

ST DAVID'S FOUNDATION HOSPICE CARE

TRUSTEES ANNUAL REPORT

AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

CONTENTS

YEAR ENDED 31 MARCH 2015

COMPANY INFORMATION	2
REPORT OF THE TRUSTEES	3
REFERENCE AND ADMINISTRATIVE INFORMATION	3
STRUCTURE, GOVERNANCE AND MANAGEMENT	3
OBJECTIVES AND ACTIVITIES	4
STRATEGIC REPORT	5
ACHIEVEMENTS AND PERFORMANCE	5
PUBLIC BENEFIT	6
FINANCIAL REVIEW	6
PLANS FOR THE FUTURE	8
PRINCIPAL RISKS AND UNCERTAINTIES	9
SPECIAL ACKNOWLEDGEMENTS	9
TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS	9
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS	10
AUDITORS	10
INDEPENDENT AUDITORS' REPORT	11
BALANCE SHEETS	14
CONSOLIDATED CASH FLOW STATEMENT	15
NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT	15
NOTES TO THE FINANCIAL STATEMENTS	17

ST DAVID'S FOUNDATION HOSPICE CARE
COMPANY INFORMATION

YEAR ENDED 31 MARCH 2015

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

President: Sir Richard Hanbury-Tenison KCVO

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

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

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 Accountancy & Advisory LLP
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 2015. 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 24th March 1992 and altered by Special Resolutions passed on 9th January 1995, 29th March 2001, 26th May 2005 and 27th 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.

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

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 2015

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 2015

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:

Priority	Outcome
To implement the priorities set in the 3 year strategic plan for 2014-2017.	The priorities have been met for 2014/15.
To review in-patient hospice care.	In patient hospice care was reviewed, a new development proposed and a business case submitted to the Welsh Government.
To work more closely with statutory services to ensure palliative care patients have the right care, in the right place and the right time.	The hospice worked with ABUHB to develop a strategic plan for end of life care.

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:

	2015	2014
Number of patients	3,356	3,286
New referrals	2,291	2,219
Discharges	304	377
Deaths	1,339	1,225
Deaths at home	961	841
% died at home	72%	69%

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

	2015	2014
Number of patients	802	732
Referrals	765	667
Deaths at home	544	528
Percent of deaths at home	97%	99%
Hours of care	56,138	53,478

REPORT OF THE TRUSTEES

YEAR ENDED 31 MARCH 2015

The St Anne's in-patient unit provided the following care in the year. In year ended 31 March 2014 the in-patient unit was operated by the hospice between June 2013 and March 2014.

	2015	2014
Referrals	292	241
Admissions	208	167
Discharges	76	87
Deaths	111	85
Average length stay in days	13	18
Occupied bed days	2,723	2,283
Average bed occupancy	77%	75%

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

	2015	2014
Social Work and Welfare Rights		
New referrals	855	819
Bereavement service		
Average caseload	133	121
Visits	1,429	1,135
Group attendances	94	121
Childrens bereavment service (Unicorn)		
Average caseload	81	76
New referrals (families)	172	165

Care was provided to the following within our day hospices:

	2015	2014
Number of patients	443	528
New Referrals	297	391
Attendances	4,522	4,313

Complementary therapy was given to the following patients in the year

	2015	2014
Average caseload	39	34
Treatments given	2,457	2,632
New referrals	337	373

Financial Key Performance Indicators

The key financial performance indicators, including the hospice's 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 £315,000 (2014 - £1,317,000).

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 2015

	Income 2015 £000	% of the expenditure on charitable activities
NHS service level agreements	808	18%
Welsh Government funding	653	15%
	1,461	33%

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

	Income 2015 £000	% of the expenditure on charitable activities
Care packages	426	10%
	426	10%

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 73% (2014 - 69%) of that income. Costs of generating fundraising income represented 20% (2014 - 22%) of donations, grants, legacies and fundraising. Lottery costs, including prizes were 57% (2014 - 58%) of lottery income.

Charitable expenditure

The hospice has increased its expenditure on charitable activities by £239,000 (2014 - £819,000). This large increase in 2014 was mainly due to the additional costs of running the St Anne's in-patient unit.

