

Company registration number: 2141770
Charity registration number: 298555

**ST LUKE'S HOSPICE
(HARROW & BRENT) LIMITED**

**Financial statements
For the year ended 31 December 2009**

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Financial statements for the year ended 31 December 2009

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ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Reference and Administrative Information

Registered Name

St Luke's Hospice (Harrow & Brent) Limited

Registered Charity Number

298555

Registered Company Number

2141770

Registered Office and Principal Address

Kenton Grange
Kenton Road
Harrow
Middlesex HA3 0YG

Trustees

J F Carling JP
J Campbell BSc ACMA
J Gaffin OBE
Dr W A Kelsey (retired June 2009)
A D Mee FRCS
A Parmar
K Rees
Dr T Singh
G Wright

S Aldridge-Bent JP MA RGN
H Hodge
Dr A Grainger
A Martin MA
Dr C Mitchell
M Redhouse
S Selwyn
K Tighe

Senior Staff

Chief Executive Officer
Director of Patient Services
Medical Director
Director of Fundraising &
Community Relations
Director of Finance

M R Coward BA FRSA FRSPH FCMI MIOd
G Burke MA RGN SCM
Dr C Daniels Bsc (Hons) MB ChB MRCP

P Russell BA MCIM
M A Rodger BA ACMA DChA

Principal Bankers

Allied Irish Bank (GB)
22-35 Wembley Hill Road
Wembley
Middlesex HA9 8AS

Auditor

Chantrey Vellacott DFK LLP
Russell Square House
10-12 Russell Square
London WC1B 5LF

Solicitors

Curry Popeck
380 Kenton Road
Harrow
Middlesex HA3 8DP

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Report of the Trustees (incorporating the Report of the Directors) For the year ended 31 December 2009

The trustees, who are also the directors for the purposes of the Companies Act, submit their report, together with the financial statements for the year ended 31 December 2009, for St Luke's Hospice (Harrow & Brent) Limited ("the Hospice") and its subsidiary. The responsibilities of the trustees for the preparation of the financial statements are set out on page 8.

Structure, Governance and Management

The Hospice was incorporated as St Luke's Hospice (Harrow & Wembley) Limited under the Memorandum & Articles of Association dated 22 June 1987 as amended on 8 January 1988, 11 November 1993, 15 August 2000, 26 June 2001 and 18 December 2008. In 1993, following local government reform, the Hospice changed its registered name to St Luke's Hospice (Harrow & Brent) Limited to reflect the change of name of part of its catchment area from the London Borough of Wembley to the London Borough of Brent.

St Luke's is governed by a Council of Management (Board of Trustees). Trustees are appointed for an initial 3-year period and are eligible for re-election for a further 3 years. Thereafter a year must elapse before they are eligible to stand again. Those holding the posts of Chairman, Vice Chairman and Treasurer may serve for longer periods to ensure continuity. Trustees are appointed by the Board following open recruitment with internal and external press advertising. The Board reviews the skills it needs in deciding selection criteria to maintain breadth of skills. All applicants are required to complete a skills audit. Selection is by interview. New Trustees are given full briefings and relevant documentation before taking up this appointment.

The full Board meets quarterly. It has 3 standing committees: Finance & General Purposes, Clinical Governance and Fundraising. Additionally a Remuneration Committee meets ad hoc. Each Trustee sits on at least one of these committees, each of which meets quarterly in advance of the Board meetings. The Board has delegated certain powers to the Chief Executive Officer (CEO) who acts as a conduit between the senior staff and Trustees.

The Hospice has formal links with the Kaunas Terminal Care Hospital in Lithuania. It works with Help the Hospices as well as in close partnership with the Harrow & Brent Primary Care Trusts, from which it receives an element of its funding. St Luke's also maintains links with a variety of professional associations which support the work of the staff.

Risk management

The Board maintains an ongoing audit through the Finance & General Purposes Committee of the principal areas of the Hospice's operations and considers the major risks faced in each of these areas. It has satisfied itself that these risks have been adequately managed in the financial year, where necessary, focussing particularly on staffing, remuneration and financial matters in 2009. The Board also put in place a formal risk register, which will be reviewed as a standing item on the agenda of the Finance and General Purposes Committee.

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Report of the Trustees (incorporating the Report of the Directors) For the year ended 31 December 2009

Objectives and Activities

St Luke's Hospice's mission is to provide specialist palliative care free of charge to people with advanced, progressive illnesses, which addresses their physical, emotional, social and spiritual needs, thus enhancing their quality of life and supporting their families and carers.

To achieve this mission, the Hospice provides a range of patient and family clinical services through provision of In-Patient, Day-Care and Outpatient clinics as well as developing community services through its Hospice at Home service and specialist Community Palliative Care team. The aim and objectives of clinical service are to continue to develop and expand these services.

Clinical services are, of course, supported by a range of administrative and fundraising functions and our aim is to contain the cost of these functions without detriment to the efficient running of the hospice. As well as the additional administrative costs underlying the excellent results of 2009 fundraising events and appeals, the costs in 2009 also include those met by the Big Lottery Fund in community presentations and talks to help us to reach all sections of the diverse communities we serve.

