

**St Catherine's Hospice Limited**

**(A CHARITABLE COMPANY LIMITED BY GUARANTEE  
AND NOT HAVING A SHARE CAPITAL)**

**FINANCIAL STATEMENTS**

**For the year ended 31 March 2009**

**Company Registration No. 1525404**  
**Charity Registration No. 281362**

**St Catherine's Hospice Limited**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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**DIRECTORS AND TRUSTEES**

Mrs E R Cowley, CBE  
A G Cuppage  
Mrs M I Finch Hatton  
Dr J H House  
Dr M J Waldron  
D G Jones  
J L StP Mansfield JP  
A Wates (appointed 29 September 2008)  
Ex Officio member of the Board:  
M S O'Leary – Chief Executive

**SECRETARY**

M S O'Leary

**REGISTERED COMPANY NUMBER**

1525404 (England and Wales)

**REGISTERED CHARITY NUMBER**

281362

**REGISTERED OFFICE**

Malthouse Road  
Crawley  
West Sussex  
RH10 6BH

**AUDITORS**

Kingston Smith LLP  
Surrey House  
36-44 High Street  
Redhill  
Surrey  
RH1 1RH

**St Catherine's Hospice Limited**  
**OFFICERS AND PROFESSIONAL ADVISERS**

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**BANKERS**

Barclays Bank Plc  
90-92 High Street  
Crawley  
West Sussex  
RH10 1YX

**SOLICITORS**

Rawlison Butler  
135 High Street  
Crawley  
West Sussex  
RH10 1DQ

**INVESTMENT ADVISERS**  
The Charities Property Fund  
c/o Rensburg Sheppards  
2 Gresham Street  
London EC2B 2AL

To 31 December 2008:

RCM (UK) Ltd  
155 Bishopsgate  
London  
EC2M 3AD

GAM London Limited  
12 St James's Place  
London  
SW1A 1NX

From 1 January 2009:

Sarasin & Partners LLP  
Juxon House  
100 St Paul's Churchyard  
London EC4M 8BU

Smith & Williamson Investment Management Limited  
25 Moorgate  
London EC2R 6AY

# St Catherine's Hospice Limited

## DIRECTORS/TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The Directors, who are the Trustees under Charity law, submit their report and the financial statements of St Catherine's Hospice Limited for the year ended 31 March 2009.

The Hospice is a company limited by guarantee and a registered charity governed by its memorandum and articles of association.

The principal activity of the company is that of a Hospice caring for the terminally ill. There were two significant developments to St Catherine's service portfolio during the year; the planned extension of the community care services from five to seven days per week and incorporating practical nursing and, towards the end of the year, the expansion of our referral area within Surrey to give specialist palliative care to people in East Surrey previously provided by Marie Curie Cancer Care.

In addition there is a wholly owned subsidiary company, St Catherine's Hospice Trading (Sussex) Limited, which raises further funds for the Hospice.

### DIRECTORS AND TRUSTEES

Under the Articles of Association, there shall be at least three and not more than twelve Directors/Trustees. Directors/Trustees shall be elected by the members at the Annual General Meeting. At each Annual General Meeting, one third of the Directors/Trustees shall retire from office, but are eligible for re-election. Any Director/Trustee aged over 70 shall retire at each Annual General Meeting, but will be eligible for re-election.

The Directors/Trustees are required to hold at least four meetings in any year.

The Directors/Trustees who served in an honorary capacity during the year were as follows:

Mrs E R Cowley, CBE	Chairman
A G Cuppage	Vice - Chairman
Mrs M I Finch Hatton	
Dr J H House	
D G Jones	Hon Treasurer
J L St P Mansfield JP	
Dr M J Waldron	
A Wates (appointed 29 September 2008)	

M S O'Leary, Chief Executive of the Hospice, serves as an ex-officio member of the Board of Directors.

### STATEMENT OF DIRECTORS/TRUSTEES' RESPONSIBILITIES

Under the Company's Memorandum and Articles of Association, adopted by special resolution on 4 April 2000 and amended by special resolution dated 22 October 2007 the Directors/Trustees' Responsibilities are defined as follows:

- 1 To ensure that the Charity operates only in the promotion of its Objects which are defined in the Memorandum, Clause 3.
- 2 To ensure appropriate application of the Charity's powers which are defined in the Memorandum, Clause 4, paras. 4.1 to 4.19.
- 3 Specifically,
  - To act together, only in the Charity's interests and not delegate control of the Charity to others;
  - To exercise prudent governance and derive no personal financial or material benefit;
  - To seek appropriate professional advice when necessary;

# St Catherine's Hospice Limited

## DIRECTORS/TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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- To ensure proper records of account of the Charity's finances are maintained and the Charity's property is adequately controlled;
- To ensure all reasonable risks to the Charity's possessions including properties and equipment are covered by suitable insurance;
- To invest prudently and as authorised under the Memorandum;
- To ensure the Charity observes its obligations as to the employment of staff;
- To ensure all activities involving the raising of funds are properly authorised, describe fully what the funds will be used for and that all funds raised are fully accounted for;
- To ensure all activities of the Charity are conducted without fear of public scrutiny.

Trustees are recruited through a rigorous process of selection and interview and new appointments are approved by the full Board. New Trustees are provided with an induction programme to familiarise them with the work of St Catherine's. Ongoing training is provided through regular briefings by the members of the Senior Management Team, through the use of external consultants and by regular inspection visits to review the work of the Hospice. In addition Trustees meet on a quarterly basis, outside normal Board meetings, to discuss strategic issues and develop governance themes.

### CHARITABLE OBJECTIVES AND ACTIVITIES

End of Life care and the work of independent hospices received considerable media attention over the year. As a result, society became increasingly aware of the services that hospices provide. Lord Darzi's review of the NHS, published in summer 2008, for the first time in the history of the NHS identified End of Life care as a separate area of health care. It was one of eight workstreams of health care reform which will be overseen at a national level. This was closely followed by the publication of the End of Life Care Strategy which spans a ten year period, and which, in turn, establishes the structures for defining and improving end of life care services at a local level. For St Catherine's, the establishment of structures and processes to plan End of Life Care has created the opportunity for staff to be involved and influence change in both Surrey and West Sussex PCTs.

Having agreed during 2008/09 St Catherine's Mission, Vision and Values and its six organisational goals for the three years 2008-2011, we are now reporting on the first year of that strategy. St Catherine's has referred to the guidance provided by the Charity Commission on Public Benefit when reviewing and planning aims and objectives. In particular we would point out that all of our services are provided equally to all members of the community that we serve and no charge is levied for any service that we provide.