Balance sheet

The balance sheet has strengthened in the period. The total net assets of the hospice have increased by £202,000 (2014 - £268,000). Cash at bank and in hand has decreased by £144,000 (2014 - £424,000 increase) largely because the hospice has repaid a loan used to part fund the construction of the Blakett Avenue day hospice and office site.

Reserves policy

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. The free reserves as at 31 March 2015 were £1,477,000 as shown below:

	£'000
Total funds of the charity	5,811
Less restricted funds	(11)
Less fixed assets held in unrestricted funds	(4,323)
Free reserves	1,477

During the year the Trustees have undertaken a full review of the hospice's reserves policy.

Following the review the Trustees have determined that the hospice maintains reserves:

- to ensure the continuity of service in the event of a unexpected reduction in income whilst alternative funding is sought or expenditure on services is modified.
- to provide funds to replace fixed assets without having to finance the purchase.
- To provide working capital so that the hospice can manage settling its liabilities when they become due efficiently;

In the past the hospice's reserves policy has been defined with reference to a certain number of months budgeted expenditure on

charitable activities. As part of the review the Trustees have concluded that as a mature organisation with a variety of established income streams and predictable and well planned expenditure it would be more appropriate for the hospice to develop a reserves policy centred on an analysis of the potential risks to the amounts of those income streams and of the potential risks of over expenditure

Consequently, in collaboration with the Senior Management Team, the Trustees undertook an exercise to quantify the reserves required with the following steps.

- the expected income for the forthcoming year was identified and classified;
- the potential risks of each class of income were identified;
- the potential proportion of each class of income that was at risk of not being received was estimated and multiplied by the total expected income for that class of income to provide the value of income at risk for that class of income;
- a similar exercise was undertaken to identify and quantify the risk of over expenditure for the different classes of expenditure;
- all the individual amounts were added together to give a basic risk reserve requirements;
- A general provision of 5% of the basic risk requirement was then added to the total to give the total risk reserve requirement;
- Finally, the reserves required for future fixed asset purchases was added to give the overall total reserves requirement.

It is the opinion of the Trustees that the total reserves requirement need only cover a 12 month period since this would provide sufficient time to reduce expenditure or seek alternative sources of income.

From this exercise the Trustees have determined that the hospice requires reserves of £863,000. The reserves held are therefore

£614,000 above the reserves policy. The Trustees believe natural growth of current services over the next five years will bring reserves held into line with the policy without the need to plan for a major expansion of current services or the implementation of new activities.

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.

During the year the Trustees decided to review the investment policy. The Trustees have agreed, in principle, to widen the classes of assets in which the hospice invests its surplus funds to ensure those funds maintain their value in the long term. The Trustees will seek to appoint an investment manager in the coming year to provide professional support to implement a new policy.

PLANS FOR THE FUTURE

Our key priorities for the forthcoming year are to:

- Continue to implement the priorities set out in the three year strategic plan;
- Continue to develop and implement the plan for the new in-patient unit;

REPORT OF THE TRUSTEES

YEAR ENDED 31 MARCH 2015

- Undertake a review of day hospice care provision.

The hospice's three year strategic plan can be downloaded from our website at www.stdavidshospicecare.org.

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.

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.

REPORT OF THE TRUSTEES

YEAR ENDED 31 MARCH 2015

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 30 July 2015.



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 2015

We have audited the financial statements of St. David's Foundation Hospice Care for the year ended 31 March 2015 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 Trustee; 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 2015 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 2015

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.



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 2015

	Notes	Unrestricted funds £000	Restricted funds £000	Total funds 2015 £000	Total funds 2014 £000
INCOMING RESOURCES					
<i>Incoming resources from generated funds</i>					
Voluntary income	3	1,813	20	1,833	1,768
Activities for generating funds	4	4,268	104	4,372	4,264
Investment income	5	23	-	23	24
<i>Incoming resources from charitable activities</i>					
	6	1,258	-	1,258	1,196
<i>Other incoming resources</i>					
	7	205	-	205	124
Total incoming resources		7,567	124	7,691	7,376
RESOURCES EXPENDED					
<i>Costs of generating funds</i>					
Costs of generating voluntary income		37	-	37	24
Fundraising trading		2,966	-	2,966	2,861
Investment management costs		-	-	-	1
<i>Charitable activities</i>					
		4,326	115	4,441	4,202
<i>Governance costs</i>					
		44	-	44	40
<i>Other resources expended</i>					
		-	-	-	(19)
Total resources expended		7,373	115	7,488	7,109
<i>Transfers</i>					
Gross transfers between funds	18	10	(10)	-	-
Net incoming resources before other recognised gains and losses		194	9	203	267
<i>Other recognised gains / losses</i>					
(Losses) / gains on investment assets		(1)	-	(1)	1
Net movement in funds		203	(1)	202	268
Total funds brought forward		5,597	12	5,609	5,341
Total funds carried forward	18	5,800	11	5,811	5,609

