

**ST DAVID'S FOUNDATION HOSPICE CARE**

**TRUSTEES ANNUAL REPORT**

**AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2014**

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YEAR ENDED 31 MARCH 2014

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**ST DAVID'S FOUNDATION HOSPICE CARE**  
**COMPANY INFORMATION**

YEAR ENDED 31 MARCH 2014

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Chairman: Mr M. Davies CStJ  
Vice-Chairman: Mr S.H. Boyle  
Treasurer: Mrs M. Van de Weyer

Trustees: Mr I.S. Burge Mrs J.E. Child  
Mrs P. J. Davies Lt. Col. D. Evans  
Dr C.C. Gaffney Mr M. Hine  
Dr J.W. Holland Mr D.F. Jessopp OBE  
Dr R. Lurvey MBE Mr J.O. Thompson  
Mrs P.A. White MBE  
Mr B Kutner (deceased 20 September 2013)

President: Sir Richard Hanbury-Tenison KCVO

Vice-Presidents: Dr G. Anderson  
Mr J. Capel  
Mr I. Donald  
Mrs G. A. Goodacre  
Mr W. Jenkyn-Jones  
Mr R. Noble OBE  
Prof W.B. Peeling CBE  
Mrs D. Spence

Patrons: Dr E. Haywood  
Baron Touhig of Islwyn and Glansychan  
Mr J. Over QPM, CPM, DL  
S. Lloyd  
R. O'Shea

Company Secretary: Mrs K.E. Saysell

Chief Executive: Mrs K.E. Saysell

Registered Office: St David's Hospice Care  
Blackett Avenue  
Newport  
NP20 6NH

Auditors: Advantage Accountants  
38 Cathedral Rd  
Cardiff  
CF11 9LL

Bankers: National Westminster Bank plc  
High Street  
Newport  
NP20 1GG

Solicitors: Robert Davies Partnership LLP  
Commercial Lawyers  
Wentwood House  
Langstone Business Village  
Newport  
NP18 2HJ

The Trustees submit their annual report and the audited financial statements for the year ended 31 March 2014. The Trustees have adopted the provisions of "Accounting and Reporting by Charities: Statement of Recommended Practice" (SORP 2005), the Companies Act 2006, the Charities Act 2011 and applicable accounting standards in preparing the annual report and financial statements of the Hospice.

## **REFERENCE AND ADMINISTRATIVE INFORMATION**

### **Constitution**

St David's Foundation Hospice Care is a company limited by guarantee and a registered charity governed by its Memorandum and Articles of Association. Its charity number is 1010576 and its company number is 2700097.

### **Operating name**

The hospice operates under the name "St David's Hospice Care".

### **Directors and Trustees**

The directors of the charitable company ('the hospice') are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year are given on page 2.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing document**

This is the Memorandum and Articles of Association as incorporated on 24<sup>th</sup> March 1992 and altered by Special Resolutions passed on 9<sup>th</sup> January 1995, 29<sup>th</sup> March 2001, 26<sup>th</sup> May 2005 and 27<sup>th</sup> September 2007.

### **Mission statement**

To provide and continue to develop a free and comprehensive specialist palliative care service of excellence throughout Caerphilly, Monmouthshire, Newport, Torfaen and within

certain areas of South & Mid Powys for people, their families and carers, facing a progressive life-threatening illness which is no longer curable. This service recognises the needs of the whole person and is given in co-operation with other agencies.

To provide an educational resource using the special expertise and skills of the hospice.

To ensure that the resources are made available for the provision of the above services.

St David's Foundation Hospice Care has one wholly owned subsidiary, St David's Trading Limited (formerly- St David's Development Limited), a company sharing its registered office with St David's Foundation Hospice Care. St David's Trading Limited conducts trading activities, in greetings cards and other purchased goods for sale in St David's Foundation Hospice Care shops, with all profits being covenanted to St David's Foundation Hospice Care.

### **Organisational structure**

A Board of Trustees of fourteen voluntary members, who meet six times per year, administers the Hospice. The following sub-groups advise the Board: Governance Committee; Retail; Clinical; and Income Generation. The remit of the Governance Committee includes Finance, Health & Safety, the reporting of Clinical Incidents and Risk Management. Health & Safety matters are discussed by an employee Health & Safety Committee in the first instance and issues forwarded to the Governance Committee. The Governance Committee report back to the Board of the Trustees on a bi-monthly basis.

The Trustees appoint a Chief Executive to take overall responsibility for the management of the Hospice by providing professional leadership through the development of strategic plans agreed with the Board of Trustees. The CEO is supported by the senior management team, who prepare reports for the bi-monthly meetings of the Board of Trustees.

## **REPORT OF THE TRUSTEES**

YEAR ENDED 31 MARCH 2014

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### **Recruitment and appointment of Trustees**

The Chairman, Board and Chief Executive review the Board performance yearly through an appraisal system. During this process it is identified if there are any skills or experience gaps on the Board. If and when a vacancy becomes available the Board will look to recruit a member to the Board with the necessary knowledge and experience. Appointments are made via an application and interview process. References are obtained.

Anyone co-opted onto the Board during the year is formally elected at the AGM as set out in the Articles of Association.

### **Induction and Training of Trustees**

The Hospice ensures each Trustee has a comprehensive induction when appointed. Trustees are provided with various Charity Commission documents and guidelines to support them in their role. An annual appraisal system for Trustees highlights any training needs.

## **OBJECTIVES AND ACTIVITIES**

### **Objectives**

The principal objective of the Hospice is to relieve sickness and pain among persons who are suffering from any chronic or life-threatening illness in England and Wales. The Hospice currently confines its work to the Unitary Authorities of Caerphilly, Monmouthshire, Newport and Torfaen and South and Mid Powys.

The Hospice provides a specialist multi-professional palliative care service in community, day hospice and in-patient settings.

The main focus of our work is to provide 24-hour supportive palliative nursing care in patients' own homes via our clinical nurse specialists, hospice-at-home team and our in-patient unit.