### **Goal 1 - St Catherine's will enable the delivery of end of life care to the highest possible standard.**

**Objective**  
G1/01 To provide high quality responsive care to patients, their families, friends and carers, which meets patients' needs and choice, and delivers in accordance with agreed clinical governance standards.

**Achievement** A total of 814 patients were referred for palliative care during the year. A total of 994 patients were cared for, of whom 283 were admitted as Hospice inpatients. An additional 115 people were referred for lymphoedema support.

Counselling services - spiritual care, welfare advice and bereavement support - were provided to 945 people (patients, their families and/or carers).

St Catherine's self assessment, submitted to its regulatory body, the Healthcare Commission, was deemed satisfactory and therefore no inspection visit was required during the year. St Catherine's Trustees conducted "provider visits" (a requirement of the Healthcare Commission) in June and October 2008.

# St Catherine's Hospice Limited

## DIRECTORS/TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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There has been an upward trend in counselling referrals, growth in the number of bereavement volunteers, development of a team of spiritual care volunteers, and more people have attended an increased number of Tree of Light services.

Over the year the Heaselands Ward was refurbished, as was the mortuary. The ward refurbishment allowed for the creation of a larger, family room, which has been much appreciated by patients with younger children and/or large families. A new patient call bell system was installed, improving safety and security, particularly for patients who are confused or agitated. To accommodate the expanded community nursing team, their first floor office was extended. Consequently, for safety reasons, much of the ward below was closed for three months, thereby reducing overall capacity to fourteen beds. Bed occupancy rate on the inpatient unit was 85%-87% over the year.

The major refurbishment of Day Services, completed in 2008, was exactly what was required. It successfully created a relaxing environment, and over the year a broad range of creative and therapeutic activities has utilised that space effectively.

The area of greatest clinical change for St Catherine's was in the area of community care. Much of the last year focused on the consultation and preparation for moving to a seven days per week service, 8am to 8pm, with a practical hands-on care component. The new service was eventually launched in January 2009. Policies, patient care pathways and procedures were all updated to fit in with the new service, and a major recruitment drive is still under way to employ the necessary staff for the increased service delivery.

Objective  
G1/02

To commit to the integration of the best aspects of hospice care into all healthcare training locally to ensure standards rise regionally/nationally.

Achievement

The education prospectus was developed to include five 5-day programmes which have been quality marked by the Universities of Surrey and Brighton as being of Recognised Educational Quality (REQ), and 35 single study days have been delivered. Contracts have been negotiated to deliver End of Life Care training to West Sussex Social Services, West Sussex PCT and a wide variety of care homes within Surrey and West Sussex. The education pages of the website have been revised to improve accessibility and become more user friendly.

Two abstracts have been accepted for poster display at the 11<sup>th</sup> Congress of the European Association of Palliative Care in Vienna in May 2009, one focuses on "*Developing competencies for end of life care homes within the UK*", and the second focusing on "*Psychosocial skills in palliative care – evaluating the impact of education*".

Objective  
G1/03

To work in partnership with GPs, District Nurses, and health and social care professionals to support local End of Life Care needs, by developing appropriate and responsive care pathways and service models.

Achievement

An integral aspect of the preparation for the expanded community care services included the establishment of regular meetings with "virtual ward" managers locally. Even during times of considerable service upheaval for St Catherine's and the NHS, the Hospice endeavoured to have representation at Gold Standards Framework meetings in local GP practices, to monitor the care of patients in the local community.

Objective  
G1/04

To forge key partnerships with the other service providers and organisations locally, to identify gaps in information, knowledge and skills in End of Life Care, and improve standards and delivery of this care.

Achievement

St Catherine's established effective, regular managerial and clinical meetings between West Sussex hospices and the West Sussex PCT. In Surrey, St Catherine's staff became actively involved in the PCT-led End of Life Care mapping and planning processes.

# St Catherine's Hospice Limited

## DIRECTORS/TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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Objective G1/05 To review, audit and evaluate the effect of our input.

Achievement As a result of the low response rate to the Patients' Survey in January 2008, it was decided that all patients discharged from the Inpatient Unit should have a short satisfaction survey to complete. This has also provided the Hospice with the opportunity to ask people directly whether they would be willing to share their story with others for fundraising or promotional purposes.

### **Goal 2 - St Catherine's will be a key resource for our community to learn about death, dying and bereavement.**

Objective G2/01 To create opportunities to improve understanding of all aspects of death, dying and bereavement.

Achievement The Education and Training Centre programmes saw a much broader range of participants, including many more from the local care and nursing home workforce. Toward the latter part of the year, St Catherine's established a programme of lectures on philosophical and ethical end of life issues for 2009 and beyond. A survey on the public's attitudes to death and dying was undertaken to mark the 25<sup>th</sup> anniversary of St Catherine's Hospice and World Hospice Day in October 2008. The aim of the survey was to improve St Catherine's understanding of local people's information needs, and yield feedback on the End of Life Care provided. A key finding was that 83% of respondents believe that death and dying is not discussed enough in Britain.

Many of the comments in the survey responses indicated that a significant number of people felt ill-equipped to deal with the practical, emotional and spiritual issues raised by a terminal illness and bereavement.

Objective G2/02 To ensure as many people as possible have access to its information, and that this is made available in appropriate formats to meet their needs

Achievement The new St Catherine's website was launched in September 2007 and now provides an online portal into St Catherine's Hospice with clear, concise, relevant and timely information.

It aims to inspire contact and charitable support from the community and corporate sectors and is easily managed and administered, enabling us to demonstrate the cost-effective ongoing use of resources. All sections, whether providing information to patients, on education and training opportunities, or on fundraising and employment opportunities, have received excellent feedback from users.

Considerable resources have been invested in the website as an information resource for the wider public. In addition, our resident Librarian became actively involved in all five-day education courses, making attendees aware of the information searching services that were available to them as St Catherine's course attendees.

### **Goal 3 - St Catherine's will seek to influence the improvement of funding for, and access to, end of life care.**

Objective G3/01 To contribute to the development and implementation of policy, locally and nationally, to ensure that end of life care is available to those who need it.

Achievement Following the decision by Help the Hospices to become the umbrella organisation for all independent hospices in the UK, St Catherine's signed up to membership, and has actively participated in consultation and skill-sharing events, and hosted regional consultation events.