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

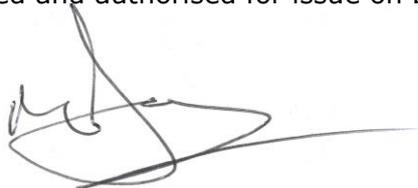
All incoming resources and resources expended derive from continuing activities.

BALANCE SHEETS

AS AT 31 MARCH 2015

	Notes	Group 2015 £000	Group 2014 £000	Charity 2015 £000	Charity 2014 £000
FIXED ASSETS					
Intangible assets	11	(26)	(165)	(26)	(165)
Tangible assets	12	4,324	4,351	4,387	4,413
Investments	13	55	56	55	56
		4,353	4,242	4,416	4,304
CURRENT ASSETS					
Stock		24	20	2	4
Debtors	14	434	356	411	365
Cash at bank and in hand	15	1,699	1,834	1,694	1,833
		2,157	2,210	2,107	2,202
LIABILITIES					
Creditors: Amounts falling due within one year	16	563	550	513	542
NET CURRENT ASSETS		1,594	1,660	1,594	1,660
TOTAL ASSETS LESS CURRENT LIABILITIES					
		5,947	5,902	6,010	5,964
Creditors: Amounts falling due after more than one year	17	136	293	136	293
NET ASSETS		5,811	5,609	5,874	5,671
THE FUNDS OF THE CHARITY					
Restricted income funds	18	11	12	11	12
Unrestricted income funds	18	5,800	5,597	5,863	5,659
TOTAL CHARITY FUNDS		5,811	5,609	5,874	5,671

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 30 July 2015

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2015

	Notes	2015 £000	2014 £000
Net cash inflow from operating activities	A	196	403
Returns on investments and servicing of finance			
Interest received		20	21
Rent from investment property		3	3
Loan interest paid		(7)	(10)
Finance lease interest paid		(10)	(8)
Costs related to investment property paid		-	(1)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(101)	(197)
Sale of tangible fixed assets		-	3
Acquisitions and disposals			
Receipt from acquisition of business		-	250
Management of liquid resources			
(Increase) in cash invested in short term deposits		(35)	(296)
Financing			
Repayment of loan		(189)	(11)
Capital element of finance leases		(47)	(29)
Increase / (Decrease) in cash in the year		(170)	128

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

	2015 £000	2014 £000
Net incoming resources	203	267
Investment income	(23)	(24)
Interest payable	17	18
Investment management costs	-	1
Depreciation charges	221	201
Surplus on sale of fixed asset	-	(3)
Amorisation of negative goodwill	(139)	(113)
(Increase) in stock	(4)	(10)
(Increase) in debtors	(78)	(67)
(Decrease) / increase in creditors	(1)	133
Net cash inflow from operating activities	196	403

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2015

B. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2015	2014
	£000	£000
Increase / (Decrease) in cash in the year	(170)	128
Increase in liquid resources	35	296
Decrease / (increase) in financing	236	40
Net funds brought forward	1,582	1118
Net funds carried forward	1,683	1,582

C. ANALYSIS OF CHANGES IN NET FUNDS

	Brought forward	Cash flow	Carried forward
	£000	£000	£000
Cash at bank and in hand	297	(170)	127
Short term deposits	1,537	35	1,572
Loans	(189)	189	-
Finance leases	(63)	(46)	(109)
	1,582	8	1,590

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 2015

1. PRINCIPAL ACCOUNTING POLICIES

Basis of Accounts Preparation

The consolidated accounts include the financial statements of the hospice and its subsidiary, St David's Trading 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 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 entitlement.

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.

Fundraising income from the sale of entry fees for events is included in income when received.

