



ST CLARE
HOSPICE

ST CLARE WEST ESSEX HOSPICE CARE TRUST

Annual Report and Financial Statements 2011

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Registered Charity No. 1063631

Registered Company No. 3398955

Annual Report and Financial Statements 2011

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Mission Statement

St Clare Hospice exists to meet the physical, psychological, social and spiritual needs of those with advanced and progressive life limiting illness and of their carers, through the provision of specialist palliative care services, based on need, as far as its resources allow

stclarehospice.org.uk

Company Limited by Guarantee Registered in England No 3398955
Registered Charity No 1063631

St Clare West Essex Hospice Care Trust

Reference and Administrative Information about the Charity, its Trustees, Management and Advisors

Patrons

Lord Braybrooke
Lady Braybrooke
Mrs Eleanor Laing MP
Lady Murray
Mr Ian Paterson
Lord Petre
Mr Bill Rammell

Vice Patrons

Mrs Jo Brennan
Dr John Hill
Mr Gary Neill
Mr Tom Sweetman
Mr Bob Weston
Mr John Wickens
Mrs Paula Winter

Trustees (and Directors as defined by the Companies Act 2006)

| | |
|--|----------------------|
| Mr Michael Chapman DL | Chairman |
| Mr John Scott FRICS FCIH | Vice Chairman |
| Mr John Frazer | Vice Chairman |
| Mr Alastair Richardson CA APMI | Treasurer |
| Mrs Penny Butler MPhil | |
| Mrs Judy Davidson | |
| Dr Mukesh Rajani MBBS DRCOG MRCP | |
| Mr Tony Clarke FCIOB MCIPS FFB | Resigned 27/04/2010 |
| Mr Patrick Foster FCIOB | |
| Mr Mark Jones FCMA | Resigned 18/01/2011 |
| Mr Phil Quincey | |
| Mrs Debbie Bodhanya BSc (Hons) RGN MBA PgCEmeded | Appointed 24/05/2010 |
| Ms Julie Kendall BA (Hons) MBA | Appointed 23/08/2010 |
| Mr Brian Moore | Appointed 21/02/2011 |

Company Secretary

Mrs Sheila Jones

Registered Office & Principal Office

St Clare Hospice Centre, Hastingwood Road, Hastingwood, Essex CM17 9JX

St Clare West Essex Hospice Care Trust

Directors

Chief Executive

Mr Richard Cowie RN DPSN BA (Hons) PG DIP

Resigned 28/02/2011

Acting Chief Executive / Director of Patient Care

Ms Tanya Curry BSc (Hons) RGN Dip HE MBA

Medical Director

Dr Giovambattista Zeppetella BSc (Hons) MB BS MRCGP FRCP

Director of Finance

Mr Riyad Islam ACMA

Director of Fundraising

Mrs Susan Upton BSc (Hons) PhD MInstF (Cert)

Resigned 31/12/2011

Ms Mane Davies

Appointed 25/07/2011

Advisors

Bankers

Barclays Bank plc, 14 The Water Gardens, Harlow, Essex, CM20 1AN

HSBC plc, 7B The Water Gardens, South Gate, Harlow, Essex, CM20 1AB

Auditors

Kingston Smith LLP, Devonshire House, 60 Goswell Road, London, EC1M 7AD

Solicitors

Pellys Solicitors, The Old Monastery, Windhill, Bishop's Stortford, Hertfordshire, CM23 2ND

Insurers

Towergate MIA, Kings Court, London Road, Stevenage, SG1 2GA

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Trustees' Report

It has again been a pleasure and privilege to work with the Directors and Staff of St Clare. It might be tempting to say that 2010/11 was a bad year for St Clare. However, that was not really so. The year was undoubtedly challenging and difficult, but it was also a revelation to witness the depth of strength, professionalism and competence that the Hospice possesses when the going becomes tough, really tough. St Clare has emerged from 2010/11, a year of some extremely difficult challenges, stronger, more optimistic and more confident.

The year saw responsibilities being assumed and fulfilled at short notice, major projects being carried out (refurbishment of our inpatient unit and transfer of St Clare Hospice Macmillan Nursing Team from West Essex PCT), the entire Staff pulling together to control costs as the fundraising landscape deteriorated, and some income streams performing exceptionally well to counterbalance others which were experiencing difficulties. All features of a mature, dedicated and resilient organisation. The year was difficult but the revelation of its inherent strengths gives the Trustees, Directors and Staff enormous confidence for the future.

It was in December that Sue Upton, Director of Fundraising, left to take up a post with another Hospice. She left a Directorate with a sound and enthusiastic team which she had built up during her term of office as the Hospice's first Director of Fundraising. The team has been held together in the seven months interregnum by an interim Director who handed over to a new Director of Fundraising in July 2011.

Sue's resignation was followed in February 2011 by the departure of Richard Cowie as Chief Executive. Having been Chief Executive for over 5 years, Richard felt it was time to move on and pursue his career elsewhere. The Charity is in a much better shape due to Richard's efforts, and we thank him for his loyal service and wish him well in the future. Two senior executive losses (40% of the Senior Management Team) which, to many organisations might have spelt near disaster, for St Clare demonstrated the inherent strength and loyalty of the team that remained.