The Hospice employed an average of 72 full-time equivalent paid staff in 2009, with a further 33 employed in the trading subsidiary. They are supported by a cohort of some 750 unpaid volunteers. These volunteers cover a wide range of activities for the Hospice, which includes:

- Shop Volunteers
- Driving patients to and from Day-Care
- Working in Day-Care and the In-Patient Units
- Complementary therapy volunteers
- Gardening
- Receptionists
- Fundraising
- Administrative support
- Bereavement support

The support of our volunteers is of immense importance to the Hospice. Not only do they save the Hospice a considerable amount of money by performing tasks that would otherwise have to be done by paid staff, they are representatives of the communities the Hospice serves and thus bring to patient care an extra dimension of support and help that is the quintessence of hospice care and which distinguishes it from palliative care in other settings. In 2007 the Hospice was successful in its bid for a grant from the Big Lottery of £250,000 over 3 years to support the volunteer and community strategy. This began to be implemented in 2008 and a report to the Big Lottery on the project for 2008/9 was submitted and accepted in 2009. The project is enabling the hospice better to focus on the integration of its volunteer cadre and on expanding work into BME communities reflecting the area demographics.

Public Benefit

We have referred to the guidance in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities.

Achievements and Performance

St Luke's main achievements during 2009 may be summarised as follows:

- The maintenance of a sound financial performance in 2009, despite the recession.
- Record levels of fundraising.
- Outstanding results from the Shops Company in a year which has seen some charity shop companies under pressure.
- Despite recruitment difficulties for clinical staff early in 2009, the maintenance of the highest standards of care.
- The implementation of a clinical staff remuneration review with the additional costs met from increased fundraising and only £50,000 needed to be drawn down from the funds designated by the trustees to support the review.
- Meeting all the standards required by the Healthcare Commission to provide appropriate and excellent care to patients and families.
- Greater numbers of volunteers supporting St Luke's, increasingly representative of the communities served by the Hospice.

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Report of the Trustees (incorporating the Report of the Directors) For the year ended 31 December 2009

St Luke's Hospice's charitable activity is centred on the provision of specialist palliative care to those within its catchment area suffering from advanced progressive illnesses. During 2009, we experienced staffing and recruitment difficulties for clinical staff. Despite these staff shortages, which resulted in some limited service reduction, we treated 459 individual patients and provided support to their carers and families. Over one third of these patients received care from more than one of our services: in-patient, day care, medical outpatient and specialist community care at home.

The effect of the staff shortages on the Inpatients Unit was restricted to 10% reduction in admissions with over 2400 bed days of care in 2009, an average of 11 days for each patient admitted.

The Day- Care Unit operated for a reduced number of days per week but with a focus on patients with the greatest need. Over 40 patients were booked each week to receive care. As we recruited new staff we took the opportunity to develop new services, including outpatient treatment appointments and services for carers. Our complementary therapy staff and volunteers provided over 1540 individual and 80 group therapy sessions over the year within the hospice

The community palliative care team made nearly 1000 visits and, thanks to a further generous donation from the Paul Daisley Trust, we have been able to continue to offer physiotherapy and complementary therapy in the homes of North Brent patients.

The Hospice at Home service provides carers and nurses, whose aim is to prevent inappropriate admissions to hospital, and support patients who choose to die at home. We extended the service to provide up to 14 days of care per patient, for as many hours per day as are necessary. This continues to be a strong strategic direction for St Lukes'.

In addition to our services for patients our social work department has provided 650 sessions of psychosocial support for families and carers, particularly around the issue of providing emotional and psychological support to patients. Bereavement service staff and volunteers carried out approximately 340 individual sessions. 300 telephone sessions and 45 group sessions of bereavement support. Over 200 people attended our 4 Celebration of Life events.

The proportion of patients in the year with non-cancer diagnoses remained at 11% and with half our patients from ethnic minorities, the ethnic diversity broadly reflects our multicultural area.

We maintained an education and training team and in a new venture the hospice jointly organised the first ever Brent and Harrow palliative care conference attended by nearly 100 professionals. Plans are in hand to develop this sharing of expertise.

In order to finance these services we need to raise two-thirds of the costs from local and trust fund support. Income from donations and from fundraising events showed a further significant increase in 2009 with a number of new events and a very successful follow up to the Ladies' Midnight walk, first introduced in 2008. We had welcome support from a wide range of community organisations and groups. In addition legacies brought in £574,000 compared to £345,000 in 2008. The developing direct marketing and community strategies are showing promising results. We were delighted to be chosen as the charity for the 2009 Asian Achievers Awards presentation.

The Hospice operates charity shops within a trading subsidiary company, St Luke's Hospice (Harrow & Brent) Charity Shops Limited. In 2009 we continued to operate 11 shops with a further shop opening planned for 2010. There was a 13% increase in turnover, which, after administrative costs, translated to a 33% increase in profit, which is transferred by gift aid directly to the Hospice to support its charitable work.

Financial Review

The Trustees are pleased to report that in a year of recession, together with increased costs following the clinical remuneration review, the Hospice is only just below break- even on unrestricted funds and has an overall surplus for the year. The partial recovery of stock markets has resulted in an increase of £126,000 in the value of the investments. Fundraising and shops income has achieved record levels so that the increased operating costs from bringing clinical salaries into line with the prevailing levels were met from voluntary income with a draw down of only £50,000 of the £200,000 set aside by the trustees

The Hospice's principal funding sources are:

- Fundraising
- Trading Subsidiary
- NHS Commissioning

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Report of the Trustees (incorporating the Report of the Directors) For the year ended 31 December 2009

Reserves policy

As the Hospice receives the majority of its income from fundraising, supported by service level agreements with Harrow & Brent Primary Care Trusts, it needs to ensure that it has a sufficient reserve of funds available to meet unexpected shortfalls in such funding, or sudden increases in costs, through external events beyond its control.

