bring together key information, and ensure volunteers continue to have the opportunity to feedback on their experience at the Hospice.

Environment

Our gardens continue to create a unique haven for patients and their visitors and gain many prestigious awards. In 2017 we were awarded Leeds in Bloom Business and Communities Competition Gold award. The hard work and forward planning of the gardening staff and volunteers ensures we continue to create gardens that are valued by everyone.

Raising Funds

The community of Leeds and beyond again raised funds in a wide variety of ways to ensure that the vital work of the Hospice can continue.

Traditional methods of marketing, such as our supporter newsletter, news stories in the local media and advertising in newspapers, magazines and on the radio, help us share our messages widely across Leeds. Our digital channels, specifically our website and social media platforms, go from strength to strength and enable us to communicate with these growing audiences quickly and effectively. Patients and their families regularly use our social media channels to share their experiences of the Hospice and thank the team.

In 2017 we held our first Turn Back Time Ball which was very well received and our Winter Ball raised over £70,000. Our longest standing event, The Windermere Row, continues to do very well and remains popular with many supporters. Support across the community continues, with money raised from schools, pubs and social clubs raising over £45,000.

The Hospice is well supported by companies and businesses in and around Leeds who organise their own events and initiatives. Corporate volunteers also provide hundreds of hours of free help each month which enhances the Hospice's retail chain and fundraising events.

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 income has remained strong with sponsorship of the Walls of Light being particularly popular. Regular gifts help planning and over 1,000 individuals now donate via a monthly direct debit.

Our chain of charity shops continues to raise much needed funds whilst helping to promote the work of St. Gemma's in high streets across the city. In 2017/18 we commissioned an independent review of the retail chain in order to ensure we were working at optimum levels. This work, along with a new shop in Moortown and a bigger unit in Cross Gates, has meant that profit levels have been preserved in a challenging retail environment.

Underpinning the outward facing work of the Income Generation team is the small number of staff who focus particularly on supporter care. They continue to work hard to improve the donor experience and to ensure the Hospice is compliant with new regulations, ensuring supporters feel informed and can easily change the way in which we communicate with them.

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

"I enjoy volunteering, it's a good use of spare time and helps develop transferable skills and work experience"

- St. Gemma's Volunteer

"It's such a pleasure to volunteer for St. Gemma's as I feel valued and am always thanked for everything I do. It's like a big family"

- St. Gemma's Volunteer

Looking Ahead

Hospice Strategy

Our new Strategy (page 5) provides a framework for the long-term development of Hospice services. 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.

We have identified a number of priority areas for review in 2018/19:

- Future In-patient Services model: we will review our In-patient bed model, taking account of the need and demand for Hospice beds in Leeds, expected demographic changes and the opportunities to work more closely with other care providers in Leeds in delivering choice for individuals. We will continue to develop a flexible in-patient model to meet diverse and complex needs. As part of this, our nurse led end of life care beds will be extended to provide admissions over 7 days rather than 5 and we will strengthen our links with the Leeds hospitals, working with designated ward teams to enable earlier identification of patients approaching the last days, raise awareness of the Hospice and increase the number of patients able to access St. Gemma's as their preferred place of death.
- Future Community Services model: we will review our community services model, responding to growing demand and connecting with citywide partnerships to deliver patient centred, flexible, efficient and effective high quality care. We will continue to develop our Day Services model, with planned changes to our organisational structure. We will review the changes to date and outline the vision for the way forward. Discussions with external partners have started to consider what the service can offer to meet local needs.
- Enhancement of Hospice Culture to meet the changing demands of the Hospice: we will undertake a specific project to clarify expectations of culture and define culture standards at St. Gemma's, including relaunching our values and behaviours framework. We will develop

a more robust leadership and management development framework. We will undertake further proactive staff engagement and feedback. We will use the staff conference to focus on holistic wellbeing initiatives.

- Enhanced Digitisation: we will integrate digital technology into services to optimise, innovate and enhance clinical care, patient experience and education.

A further four areas have been identified for prioritisation within the strategy:

- Continuing to build on the successes of the Academic Unit of Palliative Care
- Developing a future workforce model, particularly in light of national staffing shortages
- Extending clinical provision to include 7 day services across a wider range of areas
- Improving and modernising the Hospice estate.

Improving Clinical Care

Each year the Hospice sets priorities for improving the quality of clinical care; these priorities are outlined in detail in our annual Quality Account. Our priorities for 2018/19 are: management of the acutely deteriorating patient; improving end of life care for homeless people; and improving patient feedback.



40th Anniversary

2018 marks 40 years since the Sisters of the Cross and Passion founded St. Gemma's Hospice. Since then, we have supported thousands of patients with life-limiting illnesses and their families from across Leeds. We provide care to people of all faiths and cultures, always with the individual at the heart of what we do.

In recognition of our 40th Anniversary, a programme of special activity has been created, including A Night to Remember at Leeds Town Hall which saw 1,000 Hospice supporters unite to enjoy an evening of recognition, remembrance and looking to the future. A Mass of Thanksgiving was led by our Patron, Bishop Marcus Stock, at Leeds Cathedral. Throughout the summer a photographic exhibition entitled '40 Faces', was shown at Leeds Museum, bringing St. Gemma's to life through individual stories.