St Catherine's made written submissions to the Fit for the Future consultation (local reorganisation of the acute sector), and we also coordinated, with other West Sussex hospices, a detailed response to the consultation on Quality Standards for End of Life Care.

# St Catherine's Hospice Limited

## DIRECTORS/TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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- Objective G3/02** To establish effective relationships with those commissioning and planning statutory sector services to influence decision-making on place and funding of care.
- Achievement** Joint meetings with West Sussex Hospice Chief Executives and the West Sussex PCT Commissioner were established in acknowledgement that the shared agenda should receive higher priority.
- Towards the end of the year, following Marie Curie Cancer Care's decision to withdraw its specialist palliative care services from its Caterham, Surrey site, St Catherine's agreed a three year contract with Surrey PCT for the provision of specialist palliative care services in that area with effect from 1<sup>st</sup> April 2009.

### **Goal 4 - St Catherine's will seek to advance knowledge and develop practice in palliative care**

- Objective G4/01** To identify and establish best practice, identify gaps and establish objectives to develop the knowledge and skills within the organisation and externally.
- Achievement** The establishment of agreed, stated competencies for all nursing staff within the inpatient unit was undertaken and, by the end of the year, had been agreed for two out of three grades of nursing staff.
- The LEO (Leading Empowered Organisations) training was introduced this year. All Line Managers participated in the programme, and the second phase included a broader range of staff from the Hospice and the Trading Company. Strands of organisational development work identified during this training have been picked up and progressed by a group of staff working across the Hospice.
- Objective G4/02** To expand its programme of audit to review practice and inform improvements.
- Achievement** Internal Hospice audits covered a wide range of topics. In all, nineteen separate audits were undertaken during the year. For example:-
- |   |   |   |
|---|---|---|
| Out of hours calls to inpatient unit                                | 1/4/08 – 30/09/08<br>1/10/08 – 31/12/08 | Completed<br>Completed                          |
| Notification of deaths to Healthcare Commission                     | Started January 2009                    | NB part of HCC external pilot from early 2009   |
| Liverpool Care Pathway  | 1st November 2008                       | External audit with other hospices              |
| Essential steps - preventing the spread of infection (Part 1)       | October 2007 to May 2008                | December  |
| Inpatient unit/day services satisfaction survey – Help the Hospices | July 08 – February 09                   | Almost completed – hope to be able to benchmark |
- G4/03** To establish a programme of research to evidence need and compliance with standards.
- Achievement** The Board of Trustees agreed the importance of establishing a research and service evaluation group, and the group held its inaugural meeting in April 2008. Two posters were accepted for presentation at the Palliative Care Congress in Glasgow 29<sup>th</sup> April to 1<sup>st</sup> May 2008.

# St Catherine's Hospice Limited

## DIRECTORS/TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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### **Goal 5 - St Catherine's will aim to become increasingly reflective of the community it serves.**

Objective G5/01	To reflect the community we serve in our communications.
Achievement	<p>We agreed brand guidelines, imagery and the use of "plain English" in all our internal and external communications.</p> <p>For the first time, the year's Annual Review eschewed library shots and instead featured only photographs of actual patients, families and staff. Over the same period, St Catherine's website solely used images of people connected to the Hospice.</p>
Objective G5/02	To sustain dialogue with different communities in the area we cover.
Achievement	The Fundraising department established a fixed-term post in order to work with schools in the area, and with different faith groups.
Objective G5/03	To promote employment opportunities widely and look to recruit a future workforce, representative of our local community.
Achievement	St Catherine's recruitment advertising strategies were reviewed, and changes were implemented, for example, more on-line recruitment, local recruitment fairs utilised, and increased use of local job centres. These resulted in the general profile of the workforce changing over the year. Together with the rapid recruitment resulting from the new Surrey PCT contract, the workforce has grown by around 12%, now includes a wider age profile, and includes a higher proportion of male and ethnic minority employees than hitherto.
Objective G5/04	To offer good volunteering opportunities and develop programmes to involve sectors of the community currently under-represented
Achievement	As a result of changed recruitment tactics, we have broadened the age range, ethnicity and skills base of our volunteer workforce. The Volunteer Coordinator has worked with service managers in order to be much clearer about the role requirements, training and support needed by volunteers.

### **Goal 6 – St Catherine's must ensure its long term financial sustainability in order to deliver its charitable objectives in the future.**

Objective G6/01	To adopt rigorous financial planning for short, medium and long term planning.
Achievement	<p>All external contracts for goods, supplies and services were reviewed over the year.</p> <p>A small working group, delegated by the Directors/Trustees to review pensions arrangements with The Pensions Trust, continued to meet during the year. The clarification of legislative changes to pension schemes enabled staff to make decisions about their own policies and as a result to change or retain pension plans accordingly.</p> <p>Kingston Smith LLP was reappointed as the auditor at the AGM in October 2008.</p>
Objective G6/02	To develop and maintain effective management of risk.
Achievement	<p>In the autumn of 2008 the Senior Management Team and Trustees undertook a risk assessment exercise which identified all aspects of organisational risk, ranking them according to likelihood and impact.</p> <p>It was subsequently agreed that the risk matrix should be reviewed every twelve months as a minimum.</p>

# St Catherine's Hospice Limited

## DIRECTORS/TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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As part of Major Incident Planning, development started on a Business Continuity Plan for implementation in particular crisis situations, alongside detailed preparations for a 'flu pandemic.

Objective G6/03 To devise an overall 3 year fundraising and marketing strategy.

Achievement All teams within the Fundraising department set, and achieved, challenging targets. Overall, fundraising income was £133,000 above budget. The Trading Company, too, engaged in much more rigorous budget-setting, based on market predictions. Despite the difficulties faced by the retail sector as a whole, St Catherine's Hospice Trading Company ended the year with a net profit of £417,000.

Paving the way for a three-year strategy, the Fundraising and Marketing department has undertaken a series of workshops, including the involvement of clinical colleagues in developing ways to establish better connections between those who use our services and those who support us financially.

### FINANCIAL REVIEW

The net movement in funds for the year was a decrease of £324,919 compared with the previous year's increase of £252,773. The main reason for the decrease was due to realised and unrealised losses on investments. The realised losses occurred on the sale of investments in December 2008 while the unrealised losses occurred in the last quarter of the financial year and reflect the general trend on the stock market. As a result of these losses our fund balances decreased to £7,149,893 compared with £7,474,812 at 31 March 2008.

Income from the lottery was broadly in line with the previous year, although profit increased to £329,000 from £319,000 in the previous year. The gross income from our shops increased by £49,000,

The cost of generating funds increased by 5.8%, while incoming resources increased by 3.9%.