The hospice aims to meet this objective by:

- providing high quality care which allows seriously ill people to live with comfort and dignity in the setting of their choice;
- providing expert, practical and holistic care when needed in the patients' own home to prevent unwelcome and unnecessary separation from family and other loved ones;
- offering home care, day care and family support to meet the emotional, physical and social needs of patients including practical help, information, counselling and comfort;
- taking the lead in palliative care education, training and good practice and in collaboration with other agencies, both voluntary and statutory, to extend and raise palliative care skills in the wider community;
- offering a wide range of effective services which are well co-ordinated, multi-professional and result in a seamless service across primary, secondary and tertiary care;
- offering a cross-sector, cross-boundary service, including NHS care, social services and voluntary sector;
- having a service level agreement with Aneurin Bevan Health Board for the provision of specialist nursing services within Caerphilly, Monmouthshire, Newport and Torfaen;
- having a service level agreement with Aneurin Bevan Health Board for services provided to our day hospice centres at County Hospital and at Ysbyty Ystrad Fawr, e.g. housekeeping and catering;
- having a service level agreement with Powys Teaching Local Health Board for hospice at home services in South & Mid Powys; and
- having a service level agreement with Powys Teaching Local Health Board for

**REPORT OF THE TRUSTEES**

YEAR ENDED 31 MARCH 2014

services provided at Usk House day hospice.

- having a service level agreement with Aneurin Bevan Health Board for specialist in-patient care.

**STRATEGIC REPORT****ACHIEVEMENTS AND PERFORMANCE**

In last year's Financial Statements we set out the following priorities for the forthcoming period:

<b>Priority</b>	<b>Outcome</b>
Take over St Anne's in-patient unit and fully integrate staff and services within the hospice.	The takeover has been very successful. There have been various staff changes and developments within the Hospice. Training and staff development have taken place.
Increase bed occupancy within St Anne's in-patient hospice and develop the nursing team.	Bed occupancy has increased to 76% from 64% since the takeover.
Develop and produce a 3 year organisational strategy for the hospice, ensuring all Trustees, staff, volunteers and partners are involved in the process.	A copy of the 3 year strategic plan for 2014-2017 can be found on the hospice's website ( <a href="http://www.stdavidshospicecare.org">www.stdavidshospicecare.org</a> ).
Strengthen the financial stability of the hospice.	We had a successful year and managed to end the year with a surplus.

**Charitable key performance indicators**

The hospice uses a range of performance measures to monitor its charitable work. The key measures are provided below:

We provided services to the following number of patients in the year:

	<b>2014</b>	<b>2013</b>
Number of patients	3,286	3,252
New referrals	2,219	2,161
Discharges	377	462
Deaths	1,225	1,247
Deaths at home	841	854
% died at home	67%	68%

Our Hospice at Home Service provided the following care in the year:

	<b>2014</b>	<b>2013</b>
Number of patients	732	727
Referrals	667	661
Deaths at home	528	551
Percent of deaths at home	99%	95%
Hours of care	53,478	61,761

**REPORT OF THE TRUSTEES**

YEAR ENDED 31 MARCH 2014

The St Anne's in-patient unit provided the following care between June 2013 and March 2014.

	2014
Referrals	241
Admissions	167
Discharges	87
Deaths	85
Average length stay in days	18
Occupied bed days	2,283
Average bed occupancy	75%

The Family support team provided services to the following number of patients in the year:

	2014	2013
<b>Social Work and Welfare Rights</b>		
New referrals	819	809
<b>Bereavement service</b>		
Average caseload	121	100
Visits	1,135	823
Group attendances	121	46
<b>Childrens bereavment service (Unicorn)</b>		
Average caseload	76	70
New referrals (families)	165	127

Care was provided to the following within our day hospices:

	2014	2013
Number of patients	528	289
New Referrals	391	207
Attendances	4,313	2,657

Complementary therapy was given to the following patients in the year

	2014	2013
Average caseload	55	34
Treatments given	1,796	2,632
New referrals	253	373

**Financial Key Performance Indicators**

The key financial performance indicators, including the charities reserves, are disclosed in the financial review below.

**PUBLIC BENEFIT**

Our charitable services are provided without charge to all members of the public with a life threatening illness who are referred by a health care professional and who live in the Unitary Authorities of Caerphilly, Monmouthshire, Newport and Torfaen and South and Mid Powys.

The Trustees are of the opinion that they have complied with their duties to have due regard for the guidance on public benefit. We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the hospice's aims and objectives and in planning our future activities.

**FINANCIAL REVIEW****Income**

Incoming resources have increased compared to last year by £1,317,000. Following the acquisition of St Anne's in-patient unit the hospice has accessed additional streams of income from the Local Health Board and The Welsh Government to support this in-patient service.

**Funding sources**

The hospice receives funding to provide its services from a variety of sources. The hospice received the following from the Welsh Government and NHS Health Boards under long term agreements:

**REPORT OF THE TRUSTEES**

YEAR ENDED 31 MARCH 2014

	Income 2014 £000	% of the expenditure on charitable activities
NHS service level agreements	784	19%
Welsh Government funding	609	14%
	<b>1,393</b>	<b>33%</b>

The hospice receives additional NHS funding for individual care packages. This funding is not subject to a long term agreement:

	Income 2014 £000	% of the expenditure on charitable activities
Care packages	379	9%
	<b>379</b>	<b>9%</b>

The hospice augments this public funding through donations, legacies, grants from trusts, fundraising events and operating a network of retail charity shops and a lottery.

The hospice also receives income for some of the charitable activities it undertakes and from investments.

**Costs of generating funds**

Costs of generating retail trading income represented 69% of that income. Costs of generating fundraising income represented 24% of donations, grants, legacies and fundraising. Lottery costs, including prizes were 58% of lottery income.

**Charitable expenditure**

The hospice has increased its expenditure on charitable activities by £819,000 compared to 2013. This was mainly due to the additional costs of running the St Anne's in-patient unit. However the hospice was also able to increase charitable spending on our other charitable activities.

**Balance sheet**

The balance sheet has strengthened in the period. Cash at bank and in hand has increased by £424,000.

**Reserves policy**

The hospice maintains reserves:

- To provide working capital so that the hospice can manage settling its liabilities when they become due efficiently;
- to ensure the continuity of service in the event of a large variation of income. This continuity risk is particularly important for the hospice as income from legacies is volatile and unpredictable in nature;
- to provide funds to replace fixed assets.

It is the policy of the hospice to maintain unrestricted funds which are free reserves of the hospice which are around five months, but not less than four months and no more than six months of budgeted expenditure on charitable activities, governance costs and support costs. As at 31 March 2014 five months budgeted expenditure on these areas was £1,913,000.

Free reserves are defined as the unrestricted funds of the hospice less any income funds that could only be realised by disposing of fixed assets held for charity use. This is the standard definition set out in SORP 2005 paragraphs 51.1 to 51.4.