We are grateful for the contribution from our 40th Anniversary Patrons, as referenced on page 3. They bring a diverse and valuable mix of skills, experiences and contacts to support our Anniversary programme and fundraising efforts.

We have received excellent media coverage of the 40th Anniversary so far, with Anniversary activity featuring on ITV Calendar, BBC Look North, a week long feature in the Yorkshire Evening Post and editorial features in publications such as the Jewish Telegraph and Catholic Universe.

We have also celebrated and promoted volunteering as part of the Hospice's 40th Anniversary activities. We will continue to encourage all areas of the local community to engage with, and benefit from, involvement in volunteering.



Financial Review

Year on Year Income



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 **£9,721,348** (2017: £9,375,866) representing an overall increase of **£345,482** (3.7%). This is mainly attributable to an increase in shops' income and legacies.

Shops' income of **£2,795,965** (2017: £2,694,631) represents a year on year increase of **£101,334** (3.8%) across twenty-four charity shops. Trading in the high street continues to be challenging. However, the full-year trading effect from the Retail Hub and new Hunslet shop opened in 2016/17, and the success of the larger units introduced in 2017/18 at Moortown and Crossgates, continue to drive income growth. Total net surplus from charity shops remains strong at **£805,547** (2017: £728,100).

Legacy income **£1,234,329** (2017: £1,131,809) has increased by **£102,520** (9%). This level of legacy income, whilst unpredictable, remains consistent with previous years and trends.

Income from donations and fundraising events of **£2,220,997** (2017: £2,319,293) has reduced by **£98,296** (4.2%). This reflects the effect of an exceptional 2016/17, when new events raised higher than expected levels of income.

Total expenditure of **£10,332,696** (2017: £10,128,409) increased by **£204,287** which represents an increase of 2%. This increase is due to the annual pay award and additional costs associated with fundraising and shops. We continue to make efficiencies across the Hospice to control expenditure and drive improvements in line with the long term financial plan.

The total net resources for the year show a deficit of **£532,593** (2017: deficit £98,560). This is made up of a general fund (unrestricted funds) deficit of **£97,556**

and net expenditure in the designated and restricted funds (£435,037). This was a planned deficit in line with the approved ten year financial plan which supports continued investment in Hospice services.

The investment portfolio generated a capital gain of **£78,755** compared to **£653,983** for the year to March 2017. The year to March 2018 was a positive but mediocre year for investment markets with the returns a little below the long-term average; cash returns remain close to all-time lows. Overall, the portfolio has seen a total return of +4.1% compared with the benchmark's return of +1.9% for the year. The portfolio continues to be managed and held for the long term. Over the past 3 years (to 31 March 2018) the cumulative return has been +20.3% compared to the benchmark's return of +20.7%. The five year returns show +45.1% compared to the benchmark's +42.1%.

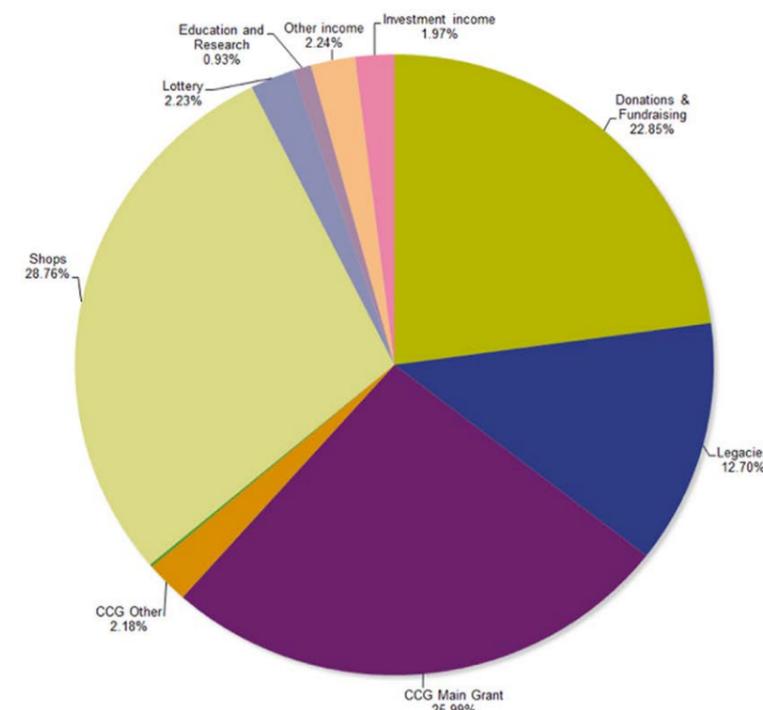
At year end the investment portfolio was valued at **£5,728,453** (2017: £5,601,206) with Investment Management fees of **£30,482** (2017: £28,879). Overall investment income was £191,581 (2017: £201,775) of which the investment portfolio contributed **£172,297** (2017: £174,021).

The remaining **£19,284** (2017: £27,754) 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. 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 (73%), bonds (11%), property (5%) cash (7%) and infrastructure assets (4%).

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 **£17,487** (2017: £19,691) in the year which will be transferred to the Hospice under Gift Aid.

Total Income 2017/18 - £9.7m





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 long term strategy and underpinning ten year 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 **£6,281,759** (2017: £6,527,541) which covers the assessed financial risks.