### INVESTMENT POLICY

The Directors/Trustees have the power to invest in such stocks, shares, investments and property as they see fit. During 2008/09 the Trustees carried out a review of the investment strategy. As a result the Board resolved to dispose of its investment in property and to switch to fund managers offering funds based on a total return strategy. In addition all investment proceeds are to be accumulated within the new funds. Details of the new funds are provided in notes 12 and 13 to the accounts.

### RESERVES POLICY

In preparing the 2008/09 budget the Trustees agreed to fund an expansion of the Community Care Service by the use of reserves. Prior to this the Board had agreed, in September 2007, to alter the previous reserves policy in favour of the following motion; "That St Catherine's Hospice should hold reserves of not less than nine and not more than fifteen months' running costs at any one time". This position will be reviewed by the Board on an annual basis". As a result of the decision to use reserves to fund Community Care and due to the scale of losses on investments in 2008/09 the Trustees have decided to review the current reserves policy using a risk based assessment. The review will be completed during the 2009/10 financial year.

### FOUNDATION FUND

This is a restricted fund and exists primarily to support the day to day running costs of the Hospice should the following events occur:

- The General Fund is below six months future running costs;

# St Catherine's Hospice Limited

## DIRECTORS/TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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- The Hospice operating costs are exceeding its income on a regular monthly basis.

Before any capital or income of The Foundation Fund is appropriated the view of the New Horizons Appeal Committee will be sought. The Directors must approve and finally determine the use of all Foundation Fund assets.

### OTHER RESTRICTED FUNDS

From time to time the Hospice may receive grants or donations whose use is restricted by the donor. In these circumstances, the funds are shown as restricted.

### CAPITAL ASSETS FUND

This comprises the book value of the tangible assets of the Hospice as shown in its balance sheet. The Capital Assets Fund is automatically excluded from the General Fund as it could only be realised by disposing of or mortgaging tangible assets.

### GENERAL FUND

This is an unrestricted fund and is available to be used for:

- The day to day running of the Hospice;
- The costs of any capital projects in whole or in part where the cost is not met from any other fund; and
- For any other purpose as the Directors see fit to fulfil the objectives of the Hospice.

### MARKET VALUE OF LAND AND BUILDINGS

Freehold land was donated to the Hospice and valued at £60,000 by the Directors in December 1983. All other freehold land and buildings are included in the financial statements at cost or open market value if lower. In the opinion of the Directors, the open market value of the freehold land and buildings are not less than the amounts shown in the financial statements.

### STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditors are unaware. The directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

### AUDITORS

Kingston Smith LLP was appointed auditor to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that the firm be re-appointed will be put to the Annual General Meeting.

By order of the Board



Mrs E R Cowley, CBE  
Chairman  
27 July 2009

# St Catherine's Hospice Limited

## DIRECTORS/TRUSTEES' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgments and estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF ST CATHERINE'S HOSPICE LIMITED

We have audited the group and parent company financial statements of St Catherine's Hospice Limited for the year ended 31 March 2009 which comprise the consolidated Statement of Financial Activities, the consolidated and parent company Balance Sheets, the consolidated Cash Flow Statement and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with regulations made under section 43 of the Charities Act 1993. Our audit work has been undertaken for no purpose other than to draw to the attention of the charitable company's members and trustees those matters which we are required to include in an auditors' report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body for our audit work, for this report, or for the opinion we have formed.

### **Respective responsibilities of trustees and auditors**

The trustees' (who are also the directors of the company for the purpose of company law) responsibilities 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) are set out in the Statement of Trustees' Responsibilities.

The financial statements have been audited in accordance with the Companies Act 1985. As required by the Charities Act 2006 (Charitable Companies Audit and Group Accounts Provisions) Order 2008, the consolidated financial statements have also been audited in accordance with section 43 of the Charities Act 1993 and we therefore also report in accordance with regulations made under Section 44 of that Act in respect of the consolidated financial statements.

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

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985 and the Charities Act 1993 and whether the information given in the Trustees' Annual Report is consistent with those financial statements. We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if the charitable company's financial statements are not in agreement with these accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charitable company and other members of the group is not disclosed.

We read the Trustees' Annual 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 and 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 judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's and the parent charitable company'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.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF ST  
CATHERINE'S HOSPICE LIMITED

**Opinion**

In our opinion:

- the group financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the group's affairs as at 31 March 2009 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the parent charitable company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the parent charitable company's affairs as at 31 March 2009;
- the financial statements have been properly prepared in accordance with the Companies Act 1985 and the Charities Act 1993; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

*Kingston Smith LLP*

**Kingston Smith LLP**  
**Chartered Accountants and Registered Auditors**  
Surrey House  
36-44 high Street  
Redhill  
Surrey  
RH1 1RH

Date: 27 July 2009

**St Catherine's Hospice Limited**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
For the year ended 31 March 2009

	Notes	Unrestricted funds £	Restricted funds £	Total 2009 £	Total 2008 £
<b>INCOMING RESOURCES</b>	<b>1</b>				
Incoming resources from generated funds:					
Voluntary Income:					
Donations		1,109,536	82,018	1,191,554	1,118,697
Legacies		1,395,762	-	1,395,762	1,335,869
Fundraising Events		636,426	-	636,426	442,371
Shop Income		1,413,657	-	1,413,657	1,365,412
Lottery Income		507,423	-	507,423	511,304
Investment Income	2	119,358	4,351	123,709	161,727
Incoming resources from charitable activities:					
Income from provision of education & training		25,718	-	25,718	6,605
NHS Grants		1,168,220	-	1,168,220	1,112,237
DoH Dignity in Care Grant		-	-	-	183,560
Other Grants		139,870	128,600	268,470	221,886
Miscellaneous Income		28,506	-	28,506	43,239
<b>TOTAL INCOMING RESOURCES</b>		<b>6,544,476</b>	<b>214,969</b>	<b>6,759,445</b>	<b>6,502,907</b>
<b>RESOURCES EXPENDED</b>					
Cost of generating funds:					
Voluntary income		665,399	-	665,399	571,508
Fundraising events		195,294	32,418	227,712	233,116
Retail shops		996,315	-	996,315	935,450
Lottery costs		189,734	-	189,734	206,110
Investment management costs		-	-	-	3,525
Total cost of generating funds		2,046,742	32,418	2,079,160	1,949,709
Cost of charitable activities:					
Inpatient care		2,149,587	27,491	2,177,078	2,136,839
Community care		957,217	9,329	966,546	876,889
Daycare		276,974	18,793	295,767	280,795
Social support services		248,437	-	248,437	245,682
Education		492,067	-	492,067	436,218
Total cost of charitable activities		4,124,282	55,613	4,179,895	3,976,423
Governance costs		68,927	-	68,927	64,213
<b>TOTAL RESOURCES EXPENDED</b>	<b>4</b>	<b>6,239,951</b>	<b>88,031</b>	<b>6,327,982</b>	<b>5,990,345</b>
<b>NET INCOMING RESOURCES</b>	<b>5</b>	<b>304,525</b>	<b>126,938</b>	<b>431,463</b>	<b>512,562</b>
Gains on investments:					
Realised		(390,452)	(180,650)	(571,102)	6,750
Unrealised	10	(184,496)	(784)	(185,280)	(266,539)
Net movement in funds		(270,423)	(54,496)	(324,919)	252,773
Fund balances brought forward at 1 April 2008		6,118,672	1,356,140	7,474,812	7,222,039
Fund balances carried forward at 31 March 2009		5,848,249	1,301,644	7,149,893	7,474,812