The Trustees' target is to hold free reserves and designated investment reserves equating to six months of expenditure so that the Hospice is able to manage any unexpected shortfall in income to protect the needs of the patients served and also to give a reassurance of security for the staff. It was decided that this designated fund should be renamed the risk management fund to better describe its function.

Elsewhere reported is the draw down of £50,000 of the funds designated for the salary review. Since trust and other funding has been obtained for the project to increase staff working space within the hospice the space project fund, together with the balance of the salary review fund, are no longer required and have been transferred to the risk management fund.

The need to review the clinical IT facilities, beginning in 2010 has led the trustees to set aside £50,000 for this purpose, as back up in case other funding cannot be obtained for the project.

The Trustees remain committed, within the constraints of income receivable against ongoing expenditure requirements, to build the current level of free reserves and the risk management fund to the target level.

At the end of 2009 free reserves stand at 1.2 months and the invested risk management fund stands at a further 3.5 months of average budgeted expenditure for the forthcoming year.

The Finance & General Purposes Committee reviews the level of reserves and considers any amendments to the policy which may be necessary and reports its conclusions to the Board.

Investment policy

All medium to long-term investment of Hospice funds is made through Common Investment Funds with a widespread base of underlying investments. Currently these funds are managed by the Charities Aid Foundation (CAF) and CCLA Investment Management Ltd (COIF charity funds). The senior staff monitor the performance of the funds and brief the Finance & General Purposes Committee accordingly. Miscellaneous shares donated to the Hospice are retained until they are sufficient to warrant disposal for the proceeds to be invested in a Common Investment Fund.

Given that a large proportion of patients have a cancer diagnosis, the Trustees believe that investment in tobacco companies would be inappropriate and therefore avoid any such investment wherever possible.

Funds held as custodian charity on behalf of others

No funds are held.

Tangible fixed assets

Movements in tangible fixed assets are shown in note 10 to the financial statements.

Going Concern

The trustees have prepared the financial statements on a going concern basis and consider that no disclosures relating to the charity's ability to continue as a going concern need to be made in the financial statements.

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Report of the Trustees (incorporating the Report of the Directors) For the year ended 31 December 2009

Plans for Future Periods

St Luke's remains completely committed to the delivery of excellence in the clinical care of our patients and in the provision of support for their families and carers. The Hospice also is steadfast in its commitment to the continuing development and expansion of its services within the constraints of funding and space, so that as many people as possible within its catchment area may receive the services they need. In 2010 work will begin on a project to update the clinical IT capabilities, primarily relating to patient care records, to meet the increasing requirements for reporting, both statutory and from the NHS and other funders. The unsatisfactory level of funding from the NHS has continued throughout 2009 and from 2010 funding from one PCT will remain the same as 2009 and the other will be subject to an arbitrary cut of 3.5%. This will challenge the hospice's service delivery plans and puts greater pressure on the fundraising team to improve income from charitable donations above the level budgeted for 2010.

During 2009 a remuneration review was carried out, primarily in response to shortfalls in recruitment in some clinical areas. The review was timely and successful in its aims and the Hospice salaries have been restructured to be competitive. The remuneration work is ongoing and in 2010 it is planned to complete the project for all staff groups to consolidate the Hospice's position in the local employment market.

Clinically, the Hospice will continue to develop and expand its services, wherever possible. In 2010, with grant funding from a number of sources, the Hospice will carry out the conversion of rooms to make better provision for working space. This project is carried forward from 2009. At the same time, following grant funding from the Department of Health and the Milly Apthorpe trust, further major refurbishment will be undertaken to clinical areas. Work will also commence on the development of palliative care pathways for non- cancer patients, also funded by the Milly Apthorpe trust. The Hospice maintained its links with the Kaunas Terminal Care Hospital in Lithuania through visits from our colleagues in Kaunas and has already hosted a further visit in 2010.

The previous report accurately predicted that 2009 would be a challenging year, and with major refurbishment planned for 2010 this prediction holds true again. Financially the Hospice has set ambitious targets for fundraising, which focus on building on established events as well as creating new events to attract wider community participation. After a record year in 2009 the shops company will open its 12th shop in 2010, a new format to specialise in electrical goods, and expects an excellent year overall. The shops company not only gives financial support to the Hospice but also provides a community presence and this will form part of the ongoing strategy. The relationship between the community, both as users and supporters of St Luke's is central to the nature of the Hospice.

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Report of the Trustees (incorporating the Report of the Directors) For the year ended 31 December 2009

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Charity 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006 and the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Auditor

During the year Chantrey Vellacott DFK LLP was re-appointed. Chantrey Vellacott DFK LLP has indicated its willingness to be re-appointed for 2010 at the Annual General Meeting.

Approved by the Board of Trustees and signed on its behalf by:

Trustee

Date: 24 June 2010

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Independent Auditor's Report to the Members of St Luke's Hospice (Harrow & Brent) Limited

We have audited the financial statements of St Luke's Hospice (Harrow & Brent) Limited for the year ended 31 December 2009 which comprise the Consolidated Statement of Financial Activities, Balance Sheets, Consolidated Cash flow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditor

The Trustees' (who are also the directors of the company for the purposes of company law), responsibilities for preparing the Report of the Trustees (incorporating a directors' report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK & Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether, in our opinion, the information given in the trustees' Annual report is consistent with those financial statements.