Total designated reserves at 31 March 2018 were **£4,717,652** (2017: £5,103,452) of which **£3,728,910** (2017: £3,959,651) has been

invested in fixed assets. **£529,235** (2017: £563,526) is held for the continuing upkeep of the Hospice and for the development of the gardens. **£169,481** (2017: £250,000) supports the ongoing transformation needs of the Hospice. See notes 16 and 17 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 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 Trustees have complied with the duty (set out in section 4 of the Charities Act 2006) to have due regard to public benefit guidance published by the Charity Commission.

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.

At 31st March 2018 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.

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

Clinical Governance Committee - Chair, June Toovey

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

Corporate Governance Committee - Chair, June Toovey

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

Finance and Business Committee - Chair, Angus Martin

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.

St. Gemma's has a well-established and mature Hospice Leadership Team, reporting to the Board and its Committees, leading on strategy development and overseeing the provision of clinical services. This team is supported by Heads of Department, closely managing day to day service provision. The Chief Executive, Kerry Jackson, leads a Hospice Leadership Team (HLT) consisting



of the Interim Director of Nursing, Jayne Upperton; Director of Income Generation, Tracy Dick; Chief Medical Officer and Consultant in Palliative Care, Dr Mike Stockton; and Chief Operating Officer, Jason Kirk. The Chief Executive and HLT are not members of the Board and have no beneficial interest in the Company.

Senior Staff Pay

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

Risk Management and Principal Risks

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.

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 remains a key risk due to the challenging and competitive economic environment within which we operate. To mitigate this we have developed a long term income strategy that supports and invests in a diverse range of income streams. During 2017/18 we have invested in a new Hospice lottery, opened up a new retail outlet and continued to explore new fundraising opportunities.
- Our ability to attract, recruit and retain clinical staff to support quality service delivery. Rising demand for healthcare services and an unsustainable nursing workforce shortage, locally and nationally, means recruitment of staff continues to be a significant risk. We have reviewed the staffing structure and invested in training to develop the skills of existing staff and we continue to look at innovative methods of recruitment.
- 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 developed a ten year strategy that considers longer term trends, supports service transformation and integrates with Leeds city wide providers.

- Uncertainty in statutory funding. We have successfully secured Clinical Commissioning Group (CCG) funding until March 2019. We continue work closely with Leeds CCG in negotiating a longer term contract that better reflects our funding requirements.

Information Governance

The Hospice has robust processes for overseeing data protection and giving assurance to the Board of Trustees on Information Governance. During 2017/18 we commissioned an independent review of our Information Governance arrangements. The review provided guidance on embedding awareness throughout the Hospice and on preparing for the new EU General Data Protection Regulation (GDPR) which came into effect on 25 May 2018. We have delivered all the recommendations from the independent review.

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 of the Hospice 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. Policies to protect vulnerable individuals are in place and all fundraisers are aware of their responsibilities in this area. During 2017/18 there was one complaint relating to the Hospice's fundraising activities and it was 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 2017/18 a ten year financial plan was developed to support the new Hospice strategy. 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 on 16 October 2018 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 safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all 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.

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of St. Gemma's Hospice (the 'charitable company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2018 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated statement of financial activities (including the consolidated income and expenditure account);
- the group and parent charitable company balance sheets;
- the consolidated cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and of the parent charitable company in accordance with the

ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

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

We have nothing to report in respect of these matters.

Other information

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

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

We have nothing to report in respect of these matters.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters 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 Trustees' report, which includes the strategic report and the directors' report prepared for the purposes of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report included within the Trustees' 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 or the directors' report included within the Trustees' report.

Matters on which we are required to report by exception

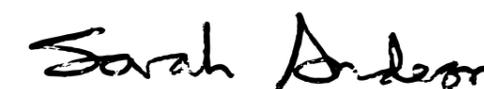
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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.



Sarah Anderson FCCA
(Senior statutory auditor)

19 November 2018

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 2018

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	31 March 2018 Total Funds £	Total funds 2017 £
INCOME FROM						
Donations, legacies and trusts	2	2,436,294	-	114,301	2,550,595	2,455,613
Other trading activities:						
Sale of donated goods		2,732,384	-	-	2,732,384	2,630,153
Fundraising events		1,015,583	-	-	1,015,583	1,097,785
Lottery		216,458	-	-	216,458	212,622
Commercial trading operations		83,361	-	-	83,361	85,182
	3	4,047,786	-	-	4,047,786	4,025,742
Charitable activities – Provision of Hospice Services:						
CCG funding		2,526,723	-	212,322	2,739,045	2,560,191
Health Foundation grant		-	-	14,631	14,631	5,575
Education and research		90,174	-	-	90,174	40,608
Bistro		86,686	-	-	86,686	84,424
Other		850	-	-	850	1,938
	4	2,704,433	-	226,953	2,931,386	2,692,736
Investments	5	191,581	-	-	191,581	201,775
Total income		9,380,094	-	341,254	9,721,348	9,375,866
EXPENDITURE ON						
Raising funds:						
Cost of selling donated goods		1,880,696	61,522	-	1,942,218	1,919,217
Costs of raising income from donations, legacies, trusts and fundraising events		1,221,335	16,205	-	1,237,540	1,152,053
Investment management costs		30,481	-	-	30,481	28,879
Lotteries		77,413	-	-	77,413	105,622
Commercial trading operations		65,874	-	-	65,874	65,492
		3,275,799	77,727	-	3,353,526	3,271,263
Charitable activities – Provision of Hospice Services						
		6,280,606	516,406	182,158	6,979,170	6,857,146
Total Expenditure	6	9,556,405	594,133	182,158	10,332,696	10,128,409