Against this backdrop of challenges, the Directors have responded magnificently, under the leadership of Tanya Curry, Director of Patient Care, as Acting Chief Executive. The year closed with a surplus of £429k, which included a Department of Health grant of £396k towards the refurbishment of all eight bedrooms which the SORP requires St Clare to bring to account in the year of receipt, whilst the cost of refurbishment has been capitalised, rather than included as expenditure during the year. Even without including this grant, a surplus of £33k was a creditable performance.

Organisation, Governance and Management

Constitution and Registration

St Clare West Essex Hospice Care Trust is registered under the Companies Act 1985 (Registered No. 3398955) as a company limited by guarantee and not having a share capital. The Company is registered as a charity under the Charities Act 1993 (Registered No. 1063631) and operates under the simple title "St Clare Hospice".

The Company's Articles of Association define the Company as "the Charity", and the Directors of the Company as "the Trustees". To avoid confusion, the Directors of the Company are referred to as Trustees throughout this document.

St Clare West Essex Hospice Care Trust

Governance of St Clare

Trustees are appointed by the Trust Board following interview by, and a recommendation from, a Committee of Trustees, usually including the Chairman, a Vice-Chairman and one other. Such appointments are ratified at the following Annual General Meeting. Trustees are required to undergo training, Criminal Records Bureau checks and appraisal in the same way as executive staff. The Board advertises for new Trustees against a defined skills set.

The Trustees maintain a register of their interests consisting of an annual declaration by each Trustee of his or her interests and confirmation that he or she is not debarred from acting as a trustee under section 72 of the Charities Act 1993. The Chief Executive holds the Register; any changes in a Trustee's interests between declarations are notified by him. The Register is made available to the Board, when required, so that the Board is in a position to make judgements on potential conflicts of interest.

The Trustees have implemented a structure of Governance Committees including Clinical, Finance, Income Generation, Buildings & Health & Safety, Audit and so on, each chaired by a Trustee with appropriate skills and experience in the Committee's area of responsibility. Each Committee includes and is supported by the appropriate member of the Senior Management Team. To these Committees the Board delegates much of the governance and performance monitoring which it previously carried out, leaving it free to consider matters of a more strategic nature.

Under the provisions of the Care Standards Act (2000) the Trustees are required to carry out unannounced 'Provider Visits' of the Hospice, its facilities and its activities once in every six month period. Such inspections involve examination of the premises and facilities, and interviews with members of management and staff, patients and their families. Inspections are orchestrated by one 'lead' Trustee accompanied by a second Trustee who will be the 'lead' Trustee for the subsequent inspection and so on, with the intention that, over time, all Trustees have an opportunity to inspect the Hospice. The Trustees regard Provider Visits as an important and valuable governance tool which allows them to keep their finger firmly on the pulse of the Hospice's health.

Management of St Clare Hospice

The Trustees are non-executive and take no part in the day-to-day management of the Hospice. Although the Trustees have delegated day-to-day management of St Clare to a professional management team led by the Chief Executive Officer, who is not a Trustee, they remain ultimately responsible for the activities of St Clare. The Chief Executive and Directors manage St Clare in accordance with regularly reviewed policies agreed with the Trustees. The Trustees monitor the proper discharge of their responsibilities through the structure of the Governance Committees and quarterly Board Meetings, at which the Chief Executive and Directors are invited, to report on clinical, financial and general management issues.

Strong internal controls are in place to ensure that St Clare's income and expenditure are tightly monitored and controlled, and that its assets are secure. Annual budgets are prepared by the Directors team for approval by the Trustees, who monitor progress against such approved budgets.

The Directors meet weekly to discuss the day-to-day management of services, budgetary performance and to explore improvements and new opportunities. Regular

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meetings are also held with Departmental Managers to discuss ongoing issues and future strategy

Corporate Structure

The Trust has two wholly owned subsidiaries, St Clare Hospice Development Company, which is at present dormant and St Clare Hospice Trading Company, which operates seven charity shops and a lottery. These subsidiaries have separately constituted Boards of Directors. The Trading Company Board meets on a quarterly basis to discuss performance and reports to the Trust Board through the Director of Fundraising and the Income Generation Governance Committee.

Risk Management

The Risk Management Working Party, which meets quarterly under the chairmanship of the Facilities Manager, monitors, records and manages risk management on an operational basis. The Risk Management Working Party reports in to the Audit Committee. Clinical risk is monitored by the Medical Director and Director of Patient Care who report quarterly to the Risk Management Working Party, financial risk is monitored regularly by the Director of Finance and reported to the Risk Management Working Party, Fundraising Risk is monitored regularly by the Director of Fundraising and reported to the Risk Management Working Party. Other areas of risk management are the responsibility of the Chief Executive. Insurance cover for insurable risks is co-ordinated by the Director of Finance and reported quarterly to the Risk Management Working Party. In short, risks are identified through the management structures and mitigated and/or insured as appropriate.