In addition we report to you if, in our opinion, if the charitable company has not kept adequate accounting records, if the charity's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or certain disclosures of trustees' remuneration specified by law are not made.

We read the Report of the Trustees (incorporating a directors' report) and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK & Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Independent Auditor's Report to the Members of St Luke's Hospice (Harrow & Brent) Limited

Opinion

In our opinion:

- the financial statements give a true and fair view of the state of the charity's as at 31 December 2009 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Company's Act 2006; and
- the information given in the Report of the Trustees (incorporating a directors' report) is consistent with the financial statements.

ELLIOT HARRIS (Senior Statutory Auditor)

For and on behalf of CHANTREY VELLACOTT DFK LLP
Chartered Accountants and Statutory Auditor
LONDON

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Consolidated statement of financial activities (including an Income and Expenditure account) For the year ended 31 December 2009

	Notes	Unrestricted Funds 2009 £'000	Restricted Funds 2009 £'000	Endowment Funds 2009 £'000	Total Funds 2009 £'000	Total Funds 2008 £'000
Incoming resources						
Incoming resources from generated funds						
Voluntary income						
Donations	2	596	144	-	740	791
Legacies	3	564	10	-	574	345
		<u>1,160</u>	<u>154</u>	<u>-</u>	<u>1,314</u>	<u>1,136</u>
Activities for generating funds						
Fundraising events		409	-	-	409	308
Gross income from shops and lottery	4	1,769	-	-	1,769	1,567
		<u>2,178</u>	<u>-</u>	<u>-</u>	<u>2,178</u>	<u>1,875</u>
Investment income		64	1	-	65	78
		<u>3,402</u>	<u>155</u>	<u>-</u>	<u>3,557</u>	<u>3,089</u>
Incoming resources from charitable activities						
NHS commissioning		1,374	-	-	1,374	1,185
Dept Of Health Grant		-	-	-	-	97
Big Lottery Volunteer & Community Project		-	88	-	88	106
Other income		17	-	-	17	11
	5	<u>1,391</u>	<u>88</u>	<u>-</u>	<u>1,479</u>	<u>1,399</u>
Total incoming resources		<u>4,793</u>	<u>243</u>	<u>-</u>	<u>5,036</u>	<u>4,488</u>
Resources expended						
Costs of generating funds						
Costs of generating voluntary income		285	31	-	316	241
Fundraising events costs		205	-	-	205	144
Shops and lottery expenditure	4	1,239	22	-	1,261	1,194
Investment management costs		6	-	-	6	5
		<u>1,735</u>	<u>53</u>	<u>-</u>	<u>1,788</u>	<u>1,584</u>
Charitable activities						
In-patient services		1,061	6	-	1,067	1,034
Daycare services		227	5	-	232	226
Homecare services		421	59	-	480	458
Overall clinical support		1,317	38	-	1,355	1,112
		<u>3,026</u>	<u>108</u>	<u>-</u>	<u>3,134</u>	<u>2,830</u>
Governance costs		<u>63</u>	<u>8</u>	<u>-</u>	<u>71</u>	<u>70</u>
Total resources expended	7	<u>4,824</u>	<u>169</u>	<u>-</u>	<u>4,993</u>	<u>4,484</u>
Net incoming/(outgoing) resources before other recognised gains and transfers (carried forward)	6	<u>(31)</u>	<u>74</u>	<u>-</u>	<u>43</u>	<u>4</u>

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Consolidated statement of financial activities (including an Income and Expenditure account) For the year ended 31 December 2009

	Notes	Unrestricted Funds 2009 £'000	Restricted Funds 2009 £'000	Endowment Funds 2009 £'000	Total Funds 2009 £'000	Total Funds 2008 £'000
Net incoming/(outgoing) resources before other recognised gains and transfers (brought forward)	6	(31)	74	-	43	4
Realised gains on investment disposals		1	-	-	1	-
Net income/(expenditure) for the year		(30)	74	-	44	4
Unrealised profits (losses) on revaluation of investments	11	130	1	(5)	126	(319)
Transfers between funds	15	23	(23)	-	-	-
Net movement in funds		123	52	(5)	170	(315)
Reconciliation of funds						
Total funds brought forward		5,771	109	190	6,070	6,385
Total funds carried forward	15	5,894	161	185	6,240	6,070

All amounts relate to continuing activities. There are no recognised gains and losses for the current or preceding financial year other than as shown above, therefore no Statement of Total Recognised Gains & Losses has been presented.

The notes on pages 14 to 24 form part of these financial statements.

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Balance sheets As at 31 December 2009

	Notes	Group 2009 £'000	Group 2008 £'000	Charity 2009 £'000	Charity 2008 £'000
Fixed assets					
Tangible assets	10	4,522	4,551	4,358	4,362
Investments	11	1,358	1,233	1,358	1,233
		<u>5,880</u>	<u>5,784</u>	<u>5,716</u>	<u>5,595</u>
Current assets					
Stock		1	-	-	-
Debtors	12	502	222	592	330
Cash at bank and in hand		144	380	70	309
		<u>647</u>	<u>602</u>	<u>662</u>	<u>639</u>
Current liabilities					
Creditors: amounts falling due within one year	13	(287)	(316)	(208)	(234)
Net current assets		<u>360</u>	<u>286</u>	<u>454</u>	<u>405</u>
Net assets	14	<u>6,240</u>	<u>6,070</u>	<u>6,170</u>	<u>6,000</u>
Represented by:					
Unrestricted funds					
Designated funds		5,459	5,384	5,459	5,384
General fund		435	387	365	317
		<u>5,894</u>	<u>5,771</u>	<u>5,824</u>	<u>5,701</u>
Endowment funds		185	190	185	190
Restricted funds		161	109	161	109
	15	<u>6,240</u>	<u>6,070</u>	<u>6,170</u>	<u>6,000</u>

These financial statements were approved by the Board of Trustees and authorised for issue on 2010 and signed on its behalf by:

Trustee

Company Number 2141770

The notes on pages 14 to 24 form part of these financial statements.