Consolidated Statement of Financial Activities

(Including consolidated income and expenditure account)

For the year ended 31 March 2018

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	31 March 2018 Total Funds £	Total funds 2017 £
Net (expenditure)/ income before investment gains/ (losses)						
	8	(176,311)	(594,133)	159,096	(611,348)	(752,543)
Net gains on investments	11	78,755	-	-	78,755	653,983
Net (expenditure)/income		(97,556)	(594,133)	159,096	(532,593)	(98,560)
Transfer between funds	16/17	(148,226)	208,333	(60,107)	-	-
Net movement in funds		(245,782)	(385,800)	98,989	(532,593)	(98,560)
RECONCILIATION OF FUNDS:						
Total funds brought forward		6,527,541	5,103,452	259,508	11,890,501	11,989,061
Net movement in funds for the year		(245,782)	(385,800)	98,989	(532,593)	(98,560)
Total funds carried forward	18	6,281,759	4,717,652	358,497	11,357,908	11,890,501

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 £550,080 (2017: £118,251).

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 15 for comparative Consolidated Statement of Financial Activities analysed by funds.

The notes on pages 36 to 50 form part of these financial statements.

Balance Sheets

As at 31 March 2018

	Note	Group		Charity	
		2018	2017	2018	2017
		£	£	£	£
FIXED ASSETS					
Tangible assets	10	3,728,910	3,959,651	3,728,910	3,959,651
Investments	11	5,728,453	5,601,206	5,728,455	5,601,208
		<u>9,457,363</u>	<u>9,560,857</u>	<u>9,457,365</u>	<u>9,560,859</u>
CURRENT ASSETS					
Stocks		20,092	21,992	-	-
Debtors	12	666,328	608,539	703,595	646,452
Current asset investments		2,007,186	2,011,552	2,007,186	2,011,552
Cash at bank and in hand		295,059	545,326	272,046	523,086
		<u>2,988,665</u>	<u>3,187,409</u>	<u>2,982,827</u>	<u>3,181,090</u>
CREDITORS: amounts falling due within one year	13	<u>(1,088,120)</u>	<u>(857,765)</u>	<u>(1,082,284)</u>	<u>(851,448)</u>
NET CURRENT ASSETS		<u>1,900,545</u>	<u>2,329,644</u>	<u>1,900,543</u>	<u>2,329,642</u>
NET ASSETS		<u>11,357,908</u>	<u>11,890,501</u>	<u>11,357,908</u>	<u>11,890,501</u>
Represented by:					
FUNDS					
Unrestricted funds:					
Designated fund	16	4,717,652	5,103,452	4,717,652	5,103,452
General fund	16	6,281,759	6,527,541	6,281,759	6,527,541
Restricted funds	17	358,497	259,508	358,497	259,508
TOTAL FUNDS		<u>11,357,908</u>	<u>11,890,501</u>	<u>11,357,908</u>	<u>11,890,501</u>

The financial statements of St. Gemma's Hospice on pages 28 to 50 were approved and authorised for issue by the Board of Trustees on 16th October 2018.



Dr Peter Belfield

Chair to the Board of Trustees

Company Number: 02773867

The notes on pages 36 to 50 form part of these financial statements.

Consolidated Cash Flow Statement

For year ended 31 March 2018

	Notes	Group 2018	Group 2017
		£	£
NET CASH PROVIDED BY OPERATING ACTIVITIES	19	(115,056)	(265,365)
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends and interest received		191,581	201,775
Purchase of tangible fixed assets		(282,666)	(419,339)
Purchase of investments		(727,499)	(922,137)
Proceeds on sale of investments		1,006,301	990,209
Movement on cash held by Investment Managers		(327,294)	(39,193)
Net cash outflow from investing activities		<u>(139,577)</u>	<u>(188,685)</u>
Change in cash and cash equivalents during the year		<u>(254,633)</u>	<u>(454,050)</u>
Cash and cash equivalents at the beginning of the year		<u>2,556,878</u>	<u>3,010,928</u>
Total cash and cash equivalents at the end of the year		<u>2,302,245</u>	<u>2,556,878</u>
Reconciliation to balance sheet:			
Cash at bank and in hand		295,059	545,326
Current asset investments		2,007,186	2,011,552
Balance at 31 March 2018		<u>2,302,245</u>	<u>2,556,878</u>

The notes on pages 36 to 50 form part of these financial statements.

Statement of Accounting Policies

For year ended 31 March 2018

Company and charitable status

St. Gemma's Hospice, a public benefit entity, is incorporated in England and Wales as a charitable 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 2016 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 16 and 17 for further information on funds and funds utilisation.

Tangible fixed assets

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

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

Improvements to leasehold property costs

- 5% per annum on a straight line basis

Fixtures and fittings

- 10% per annum on a straight line basis

Motor vehicles

- 25% per annum on reducing balance basis

Computers

- 25% per annum on a straight line basis





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.