The following general principles are applied in addressing St Clare's exposure to any identified risks:

- All professional and other codes of practice applying to St Clare's activities must be observed at all times
- All statutory requirements must be complied with at all times
- All manufacturers' operational advice, instructions and servicing requirements must be assiduously observed
- Appropriate records of compliance with the above requirements must be maintained
- Insurance cover is taken out where appropriate
- Suitable review procedures including records of incidents (and their subsequent resolution) must be in place to ensure that risks are, and continue to be, properly identified and managed

The Risk Management Working Party has been given a permanent role and responsibility for the ongoing identification, monitoring and management of risk within their respective spheres of interest. Where risks are so remote that it is impracticable, uneconomic or impossible to eliminate or avoid them (e.g. acts of war, force majeure, 'plane crash etc) they are accepted.

The Trustees' risk management strategy has been committed to paper and made available to all members of staff and volunteers.

The principal risks facing the Charity have been identified as

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- Fall in voluntary income – in the current economic climate, the ability to raise voluntary funds is becoming increasingly challenging
- NHS funding – this source of income equates to 24% of expenditure in 2010/11 A Service Level Agreement has been signed with NHS West Essex up to 2011/12 but there are uncertainties relating to large scale changes planned for the NHS
- Employees – there are a number of single posts not uncommon for an organisation the size of St Clare Hospice This has been identified as a risk but is partially mitigated by sharing of knowledge and skills where possible

Aims, Objectives and Activities

The Company's Memorandum of Association lays down its Objects as 'To meet the physical, psychological, social and spiritual needs of those with advanced and progressive life limiting illness and of their carers, primarily but not necessarily in the western part of the county of Essex, through the provision of specialist palliative care services based on need as far as resources allow'

It is the Trustees' principal aim that St Clare provides a hospice which is a centre of excellence in the delivery of specialist palliative care and support by such charitable means as the Trustees see fit Within this principal aim, the Trustees have specific aims, which are to provide

- continuity of care in the management of physical and non-physical symptoms of advanced disease with the purpose of maintaining optimal quality of life for the patient
- appropriate and accessible support to patients allowing them to remain in their own homes for as long as both desirable and possible
- a sensitive response to ethnic, cultural and spiritual wishes, which recognises and cares for the individual needs of patients, their families and carers
- assistance to the patient and family to retain their independence for as long as possible by providing easy access to information that will allow them to make choices about the form of help and support they wish to receive
- skilled counselling and support to the bereaved
- continuing education and training of staff and volunteers

All objectives, strategies and activities are constantly monitored and, where appropriate, new objectives, strategies and activities are introduced Directors and department managers are responsible for the delivery of activities and services in line with the Hospice strategy and overarching mission statement

Public Benefit

In reviewing the objectives and the activities for the year, the Trustees have satisfied themselves that both the objectives of the Charity and those activities that have been chosen continue to reflect the aims of the Charity In carrying out their review the Trustees have considered the Charity Commission's general guidance on public benefit and its supplementary guidance on the advancement of health, especially as it relates to the relief of sickness and human suffering and palliative care

The Charity is an important professional organisation that is proud of its local associations It receives the bulk of its funding from local individuals and organisations

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(including local NHS health care commissioners) For this reason the beneficiaries tend to be predominantly, though not exclusively, from a catchment area covering West Essex and the borders of East Herts

Currently the Hospice services eight inpatient beds. There are resources available for day therapy, out patients, chaplaincy, family care, bereavement services and, since February 2011, a community Macmillan nurse team is now in place based at the Hospice. It is intended that the Charity should maximise the benefit that it provides to the local community given the restraints of size and funds.

Volunteers and Community Support

St Clare continues to have a very high interest from volunteers offering their time and skills, enabling it to recruit an average of 8 volunteers a month throughout the Hospice. The skills of volunteers are far and wide offering the Hospice a wealth of expertise to support its many services. In addition to this amazing team of volunteers, which is now 487 in number, St Clare has also been able to successfully recruit volunteer working parties (approx 50 per group) from local companies. These groups have provided support and sometimes funding on specific projects such as decorating various parts of the Hospice, cleaning outside areas, paving, clearing ditches and planting up beautiful containers in the grounds.

Variety is certainly on offer for all volunteers. There are volunteer opportunities in all areas of the hospice including driving patients to and from day therapy, meeting and greeting visitors, serving meals and refreshments, offering specialist skills such as hairdressing or complementary therapies, fundraising or helping at fundraising events – the list is endless. St Clare is currently looking to recruit volunteers in our Harlow shop to promote Gift Aid which has enabled us to achieve over £50k this year alone, administration volunteers to support our fundraising team and busy lottery office and volunteers to support the new Online shop. In addition to the volunteers who work in and around the Hospice, there are those who work tirelessly in the community to raise money for St Clare's work, some individually, others through the Friends Groups. St Clare prides itself on working in partnership with others in our local community, all for the benefit of local people. We are working hard to ensure all our volunteers are kept up to date with the work of the Hospice, at the same time encouraging feedback and ideas about how we can enhance and improve our services.

It is clear we could not run our services without the support of such dedicated volunteers. At our annual Volunteer Thank You Event, two volunteers were presented with 20 Year - Long Service Awards which is a wonderful example of their loyalty to St Clare. Every contribution makes an enormous difference to patients and families who need the support of the Hospice services which are available 24 hours a day, 365 days a year.

Achievements and Performance

The Hospice governance structure has generated the establishment of a number of Trustee-led governance committees covering all aspects of the Hospice's activities. These committees have met regularly throughout the year, ensuring that the quarterly full Board meetings are fully informed about all aspects of the organisation. The planned review of the Hospice's Memorandum and Articles of Association was completed during the year. A resolution adopting new Memorandum and Articles of Association was signed in January 2011.