As at 31 March 2014 free reserves of the hospice were £1,237,000 (2013 - £1,097,000). This represents 3.2 months (2013 - 3.8 months) of budgeted expenditure on Charitable Activities, Governance Costs and Support Costs.

Therefore although the hospice's free reserves have increased by £140,000 due to the significant increase in budgeted expenditure the position has worsened against the target.

The hospice's reserves fall short of the five month target by £676,000 and the four month lower limit by £293,000. The hospice plans to

## **REPORT OF THE TRUSTEES**

YEAR ENDED 31 MARCH 2014

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eliminate this shortfall by operating a budget surplus over the next three years.

### **Investment policy**

The Trustees have the power to invest in such assets as they see fit. The Trustees have a policy of monitoring and reviewing the hospice's investments twice a year.

The hospice's policy is to invest surplus funds on deposit with UK based institutions. The term of deposits range from instant access to 12 months term deposits.

The hospice holds a small number of listed investments and one investment property. Whilst it is not the current policy to increase these classes of assets the Trustees have no plans to divest in these investments in the short term.

The Governance Committee, on behalf of the Board of Trustees, will review the investments not less than four times a year.

The Trustees will endeavour to ensure that all investments are of an ethical nature and consistent with its work, aims and objectives.

### **PLANS FOR THE FUTURE**

Our key priorities for the forthcoming year are to:

- To implement the priorities set in the 3 year strategic plan for 2014-2017;
- to review in-patient hospice care and;
- to work more closely with statutory services to ensure palliative care patients have the right care, in the right place and the right time.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The risk assessment process consists of five potential areas and principal risks to the hospice:

- Strategic – risks that affect or are created by the hospice's business strategy;
- operational – risks that can be created by clinical performance;

- financial – risks such as financial reporting, income generation and poor management;
- regulatory – risks such as compliance with Healthcare Inspectorate Wales and Care and Social Services Inspectorate Wales;
- personnel – risks such as staff shortage, employment issues and performance.

Each of these areas are reviewed regularly at the Governance Committee and the bi-monthly Board of Trustees meetings.

The uncertainties facing the hospice are intrinsically linked to the risks identified above. The relationship with the NHS continues to be key to the performance of the Hospice and securing long-term Service Level Agreements in the future will be key to securing the hospice going forward.

### **SPECIAL ACKNOWLEDGEMENTS**

The Board wishes to record its appreciation for the generosity of the many supporters of St David's for their donations and bequests and to the hundreds of volunteers who give so willingly of their time and expertise. Thanks are also expressed to the President, Vice-Presidents and Patrons who serve in an honorary capacity.

The Board also wishes to acknowledge the tremendous achievement of the clinical, fundraising, retail and administrative staff who have so ably steered a course of change and development during the year. The continued increase in the level and quality of the service is a tribute to their commitment and loyalty.

The board would like to pay a special thanks to Bernard Kutner who passed away this year. Bernard, the serving treasurer of the hospice, had given the hospice many years of dedicated support.

## **TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS**

The Trustees (who are also directors of St David's Foundation Hospice Care for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the

assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Internal controls over all forms of commitment and expenditure continue to be refined to improve efficiency. Processes are in place to ensure that performance is monitored and that appropriate management information is prepared and reviewed regularly by both the Senior Management Team and the Board of Trustees. The systems of internal control are designed to provide reasonable, but not absolute assurance against material misstatement or loss.

They include:

- A strategic plan and annual budget approved by the Trustees;
- Regular consideration by the Trustees of financial results, variances from budgets, non-financial performance indicators and benchmarking reviews;
- Delegation of day to day management authority and segregation of duties;
- Identification and management of risks.

## **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the Trustees are aware, there is no relevant audit information of which the hospice's auditors are unaware, and they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the hospice's auditors are aware of that information.

## **AUDITORS**

A resolution will be proposed to appoint auditors at the forthcoming Annual General Meeting.

Approved by Order of the Board of Trustees on 31 July 2014.



Mrs K.E. Saysell  
Company Secretary  
Registered Office  
St David's Hospice Care  
Blackett Avenue  
Newport  
NP20 6NH

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST DAVID'S FOUNDATION HOSPICE CARE**

YEAR ENDED 31 MARCH 2014

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We have audited the financial statements of St. David's Foundation Hospice Care for the year ended 31 March 2014 which comprise the Statement of Financial Activities, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charity's members, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR**

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also directors of the company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

## **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company and its group affairs as at 31 March 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST DAVID'S FOUNDATION HOSPICE CARE

YEAR ENDED 31 MARCH 2014

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## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

*S. J. Bickerton*

*21/9/14*

STEPHEN JOHN BICKERTON FCCA (Senior Statutory Auditor)

For and on behalf of

ADVANTAGE ACCOUNTANCY & ADVISORY LLP

Chartered Certified Accountants & Statutory Auditor

38 Cathedral Road

Cardiff

CF11 9LL

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Including Income & Expenditure Account)

YEAR ENDED 31 MARCH 2014

	Notes	Unrestricted funds £000	Restricted funds £000	Total funds 2014 £000	Total funds 2013 £000
<b>INCOMING RESOURCES</b>					
<i>Incoming resources from generated funds</i>					
Voluntary income	3	1,736	32	1,768	1,126
Activities for generating funds	4	4,239	25	4,264	3,764
Investment Income	5	24	-	24	33
<i>Incoming resources from charitable activities</i>					
	6	1,196	-	1,196	990
<i>Other incoming resources</i>	7	109	15	124	146
<b>Total incoming resources</b>		<b>7,304</b>	<b>72</b>	<b>7,376</b>	<b>6,059</b>
<b>RESOURCES EXPENDED</b>					
<i>Costs of generating funds</i>					
Costs of generating voluntary income		24	-	24	11
Fundraising trading		2,861	-	2,861	2,594
Investment management costs		1	-	1	1
<i>Charitable activities</i>		4,151	51	4,202	3,382
<i>Governance costs</i>		40	-	40	47
<i>Other resources expended</i>		(19)	-	(19)	157
<b>Total resources expended</b>		<b>7,058</b>	<b>51</b>	<b>7,109</b>	<b>6,192</b>
<i>Transfers</i>					
Gross transfers between funds	18	3,337	(3,337)	-	-
Net incoming resources before other recognised gains and losses		246	21	267	(133)
<i>Other recognised gains / losses</i>					
Gains / (losses) on investment assets		1	-	1	(2)
<b>Net movement in funds</b>		<b>247</b>	<b>21</b>	<b>268</b>	<b>(135)</b>
Total funds brought forward		2,013	3,328	5,341	5,476
<b>Total funds carried forward</b>	<b>18</b>	<b>2,260</b>	<b>3,349</b>	<b>5,609</b>	<b>5,341</b>

The statement of financial activities includes all gains and losses recognised in the year.