Notes to the Group Financial Statements

For year ended 31 March 2018

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	2018 £	2017 £
Turnover	83,361	85,183
Cost of sales	(36,906)	(36,823)
Gross Profit	46,455	48,360
Administrative expenses	(28,968)	(28,669)
Operating profit	17,487	19,691
Charitable donation to St Gemma's Hospice	(17,487)	(19,691)
Retained in subsidiary	-	-
Aggregate Capital and reserves	2	2

2. INCOME FROM DONATIONS, LEGACIES AND TRUSTS

	2018 Unrestricted Funds £	2018 Restricted Funds £	2018 Total £	2017 Total £
Donations	1,199,724	5,690	1,205,414	1,221,508
Legacies	1,217,365	16,964	1,234,329	1,131,809
General grants from Trusts	19,205	91,647	110,852	102,296
	<u>2,436,294</u>	<u>114,301</u>	<u>2,550,595</u>	<u>2,455,613</u>
2017 Comparative				
	2017 Unrestricted Funds £	2017 Restricted Funds £	2017 Total £	
Donations	1,219,188	2,320	1,221,508	
Legacies	1,121,809	10,000	1,131,809	
General grants from Trusts	47,987	54,309	102,296	
	<u>2,388,984</u>	<u>66,629</u>	<u>2,455,613</u>	

At 31 March 2018 there were legacies totalling £216,640 (2017: £198,500) that had been notified as receivable to the charity but have not been included in the financial statements as their value cannot be reliably quantified.

Included in donations income is gift aid received or receivable of £152,423 (2017: £151,054).

3. INCOME FROM OTHER TRADING ACTIVITIES

	2018 £	2017 £
Sale of donated goods	2,732,384	2,630,153
Fund raising events	1,015,583	1,097,785
Lottery	216,458	212,622
Income from wholly owned subsidiary:		
Room hire	19,780	20,704
Sale of purchased goods	63,581	64,478
	<u>4,047,786</u>	<u>4,025,742</u>

The sales of donated and purchased goods in 2018 includes donations under retail gift aid of £733,420 (2017: £786,560) and the associated gift aid of £181,155 (2017: £189,292). St. Gemma's Hospice had 24 shops at the year end (2017: 23).

4. INCOME FROM CHARITABLE ACTIVITIES

	2018 Unrestricted Funds £	2018 Restricted Funds £	2018 Total £	2017 Total £
Provision of Hospice services				
Grant income from NHS Leeds	2,526,723	212,322	2,739,045	2,560,191
Health Foundation grant	-	-	-	5,575
Hospice UK grant	-	14,631	14,631	-
Education and research	90,174	-	90,174	40,608
Bistro	86,686	-	86,686	84,424
Other	850	-	850	1,938
	<u>2,704,433</u>	<u>226,953</u>	<u>2,931,386</u>	<u>2,692,736</u>

2017 Comparatives

	2017 Unrestricted Funds £	2017 Restricted Funds £	2017 Total £
Provision of Hospice services			
Grant income from NHS Leeds	2,524,290	35,901	2,560,191
Health Foundation grant	-	5,575	5,575
Education and research	40,608	-	40,608
Bistro	84,424	-	84,424
Other	1,938	-	1,938
	<u>2,651,260</u>	<u>41,476</u>	<u>2,692,736</u>

5. INVESTMENT INCOME

	£	£
Listed securities	172,297	174,021
Bank and other interest	19,284	27,754
	<u>191,581</u>	<u>201,775</u>

6. ANALYSIS OF EXPENDITURE

	2018 Direct Costs	2018 Support Costs	2018 Total	2017 Total
	£	£	£	£
Expenditure on raising funds				
Costs of selling donated goods	1,839,754	102,464	1,942,218	1,919,217
Costs of raising income from donations, legacies, trusts and fundraising events	1,141,517	96,023	1,237,540	1,152,053
Investment management fees	30,481	-	30,481	28,879
Cost of lotteries	77,413	-	77,413	105,622
Cost of wholly owned subsidiary:				
Room hire	17,674	-	17,674	18,178
Purchased goods	48,200	-	48,200	47,314
	<u>3,155,039</u>	<u>198,487</u>	<u>3,353,526</u>	<u>3,271,263</u>
Expenditure on charitable activities				
Provision of Hospice services				
Inpatient Care	4,172,091	587,265	4,759,356	4,703,680
Community Care	990,426	87,674	1,078,100	1,058,413
Day Hospice	553,869	28,022	581,891	589,996
Bereavement Support	138,860	12,179	151,039	154,945
Education and research	379,508	29,275	408,783	350,112
	<u>6,234,755</u>	<u>744,415</u>	<u>6,979,170</u>	<u>6,857,146</u>
Total expenditure	<u>9,389,794</u>	<u>942,902</u>	<u>10,332,696</u>	<u>10,128,409</u>