Voluntary income that is closely associated with fundraising events such as sponsorship of participants by their friends and family is included in fundraising within Activities for generating funds.

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

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.

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

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

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.

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 2015

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 within 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 restricted funds and unrestricted 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 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 allocate part of the unrestricted funds to be used for particular purposes within the hospice'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 2015

2. NET INCOMING / (OUTGOING) RESOURCES

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

	2015 £000	2014 £000
Depreciation of tangible fixed assets - owned	188	160
Depreciation of tangible fixed assets - held under finance lease	33	41
Auditor's remuneration	8	6
Auditor's remuneration in respect of other services	-	8

3. VOLUNTARY INCOME

	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2015 £000	Total Funds 2014 £000
<i>Donations and gifts</i>				
General	356	3	359	370
In memory	320	1	321	295
<i>Legacies</i>	476	-	476	465
<i>Grants</i>				
Welsh Government funding	653	-	653	609
Trusts	8	16	24	29
	1,813	20	1,833	1,768

4. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2015 £000	Total Funds 2014 £000
<i>Retail trading</i>	3,159	-	3,159	3,213
<i>Fundraising</i>	656	104	760	589
<i>Lottery</i>	453	-	453	462
	4,268	104	4,372	4,264

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

5. INVESTMENT INCOME

	Unrestricted funds £000	Restricted funds £000	Total funds 2015 £000	Total funds 2014 £000
<i>Interest received</i>	20	-	20	21
<i>Rent from investment property</i>	3	-	3	3
	23	-	23	24

6. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted funds £000	Restricted funds £000	Total funds 2015 £000	Total funds 2014 £000
<i>Service level agreements</i>	808	-	808	784
<i>Care packages</i>	426	-	426	379
<i>Other charitable activities</i>	24	-	24	33
	1,258	-	1,258	1,196

7. OTHER INCOMING RESOURCES

Included in other incoming resources is £139,000 (2014 - £113,000) amortisation of negative goodwill following the acquisition of St Anne's in-patient hospice. See note 11.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

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.

	Total 2015 £000	Total 2014 £000
Costs of generating voluntary income	1	1
Fundraising trading		
Retail trading	138	97
Fundraising	12	10
Lottery	6	6
Investment management costs		-
Charitable activities	215	313
Governance	1	-
Other resources expended	-	-
	373	427

9. RESOURCES EXPENDED

	Direct costs £000	Support costs £000	Total 2015 £000	Total 2014 £000
Costs of generating voluntary income	36	1	37	24
Fundraising trading				
Retail trading	2,172	138	2,310	2,204
Fundraising	385	12	397	387
Lottery	253	6	259	270
Investment management costs	-	-	-	1
Charitable activities	4,226	215	4,441	4,202
Governance	43	1	44	40
Other resources expended	-	-	-	(19)
	7,115	373	7,488	7,109

Other resources expended in 2014 comprise an adjustment to decrease the provision in respect of the deficit on the Flexiplan pension scheme due to a change in the recovery plan in 2014. See note 23.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

10. STAFF COSTS

	Total 2015 £000	Total 2014 £000
Wages and salaries	4,148	3,944
Social security costs	288	276
Pension costs	265	246
	4,701	4,466

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

	2015	2014
£60,001 - £70,000	1	1
£70,001 - £80,000	-	-
£80,001 - £90,000	-	-
£90,001 - £100,000	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 (2014 - £4,000).

The average number of employees, analysed by function were:

	2015	2014
Charitable activities	178	171
Retail trading	88	84
Fundraising	4	6
Lottery	7	10
Management and administration	6	6
	283	277

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 2015

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

	Negative goodwill £000
Asset cost	
Brought forward	(278)
Additions	-
Carried forward	(278)
Accumulated amortisation	
Brought forward	(113)
Charge for the year	(139)
Carried forward	(252)
Net book value	
Carried forward	(26)
Brought forward	(165)

Negative goodwill has arisen following the acquisition of St Anne's in-patient unit in June 2013.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