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Overall the greatest achievement has been caring for more patients and families. Even with the reduction of available beds during the refurbishment of our inpatient unit, the number of patients the Hospice cared for increased by 35% from the previous year. Our inpatient unit occupancy rates continue to be consistently higher than the national average for Hospices. Also, in 2010/11 the average length of stay in our inpatient unit was only 9.7 days against the national average of 12.2 days. Our day therapy and outpatient services are developing clinical services for a wider group of patients and families, encouraging patients through the Hospice doors earlier on in their disease journey, we also have a very successful carers group now emerging.

The establishment of chaplaincy and bereavement services has progressed during the year, with permanent staff now in each post. There is need for further development in both these areas over the next 12 months.

Collaborative working with our hospital, community and the voluntary sector colleagues has been a great area of success. This has allowed further development of services, streamlined working and responsive referral processes, equally it has enhanced clinical knowledge, expertise and relationships for the benefit of patients and families. All clinical areas have strong links with many local colleagues and providers allowing patients and families to be signposted to other areas of support and care as appropriate, or supported and cared for in a much more robust way. The enhancement and development of the clinical team has been clear to see with improved efficiency and effectiveness across all service areas. Our involvement forum and service user feedback is excellent. Feedback continually praises service delivery yet gives constructive ideas of service development, a true partnership approach to the Hospice's future development.

Staff and volunteers have excellent opportunities for training and development and there is a culture of ensuring knowledge and skills gained from courses, events and seminars is shared within the organisation. Our clinical team run a successful education programme and are regularly asked to speak at external events and conferences. A number of the clinicians have had papers presented at national and international conferences and in professional journals.

Despite a challenging year in the current economic climate our Trading Company continues to go from strength to strength. The Hospice lottery has steadily developed and is achieving a good level of regular income for the Hospice. Retail income continues to grow year on year, continually reaching higher targets. Our fundraising team, despite a turbulent time continue to be very motivated in aiming for their targets, generating new ideas with enthusiasm for supporting Hospice sustainability and ultimately growth.

All Hospice teams worked incredibly well together following the successful bid to the Department of Health to allow the refurbishment of the inpatient unit bedrooms. The project completed on time and on budget, the outcome of an enhanced healing environment is being enjoyed and very much appreciated by patients and families alike.

The community Macmillan nurse team was transferred from West Essex PCT to St Clare Hospice in February 2011, which further develops the specialist palliative care services provided by the Hospice.

Financial Review

The outcome for the year was a surplus of £429k which compared to a deficit of £375k in the previous year. This substantial increase was mainly attributable to the

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Department of Health grant of £396k which was received in the year. The other main reasons explaining the difference was the increase from the prior year in legacy income and the contribution from retail and lottery.

The Hospice continued to invest in expanding and improving patient services, and this is reflected by an increase in patient care expenditure in 2010/11. The cost of generating funds increased by 10%, this was as a result of continuing to invest in our fundraising team and developing our retail and lottery operations during the year.

NHS income remained at 24% of expenditure in 2010/11. With changes planned in NHS commissioning in the forthcoming years, there is some uncertainty around NHS income. This puts a greater emphasis on the Hospice to develop voluntary income streams. The Trustees are confident that the Hospice can continue to increase voluntary income as the fundraising department moves towards its full income producing potential.

St Clare held net assets of £4.3m at 31 March 2011. Of this £2.4m had been invested in land, buildings and equipment leaving current assets of £1.9m.

Fundraising Performance

Fundraising income generated in 2010/11 was £1,034k against a prior year figure of £997k. This increase reflected the continued development and investment in the fundraising team. This figure increases to £1,401k when legacy income of £367k is included in this total.

Overall, the fundraising environment is still a very challenging one but the team have continued to work tirelessly and have achieved a most satisfactory result. Excellent performances have been achieved with the recruitment of committed givers (each supporter making a regular monthly donation), major donors have increased their giving by just over 25% and corporate events have surprisingly risen by 68%. Although we have found that our overall income from our large fundraising events has fallen slightly from the previous year, income from challenges has risen by some 70% and this is something that we plan on maximising upon in the forthcoming financial year.

In terms of tax effective giving, during the year, we continued to increase the proportion of donors who have Gift Aid declarations and aim for further improvement in 2011/12.

Committed giving continues to be a focus of attention as it brings in regular monthly income and we are working to maximise on this. We will keep promoting events throughout our catchment area as they not only raise valuable funds but also our profile.

In 2011/12, we will once again focus on raising awareness of our work, there is much improved awareness of St Clare Hospice in Bishop's Stortford and the surrounding villages in Uttlesford, which we will continue to develop, and we also aim to boost our presence in and around Loughton, Chigwell and Buckhurst Hill. All of this coupled with a review and general development in the area of donor management we hope to see improvements in the full range of fundraising income streams.

Retail and Lottery Performance

2010/11 was another record breaking trading year for the St Clare Hospice retail operation making a net contribution of £427k to the Hospice. This was an increase of £104k on the previous year.