2017 COMPARATIVES

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

7. ANALYSIS OF SUPPORT COSTS

Provision of Hospice Services

	2018	Raising Funds	Inpatient Care	Community Care	Day Hospice	Bereavement Support	Education & Research	Total	Basis of allocation
		£	£	£	£	£	£	£	
Governance		12,770	37,782	5,641	1,803	784	1,883	60,663	Headcount
Finance		43,799	129,592	19,346	6,183	2,688	6,461	208,069	Headcount
IT		30,191	89,326	13,336	4,262	1,852	4,453	143,420	Headcount
HR		12,877	38,099	5,688	1,818	790	1,899	61,171	Headcount
Admin		30,782	91,074	13,597	4,346	1,889	4,540	146,228	Headcount
Estates and Facilities		53,563	158,476	23,659	7,562	3,286	7,900	254,446	Headcount
Depreciation		14,505	42,916	6,407	2,048	890	2,139	68,905	Headcount
		<u>198,487</u>	<u>587,265</u>	<u>87,674</u>	<u>28,022</u>	<u>12,179</u>	<u>29,275</u>	<u>942,902</u>	
Total		<u>198,487</u>	<u>587,265</u>	<u>87,674</u>	<u>28,022</u>	<u>12,179</u>	<u>29,275</u>	<u>942,902</u>	
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 Facilities		56,797	168,041	25,087	8,016	3,484	8,377	269,803	Headcount
Depreciation		13,895	41,112	6,138	1,962	853	2,049	66,009	Headcount
		<u>203,363</u>	<u>601,690</u>	<u>89,828</u>	<u>28,711</u>	<u>12,478</u>	<u>29,994</u>	<u>966,064</u>	
Total		<u>203,363</u>	<u>601,690</u>	<u>89,828</u>	<u>28,711</u>	<u>12,478</u>	<u>29,994</u>	<u>966,064</u>	

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

This is stated after charging:	2018 £	2017 £
Auditor's remuneration:		
- Fees payable to the charity's auditor for the audit of the charity's annual financial statements	15,250	14,800
- Fees payable to the charity's auditor for other services to the group:		
taxation services	7,450	500
the audit of the charity's subsidiary reporting to group auditors	3,500	3,400
	1,000	1,000
Depreciation		
- on owned fixed assets	159,196	122,310
- on leased fixed assets	354,212	354,207
Rental of land and buildings under operating leases	419,241	400,751
Hire of equipment under operating leases	8,581	3,768
	<u> </u>	<u> </u>

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

Aggregate remuneration comprised:	2018 £	2017 £
Wages and salaries	6,352,183	6,165,872
Social security costs	561,714	539,625
Other pension costs	519,882	492,066
	<u> </u>	<u> </u>
	<u>7,433,779</u>	<u>7,197,563</u>

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

	2018		2017	
	No.	WTE	No.	WTE
Provision of Hospice Services	160	125	160	127
Raising funds	65	55	64	54
Support functions	36	32	35	31
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>261</u>	<u>212</u>	<u>259</u>	<u>212</u>

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:

	2018 No.	2017 No.
£60,001 - £70,000	3	2
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£90,001 - £100,000	1	1
£120,001 - £130,000	1	1
£130,001 - £140,000	-	1
£140,001 - £150,000	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 £562k (2017: £531k).

As shown above, St. Gemma's Hospice employs seven individuals who have salaries over £60,000. Three of these are medical consultants who are directly employed on NHS equivalent contracts, in line with national agreements. The others are members of the Hospice Leadership Team (HLT), responsible for running the Hospice. The Chief Executive is not the highest paid employee.

No Trustees received remuneration during the current or prior year. No travel and subsistence expenses were paid to Trustees during the current or prior year.

10. TANGIBLE FIXED ASSETS

Charity and Group	Improvements to Leasehold Property £	Computer Equipment £	Fixtures And Fittings £	Motor Vehicles £	Total £
Cost					
At 1 April 2017	6,670,892	373,710	2,741,004	54,055	9,839,661
Additions	-	53,927	228,739	-	282,666
Disposals	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2018	<u>6,670,892</u>	<u>427,637</u>	<u>2,969,743</u>	<u>54,055</u>	<u>10,122,327</u>
Depreciation					
At 1 April 2017	3,458,888	266,319	2,103,879	50,924	5,880,010
Charge for year	354,211	58,818	99,595	783	513,407
Disposals	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 March 2018	<u>3,813,099</u>	<u>325,137</u>	<u>2,203,474</u>	<u>51,707</u>	<u>6,393,417</u>
Net book value					
At 31 March 2018	<u>2,857,793</u>	<u>102,500</u>	<u>766,269</u>	<u>2,348</u>	<u>3,728,910</u>
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>

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 2017	2	5,601,206	5,601,208
Additions	-	727,499	727,499
Disposal proceeds	-	(1,006,301)	(1,006,301)
Unrealised gains	-	71,090	71,090
Realised gains	-	7,665	7,665
Increase in cash deposits	-	327,294	327,294
	<u> </u>	<u> </u>	<u> </u>
Cost / market value at 31 March 2018	<u>2</u>	<u>5,728,453</u>	<u>5,728,455</u>
Group		Valuation Listed £	Total £
Market value at 1 April 2017		5,601,206	5,601,206
Additions		727,499	727,499
Disposal proceeds		(1,006,301)	(1,006,301)
Unrealised gains		71,090	71,090
Realised gain		7,665	7,665
Increase in cash deposits		327,294	327,294
		<u> </u>	<u> </u>
Market value at 31 March 2018		<u>5,728,453</u>	<u>5,728,453</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 2018 was £4,264,242 (2017: £4,280,623). The investments are managed by an external fund manager. The funds can be analysed as follows:

	2018 £	2017 £
Fixed interest	623,094	611,502
UK Equities	3,012,175	3,109,688
Overseas equities	1,170,913	1,191,446
Property	267,039	252,672
Alternative Assets	256,040	364,000
Cash deposits	399,192	71,898
	<u>5,728,453</u>	<u>5,601,206</u>