**St Catherine's Hospice Limited**  
**CONSOLIDATED BALANCE SHEET**  
31 March 2009

	<i>Notes</i>	2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	11	2,591,510	2,548,226
Investments	12	959,622	1,068,941
		<u>3,551,132</u>	<u>3,617,167</u>
<b>CURRENT ASSETS</b>			
Investments	13	2,268,394	2,875,458
Stock	14	6,187	1,329
Debtors	15	583,701	152,507
Restricted funds – deposits at bank		289,305	87,668
Cash at bank and in hand	16	1,126,919	1,247,895
		<u>4,274,506</u>	<u>4,364,857</u>
<b>CREDITORS: Amounts falling due within one year</b>	17	<b>(675,745)</b>	<b>(507,212)</b>
		<u>3,598,761</u>	<u>3,857,945</u>
<b>NET CURRENT ASSETS</b>		<b>3,598,761</b>	<b>3,857,945</b>
		<u>7,149,893</u>	<u>7,474,812</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>7,149,893</b>	<b>7,474,812</b>
		<u>7,149,893</u>	<u>7,474,812</u>
<b>CAPITAL AND RESERVES</b>			
Restricted Fund	18	1,301,644	1,356,140
Unrestricted Funds:			
Capital Assets	19	2,308,445	2,342,647
General		3,539,804	3,776,025
		<u>7,149,893</u>	<u>7,474,812</u>

The financial statements on pages 14 to 32 were approved by the board of directors and authorised for issue on 27<sup>th</sup> July 2009 and are signed on its behalf by:



Mrs E R Cowley, C.B.E.  
Chairman

**St Catherine's Hospice Limited**  
**BALANCE SHEET**  
**31 March 2009**

		2009 £	2008 £
<b>FIXED ASSETS</b>			
Tangible assets	11	2,567,785	2,526,207
Investments	12	1,009,622	1,118,941
		<u>3,577,407</u>	<u>3,645,148</u>
<b>CURRENT ASSETS</b>			
Investments	13	2,268,394	2,875,458
Debtors	15	581,737	178,840
Restricted funds – deposits at bank		289,305	87,668
Cash at bank and in hand	16	1,089,921	1,148,761
		<u>4,229,357</u>	<u>4,290,727</u>
<b>CREDITORS: Amounts falling due within one year</b>	17	(656,871)	(461,063)
		<u>3,572,486</u>	<u>3,829,664</u>
<b>NET CURRENT ASSETS</b>			
		<u>7,149,893</u>	<u>7,474,812</u>
<b>TOTAL ASSETS LESS LIABILITIES</b>			
		<u>7,149,893</u>	<u>7,474,812</u>
<b>CAPITAL AND RESERVES</b>			
Restricted Fund	18	1,301,644	1,356,140
Unrestricted Funds			
Capital Assets	19	2,308,445	2,342,647
General		3,539,804	3,776,025
		<u>7,149,893</u>	<u>7,474,812</u>

The financial statements on pages 14 to 32 were approved by the board of directors and authorised for issue on 27<sup>th</sup> July 2009 and are signed on its behalf by:



Mrs E R Cowley C.B.E.  
 Chairman

**St Catherine's Hospice Limited**  
**CONSOLIDATED CASH FLOW STATEMENT**  
For the year ended 31 March 2009

	<i>Notes</i>	2009 £	2008 £
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>23a</b>	<b>180,968</b>	<b>557,310</b>
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		<u>78,160</u>	<u>82,702</u>
Income from listed investments		41,199	62,854
Bank interest received		4,351	16,170
Restricted funds – interest received		<u>123,710</u>	<u>161,726</u>
Net cash flow after returns on investment and servicing of finance		<u>304,678</u>	<u>719,036</u>
Taxation paid		<u>-</u>	<u>-</u>
<b>CAPITAL EXPENDITURE</b>			
Purchase of listed investments held as fixed assets		(960,406)	(25,837)
Sale of listed investments held as fixed assets		920,406	-
Cash transferred to listed investments held as fixed assets		(32,116)	-
Purchase of fixed assets		<u>(184,017)</u>	<u>(272,494)</u>
Net cash outflow for capital expenditure		<u>(256,133)</u>	<u>(298,331)</u>
<b>MANAGEMENT OF LIQUID RESOURCES</b>			
Purchase of listed securities		(1,825,370)	(514,601)
Sale of listed securities		1,825,370	-
Cash transferred to listed investments held as current assets		<u>(68,905)</u>	<u>-</u>
Net cash out flow from management of liquid resources		<u>(68,905)</u>	<u>(514,601)</u>
<b>DECREASE IN CASH</b>	<b>23c</b>	<u><u>(20,360)</u></u>	<u><u>(93,896)</u></u>

# St Catherine's Hospice Limited

## ACCOUNTING POLICIES

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### BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention as modified by the inclusion of investments at market value and in accordance with the Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005) published in March 2005, applicable accounting standards and the Companies Act 1985.

### DONATED ASSETS

Tangible assets donated to the Hospice are recorded at the original estimate of their value to the company.

### TANGIBLE FIXED ASSETS

Fixed assets other than donated assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Freehold buildings	2% per annum on cost
Extensions and refurbishments	10% per annum on cost
Equipment (excluding leasehold improvements)	25% per annum on cost
Leasehold improvements	based on length of lease
Motor vehicles	25% per annum on cost

### TAXATION

The company has been granted charitable status and is therefore not liable to corporation tax.