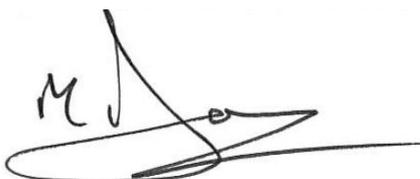
All incoming resources and resources expended derive from continuing activities.

**BALANCE SHEETS**

AS AT 31 MARCH 2014

	Notes	Group 2014 £000	Group 2013 £000	Charity 2014 £000	Charity 2013 £000
<b>FIXED ASSETS</b>					
Intangible assets	11	(165)	-	(165)	-
Tangible assets	12	4,351	4,327	4,413	4,390
Investments	13	56	55	56	55
		<b>4,242</b>	<b>4,382</b>	<b>4,304</b>	<b>4,445</b>
<b>CURRENT ASSETS</b>					
Stock		20	10	4	10
Debtors	14	356	289	365	296
Cash at bank and in hand	15	1,834	1,410	1,833	1,401
		<b>2,210</b>	<b>1,709</b>	<b>2,202</b>	<b>1,707</b>
<b>LIABILITIES</b>					
Creditors: Amounts falling due within one year	16	550	382	542	380
<b>NET CURRENT ASSETS</b>		<b>1,660</b>	<b>1,327</b>	<b>1,660</b>	<b>1,327</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>					
		<b>5,902</b>	<b>5,709</b>	<b>5,964</b>	<b>5,772</b>
Creditors: Amounts falling due after more than one year	17	293	368	293	368
<b>NET ASSETS</b>		<b>5,609</b>	<b>5,341</b>	<b>5,671</b>	<b>5,404</b>
<b>THE FUNDS OF THE CHARITY</b>					
Restricted income funds	18	12	3,328	12	3,328
Unrestricted income funds	18	5,597	2,013	5,659	2,076
<b>TOTAL CHARITY FUNDS</b>		<b>5,609</b>	<b>5,341</b>	<b>5,671</b>	<b>5,404</b>

Signed and authorised for issue on behalf of the Board of Trustees



Mr M Davies CSTJ

Approved and authorised for issue by the Board on 31 July 2014

**CONSOLIDATED CASH FLOW STATEMENT**

YEAR ENDED 31 MARCH 2014

	Notes	2014 £000	2013 £000
<b>Net cash inflow from operating activities</b>	A	403	213
<b>Returns on investments and servicing of finance</b>			
Interest received		21	30
Rent from investment property		3	3
Loan interest paid		(10)	(16)
Finance lease interest paid		(8)	(20)
Costs related to investment property paid		(1)	(1)
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(197)	(735)
Sale of tangible fixed assets		3	199
<b>Acquisitions and disposals</b>			
Receipt from acquisition of business		250	-
<b>Management of liquid resources</b>			
(Increase) in cash invested in short term deposits		(296)	(1,241)
<b>Financing</b>			
Receipt from loan		-	506
Repayment of loan		(11)	(306)
Capital element of finance leases		(29)	(89)
<b>Increase / (Decrease) in cash in the year</b>		<b>128</b>	<b>(1,457)</b>

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT****A. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES**

	2014 £000	2013 £000
<b>Net (outgoing) / incoming resources</b>	267	(133)
<b>Investment income</b>	(24)	(33)
<b>Interest payable</b>	18	37
<b>Investment management costs</b>	1	1
<b>Depreciation charges</b>	201	212
<b>Surplus on sale of fixed asset</b>	(3)	(146)
<b>Amorisation of negative goodwill</b>	(113)	-
<b>(Increase) in stock</b>	(10)	(10)
<b>(Increase) / decrease in debtors</b>	(67)	147
<b>Increase in creditors</b>	133	138
<b>Net cash inflow from operating activities</b>	<b>403</b>	<b>213</b>

**CONSOLIDATED CASH FLOW STATEMENT**

YEAR ENDED 31 MARCH 2014

**B. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUND**

	2014	2013
	£000	£000
Increase / (Decrease) in cash in the year	128	(1,457)
Increase in liquid resources	296	1,241
Decrease / (increase) in financing	40	(111)
Net funds brought forward	1,118	1445
<b>Net funds carried forward</b>	<b>1,582</b>	<b>1,118</b>

**C. ANALYSIS OF CHANGES IN NET FUNDS**

	Brought forward	Cash flow	Carried forward
	£000	£000	£000
Cash at bank and in hand	169	128	297
Short term deposits	1,241	296	1,537
Loans	(200)	11	(189)
Finance leases	(92)	29	(63)
	<b>1,118</b>	<b>464</b>	<b>1,582</b>

For the purposes of this reconciliation net funds are defined as cash and liquid resources less loans and obligations under finance leases as defined within FRS 1 Cash Flow Statements. These net funds are not related to the funds of the hospice set out in note 18.

## **NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2014

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### **1. PRINCIPAL ACCOUNTING POLICIES**

#### **Basis of Accounts Preparation**

The consolidated accounts include the financial statements of the hospice and its subsidiary, St David's Development Company Limited using the acquisition method, and have been prepared under the historical cost convention with the exception of investments, which are stated at market value.

The recommendations of "Accounting and Reporting by Charities: Statement of Recommended Practice" (SORP 2005) have been followed in the preparation of these accounts and applicable UK Accounting Standards.

#### **Incoming resources**

Voluntary income such as donations represents amounts received and recorded at offices during the year. The hospice is able to make claims for income tax refunds in the case of gift aid donations. All taxation receivable has been included.

Legacy income comprises amounts actually received during the year, with the exception of any legacies received after the year-end, which are deemed material and for which the hospice has established an entitlement to the monies.

Grants comprise amounts receivable during the year for all grants including grants received for the purpose of purchasing fixed assets. Grants received are split between restricted and unrestricted funds depending upon the offer letter accompanying the grant receipt.

Dividend investment income is credited to income when it is actually received.

No value has been put on the help received by volunteers during the year.

Retail shop sales relates to sales of donated and bought in goods by the hospice. Donated goods for resale are recognised when they are sold.