12. DEBTORS

Amounts falling due within one year:

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Trade debtors	3,974	3,708	-	-
Amounts due from subsidiary undertaking	-	-	41,241	41,621
Income tax recoverable	55,034	33,160	55,034	33,160
Other debtors	496,258	462,481	496,258	462,481
Prepayments	111,062	109,190	111,062	109,190
	<u>666,328</u>	<u>608,539</u>	<u>703,595</u>	<u>646,452</u>

13. CREDITORS

Amounts falling due within one year:

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Trade creditors	3,002	634	-	-
Taxation and social security costs	-	-	-	-
Other creditors	881,864	609,935	879,030	606,592
Accruals and deferred income	203,254	247,496	203,254	244,856
	<u>1,088,120</u>	<u>858,065</u>	<u>1,082,284</u>	<u>851,448</u>

Included in Other Creditors are monies received by St. Gemma's in the role of host of the Managed Clinical Network, which involves collaborative working with other palliative and end of life care providers in Leeds.

14. DEFERRED INCOME

	Group		Charity	
	2018 £	2017 £	2018 £	2017 £
Brought forward	2,640	-	-	-
Released in the year	(2,640)	-	-	-
Other creditors	-	2,640	-	-
Carried forward	-	-	-	-
	<u>-</u>	<u>2,640</u>	<u>-</u>	<u>-</u>

The deferred income figure in 2017 relates to monies received in advance for room hire in the Academic Unit of Palliative Care.

15. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	31 March 2017 Total Funds £
INCOME FROM					
Donations, legacies and trusts	2	2,388,984	-	66,629	2,455,613
Other trading activities:					
Sale of donated goods		2,630,153	-	-	2,630,153
Fundraising events		1,097,785	-	-	1,097,785
Lottery		212,622	-	-	212,622
Commercial trading operations		85,182	-	-	85,182
	3	<u>4,025,742</u>	-	-	<u>4,025,742</u>
Charitable activities – Provision of Hospice Services:					
CCG funding		2,524,290	-	35,901	2,560,191
Health Foundation grant		-	-	5,575	5,575
Education and research		40,608	-	-	40,608
Bistro		84,424	-	-	84,424
Other		1,938	-	-	1,938
	4	<u>2,651,260</u>	-	<u>41,476</u>	<u>2,692,736</u>
Investments	5	201,775	-	-	201,775
Total income		<u>9,267,761</u>	-	<u>108,105</u>	<u>9,375,866</u>
EXPENDITURE ON					
Raising funds:					
Cost of selling donated goods		1,875,587	43,630	-	1,919,217
Costs of raising income from donations, legacies, trusts and fundraising events		1,136,530	15,523	-	1,152,053
Investment management costs		28,879	-	-	28,879
Lotteries		105,622	-	-	105,622
Commercial trading operations		65,492	-	-	65,492
		<u>3,212,110</u>	<u>59,153</u>	-	<u>3,271,263</u>
Charitable activities – Provision of Hospice Services		6,257,176	419,198	180,772	6,857,146
	6	<u>9,469,286</u>	<u>478,351</u>	<u>180,772</u>	<u>10,128,409</u>

15. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (continued)

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

16. UNRESTRICTED FUNDS

Charity and Group	01 April 2017	Income and net loss on investments	Expenditure	Transfers	31 March 2018
	£	£	£	£	£
Designated Funds					
Maintenance and gardens	563,526	-	-	(34,291)	529,235
Investing in People	9,037	-	-	-	9,037
AUPC refurbishment	242,306	-	-	(11,147)	231,159
IT Development fund	78,294	-	-	(28,895)	49,399
Service Transformation fund	250,000	-	(80,519)	-	169,481
Securing your Hospice	638	-	(207)	-	431
Fixed assets	3,959,651	-	(513,407)	282,666	3,728,910
	<u>5,103,452</u>	<u>-</u>	<u>(594,133)</u>	<u>208,333</u>	<u>4,717,652</u>
General Fund	6,527,541	9,458,849	(9,556,405)	(148,226)	6,281,759
Total unrestricted funds	11,630,993	9,458,849	(10,150,538)	60,107	10,999,411

16. UNRESTRICTED FUNDS (continued)

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 2017.

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 2017 COMPARATIVES

Charity and Group	01 April 2016	Income and net loss on investments	Expenditure	Transfers	31 March 2017
	£	£	£	£	£
Designated Funds					
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	-	-	-	250,000	250,000
Securing your Hospice	2,472	-	(1,834)	-	638
Fixed assets	4,016,829	-	(476,517)	419,339	3,959,651
	<u>4,981,868</u>	<u>-</u>	<u>9478,351</u>	<u>599,935</u>	<u>5,103,452</u>
General Fund	6,620,689	9,921,744	(9,469,286)	(545,606)	6,527,541
Total unrestricted funds	11,602,557	9,921,744	(9,947,637)	54,329	11,630,993