12. TANGIBLE FIXED ASSETS**Group**

	Assets under construction £000	Freehold land and buildings £000	Leasehold land and buildings £000	Fixtures, fittings and equipment £000	Motor vehicles £000	Total £000
Asset cost						
Brought forward	-	234	3,781	1,069	242	5,326
Additions	63	-	(2)	133	-	194
Disposals	-	-	-	-	(7)	(7)
Transfers	-	-	-	-	-	-
Carried forward	63	234	3,779	1,202	235	5,513
Accumulated depreciation						
Brought forward	-	22	70	752	131	975
Disposals	-	-	-	-	(7)	(7)
Charge for the year	-	5	38	142	36	221
Carried forward	-	27	108	894	160	1,189
Net book value						
Carried forward	63	207	3,671	308	75	4,324
Brought forward	-	212	3,711	317	111	4,351

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

Company

	Assets under construction £000	Freehold land and buildings £000	Leasehold land and buildings £000	Fixtures, fittings and equipment £000	Motor vehicles £000	Total £000
Asset cost						
Brought forward	-	234	3844	1069	242	5,389
Additions	63	-	-	133	-	196
Disposals	-	-	-	-	(7)	(7)
Transfers	-	-	-	-	-	-
Carried forward	63	234	3,844	1,202	235	5,578
Accumulated depreciation						
Brought forward	-	22	71	752	131	976
Disposals	-	-	-	-	(7)	(7)
Charge for the year	-	5	39	142	36	222
Carried forward	-	27	110	894	160	1,191
Net book value						
Carried forward	63	207	3,734	308	75	4,387
Brought forward	-	212	3,773	317	111	4,413

The Fixed assets of the hospice includes £63,000 under leasehold land and buildings which relate to depreciated, 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 fixtures, fittings and equipment are assets costing £124,000 that were acquired under finance leases. The related accumulated depreciation is £38,000 and the depreciation charged in the year was £22,000.

Included in motor vehicles are assets costing £57,000 that were acquired under finance leases. The related accumulated depreciation is £36,000 and the depreciation charged in the year was £11,000.

The fixed assets acquired under finance leases are secured on the assets to which they relate.

Freehold land and buildings includes a freehold building "Usk House". The building was revalued on an open market basis when the asset was owned by Usk House (Powys) Limited. Usk House (Powys) Limited and St David's Foundation Hospice Care merged on 30 September 2010. The asset "Usk House" was included in freehold land and buildings at the revalued amount. If this building had not been revalued it would have been included at the historic cost of £57,000 with aggregate depreciation of £27,000. The combined entity's policy, from the date of the merger, is not to revalue freehold land and buildings so further valuations have not been undertaken.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

13. INVESTMENTS**Group and company**

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

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 £
Group	
Cost brought forward and carried forward	-
Charity	
Cost brought forward and carried forward	1

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

14. DEBTORS

	Group 2015 £000	Group 2014 £000	Charity 2015 £000	Charity 2014 £000
Trade debtors	66	85	66	85
Amounts due from subsidiary undertakings	-	-	5	3
Other debtors	61	43	58	37
Prepayments and accrued income	307	228	282	240
	434	356	411	365

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

15. CASH AT BANK AND IN HAND

	Group 2015 £000	Group 2014 £000	Charity 2015 £000	Charity 2014 £000
Cash on short term deposit	1,572	1,537	1,572	1,537
Cash and bank balances	127	297	122	296
	1,699	1,834	1,694	1,833

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2015 £000	Group 2014 £000	Charity 2015 £000	Charity 2014 £000
Loans and overdrafts	-	10	-	10
Trade creditors	163	182	153	176
Other creditors	41	34	41	34
Accruals and deferred income	217	186	177	184
Taxation and social security	86	84	86	84
Obligations under finance leases	34	32	34	32
Pension liability	22	22	22	22
	563	550	513	542

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

17. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	Group 2015 £000	Group 2014 £000	Charity 2015 £000	Charity 2014 £000
Loans and overdrafts	-	179	-	179
Obligations under finance leases	75	31	75	31
Pension liability	61	83	61	83
	136	293	136	293