### LEASED ASSETS AND OBLIGATIONS

Assets held under finance leases and the related lease obligations are recorded in the balance sheet at the fair value of the leased assets at the inception of the leases. The amounts by which the lease payments exceed the recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Rental costs under operating leases are charged to the general fund operating account in annual amounts in accordance with the terms of the lease.

### PENSIONS CONTRIBUTIONS

Retirement benefits to certain employees are provided by defined contribution schemes which are funded by contributions from the company. Payments are made to insurance companies and these are charged against income of the year in which they become payable. The estimated amount of employer debt on withdrawal liability from the growth plan with The Pensions Trust as at 30<sup>th</sup> September 2008 was £342,612 (£157,298, 2007).

Some clinical staff are members of the National Health Services scheme and contributions are determined by the Government actuary. Payments are charged against income as they become payable.

### DONATIONS, GRANTS AND OTHER INCOME

Income from donations and grants, including capital grants, is included in incoming resources when these are receivable, except as follows:

- When donors specify that donations and grants given to the charity must be used in future accounting periods, the income is deferred until those periods;
- When donors impose conditions which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions for use have been met.

When donors specify that donations and grants, including capital grants are for particular restricted purposes, which do not amount to pre-conditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

# St Catherine's Hospice Limited

## ACCOUNTING POLICIES

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Credit for other income including donations and investment income is taken when received. Income from legacies is treated in accordance with the Charities SORP 2005.

Income in the trading company represents the amount receivable for goods supplied to customers.

### RESOURCES EXPENDED

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

Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

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

### INVESTMENTS

Investments are stated at market value.

### STOCK

Stock is valued at the lower of cost and net realisable value.

### GROUP FINANCIAL STATEMENTS

These financial statements consolidate the results of the charity and its wholly-owned subsidiary St Catherine's Hospice Trading (Sussex) Limited on a line by line basis. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 230 of the Companies Act 1985 and paragraph 397 of SORP 2005.

**St Catherine's Hospice Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2009

**1 INCOMING RESOURCES**

Incoming resources derive from the group's principal activities carried on wholly in the United Kingdom.

<b>2 INVESTMENT INCOME</b>	2009	2008
	£	£
Income from investments:		
General fund		
Listed	78,160	82,703
Interest received	41,199	62,854
	<u>119,359</u>	<u>145,557</u>
Foundation Fund	4,351	16,170
	<u>123,710</u>	<u>161,727</u>

**3 TRADING OPERATIONS**

The wholly owned trading subsidiary, St Catherine's Hospice Trading (Sussex) Limited, which is incorporated in England, pays all of its profits to the charity under Gift Aid. St Catherine's Hospice Trading (Sussex) Limited operates shops selling donated goods and manages the Education Centre. The charity owns the entire issued share capital of £50,000 shares of £1 each. A summary of the trading results is shown below.

	2009	2008
	£	£
Turnover	1,401,862	1,365,412
Cost of sales	63,589	84,007
Gross profit	<u>1,338,273</u>	<u>1,281,405</u>
Other operating expenses (net)	920,930	837,006
Profit on ordinary activities	<u>417,343</u>	<u>444,399</u>
Donations under Gift Aid	(417,343)	(444,399)
Retained in the subsidiary	<u>-</u>	<u>-</u>

**St Catherine's Hospice Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2009

4	RESOURCES EXPENDED	<i>Staff Costs</i>	<i>Other Costs</i>	<i>Depreciation</i>	Total 2009	Total 2008
		£	£	£	£	£
	Cost of generating funds:					
	Voluntary income	418,123	234,629	12,647	665,399	571,508
	Fundraising events	104,519	123,193	-	227,712	233,116
	Retail shops	484,415	506,136	5,764	996,315	935,450
	Lottery costs	61,102	128,632	-	189,734	206,110
	Investment management costs	-	-	-	-	3,525
	Cost of charitable activities:					
	Inpatient care	1,698,121	424,107	54,850	2,177,078	2,136,839
	Community care	817,100	131,206	18,240	966,546	876,889
	Daycare	201,562	66,688	27,517	295,767	280,795
	Social support services	209,929	36,045	2,463	248,437	245,682
	Education	326,311	146,504	19,252	492,067	436,218
	Governance costs	53,525	15,402	-	68,927	64,213
		<u>4,374,707</u>	<u>1,812,542</u>	<u>140,733</u>	<u>6,327,982</u>	<u>5,990,345</u>

Other costs include catering and domestic supplies, building and equipment maintenance, IT, insurance, professional fees and heat, light and water. Where a direct allocation is not possible, the costs have been allocated on floor area, number of computers, staff numbers (whole time equivalent) and number of phone extensions etc.

5	NET INCOMING RESOURCES	2009	2008
		£	£
	Net incoming resources are stated after charging:		
	Depreciation and amounts written off tangible fixed assets:		
	Charge for the year:		
	Owned assets	140,733	127,866
	Operating lease rentals:		
	Equipment	14,176	15,268
	Vehicles	9,223	14,007
	Shops	269,020	263,060
	Auditors' remuneration		
	External Audit of Group	18,038	23,308
	Other services to Group	-	925
		<u>140,733</u>	<u>127,866</u>

**St Catherine's Hospice Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2009

6	EMPLOYEES	2009 No	2008 No
<p>The average weekly number of persons employed by the group during the year was:</p>			
	Fundraising	14	13
	Trading company	27	24
	Inpatient care	41	39
	Community care	16	16
	Daycare	2	2
	Social support services	5	5
	Education	6	6
	Chief executive	1	1
	Admin & support staff	33	31
		145	137
		145	137

The Hospice employs a significant number of staff on a part-time basis. The average number of staff shown above are calculated to show the full time equivalent staff numbers.

	2009 £	2008 £
Staff costs for the above persons:		
Wages and salaries	3,853,761	3,587,549
Social security costs	348,922	295,150
Other pension costs	172,024	220,831
	4,374,707	4,103,530
	4,374,707	4,103,530

2009 Pension Costs show net of NHS funding.

No emoluments were paid during the year to any of the Directors (2008: £Nil) and no Directors were reimbursed for expenses (2008: £Nil).

The number of employees who received emoluments in the following ranges was:

	2009 £	2008 £
£60,001 - £70,000	-	2
£70,001 - £80,000	2	-
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	1	2
	1	2

**St Catherine's Hospice Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2009

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**7 RELATED PARTY TRANSACTION**

During the year, the Hospice paid an annual software support and maintenance fee to Healthy Software Limited, a company in which Dr M Waldron, a Trustee of the Hospice, is a director and shareholder. There was also a payment for additional services. The total cost of the services was £9,865, the normal commercial price.