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Income generated through the retail Gift Aid scheme was up 75% to £52k. The additional transitional relief is no longer available from HMRC so where sales of donated goods are expected to increase in 2011/12, the value of Gift Aid available to be claimed is likely to remain at the same level as 2010/11.

Re-cycling income also continued to grow, generating £100k which was 18% up from 2009/10.

The shop portfolio remains at seven. During 2011/12 steady sustainable growth is anticipated, new online income streams will be tested and further sales opportunities will be assessed.

Net income generated from the Hospice lottery saw impressive growth in the year. The contribution for 2010/11 was £130k against a prior year figure of £54k.

Raising the number of lottery members was a key priority for 2010/11 and we are pleased to report an increase in the average number of weekly players from 4,266 in March 2010 to 5,507 in March 2011. This was achieved by investment in door to door canvassing which has been successful and will continue in the new financial year.

During the year, our first Spring Raffle was held which was very successful and we plan to hold another raffle in 2011/12. We will continue to invest in the lottery and growth in net income is anticipated in the new financial year.

Investment

The Trustees' investment policy is governed by the Company's Memorandum of Association which allows the Trustees to invest its funds in such stocks, funds, shares, securities or other investments of whatever nature they think fit, subject to any conditions imposed by law. However, in practice, the Trustees currently do not hold any investments other than cash.

Beyond a small working balance, all of St Clare's cash is held on interest bearing accounts. That cash which is not required in the short term is invested on immediate or short-term call to secure the highest rate of interest available, which is consistent with the security of the cash. Longer term deposits with higher rates of interest are considered where cash will not be required in the medium to long term.

Reserves Policy and Objectives

There are a number of levels of financial targets towards which the Trustees aspire.

Level 1 – raising sufficient cash to build and equip the Hospice (this would include repayment of borrowings)

Level 2 – generation of sufficient income to run St Clare from day to day in cash terms (including elimination of past deficits)

Level 3 – generation of enough income to run St Clare from day to day, and cover aggregate depreciation of assets, so enabling replacement of wasting assets

Level 4 – generation of enough excess income to build a number of specific and broadly quantifiable reserves to cover

- six months' operating costs as a buffer to allow time to address any major income crisis,

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- specific projects to enable St Clare to expand or improve its range of activities,
- liabilities that might arise on an unexpected curtailment of activities

Level 5 – creation of an endowment reserve or fund with the capacity to generate perhaps 20% or 25% of the Hospice's income. This fund would be available to supplement shortfalls in the Hospice's income or to provide the means of financing major capital developments

Whilst these targets build naturally and logically one upon another, and might be seen as staging posts on a journey to full security, they are simply a framework of intent. They should not be allowed to inhibit exploitation of opportunities to begin building specifically towards targets beyond those immediately ahead. For example, before reaching the state of equilibrium of Level 3, a large gift might present an opportunity to establish a reserve towards the cost of a new capital project (Level 4) or perhaps even to set up an endowment fund (Level 5), without jeopardising fundamental progress towards Level 3. In such circumstances, the opportunity could be taken.

Currently the Trustees are working towards achieving the Level 4 target and are building good reserves for the expansion and improvement of St Clare Hospice services.

A clear and positive strategy framework enables the Trustees to make longer-term financial judgements and decisions without damaging the integrity of the fundamental strategy.

Of St Clare's net assets of £4.3m at 31 March 2011, £2.4m had been invested in land, buildings and equipment leaving current assets of £1.9m. After deducting restricted funds, £1.8m is available to the Trustees as free reserves. The table below illustrates progress towards the Trustees' reserves targets as follows:

| | 01/04/2010 | Movement during year | Progress towards target 31/03/2011 | Level 4 Target |
|--------------------------------------|------------|----------------------|------------------------------------|----------------|
| | £ | £ | £ | £ |
| Six months operating costs | 1,600,000 | 100,000 | 1,700,000 | 1,700,000 |
| Unexpected curtailment of activities | 130,608 | (22,450) | 108,158 | 800,000 |
| Unrestricted funds | 1,730,608 | 77,550 | 1,808,158 | 2,500,000 |
| Restricted funds | 44,037 | 5,765 | 49,802 | - |
| Current assets | 1,774,645 | 83,315 | 1,857,960 | 2,500,000 |

At the start of the financial year the Trustees' had accumulated free reserves totalling £1.7m against the Level 4 target of £2.4m. At 31 March 2011, the Level 4 target had been increased to £2.5m to reflect increased operating costs of the Hospice.

Free reserves at the beginning of the year were 72% of the target at 1 April 2010, which the Trustees considered prudent for the security of the Hospice. Although available unrestricted funds increased during the year, the revised Level 4 target of £2.5m meant that the percentage of free reserves against the Level 4 target remained at 72%.

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At the beginning of the year St Clare held free reserves to cover 6 months of operating costs and 16% of the costs of the unexpected curtailment of activities. By the end of the financial year, free reserves still covered 6 months of operating costs and 14% of the costs towards unexpected curtailment of activities.