Lottery ticket sales sold in advance are deferred and included in the period in which the draw takes place.

#### **Resources expended**

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

#### **Support costs**

Support costs are those costs that whilst necessary to deliver an activity, do not themselves produce or constitute the output of the charitable activity. These costs include Finance, Human Resources, ICT, corporate costs including the costs of employing the Chief Executive, financing costs, insurance and legal and professional fees.

Where these costs are directly attributable to specific activities they have been included in those cost categories. Where these costs are attributable to more than one activity they are apportioned across cost categories on the basis of staff hours. The Trustees consider this to be the most equitable method of splitting expenditure attributable to more than one activity.

In year ended 31 March 2013 these costs were apportioned based on fixed percentages. This apportionment has not been restated as the trustees consider this change to be a change of estimation technique rather than a change in accounting policy.

## **NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2014

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### ***Lottery***

The hospice operates a lottery. Lottery income and expenses are included in the accounts on an accruals basis.

### ***Fundraising expenditure***

This expenditure comprises costs incurred in encouraging people or organisations to contribute financially to the hospice's work. This includes the cost of advertising for funds and the cost of mounting appeals and staging special events.

### ***Retail shop costs***

These expenses represent all costs incurred in running the trading shops during the year.

### ***Charitable activities***

This includes all costs relating to the furtherance of the hospice's objectives.

### ***Governance costs***

This includes costs associated with the governance arrangements of the hospice which relate to the general running of the hospice. It includes audit costs and costs associated with the constitutional and statutory requirements such as the cost of Trustee meetings and preparing statutory financial statements.

### ***Pension costs***

Details of the pension schemes including the accounting policies adopted can be found in note 23.

### ***Finance and operating leases***

Payments made in respect of operating leases are charged to the accounts in the year in which they are paid. Finance leases are recorded on the balance sheet as an asset and as an obligation to pay future rentals. Rentals payable are apportioned between the finance interest charge and a reduction of the outstanding obligation. Finance lease interest is calculated on a straight line basis.

### ***Irrecoverable VAT***

The hospice suffers from irrecoverable VAT due to the fact that it makes exempt supplies and receives non-business income and therefore not all input VAT is recoverable. This is written off to the Statement of Financial Activities in the period in which it arises.

### ***Netting off income and expenditure***

Income and expenditure are stated gross.

### **Fixed assets**

#### ***Intangible fixed assets***

Negative goodwill arising from business acquisitions is capitalised and amortised over 2 years.

## **NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2014

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### ***Tangible Fixed assets***

Tangible fixed assets are recorded at cost, or in cases where fixed assets have been donated to the hospice, at valuation at time of acquisition. Fixed assets with an initial cost of less than £1,000 are not capitalised but are included in full in expenditure in the year of acquisition. Depreciation is charged to write off the cost of fixed assets over their estimated useful lives at the following annual rates:

Freehold buildings	2% Straight Line
Leasehold buildings	Life of lease (99 Years) Straight line
Fixtures, fittings and equipment	20% Straight Line
Computer equipment	33% Straight Line
Motor vehicles	20% Straight Line

Computer equipment is included with Fixtures, fittings and equipment.

### **Investment property**

Investment properties are included in the balance sheet at their open market value in accordance with SORP 2005 paragraph 296 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the hospice.

### **Listed investments**

Listed investments held are shown at market value.

### **Stock**

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Donated items are not included in stock.

### **Funds structure**

The hospice's funds are split into general funds and restricted funds.

### ***Restricted funds***

These are funds that can only be used for particular restricted purposes within the objects of the hospice.

Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

### ***Unrestricted general funds***

These funds are available for the general purposes of the hospice, to be used in accordance with the charitable objects at the discretion of the Trustees. From time to time the Trustees may earmark part of the unrestricted funds to be used for particular purposes within the Charity's objects. Such sums are described as 'designated funds'.

### **Liabilities**

The financial statements are prepared on an accruals basis thus recognising all liabilities when the hospice has committed itself to an expense or contractual obligation.

**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2014

**2. NET INCOMING / (OUTGOING) RESOURCES**

The net incoming / (outgoing) resources for the year are stated after charging:

	2014	2013
	£000	£000
Depreciation of tangible fixed assets - owned	160	124
Depreciation of tangible fixed assets - held under finance lease	41	88
Auditor's remuneration	6	11
Auditor's remuneration in respect of other services	8	1

**3. VOLUNTARY INCOME**

	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2014 £000	Total Funds 2013 £000
<b><i>Donations and gifts</i></b>				
General	354	16	370	184
In memory	295	-	295	263
<b><i>Legacies</i></b>	465	-	465	268
<b><i>Grants</i></b>				
Welsh Government funding	609	-	609	331
Trusts	13	16	29	80
	<b>1,736</b>	<b>32</b>	<b>1,768</b>	<b>1,126</b>

**4. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2014 £000	Total Funds 2013 £000
<b><i>Retail trading</i></b>	3,213	-	3,213	2,784
<b><i>Fundraising</i></b>	564	25	589	487
<b><i>Lottery</i></b>	462	-	462	491
<b><i>Other income</i></b>	-	-	-	2
	<b>4,239</b>	<b>25</b>	<b>4,264</b>	<b>3,764</b>

**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2014

**5. INVESTMENT INCOME**

	Unrestricted funds £000	Restricted funds £000	Total funds 2014 £000	Total funds 2013 £000
<i>Interest received</i>	21	-	21	30
<i>Rent from investment property</i>	3	-	3	3
	<b>24</b>	<b>-</b>	<b>24</b>	<b>33</b>

**6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted funds £000	Restricted funds £000	Total funds 2014 £000	Total funds 2013 £000
<i>Service level agreements</i>	784	-	784	579
<i>Care packages</i>	379	-	379	383
<i>Other charitable activities</i>	33	-	33	28
	<b>1,196</b>	<b>-</b>	<b>1,196</b>	<b>990</b>

**7. OTHER INCOMING RESOURCES**

Included in other incoming resources is £113,000 amortisation of negative goodwill following the acquisition of St Anne's in-patient hospice. See notes 11 and 22.

**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2014

**8. SUPPORT COSTS**

The hospice allocates its support costs as shown in the table below in accordance with the basis of allocation set out in the accounting policies.