17. RESTRICTED FUNDS

Charity and Group

	1 April 2017	Income	Expenditure	Transfers	31 March 2018
	£	£	£	£	£
IPU & Day Hospice	49,229	-	(1,220)	(3,691)	44,318
Children's bereavement service	-	57,831	(46,113)	-	11,718
Informatics Consultancy	14,723	-	(1,368)	-	13,355
Competency Framework/EOL care outcomes	102,797	-	(34,188)	-	68,609
Companion's scheme	6,743	-	-	-	6,743
AV Equipment/Education	26,918	-	-	(26,918)	-
City wide education programme	33,982	-	-	-	33,982
Volunteer coordinator	10,300	-	(10,300)	-	-
DoLS training	2,605	-	-	-	2,605
Conference update in symptom management	1,805	-	-	-	1,805
Dementia EOL training for care homes	2,560	-	(2,560)	-	-
Communication skills training	1,336	-	(1,336)	-	-
Leeds Compassionate Communities	2,936	-	(2,097)	-	839
Purchase and replacement of equipment	-	33,816	(1,900)	(29,498)	2,418
Sundry restricted donations	2,000	5,690	(7,153)	-	537
Health Foundation - Nurse led beds	1,574	-	(1,204)	-	370
Restricted legacy	-	16,964	(16,964)	-	-
St Gemma's Hospice to Hospital In Reach	-	60,548	-	-	60,548
Enhanced Digitisation for In Patient Unit (IPU)	-	38,175	-	-	38,175
Wireless Nurse Call System Upgrade	-	20,000	-	-	20,000
Mental Health Clinical Nurse Specialist	-	38,175	-	-	38,175
Patient & Family Engagement - 'Digital Hospice UK	-	14,300	(14,631)	-	14,300
Managed Clinical Network	-	41,124	(41,124)	-	-
Balance at 31 March 2018	259,508	341,254	(182,158)	(60,107)	358,497

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

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

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

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

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.

17. RESTRICTED FUNDS (continued)

YEAR ENDED 31 MARCH 2017 COMPARATIVES

Charity and Group

	1 April 2016	Income	Expenditure	Transfers	31 March 2017
	£	£	£	£	£
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
Companions' 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 2018	386,504	108,105	(180,772)	(54,329)	259,508

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Charity	Unrestricted Fund £	Designated Fund £	Restricted Funds £	Total 2018 £	Total 2017 £
Tangible assets		3,728,910	-	3,728,910	3,959,651
Investments	5,728,455	-	-	5,728,455	5,601,208
Current assets	1,635,588	988,742	358,497	2,982,827	3,181,090
Current liabilities	(1,082,284)	-	-	(1,082,284)	(851,448)
Long term liabilities	-	-	-	-	-
Total net assets	6,281,759	4,717,652	358,497	11,357,908	11,890,501

Group	Unrestricted Fund £	Designated Fund £	Restricted Funds £	Total 2018 £	Total 2017 £
Tangible assets	-	3,728,910	-	3,728,910	3,959,651
Investments	5,728,453	-	-	5,728,453	5,601,206
Current assets	1,641,426	988,742	358,497	2,988,665	3,187,409
Current liabilities	(1,088,120)	-	-	(1,088,120)	(857,765)
Long term liabilities	-	-	-	-	-
Total net assets	6,281,759	4,717,652	358,497	11,357,908	11,890,501

2017 COMPARATIVES

Charity	Unrestricted Fund £	Designated Fund £	Restricted Funds £	Total 2017 £
Tangible assets	-	3,959,651	-	3,959,651
Investments	5,601,208	-	-	5,601,208
Current assets	1,777,781	1,143,801	259,508	3,181,090
Current liabilities	(851,448)	-	-	(851,448)
Long term liabilities	-	-	-	-
Total net assets	6,527,541	5,103,452	259,508	11,890,501

Group	Unrestricted Fund £	Designated Fund £	Restricted Funds £	Total 2017 £
Tangible assets	-	3,959,651	-	3,959,651
Investments	5,601,206	-	-	5,601,206
Current assets	1,784,100	1,143,801	259,508	3,187,409
Current liabilities	(857,765)	-	-	(857,765)
Long term liabilities	-	-	-	-
Total net assets	6,527,541	5,103,452	259,508	11,890,501

19. NOTES TO THE CASHFLOW STATEMENT

Reconciliation of net incoming resources to net cashflow from operating activities	2018 £	2017 £
Net expenditure for the reporting period	(532,593)	(98,560)
Investment income	(191,581)	(201,775)
Depreciation	513,407	476,517
Gains on investments	(78,755)	(653,983)
Decrease in stock	1,900	1,300
(Increase)/decrease in debtors	(57,789)	165,730
Increase in creditors	230,355	45,406
Net cash outflow from operating activities	(115,056)	(265,365)

20. FINANCIAL COMMITMENTS

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

	Land & Buildings		Other	
	2018 £	2017 £	2018 £	2017 £
Within one year	410,400	347,165	11,797	7,287
Between one and five years	833,318	621,231	26,687	27,218
After five years	-	-	-	-
	1,243,718	968,396	38,484	34,505

21. 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 £520,064 (2017: £492,066) represents contributions to the funds during the period. Contributions payable to the schemes at the year end date totalling £24,972 (2017: £21,217) are included in creditors.

22. 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 £270 (2017:£630). This does not include income received from Trustees in relation to the purchase of tickets or items at fundraising events.

Trustee relationships

Schofield Sweeney has provided legal advice in relation to our Lottery and Data Protection arrangements. Chris Schofield (Trustee) is Chairman of Schofield Sweeney.

23. 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 £139,022 (2017: £107,000).



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 [st-gemma.co.uk](#)

Company Registration No: 02773867

Charity Registration No: 1015941