**8 PENSION CONTRIBUTIONS**

Retirement benefits to certain employees are provided by defined contribution schemes which are funded by contributions from the company. Payments are made to insurance companies.

Some clinical staff are members of the National Health Services Scheme and contributions are determined by the Government actuary.

The pension cost charge represents contributions payable by the company and amounted to £172,024 (2008: £220,831). The figure for 2009 has been shown net of NHS funding.

At the year end contributions outstanding totalled £32,984 (2008: £28,841)

**9 VOLUNTARY HELP**

The Charity is dependent upon a team of part-time voluntary helpers who assist in all areas of the charity's care.

<b>10 UNREALISED GAIN (LOSS) ON INVESTMENTS</b>	<b>2009</b>	<b>2008</b>
	£	£

Adjustment to book value of current asset investments to bring them to their market value at 31 March 2009:

General Fund	(184,496)	(219,578)
Foundation Fund	(784)	(46,961)
	<u>(185,280)</u>	<u>(266,539)</u>

**St Catherine's Hospice Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2009

11 TANGIBLE FIXED ASSETS	<i>Freehold land and buildings</i> £	<i>Equipment</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
GROUP				
Cost or valuation				
1 April 2008	3,416,758	1,249,292	40,286	4,706,336
Additions	163,771	20,246	-	184,017
Disposals	-	(606,066)	-	(606,066)
	<u>3,580,529</u>	<u>663,472</u>	<u>40,286</u>	<u>4,284,287</u>
Depreciation				
1 April 2008	947,149	1,170,675	40,286	2,158,110
Charged in the year	99,547	41,186	-	140,733
Disposals	-	(606,066)	-	(606,066)
	<u>1,046,696</u>	<u>605,795</u>	<u>40,286</u>	<u>1,692,777</u>
Net book value				
31 March 2009	<u>2,533,833</u>	<u>57,677</u>	<u>-</u>	<u>2,591,510</u>
31 March 2008	<u>2,469,609</u>	<u>78,617</u>	<u>-</u>	<u>2,548,226</u>

**St Catherine's Hospice Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2009

11 TANGIBLE FIXED ASSETS  
(continued)

HOSPICE	<i>Freehold land and buildings</i> £	<i>Equipment</i> £	<i>Motor vehicles</i> £	<i>Total</i> £
Cost				
1 April 2008	3,416,758	1,192,141	40,286	4,649,185
Additions	163,771	12,776	-	176,547
Disposals	-	(606,066)	-	(606,066)
31 March 2009	3,580,529	598,851	40,286	4,219,666
Depreciation				
1 April 2008	947,149	1,135,543	40,286	2,122,978
Charged in year	99,547	35,422	-	134,969
Disposals	-	(606,066)	-	(606,066)
31 March 2009	1,046,696	564,899	40,286	1,651,881
Net book value				
31 March 2009	2,533,833	33,952	-	2,567,785
31 March 2008	2,469,609	56,598	-	2,526,207

Freehold land was donated to the Hospice and valued at £60,000 by the Directors in December 1983.

All freehold land and buildings are included in the financial statements at lower of cost and open market value. In the opinion of the Directors, the open market value of the freehold land and buildings are not less than the stated value.

**St Catherine's Hospice Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2009

12	FIXED ASSETS INVESTMENTS	<i>Listed Investments £</i>
	Cost or market value	
	1 April 2008	1,068,941
	Cash transferred from current assets	32,116
	Additions	960,406
	Disposals	(920,406)
		1,141,057
	31 March 2009	1,141,057
	Realised gain/(loss)	(180,651)
	Provision for unrealised gain/(loss)	(784)
		959,622
	Cost or market value	
	31 March 2009	959,622
		1,068,941
	31 March 2008	1,068,941
		962,547
	Historical cost	
	31 March 2009	962,547

Investments held by the Hospice also include an additional £50,000 (2008: £50,000) investment in the subsidiary company at cost.

During 2008/09 the investments with GAM and RCM were sold and the proceeds re-invested immediately with Sarasin & Partners LLP and Smith & Williamson Investment Management Limited. An additional £40,000 was also invested during the year split equally between the two managers. The listed investments held form part of the Foundation Fund and the portfolio is invested as follows:

48% Sarasin & Partners LLP  
52% Smith & Williamson Investment Management Limited

Subsidiary company:				<i>Aggregate capital &amp; reserves £</i>	<i>Result for the year £</i>
<i>Name</i>	<i>Country of incorporation</i>	<i>Class of holding</i>	<i>Proportion Held</i>		
St Catherine's Hospice Trading (Sussex) Limited	England	Ordinary	100%	50,000	-

**St Catherine's Hospice Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2009

13	INVESTMENTS HELD AS CURRENT ASSETS	<i>Listed investments</i> £	<i>Cash deposits</i> £	<i>Total</i> £
	Market value			
	1 April 2008	2,774,437	101,021	2,875,458
	Cash transferred to investments	68,905	(68,905)	-
	Additions	1,825,370	-	1,825,370
	Transfer to fixed assets investments	-	(32,116)	(32,116)
	Disposals	(1,825,370)	-	(1,825,370)
	Net cash movement	-	-	-
		<hr/>	<hr/>	<hr/>
	31 March 2009	2,843,342	-	2,843,342
	Realised gain/(loss)	(390,452)	-	(390,452)
	Provision for unrealised gain/(loss)	(184,496)	-	(184,496)
		<hr/>	<hr/>	<hr/>
	Market value			
	31 March 2009	2,268,394	-	2,268,394
		<hr/>	<hr/>	<hr/>
	31 March 2008	2,774,437	101,021	2,875,458
		<hr/>	<hr/>	<hr/>
	Historical cost			
	31 March 2009	2,425,370	-	2,425,370
		<hr/>	<hr/>	<hr/>

During 2008/09 the investments with GAM and RCM were sold and the proceeds re-invested immediately with Sarasin & Partners LLP and Smith & Williamson Investment Management Limited. Notice was also given to Rensburg Sheppard to sell the investments in the Charities Property Fund (CPF). On 31 March 2009 288,132 units in the CPF were sold for £251,395, with a settlement date of 6 April 2009. The remaining investment in the CPF comprises 218,259 units with a market value of £191,260. At 31 March 2009 the investment portfolio is invested as follows:

- 38% Sarasin & Partners LLP
- 42% Smith & Williamson Investment Management Limited
- 20% The Charities Property Fund

14	STOCK	Group		Hospice	
		2009	2008	2008	2007
		£	£	£	£
	Goods for resale	6,187	1,329	-	-
		<hr/>	<hr/>	<hr/>	<hr/>

**St Catherine's Hospice Limited**  
**NOTES TO THE FINANCIAL STATEMENTS**  
For the year ended 31 March 2009

15	DEBTORS	Group		Hospice	
		2009 £	2008 £	2009 £	2008 £
	Trade debtors	298,225	13,059	298,225	6,585
	Amount due from subsidiary company	-	-	58,498	53,623
	Other debtors	21,107	29,338	-	28,705
	Prepayments and accrued income	264,369	110,110	225,014	89,927
		<u>583,701</u>	<u>152,507</u>	<u>581,737</u>	<u>178,840</u>

16 CASH AT BANK

Cash from lottery tickets purchased in advance and for lottery prizes is held in a separate bank account exclusively for this purpose.

17 CREDITORS: Amounts falling due within one year

	Group		Hospice	
	2009 £	2008 £	2009 £	2008 £
Trade and other creditors	113,125	136,866	99,437	129,742
Taxation and social security costs	130,092	115,687	127,406	114,030
Accruals & deferred income	432,528	254,659	430,028	217,291
	<u>675,745</u>	<u>507,212</u>	<u>656,871</u>	<u>461,063</u>

Certain items of deferred income are restricted funds to be used in 2009/10.

18	RESTRICTED FUNDS	<i>Balance</i>			<i>Balance</i> 31 March 2009 £
		<i>1 April</i> 2008 £	<i>Incoming</i> <i>resources</i> £	<i>Outgoing</i> <i>resources</i> £	
	Foundation Fund	1,129,850	86,359	213,853	1,002,356
	Garden Fund	6,043	10	1,800	4,253
	Rosetta Life Fund	9,255	-	-	9,255
	Equipment Fund	3,110	22,200	23,192	2,118
	NHS Net Fund	24,322	-	-	24,322
	DoH Dignity in Care Grant	183,560	-	18,793	164,767
	Capital Expenditure Fund	-	106,400	11,827	94,573
		<u>1,356,140</u>	<u>214,969</u>	<u>269,465</u>	<u>1,301,644</u>

**St Catherine's Hospice Limited**  
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Foundation Fund – exists primarily to support the running costs of the Hospice in the event of severe cash flow difficulties.

Garden fund - represents monies raised through the 21<sup>st</sup> Birthday appeal to re-develop the Hospice garden.

Rosetta Life Fund – to enable patients and families to share thoughts through the arts via a resident artist.

Equipment Fund – represents monies raised to fund specific items of equipment.

NHS Net – has been set up to fund our connection to the NHS Net.

DoH Dignity in Care grant – was a one-off grant for a major extension of Day Hospice facilities.

Capital Expenditure Fund – has been set up for the purchase of fixed assets from donations to restricted funds.

**19 CAPITAL ASSETS FUND**

This represents the total net book value of the tangible fixed assets held by the Hospice.

	£
1 April 2008	2,342,647
Transfer to General Fund	(34,202)
	<u>2,308,445</u>
31 March 2009	<u>2,308,445</u>

**20 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS**

<i>Unrestricted General and Designated Funds £</i>	<i>Restricted £</i>	<i>Total Funds £</i>
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Fund balances at 31 March 2009 are represented by:

Tangible fixed assets	2,332,170	259,340	2,591,510
Investments	2,268,394	959,622	3,228,016
Current assets	1,923,430	82,682	2,006,112
Current liabilities	(675,745)	-	(675,745)
	<u>5,848,249</u>	<u>1,301,644</u>	<u>7,149,893</u>

**21 MEMBERS OF THE HOSPICE**

There are 50 members of the company who are required to contribute £1 each in the event of the company being wound up.

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**22 OPERATING LEASE COMMITMENTS**

At 31 March 2009 the group was committed to make the following payments in respect of operating leases:

	2009	2008
	£	£
Land and buildings		
expiring within one year	63,120	31,813
expiring two to five years	64,200	103,308
over five years	141,700	97,944
Other		
expiring within one year	2,654	1,386
expiring two to five years	6,569	10,534
	<u>278,243</u>	<u>244,985</u>

Payments under operating leases are recognised as expenditure as they fall due. No provision has been made for future commitments.

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23	CASH FLOWS	2009	2008
		£	£
a	Reconciliation of operating surplus to net cash inflow from operating activities		
	Surplus/(deficit)		
	General fund	304,525	302,942
	Restricted funds	126,938	209,620
	Less investment income	(123,710)	(161,727)
	(Increase)/Decrease in stock	(4,858)	1,176
	Depreciation	140,733	127,866
	(Increase)/Decrease in debtors	(431,194)	4,050
	(Decrease)/Increase in creditors	168,534	66,631
	Realised gains on investments	-	6,752
		<u>180,968</u>	<u>557,310</u>
b	Analysis of changes in net debt		
		<i>1 April</i>	<i>Cash</i>
		<i>2008</i>	<i>flows</i>
		£	£
	Cash at bank and in hand	1,335,563	(596,376)
	Deposits at bank	-	677,037
	Cash held as current asset investment	101,021	(101,021)
		<u>1,436,584</u>	<u>(20,360)</u>
	Securities held as current asset investments	2,774,437	68,905
		<u>4,211,021</u>	<u>(574,948)</u>
		<u>4,211,021</u>	<u>3,684,618</u>

**St Catherine's Hospice Limited**  
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For the year ended 31 March 2009

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23	<b>CASH FLOWS (continued)</b>		
c	Reconciliation of net cash flow to movement in net debt	2009 £	2008 £
	Increase/(Decrease) in cash in the year	(20,360)	(93,896)
	Cash used to increase/(decrease) liquid resources	68,905	514,601
		<u>48,545</u>	<u>420,705</u>
	Realised and unrealised gain on current asset investments	(574,948)	(219,579)
		<u>(526,403)</u>	<u>201,126</u>
	Movement in net debt in the year	(526,403)	201,126
	Net debt at 1 April 2008	4,211,021	4,009,895
	Net debt at 31 March 2009	3,684,618	4,211,021
24	<b>CAPITAL COMMITMENTS</b>	2009 £	2008 £
	Capital expenditure contracted for but not provided for in the financial statements	-	-
		<u>-</u>	<u>-</u>