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

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

18. MOVEMENT IN FUNDS

	Balance at 1 April 2014 £000	Resources incoming £000	Resources outgoing £000	Gains and losses £000	Transfers £000	Balance at 31 March 2015 £000
UNRESTRICTED FUNDS						
General fund	5,399	7,567	(7,373)	(1)	10	5,602
Revaluation reserve	198	-	-	-	-	198
Total unrestricted funds	5,597	7,567	(7,373)	(1)	10	5,800
RESTRICTED FUNDS						
Blackett Avenue day hospice general	-	1	(1)	-	-	-
Friends of St Anne's	-	100	(100)	-	-	-
Fundraising barbeque	-	1	-	-	-	1
Panteg garden furniture	1	-	-	-	-	1
Hoist - Welsh Church Fund	1	-	-	-	-	1
Music therapy	3	-	(2)	-	-	1
Panteg day hospice general	-	2	(2)	-	-	-
Social worker fund	5	-	-	-	-	5
St Anne's hospice general	-	3	(3)	-	-	-
St Anne's room refurbishment	-	8	-	-	(8)	-
Syringe driver	1	-	-	-	-	1
Unicorn	-	2	(2)	-	-	-
Usk House day hospice general	-	2	(2)	-	-	-
YM day hospice general	-	3	(3)	-	-	-
Laptops for CNS nurses	-	2	-	-	(2)	-
Other restricted funds	1	-	-	-	-	1
Total restricted funds	12	124	(115)	-	(10)	11
Total funds	5,609	7,691	(7,488)	(1)	-	5,811

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).

Name of Fund	Description, nature and purpose of the fund
Blackett Avenue day hospice general	Funded from various sources to support our work in the Blackett Avenue day hospice.
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.
Garden chairs	From J Vellacott to fund garden chairs.

NOTES TO THE FINANCIAL STATEMENTSYEAR ENDED 31 MARCH 2015

<i>Name of Fund</i>	<i>Description, nature and purpose of the fund</i>
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.
Music therapy	Provided by The D'Oyly Carte Charitable Trust to support a Music Therapy project.
Panteg garden furniture	To fund the re-development of the garden at Panteg.
Panteg day hospice general	Funded from various sources to support our work in the Panteg day hospice.
Social worker fund	This fund received from various sources is used to support patients who are facing financial hardship.
St Anne's hospice general	Funded from various sources to support our work in St Anne's in-patient unit.
St Anne's ward refurbishment	Provided by Monmouthshire Building Society to support the refurbishment of the St Anne's hospice in-patient unit.
Syringe driver	Provided by Ann Watkins and to fund the purchase of a syringe driver.
Unicorn project	Provided by the Police and Crime Commissioner's Partnership Fund (Gwent) to support group sessions and one to one counselling for the Unicorn project which supports children and young people.
Usk House day hospice general	Funded from various sources to support our work in the Usk House day hospice.
YM day hospice general	Funded from various sources to support our work in the Ystrad Mynach day hospice.
Laptops for CNS nurses	Provided by AA Turner for the purchase of laptops to assist Community nurse specialists in their work.
Other restricted funds	Other funds with balances less than £500.

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Investments £000	Tangible fixed assets £000	Other net assets £000	Total £000
Restricted income funds	-	1	10	11
Unrestricted income funds	55	4,323	1,422	5,800
	55	4,324	1,432	5,811

20. COMMITMENTS**Group and company**

The hospice's annual commitments under non-cancellable operating leases at 31 March 2015 are set out below:

	Land and buildings		Other	
	2015 £000	2014 £000	2015 £000	2014 £000
Within one year	112	144	1	-
Within two to five years	404	255	-	2
Over five years	22	193	-	-
	538	592	1	2

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.

In August 2010 the hospice entered into a lease agreement for a property that is used by the hospice as a shop. The property has four landlords including Ian Stanley Burge a Director and Trustee and Coralie June Burge the wife of Ian Stanley Burge. During the year the charity paid rent of £6,500 (2014 - £6,500). The lease is due to expire in July 2015.

22. ULTIMATE CONTROLLING PARTY

The charity's ultimate controlling party is the board of Trustees as a body. At board meetings all Trustees have one vote. In the case of an equality of votes the Chairman will have a second, casting vote.

23. PENSIONS

The hospice contributed to two pension schemes in the financial year the Royal London scheme and the NHS pension scheme. A third scheme, The Flexiplan scheme, is closed to new members.

Royal London 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-

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

end there were 158 (2014 - 128) employees who were members of the scheme. Employer contributions charged against income in the year were £119,000 (2014 - £120,000). Outstanding contributions at the balance sheet date were £13,000 (2014 - £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 £146,000 (2014 - £126,000). Outstanding contributions at the balance sheet date were £21,000 (2014 - £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 2015

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.