	<b>Total 2014 £000</b>	<b>Total 2013 £000</b>
<b><i>Costs of generating voluntary income</i></b>	1	-
<b><i>Fundraising trading</i></b>		
Retail trading	97	66
Fundraising	10	66
Lottery	6	66
Investment management costs	-	-
<b><i>Charitable activities</i></b>	313	465
<b><i>Governance</i></b>	-	-
<b><i>Other resources expended</i></b>	-	-
	<b>427</b>	<b>663</b>

**9. RESOURCES EXPENDED**

	<b>Direct costs £000</b>	<b>Support costs £000</b>	<b>Total 2014 £000</b>	<b>Total 2013 £000</b>
<b><i>Costs of generating voluntary income</i></b>	23	1	24	11
<b><i>Fundraising trading</i></b>				-
Retail trading	2,107	97	2,204	1,928
Fundraising	377	10	387	329
Lottery	264	6	270	337
Investment Management costs	1	-	1	1
<b><i>Charitable activities</i></b>	3,889	313	4,202	3,382
<b><i>Governance</i></b>	40	-	40	47
<b><i>Other resources expended</i></b>	(19)	-	(19)	157
	<b>6,682</b>	<b>427</b>	<b>7,109</b>	<b>6,192</b>

Other resources expended comprise a charge to increase the provision in respect to the deficit on the Flexiplan pension scheme in 2013 and a reduction in that charge in 2014 due to a change in the recovery plan. See note 23.

**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2014

**10. STAFF COSTS**

	<b>Total 2014 £000</b>	<b>Total 2013 £000</b>
Wages and salaries	3,944	3,507
Social security costs	276	254
Pension costs	246	234
	<b>4,466</b>	<b>3,995</b>

Employees whose emoluments excluding employer pension contributions were equal to or greater than £60,000 were as follows:

	<b>2014</b>	<b>2013</b>
£60,001 - £70,000	1	1
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1

One of the employees above is accruing benefits under a defined contribution scheme and one is accruing benefits under a defined benefit scheme. Contributions in the year for the member of staff accruing benefits under a defined contribution scheme were £4,000 (2013 - £4,000).

The average number of employees, analysed by function were:

	<b>2014</b>	<b>2013</b>
Charitable activities	171	155
Retail trading	84	78
Fundraising	6	6
Lottery	10	10
Management and administration	6	7
	<b>277</b>	<b>256</b>

No remuneration has been paid to any of the hospice's Trustees or any expenses reimbursed to them.

During the year the hospice purchased insurance to protect the hospice from loss arising from the neglect or defaults of its Trustees, employees or agents. The cost of this was included within the insurance charge.

**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2014

**11. INTANGIBLE FIXED ASSETS****Group and company**

	Negative goodwill £000
<b>Asset cost</b>	
Additions	(278)
<b>Carried forward</b>	<b>(278)</b>
<b>Accumulated amortisation</b>	
Charge for the year	(113)
<b>Carried forward</b>	<b>(113)</b>
<b>Net book value</b>	
<b>Carried forward</b>	<b>(165)</b>
<b>Brought forward</b>	<b>-</b>

Negative goodwill has arisen following the acquisition of St Anne's in-patient unit in the period. See note 22.

**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2014

**12. TANGIBLE FIXED ASSETS****Group**

	Freehold land and buildings £000	Leasehold land and buildings £000	Fixtures, fittings and equipment £000	Motor vehicles £000	Total £000
<b>Asset cost</b>					
Brought forward	234	3,781	1,048	198	5,261
Additions	-	-	154	70	224
Disposals	-	-	(133)	(26)	(159)
Transfers	-	-	-	-	-
<b>Carried forward</b>	<b>234</b>	<b>3,781</b>	<b>1,069</b>	<b>242</b>	<b>5,326</b>
<b>Accumulated depreciation</b>					
Brought forward	19	31	761	123	934
Disposals	-	-	(133)	(27)	(160)
Charge for the year	3	39	124	35	201
<b>Carried forward</b>	<b>22</b>	<b>70</b>	<b>752</b>	<b>131</b>	<b>975</b>
<b>Net book value</b>					
<b>Carried forward</b>	<b>212</b>	<b>3,711</b>	<b>317</b>	<b>111</b>	<b>4,351</b>
<b>Brought forward</b>	<b>215</b>	<b>3,750</b>	<b>287</b>	<b>75</b>	<b>4,327</b>

**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2014

**Company**

	Freehold land and buildings £000	Leasehold land and buildings £000	Fixtures, fittings and equipment £000	Motor vehicles £000	Total £000
<b>Asset cost</b>					
Brought forward	234	3844	1048	198	5,324
Additions	-	-	154	70	224
Disposals	-	-	(133)	(26)	(159)
Transfers	-	-	-	-	-
<b>Carried forward</b>	<b>234</b>	<b>3,844</b>	<b>1,069</b>	<b>242</b>	<b>5,389</b>
<b>Accumulated depreciation</b>					
Brought forward	19	31	761	123	934
Disposals	-	-	(133)	(27)	(160)
Charge for the year	3	40	124	35	202
<b>Carried forward</b>	<b>22</b>	<b>71</b>	<b>752</b>	<b>131</b>	<b>976</b>
<b>Net book value</b>					
<b>Carried forward</b>	<b>212</b>	<b>3,773</b>	<b>317</b>	<b>111</b>	<b>4,413</b>
<b>Brought forward</b>	<b>215</b>	<b>3,813</b>	<b>287</b>	<b>75</b>	<b>4,390</b>

The Fixed assets of the hospice includes £63,000 under leasehold land and buildings which relate to capitalised cost of services provided to the hospice by its subsidiary for the construction of the Blakett Avenue site. In the year depreciation of £1,000 has been charged against this asset.

Included in computers and equipment are assets costing £59,000 that were acquired under finance leases. The related accumulated depreciation is £35,000 and the depreciation charged in the year was £20,000.

Included in motor vehicles are assets costing £131,000 that were acquired under finance leases. The related accumulated depreciation is £94,000 and the depreciation charged in the year was £21,000.

**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2014

**13. INVESTMENTS****Group and company**

	Property in UK £000	Listed in UK £000	Listed outside UK £000	Total £000
Market Value brought forward	53	-	2	55
Unrealised Gains	-	-	1	1
<b>Market value carried forward</b>	<b>53</b>	<b>-</b>	<b>3</b>	<b>56</b>
<b>Historic cost brought forward and carried forward</b>	<b>53</b>	<b>-</b>	<b>3</b>	<b>56</b>

The hospice owns the entire ordinary share capital in its subsidiary undertaking St David's Trading Limited (formerly St David's Development Company Limited).