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Consolidated Cashflow Statement For the year ended 31 December 2009

	2009		2008	
	£'000	£'000	£'000	£'000
Net cash flow from operating activities (note 1)		(260)		196
Return on investments and servicing of finance				
Interest and dividends		65		73
Capital expenditure				
Purchase of tangible fixed assets	(42)		(149)	
Sale of tangible fixed assets	1		-	
Payments to acquire investments	-		(2)	
	<u> </u>	(41)	<u> </u>	(151)
Increase/(Decrease) in cash in the period		<u>(236)</u>		<u>118</u>
Net funds at 1 st January 2008		<u>380</u>		<u>262</u>
Net funds at 31 st December 2008		<u>144</u>		<u>380</u>
		<u><u> </u></u>		<u><u> </u></u>
Note 1. Reconciliation of operating profit				
Net movement in funds for the year		44		4
Donations		-		-
Investment income		(65)		(73)
Loss on disposal of fixed assets		-		-
Depreciation		71		58
Decrease/(increase) in debtors		(280)		349
(Decrease)/increase in creditors		(29)		(143)
(Decrease)/increase in stock		(1)		1
		<u> </u>		<u> </u>
		<u>(260)</u>		<u>196</u>
		<u><u> </u></u>		<u><u> </u></u>

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Notes to the financial statements For the year ended 31 December 2009

1. Accounting Policies

(i) **Basis of accounting**

The financial statements have been prepared under the historical cost convention, with the exception of investments, which are included at market value at year-end. The financial statements have been prepared in accordance with applicable accounting standards, the Companies Act 2006 and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2005) issued in March 2005. The principal accounting policies adopted in the preparation of the financial statements are set out below.

(ii) **Consolidation**

These accounts consolidate the results of the charity and its wholly owned subsidiary, St Luke's Hospice (Harrow & Brent) Charity Shops Limited, on a line-by-line basis. A separate Income and Expenditure Account and Statement of Financial Activities is not presented for the charity alone as permitted by the Companies Act 2006 and paragraph 397 of the 2005 Charities SORP.

(iii) **Incoming resources**

Voluntary income, including donations, legacies and grants are recognised where there is entitlement, certainty of receipt and the amount can be measured with sufficient reliability.

Donations include related gift aid income.

Legacies are included when the Hospice becomes entitled to the funds and the sum receivable can be reliably quantified. Where they rely on the sale of property or investments, and thus do not have a certain valuation, an estimate of their value is disclosed in the notes to the financial statements.

Investment income is recognised on a receivable basis.

Income from Charitable activities includes NHS grants from the Harrow & Brent Primary Care Trusts and an NHS pension grant. They have been dealt with on a receivable basis as a contribution to running costs.

There have been no significant gifts in kind or donated goods and services during the year.

The value of services provided by volunteers is not incorporated in these financial statements. Further detail of the substantial contribution by volunteers can be found in the Report of the Trustees.

(iv) **Resources expended**

Expenditure is recognised when a liability is incurred. It includes VAT where this is not recoverable.

Costs of generating funds are the costs incurred in attracting voluntary income, organising and managing fundraising events, and the costs incurred in trading activities which raise funds.

Charitable activities include the hospice care services offered to inpatients, day care patients and those receiving hospice services in their own homes. There are also a range of clinical and other services which apply to all these forms of hospice care. These costs include both the direct costs and support costs relating to these activities.

Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, eg, property costs by floor areas and other costs on the bases shown in Note 7.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with compliance with constitutional and statutory requirements.

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Notes to the financial statements For the year ended 31 December 2009

(v) **Tangible fixed assets**

Tangible fixed assets are held at cost and (except for the freehold property) depreciated on a straight line basis over their estimated useful lives as follows.

Leasehold properties	Over the term of the lease
Fixtures and equipment	20%
Motor vehicles	20%
IT equipment and systems	33.3%

The freehold property is not depreciated as the amount of depreciation is deemed not material.

(vi) **Investments**

Investments are held in Charity Investment Funds (CIFs) which are collective investment schemes. The costs of fund management are deducted at source from income and capital values. An estimate of costs is therefore included using the average annual management charge of the funds. Investments are stated at the market value at the year-end, with realised and unrealised gains/losses shown separately in the Statement of Financial Activities (SOFA).

(vii) **Stock**

Stock is included at the lower of cost and net realisable value. No value is attributed to stocks of donated goods.

(viii) **Funds**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donors or which have been raised by the charity for specific purposes.

Endowment funds are restricted funds which are to be retained for the benefit of the charity as a capital fund.

The Hospice has a number of restricted income and capital funds. Details of the funds are given in the notes to the financial statements.