Commentary on Last Year's Plans for 2010/11

- The St Clare Hospice Community Macmillan Nurse team commenced in post in February 2011 after being transferred across from West Essex PCT. The scoping work for development of the Hospice community service was started.
- The refurbishment of the Inpatient Unit bedrooms was successfully completed in February 2011 on time and on budget.
- An Architect and Quantity Surveyor were appointed to work with St Clare Hospice on detailed plans to develop our building on the current site to meet future service needs. However, it was decided for the plans to be held and reviewed when the financial climate improves.
- A needs assessment for a Capital Appeal was undertaken identifying major stakeholders and the funds that would be required for the Hospice building and service developments in future years.
- The fundraising team, retail and lottery teams are up to establishment and are continually being developed and led to ensure long term viability of the Charity.

Future Plans

Our plans for the coming financial year of 2011/12 are as follows:

- To enhance the Chaplaincy and Bereavement service, looking at the recruitment of specially trained volunteers to enhance the services offered.
- To produce a detailed 3 year project plan for community services, commencing with the implementation of a 7 day a week specialist community palliative care service.
- To explore the introduction of a second nurse led clinic in our day therapy service.
- To train and develop our fundraising team in relation to donor care in order to improve areas of supporter relationship management.
- To develop a Hospice wide communications and branding strategy.

Statement of Trustees' Responsibilities for Financial Statements

The Trustees (who are also directors of St Clare West Essex Hospice Trust 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 Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and the group and of the incoming/outgoing 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,

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- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

Auditors

Kingston Smith LLP has always served the Charity well and indicated its willingness to continue in office. Prudence dictates that the Trustees should review the position of all its advisers and a planned review of Auditors was conducted in 2010/11. Four firms were invited to tender for the provision of the Charity's audit services. Kingston Smith LLP was the most successful of the firms invited to tender and was chosen to remain in office.

Disclosure of information to auditors

So far as the Trustees are aware, there is no relevant audit information of which the Company's auditors are unaware. The Trustees 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 Company's auditors are aware of that information.

People

Looking back to last year's report, there is familiarity to the Trustees' expressions of appreciation for the whole St Clare team. "pulled strongly together during a difficult year" is an increasingly apt description of the team's contribution, times are still hard, the team's dedication unquestioned and the Trustees' appreciation undiminished.

By law the Trustees must annually carry out at least two unannounced provider visits to the Hospice. These visits are deep and penetrating inspections of the Hospice's facilities and how the Hospice is delivering its services. We never cease to be impressed and humbled by the dedication and passion with which the team provides warm and all embracing care for its patients, which commands the respect and appreciation of patients and Trustees alike.

Sadly, the year was marred by the departures of Richard Cowie, Chief Executive, and Sue Upton, Director of Fundraising, both of whom had contributed much to St Clare during their respective terms of office. To them both we extend our good wishes for the future.

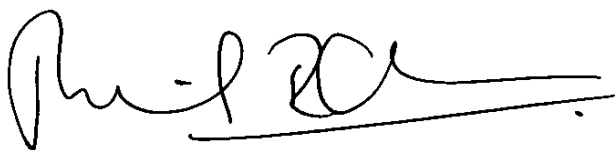
Sheila Jones, Company Secretary and Clerk to the Trustees, has laid down her responsibilities for personal assistance to the Directors and Human Resources matters but, in much reduced hours, she will continue to serve the Trustees as Company Secretary and Clerk. We thank her for her sterling support during her multi-disciplinary

St Clare West Essex Hospice Care Trust

role with the Hospice and express our delight that the Trustees will still have access to her skills and wisdom

Finally, I cannot end without thanking my colleagues on the Board of Trustees for their unstinting support and wisdom, which is such an important element of the governance role for which we are responsible. Unfortunately, Mark Jones's career demanded that he leave the Board during the year but we were delighted to welcome Brian Moore back to the Board.

This report was approved by the board on 10 August 2011

A handwritten signature in black ink, appearing to read 'Michael Chapman', with a long horizontal line extending from the end of the signature.

Michael Chapman
Chairman

St Clare West Essex Hospice Care Trust

Independent Auditors' Report to the Members and Trustees of St Clare West Essex Hospice Care Trust

We have audited the financial statements of St Clare West Essex Hospice Care Trust for the year ended 31 March 2011 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes 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 charity'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. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2011 and of the group's incoming/outgoing resources and application of resources, including its income and expenditure, for the year then ended, and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and

St Clare West Essex Hospice Care Trust

- have been prepared in accordance with the requirements of the Companies Act 2006

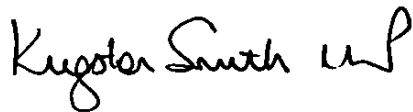
Opinion on other matters prescribed by the Companies Act 2006

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

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

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



David Benton
Senior Statutory Auditor
for and on behalf of
Kingston Smith LLP, Statutory Auditor

12th August 2011

Devonshire House
60 Goswell Road
London
EC1M 7AD

St Clare West Essex Hospice Care Trust

Group Statement of Financial Activities (incorporating an Income and Expenditure Account) for the year ended 31 March 2011