	Subsidiary undertaking £
<b>Group</b>	
<b>Cost brought forward and carried forward</b>	<b>-</b>
<b>Charity</b>	
<b>Cost brought forward and carried forward</b>	<b>1</b>

St David's Trading Limited is incorporated in England and Wales and its principal activity is retail trading through a network of charity shops.

**14. DEBTORS**

	Group 2014 £000	Group 2013 £000	Charity 2014 £000	Charity 2013 £000
Trade debtors	85	75	85	75
Amounts due from subsidiary undertakings	-	-	3	16
Other debtors	43	45	37	35
Prepayments and accrued income	228	169	240	170
	<b>356</b>	<b>289</b>	<b>365</b>	<b>296</b>

**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2014

**15. CASH AT BANK AND IN HAND**

	<b>Group 2014 £000</b>	<b>Group 2013 £000</b>	<b>Charity 2014 £000</b>	<b>Charity 2013 £000</b>
Cash on short term deposit	1,537	1,241	1,537	1,240
Cash and bank balances	297	169	296	161
	<b>1,834</b>	<b>1,410</b>	<b>1,833</b>	<b>1,401</b>

**16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group 2014 £000</b>	<b>Group 2013 £000</b>	<b>Charity 2014 £000</b>	<b>Charity 2013 £000</b>
Loans and overdrafts	10	12	10	12
Trade creditors	182	76	176	76
Other creditors	34	30	34	32
Accruals and deferred income	186	138	184	134
Taxation and social security	84	74	84	74
Obligations under finance leases	32	36	32	36
Pension liability	22	16	22	16
	<b>550</b>	<b>382</b>	<b>542</b>	<b>380</b>

The bank loan is secured against certain assets of the hospice.

**17. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	<b>Group 2014 £000</b>	<b>Group 2013 £000</b>	<b>Charity 2014 £000</b>	<b>Charity 2013 £000</b>
Loans and overdrafts	179	188	179	188
Obligations under finance leases	31	56	31	56
Pension liability	83	124	83	124
	<b>293</b>	<b>368</b>	<b>293</b>	<b>368</b>

The bank loan is secured against certain assets of the hospice.

**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2014

**18. MOVEMENT IN FUNDS**

	Balance at 1 April 2013 £000	Resources incoming £000	Resources outgoing £000	Gains and losses £000	Transfers £000	Balance at 31 March 2014 £000
<b>UNRESTRICTED FUNDS</b>						
General fund	1,815	7,304	(7,058)	1	3,337	5,399
Revaluation reserve	198	-	-	-	-	198
<b>Total unrestricted funds</b>	<b>2,013</b>	<b>7,304</b>	<b>(7,058)</b>	<b>1</b>	<b>3,337</b>	<b>5,597</b>
<b>RESTRICTED FUNDS</b>						
Blackett Avenue day hospice general	-	1	(1)	-	-	-
Blackett Avenue furniture	5	-	-	-	(5)	-
Chair GAVO	5	-	-	-	(5)	-
Day hospice Masonic Lodge	4	-	(4)	-	-	-
Equipment for fundraising	-	1	-	-	(1)	-
Friends of St Anne's	-	25	(25)	-	-	-
G E Aviation & Caerphilly CBC -Ystrad Mynach	5	-	(5)	-	-	-
Garden chairs	1	-	-	-	-	1
Hoist - Welsh Church Fund	1	-	-	-	-	1
Minibus	-	13	-	-	(13)	-
Monmouth patients	-	3	(3)	-	-	-
Music therapy	-	3	-	-	-	3
New hospice development	3,285	-	-	-	(3,285)	-
Panteg day hospice general	-	1	(1)	-	-	-
Panteg furniture	-	2	-	-	(2)	-
Panteg garden furniture	1	-	-	-	(1)	-
Patient transport	1	-	(1)	-	-	-
Resources for children's worker	4	-	-	-	(4)	-
Social worker fund	4	1	-	-	-	5
St Anne's hospice general	-	2	(2)	-	-	-
Syringe driver	-	1	-	-	-	1
Telemedicine project	4	-	(4)	-	-	-
Therapy rooms	6	-	-	-	(6)	-
Unicorn HBOS Osbaston school	1	-	(1)	-	-	-
Usk House day hospice general	-	3	(3)	-	-	-
Van and syringe driver	-	15	-	-	(15)	-
YM day hospice general	-	1	(1)	-	-	-
Other restricted funds	1	-	-	-	-	1
<b>Total restricted funds</b>	<b>3,328</b>	<b>72</b>	<b>(51)</b>	<b>-</b>	<b>(3,337)</b>	<b>12</b>
<b>Total funds</b>	<b>5,341</b>	<b>7,376</b>	<b>(7,109)</b>	<b>1</b>	<b>-</b>	<b>5,609</b>

**NOTES TO THE FINANCIAL STATEMENTS**YEAR ENDED 31 MARCH 2014

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During the year the balance of certain restricted funds were transferred to unrestricted funds. The original use of these funds was restricted to the purchase of fixed assets. Since the assets are held for a general and not a restricted purpose the balance has been transferred to unrestricted funds in accordance with SORP paragraph 214 (e).

<i><b>Name of Fund</b></i>	<i><b>Description, nature and purpose of the fund</b></i>
Blackett Avenue day hospice general	Funded from various sources to support our work in the Blackett Avenue day hospice.
Blackett Avenue furniture	Funded by Percy Bilton for furniture at Blackett Ave.
Chair GAVO	Provided by GAVO to fund the purchase of a hoist.
Day hospice Masonic Lodge	Provided by Masonic Lodges to fund day hospice services.
Equipment for fundraising	Provided by Coventry Building Society to fund the purchase of equipment for the Fundraising department.
Friends of St Anne's	Provided by the charity "The Friends of St Anne's" to support our work in the St Anne's in-patient unit.
G E Aviation & Caerphilly CBC – Ystrad Mynach	To fund sensory garden in Ystrad Mynach. Garden to be completed July 2013.
Garden chairs	From J Vellacott to fund Garden chairs.
Hoist - Welsh Church Fund	Provided by Welsh Church Fund to fund a Hoist.
Minibus	Provided by The Pontypool Round Table to fund the purchase of a minibus.
Monmouth patients	Provided by Monmouth charity to support the Care of patients living in Monmouth.
Music therapy	Provided by The D'Oyly Carte Charitable Trust to support a Music Therapy project.
New hospice development	To fund the construction of the new day hospice at Blackett Avenue.
Panteg day hospice general	Funded from various sources to support our work in the Panteg day hospice.
Panteg furntiure	Provided by The Cwmbran Trust to fund the purchase of furniture at the Panteg day hospice.
Panteg garden furniture	To fund the re-development of the garden at Panteg.
Patient transport	To fund patient transport from Usk Charity workshop.
Resources for children's worker	Money to be used for books, toys and equipment for the Unicorn Project.