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Notes to the financial statements For the year ended 31 December 2009

- (ix) **Pensions**
The Hospice currently offers two defined benefit pension schemes to staff.
- **National Health Service Superannuation scheme**
This is a statutory superannuation scheme as defined in Section 6.12 (1) Income and Corporation taxes Act 1988, which has no invested funds. Contribution by employers (currently 14%) and members are accounted for to the Treasury and benefits are paid from the consolidated fund. This scheme is only open to staff who have been members of the NHS scheme in previous employment under the dispensation rules. The accounting charge represents the employer's contributions for the period.
 - **The Career Average Revalued Earning Scheme (Pensions Trust)**
This is a multi-employer pension scheme providing a defined benefit (career average) pension for members. It is not possible for the scheme to identify the share of underlying assets and liabilities for any individual employer. The accounting charge therefore represents the employer contributions (currently 10%) for the period.
- (x) **Taxation**
No tax is payable due to the charitable status of the parent company. Taxable profits generated by the trading subsidiary are transferred to the parent company under gift aid.
- (xi) **Leases**
Operating lease rentals are charged to the Statement of Financial Activities over the period of the lease.
- (xii) **Legal status**
The charitable company is Limited by Guarantee and does not have any share capital.

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Notes to the financial statements For the year ended 31 December 2009

2. Donations

Major trust and foundation donors during 2009 include the Albert Hunt Trust, the C Charitable trust, City Bridge Trust, the Donald Forrester Charitable Trust, the Edward Harvist Trust, Harrow Council Voluntary & Community Grants, the Kingsbury charity, the Paul Daisley Trust, and the Silverholme Housing Trust,

	2009 Unrestricted £'000	2009 Restricted £'000	2009 Total £'000	2008 Total £'000
Individual donations	187	4	191	168
In memoriam donations	149	-	149	163
Community groups	93	4	97	76
Trust fund donations	28	136	164	264
Corporate donations	16	-	16	24
Collecting boxes and sundry	27	-	27	29
Gift aid	96	-	96	67
	<u>596</u>	<u>144</u>	<u>740</u>	<u>791</u>

3. Legacies

In addition to the sum of £574,000 from legacies within the incoming resources (2008: £345,000), the Hospice has also received notifications for a number of legacies where the value is currently uncertain until property or equity sales are completed; these are estimated at approximately £96,000 (2008: £130,000). In accordance with the Hospice's accounting policy for legacies, these are not included in these accounts on the grounds of uncertainty of measurement.

4. Income and expenditure from shops and lottery

The charity owns the entire share capital of St Luke's Hospice (Harrow & Brent) Charity Shops Limited, a company registered in England and Wales, which operates charity shops in support of the hospice funding.

The subsidiary transfers to the Hospice under gift aid an amount not less than its taxable profits.

A summary of the trading results of the subsidiary is shown below. Audited accounts have been prepared in respect of its 2009 trading period which was for the 52 weeks ended 2 January 2010.

	2009 Total £'000	2008 Total £'000
Turnover	1,636	1,445
Income from lottery	133	122
	<u>1,769</u>	<u>1,567</u>
Cost of sale of purchased goods	8	12
Administration expenses	1,091	1,036
Lottery expenditure and prizes	86	80
	<u>1,185</u>	<u>1,128</u>
Gross direct expenditure of shops and lottery	1,185	1,128
Net direct income from shops and lottery	<u>584</u>	<u>439</u>

In addition to the gross direct expenditure shown above, additional indirect support costs of £80,700, (2008: £66,000), relating to Hospice support services, are allocated to shops and lottery (See note 7).

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Notes to the financial statements For the year ended 31 December 2009

5. Incoming resources from charitable activities

	Unrestricted £'000	Restricted £'000	2009 Total £'000	2008 Total £'000
NHS commissioning grants				
Service level agreement	1,224	-	1,224	1,114
Direct treatment funding#	81	-	81	22
Other*	69	-	69	49
	<u>1,374</u>	<u>-</u>	<u>1,374</u>	<u>1,185</u>
Dept Of Health Refurbishment grant	-	-	-	97
Big Lottery Volunteer project grant	-	88	88	106
Other income (catering etc)	17	-	17	11
	<u>1,391</u>	<u>88</u>	<u>1,479</u>	<u>1,399</u>

Direct treatment funding includes payments for care and treatments agreed in addition to the SLA

*Other NHS commissioning includes a national contribution towards NHS pension costs and contributions towards shared support staff for Doctors.

6. Net incoming/(outgoing) resources

Net incoming/(outgoing) resources are stated after charging:

	2009 Total £'000	2008 Total £'000
Depreciation	71	57
Auditors remuneration	9	9
Operating lease rental - property	239	229
	<u> </u>	<u> </u>

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Notes to the financial statements For the year ended 31 December 2009