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Totals 2011 £ | Totals 2010 £ |
|--|-------|----------------------------|--------------------------|---------------------|---------------------|
| Incoming resources | | | | | |
| Incoming resources from generated funds | | | | | |
| Voluntary Income | | | | | |
| Donations and gifts | 3 | 929,761 | 6,000 | 935,761 | 840,758 |
| Legacies | 4 | 366,826 | - | 366,826 | 141,937 |
| Activities for generating funds | | | | | |
| Fundraising events & similar income | | 328,972 | - | 328,972 | 274,861 |
| Friends of St Clare branches | 5 | 13,222 | - | 13,222 | 36,522 |
| Trading Company turnover | 6 | 1,159,960 | - | 1,159,960 | 1,017,710 |
| Investment income and interest | | 20,737 | - | 20,737 | 12,804 |
| Incoming resources from charitable activities | 7 | 705,637 | 405,609 | 1,111,246 | 643,204 |
| Other incoming resources | | 8,487 | - | 8,487 | 11,177 |
| Total incoming resources | | 3,533,602 | 411,609 | 3,945,211 | 2,978,973 |
| Less: Costs of generating funds | | | | | |
| Fundraising and publicity | 8 | 506,726 | - | 506,726 | 445,402 |
| Friends of St Clare branches | 5 | 1,441 | - | 1,441 | 12,486 |
| Trading Company expenses | 6 | 846,688 | - | 846,688 | 770,988 |
| | | 1,354,855 | - | 1,354,855 | 1,228,876 |
| Net incoming resources available for charitable application | | 2,178,747 | 411,609 | 2,590,356 | 1,750,097 |
| Charitable activities | | | | | |
| Patient care | 9 | 2,121,599 | - | 2,121,599 | 2,072,805 |
| Education and research | | - | 3,844 | 3,844 | 1,469 |
| Governance costs | 10 | 35,536 | - | 35,536 | 50,772 |
| Total charitable expenditure | | 2,157,135 | 3,844 | 2,160,979 | 2,125,046 |
| Costs of generating funds | | 1,354,855 | - | 1,354,855 | 1,228,876 |
| Charitable expenditure | | 2,157,135 | 3,844 | 2,160,979 | 2,125,046 |
| Total resources expended | | 3,511,990 | 3,844 | 3,515,834 | 3,353,922 |
| Net (deficit) / income for year | | 21,612 | 407,765 | 429,377 | (374,949) |
| Transfers between funds | | 402,000 | (402,000) | - | - |
| Fund balances brought forward at 1 April | | 3,804,055 | 44,037 | 3,848,092 | 4,223,041 |
| Fund balances carried forward at 31 March | 20 | 4,227,667 | 49,802 | 4,277,469 | 3,848,092 |

The statement of financial activities includes all gains and losses recognised in the year
All incoming resources and resources expended derive from continuing activities

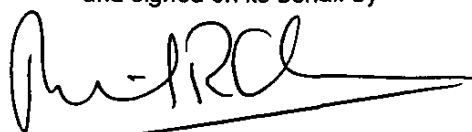
St Clare West Essex Hospice Care Trust

Group and Charity Balance Sheets as at 31 March 2011

| | Notes | Group | | Charity | |
|--|-------|------------------|------------------|------------------|------------------|
| | | 2011 | 2010 | 2011 | 2010 |
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 14 | 2,419,509 | 2,073,447 | 2,394,344 | 2,049,287 |
| Investments | 15 | - | - | 4 | 46,004 |
| | | <u>2,419,509</u> | <u>2,073,447</u> | <u>2,394,348</u> | <u>2,095,291</u> |
| Current assets | | | | | |
| Stocks | | 14,327 | 22,193 | - | - |
| Debtors and prepayments | 16 | 280,365 | 144,630 | 464,533 | 356,581 |
| Bank deposits | | 1,460,387 | 1,329,439 | 1,460,387 | 1,329,439 |
| Cash at bank and in hand | | 326,382 | 446,458 | 99,175 | 162,200 |
| Friends branch funds | | 2,509 | 2,278 | 2,509 | 2,278 |
| | | <u>2,083,970</u> | <u>1,944,998</u> | <u>2,026,604</u> | <u>1,850,498</u> |
| Creditors amounts falling due within one year | 17 | (226,010) | (170,353) | (153,799) | (107,347) |
| Net current assets | | <u>1,857,960</u> | <u>1,774,645</u> | <u>1,872,805</u> | <u>1,743,151</u> |
| Net assets | | <u>4,277,469</u> | <u>3,848,092</u> | <u>4,267,153</u> | <u>3,838,442</u> |
| Funds | | | | | |
| Unrestricted funds | 20 | 4,227,667 | 3,804,055 | 4,217,351 | 3,794,405 |
| Restricted funds | 20 | 49,802 | 44,037 | 49,802 | 44,037 |
| Total funds | | <u>4,277,469</u> | <u>3,848,092</u> | <u>4,267,153</u> | <u>3,838,442</u> |

Approved by the board of Trustees and authorised for issue on 10 August 2011

and signed on its behalf by



Michael Chapman
Chairman



Alastair Richardson
Treasurer

Company Registration Number 3398955

St Clare West Essex Hospice Care Trust

Group Cash Flow Statement for the year ended 31 March 2011

| | 2011 £ | 2011 £ | 2010 £ | 2010 £ |
|---|-----------|-----------|-----------|-----------|
| Net cash inflow / (outflow) from operating activities (note 1 below) | | 458,246 | | (453,770) |
| Returns on investments and servicing of finance | | | | |
| Interest received | 20,737 | 20,737 | 12,804 | 12,804 |
| Capital expenditure and financial investment | | | | |
| Purchase of tangible fixed assets | (467,880) | | (67,132) | |
| Net cash (outflow) for capital expenditure and financial investment | | (467,880) | | (67,132) |
| Increase / (decrease) in cash for the year | | 11,103 | | (508,098) |