**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2014

<i><b>Name of Fund</b></i>	<i><b>Description, nature and purpose of the fund</b></i>
Social worker fund	This fund received from various sources is used to support patients who are facing financial hardship.
St Anne's in-patient unit general	Funded from various sources to support our work in St Anne's in-patient unit.
Syringe driver	Provided by Ann Watkins and to fund the purchase of a syringe driver.
Telemedicine project	To support Telemedicine education sessions.
Therapy rooms	From Wales and West Utilities for new Therapy rooms.
Unicorn HBOS, Osbaston School	Money dedicated to be spent on the Unicorn Project for equipment etc.
Usk House day hospice general	Funded from various sources to support our work in the Usk House day hospice.
Van and syringe driver	This fund arose from the acquisition of St Anne's in-patient unit. The acquisition included the transfer of funds that were restricted to the purchase of a van and the purchase of a syringe driver.
YM day hospice general	Funded from various sources to support our work in the Ystrad Mynach day hospice.
Other restricted funds	Other funds with balances less than £500.

**19. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Investments £000</b>	<b>Tangible fixed assets £000</b>	<b>Other net assets £000</b>	<b>Total £000</b>
Restricted income funds	-	1	11	12
Unrestricted income funds	56	4,350	1,191	5,597
	<b>56</b>	<b>4,351</b>	<b>1,202</b>	<b>5,609</b>

**NOTES TO THE FINANCIAL STATEMENTS**

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**20. COMMITMENTS**

The hospice's annual commitments under non-cancellable operating leases at 31 March 2014 relate to short leasehold land and buildings as set out below:

	2014 £000	2013 £000
Within one year	144	65
Within two to five years	255	255
Over five years	193	120
	<b>592</b>	<b>440</b>

**21. RELATED PARTY TRANSACTIONS**

In accordance with FRS 8 the hospice has taken advantage of an exemption from disclosing transactions with its subsidiary on the grounds that they are wholly owned.

There were no transactions with Trustees in the year.

**22. ACQUISITION**

The hospice acquired St Anne's in-patient unit on 7 June 2013 from The English Province of the Sisters of Saint Joseph of Annecy via a deed of transfer. The business combination has been accounted for as an acquisition.

	£000	£000
Fair value of consideration		nil
<i>Assets acquired at acquired entities book value and at fair value:</i>		
Fixed assets	28	
Cash	250	
		<b>278</b>
<b>Negative goodwill arising from acquisition</b>		<b>(278)</b>

The cash asset included £15,000 that was restricted. A restricted fund has been established called "Van and syringe driver" as set out in note 18.

**23. PENSIONS**

The hospice contributed to two pension schemes in the financial year the Scottish Life scheme and the NHS pension scheme. The Flexiplan scheme is closed to new members.

**Scottish Life scheme**

The hospice operates a defined contribution pension scheme for its employees, where all the assets are held in a separately administered fund, which is outside the control of the hospice. At the year-end there were 128 employees who were members of the scheme. Employer contributions charged

## **NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2014

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against income in the year were £149,000. Outstanding contributions at the balance sheet date were £13,000.

### **NHS scheme**

Staff transferring from the NHS may continue to contribute to the NHS scheme. The scheme is an unfunded defined benefit scheme but the hospice is unable to identify its share of the underlying assets and liabilities of the Plan on a consistent and reasonable basis and therefore, as permitted by FRS 17 "Retirement Benefits", it accounts for the Plan as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the hospice's contributions payable to the Plan in respect of the accounting period. The employee contribution percentage rates under this scheme vary depending on pensionable earnings. Employer contributions charged against income in the year were £207,000. Outstanding contributions at the balance sheet date were £19,000.

### **Flexiplan scheme**

The Federated Flexiplan No.1 ("the Plan") is a defined benefit pension scheme. However, because of the non associated multi-employer nature of the Plan the Company is unable to identify its share of the underlying assets and liabilities of the Plan on a consistent and reasonable basis and therefore, as permitted by FRS 17 "Retirement Benefits", it accounts for the Plan as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the Company's contributions payable to the Plan in respect of the accounting period.

The Plan closed to further accrual in January 2010 and following two Court hearings, for interpretation of the Plan rules, the entitlement of members has been definitively established. An actuarial valuation at 31 March 2009 revealed a significant deficit and a consequent Recovery Plan required the Company to contribute £16,648 for the three years commencing 1st April 2011 in respect of its share of the deficit.

A further actuarial valuation, at 31 March 2012, shows that the overall deficit at that date is approximately £18.3 million. In line with the approach used for the 2009 valuation, the basis used to calculate the deficit was chosen to produce a level for the liabilities which was anticipated to be broadly in line with the cost of securing the Plan benefits with an insurer. A new Recovery Plan has now been issued which takes account of the 31 March 2012 actuarial valuation and subsequent changes in assets and liabilities up to the date of signing the valuation in June 2013.

Following the outcome of the Court case the Trustee of the Plan has decided to adjust each employer's liability in the new Recovery Plan to reflect the extent to which each employer has either underpaid or overpaid contributions during the course of the existing Recovery Plan. The Company will be required to pay £22,000 per annum for three years from 1st April 2014 and £19,000 per annum for two years from 1st April 2017 as its share of the deficit.

The next formal triennial actuarial valuation, which is due at 31 March 2015, may result in another revised Recovery Plan which in turn may change the amount the Company is required to contribute for its share of the deficit.

## **24. LEGAL STATUS OF THE CHARITY**

St. David's Foundation Hospice Care is a company limited by guarantee, not having a share capital, exempt from the requirement to use the word "limited" and is a registered charity. The liability of each member in the event of a winding-up is limited to £1.

**NOTES TO THE FINANCIAL STATEMENTS**

YEAR ENDED 31 MARCH 2014

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**25. TAXATION**

The company has obtained charitable status under Section 505(1a) and (1c) Income and Corporation Taxes Act 1988 and has only undertaken primary purpose activities during the year and is therefore exempt from Corporation Tax.