7. Resources expended

	Basis of allocation	Generating voluntary income £'000	Fundraising events £'000	Shops & lottery £'000	Investment management £'000	Inpatient £'000	Day care £'000	Homecare £'000	Clinical support £'000	Governance £'000	2009 Total £'000
Staff costs	Direct	191	91	661	-	887	152	425	968	-	3,375
Drugs & medical	Direct	-	-	-	-	-	-	-	106	-	106
Catering & Housekeeping	Direct	-	-	-	-	-	-	-	73	-	73
Fundraising & community	Direct	61	51	-	-	-	-	-	-	-	112
Other direct costs	Direct	4	2	524	6	16	5	7	82	14	660
		<u>256</u>	<u>144</u>	<u>1,185</u>	<u>6</u>	<u>903</u>	<u>157</u>	<u>432</u>	<u>1,229</u>	<u>14</u>	<u>4,326</u>
Support costs											
Management	Staff time	19	9	28	-	19	9	9	46	46	185
Finance	Staff time	5	6	11	-	10	4	13	15	11	75
HR	Headcount	16	23	31	-	28	4	7	19	-	128
Premises	Floor area	9	7	6	-	87	55	14	33	-	211
Gen overheads	Headcount	11	16	-	-	20	3	5	13	-	68
		<u>60</u>	<u>61</u>	<u>76</u>	<u>-</u>	<u>164</u>	<u>75</u>	<u>48</u>	<u>126</u>	<u>57</u>	<u>667</u>
Total resources expended 2009		<u>316</u>	<u>205</u>	<u>1,261</u>	<u>6</u>	<u>1,067</u>	<u>232</u>	<u>480</u>	<u>1,355</u>	<u>71</u>	<u>4,993</u>
Total resources expended 2008		<u>241</u>	<u>144</u>	<u>1,194</u>	<u>5</u>	<u>1,034</u>	<u>226</u>	<u>458</u>	<u>1,112</u>	<u>70</u>	<u>4,484</u>

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Notes to the financial statements For the year ended 31 December 2009

8. Staff costs and numbers

	2009	2008
	Total	Total
	£'000	£'000
Salaries and wages	3,010	2,636
Social security costs	244	223
Pension costs	178	165
	<hr/>	<hr/>
Total	3,432	3,024
Average number of employees (full time equivalents)		
Hospice	72	72
Shops	33	28
	<hr/>	<hr/>
	105	100
	<hr/>	<hr/>

The emoluments of two employees were between £60,000 - £70,000 (2008:1). Employers' pension contributions to a defined benefit scheme for these employees were £15,732 (2008: £8,542).

The employees are supported by some 750 unpaid volunteers.

9. Trustees

None of the trustees received any remuneration or benefits in kind from the charitable company (2008: nil).

Expenses on behalf of trustees or reimbursed during the year amounted to £35 (2008: £451)

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Notes to the financial statements For the year ended 31 December 2009

10. Tangible fixed assets

Group	Freehold properties £'000	Leasehold properties £'000	Leased assets £'000	Fixtures & equipment £'000	Motor vehicles £'000	Total £'000
Cost						
Opening balance	4,279	427	-	573	50	5,329
Additions	-	19	-	23	-	42
Disposals	-	-	-	(23)	-	(23)
Closing balance	<u>4,279</u>	<u>446</u>	<u>-</u>	<u>573</u>	<u>50</u>	<u>5,348</u>
Depreciation						
Opening balance	-	254	-	490	34	778
Charge for the year	-	37	-	28	6	71
Disposals	-	-	-	(23)	-	(23)
Closing balance	<u>-</u>	<u>291</u>	<u>-</u>	<u>495</u>	<u>40</u>	<u>826</u>
Net book value						
At 31 December 2009	<u>4,279</u>	<u>155</u>	<u>-</u>	<u>78</u>	<u>10</u>	<u>4,522</u>
At 31 December 2008	<u>4,279</u>	<u>173</u>	<u>-</u>	<u>83</u>	<u>16</u>	<u>4,551</u>
Charity						
Charity	Freehold properties £'000	Leasehold properties £'000	Leased assets £'000	Fixtures & equipment £'000	Motor vehicles £'000	Total £'000
Cost						
Opening balance	4,279	-	-	571	-	4,850
Additions	-	-	-	23	-	23
Disposals	-	-	-	(23)	-	(23)
Closing balance	<u>4,279</u>	<u>-</u>	<u>-</u>	<u>571</u>	<u>-</u>	<u>4,850</u>
Depreciation						
Opening balance	-	-	-	488	-	488
Charge for the year	-	-	-	27	-	27
Disposals	-	-	-	(23)	-	(23)
Closing balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>492</u>	<u>-</u>	<u>492</u>
Net book value						
At 31 December 2009	<u>4,279</u>	<u>-</u>	<u>-</u>	<u>79</u>	<u>-</u>	<u>4,358</u>
At 31 December 2008	<u>4,279</u>	<u>-</u>	<u>-</u>	<u>83</u>	<u>-</u>	<u>4,362</u>

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Notes to the financial statements For the year ended 31 December 2009

11. Investments

The Hospice has holdings in COIF Fixed and Income Units, CAF Income Units and Growth Units, and quoted securities. Transactions for the group and charity were as follows:

	2009 £'000	2008 £'000
Market value at 1 January 2009	1,233	1,551
Invested/received		1
Disposals	(1)	-
Loss on sale	-	-
Profit/(Loss) on revaluation	126	(319)
Market value at 31 December 2009	<u>1,358</u>	<u>1,233</u>

12. Debtors: Amounts falling due within one year

	Group 2009 £'000	Group 2008 £'000	Charity 2009 £'000	Charity 2008 £'000
Other debtors	249	117	168	45
Prepayments and accrued income	253	105	251	98
Amounts owed by subsidiary undertaking	-	-	173	187
	<u>502</u>	<u>222</u>	<u>592</u>	<u>330</u>

13. Creditors: Amounts falling due within one year

	Group 2009 £'000	Group 2008 £'000	Charity 2009 £'000	Charity 2008 £'000
Trade creditors	92	103	77	81
Other creditors	72	103	68	97
Taxation and social security	76	70	63	56
Accruals and deferred income	47	40	-	-
	<u>287</u>	<u>316</u>	<u>208</u>	<u>234</u>

14. Analysis of group net assets between funds

	Unrestricted funds		Endowment	Restricted	Total
	General	Designated	funds	funds	2009
	£'000	£'000	£'000	£'000	£'000
Tangible fixed assets	165	4,357	-	-	4,522
Investments	65	1,102	185	6	1,358
Net current assets	205	-	-	155	360
Net assets	<u>435</u>	<u>5,459</u>	<u>185</u>	<u>161</u>	<u>6,240</u>

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Notes to the financial statements For the year ended 31 December 2009

15.	Funds	Opening balance £'000	Income £'000	Expenditure £'000	Investment gains/(loss) £'000	Transfers £'000	Closing balance £'000
	Restricted funds						
	Alice Wisbey Income fund	4	-	-	-	-	4
	John Corner fund	7	2	-	1	-	10
	Dept of Health Refurbishment	26	-	-	-	(18)	8
	Big Lottery Volunteer project	(4)	88	(84)	-	-	-
	Inpatient funds	-	2	(2)	-	-	-
	Day care funds	21	10	(4)	-	(5)	22
	Homecare funds	12	111	(58)	-	-	65
	Clinical funds	43	28	(19)	-	-	52
	Other sundry funds	-	2	(2)	-	-	-
	Total restricted funds	109	243	(169)	1	(23)	161
	Endowment funds						
	Alice Wisbey Capital Fund	14	-	-	1	-	15
	D D McPhail	176	-	-	(6)	-	170
	Total endowment funds	190	-	-	(5)	-	185
	Unrestricted funds						
	Designated Fixed Asset fund	4,362	-	(4)	-	-	4,358
	Designated risk management Fund	722	-	-	91	238	1,051
	Designated IT fund	-	-	-	-	50	50
	Designated Salary review fund	200	-	(50)	25	(175)	-
	Designated space project fund	100	-	-	13	(113)	-
	Total designated funds	5,384	-	(54)	129	-	5,459
	General charitable funds	317	3,024	(3,585)	2	607	365
	General non-charitable trading funds	70	1,769	(1,185)	-	(584)	70
	Total general funds	387	4,793	(4,770)	1	23	435
	Total unrestricted funds	5,771	4,793	(4,824)	131	23	5,894
	Total funds	6,070	5,036	(4,993)	(125)	-	6,240

The late Mrs Alice Wisbey made a bequest to the Hospice with the instruction that the income therefrom should be applied for the comfort of the nursing staff. This is split between Income and Capital funds.

The John Corner Fund represents donations made, initially on the retirement of Mr Corner, at his request to create a fund to support the long-term future of the Hospice.

A grant was received from the Department of Health towards the refurbishment of the In Patient facilities. The final expenditure was completed in early 2010. A significant proportion of the expenditure made has been capitalised. In order to record the substance of the transactions the capital costs incurred each year have been transferred from the restricted fund to the unrestricted fund to meet future depreciation transactions.

The Volunteer and Community project has been awarded grant funding by the Big Lottery over three years to March 2012. The purpose of the project is to develop an integrated volunteering and community strategy for the Hospice.

ST LUKE'S HOSPICE (HARROW & BRENT) LIMITED

Notes to the financial statements For the year ended 31 December 2009

The Volunteer and Community project has been awarded grant funding by the Big Lottery over three years to March 2012. The purpose of the project is to develop an integrated volunteering and community strategy for the Hospice and enhance communication with our local communities. Income is received on a quarterly basis.

The departmental and sundry restricted funds represent grants and donations received, from Trusts and individuals, where the use of the funds was restricted to a specific purpose by the donor. These funds have included contributions toward the cost of the Homecare services, to the provision of complementary therapies to patients of our North Brent community services, to our community awareness work and a number of other items. Funds carried forward include donations and grants towards the conversion of additional working space and other capital works due to take place in 2010, together with support for other services being staged over appropriate periods.

The D D McPhail Charitable Settlement originally gave £150,000 as an endowment fund. No instructions were given about income so this is applied for the general purposes of the charity. The difference between the original fund value and the current fund value arises through revaluation of the underlying investment.

The designated fixed asset fund represents the net book value of the Hospice's fixed assets. It has been set up to assist in identifying funds which are not free funds.

The designated risk management fund (previously called the long term reserve fund) represents funds invested to provide a cushion against unexpected costs or shortfalls of income and thus to support the long-term future of the hospice.

The designated salary review fund was set aside by the trustees to support the potential costs of the clinical salary review in 2009. £50,000 of this fund was used to support the cost of the review but the remainder was met from the year's fundraising and trading so that the balance of the fund has been transferred to the risk management fund.

The designated space project fund was set aside for the project to increase staff working space within the hospice. As funding from donations and grants has been received for the project the trustees transferred the funds to the risk management fund.

The trustees considered that they should set aside £50,000 in a designated fund to facilitate review and improvement to the clinical IT facilities, in case alternative funding was not forthcoming.

The general funds represent the unrestricted funds of the group, which are not designated for any other particular purposes.

16. Operating lease commitments

The group has the following annual commitments under non-cancellable operating leases which expire:

	Group 2009 £'000	Land and Buildings		Charity 2008 £'000
		Group 2008 £'000	Charity 2009 £'000	
Within 1 year	14	-	-	-
Within one to two years	31	14	-	-
Within two to five years	77	31	-	-
After five years	115	191	-	-

The group has no capital commitments.