Notes to the Group Cash Flow Statement

| | | |
|--|------------------|------------------|
| 1 Reconciliation of operating loss to net cash inflow / (outflow) from operating activities | 2011 £ | 2010 £ |
| Net incoming resources | 408,640 | (387,753) |
| Depreciation | 121,818 | 104,997 |
| Decrease / (increase) in stocks | 7,866 | (1,775) |
| (Increase) / decrease in debtors | (135,735) | 84,860 |
| Increase / (decrease) in creditors | 55,657 | (254,099) |
| Net cash inflow / (outflow) from operating activities | 458,246 | (453,770) |
| 2 Analysis of changes in cash and cash equivalents during the year | 2011 £ | 2010 £ |
| Balance at 1st April 2010 | 1,778,175 | 2,286,273 |
| Increase / (decrease) in cash and cash equivalents | 11,103 | (508,098) |
| Balance at 31st March 2011 | 1,789,278 | 1,778,175 |

St Clare West Essex Hospice Care Trust

Notes forming part of the financial statements for the year ended 31 March 2011

1 Accounting Policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention with income and expenditure recognised on an accruals basis. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' (SORP 2005) and in accordance with applicable accounting standards and the Companies Act 2006.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the Financial Statements of the Charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

No separate SOFA has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

(b) Company status

The Charity is a company limited by guarantee. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per Member of the Charity. The Members of the Charity are the Trustees named on page 2.

(c) Fund accounting

Unrestricted funds are those available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

Designated funds are those earmarked by the Trustees for a particular purpose.

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

Investment income and gains are allocated to the unrestricted or restricted as appropriate.

(d) Incoming resources

All incoming resources are included in the SOFA when St Clare becomes legally entitled to the income, and when the amount can be quantified with reasonable accuracy. Grants given to finance activities over a specified period of time are recognised over that period. Funds raised by Friends' branches are consolidated within the Charity's accounts.

The value of gifts in kind donated for use by the Charity are included as expenditure at valuation and recognised as income when received. Gifts donated for resale are included as income when they are sold.

(e) Volunteers services

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the Trustees' annual report.

(f) Resources expended

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

- Costs of generating funds include expenditure directed to raising funds to finance the charitable objects and to promote the activities of the charity.
- Charitable activities include expenditure associated with providing Hospice care services to patients, their carers, families and friends and include both the direct and support costs relating to those activities.
- Governance costs include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources e.g. allocating premises costs by floor area, staff costs by time spent, and other costs by their usage.

(g) Pension costs

A number of employees are members of the National Health Service Pension Scheme. This is a defined benefits scheme, the assets of which are held independently of the Charity. The assets relating to the Charity's employees cannot be separately identified and, in accordance with FRS 17, are not included in the Balance Sheet. Employees who are not eligible to join this scheme are able to join a Group Personal Plan.

St Clare West Essex Hospice Care Trust

Notes forming part of the financial statements for the year ended 31 March 2011

(h) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £250 are capitalised

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their

| | |
|--|---------------|
| Freehold land | Nil |
| Freehold buildings | over 50 years |
| Freehold building adaptations | over 10 years |
| Telephones | over 5 years |
| Computer equipment | over 4 years |
| Motor vehicles | over 4 years |
| Furniture, equipment and medical equipment | over 5 years |
| Equipment purchased for loan in the community is charged to revenue in the year of acquisition | |

(i) Stock

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items

(j) Leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

2 Financial activities of the Charity

The financial activities shown in the consolidated statement includes those of the Charity's wholly owned subsidiary, St Clare Hospice Trading Company Limited

A summary of the financial activities undertaken by the Charity is set out below

| | 2011 £ | 2010 £ |
|--|------------------|------------------|
| Gross incoming resources | 3,030,857 | 2,205,106 |
| Total expenditure on charitable activities | (2,125,443) | (2,074,274) |
| Fundraising costs | (508,167) | (457,888) |
| Governance costs | (35,536) | (50,772) |
| Net incoming resources | 361,711 | (377,828) |
| Total funds brought forward | 3,838,442 | 4,216,270 |
| Total funds carried forward | 4,200,153 | 3,838,442 |
| Represented by: | | |
| Restricted income funds | 49,802 | 44,037 |
| Unrestricted income funds | 4,150,351 | 3,794,405 |
| | 4,200,153 | 3,838,442 |

3 Donations and gifts

| | Unrestricted Funds £ | Restricted Funds £ | 2011 £ | 2010 £ |
|---------------------------------------|----------------------------|--------------------------|----------------|----------------|
| Individuals | 246,956 | - | 246,956 | 201,506 |
| Donations from retail Gift Aid scheme | 191,426 | - | 191,426 | 125,880 |
| Retail Gift Aid | 52,421 | - | 52,421 | 29,673 |
| Bereavement | 108,818 | - | 108,818 | 125,729 |
| Charitable trusts | 97,199 | 6,000 | 103,199 | 101,207 |
| Organisations | 232,941 | - | 232,941 | 244,098 |
| Gifts in kind | - | - | - | 12,665 |
| | 929,761 | 6,000 | 935,761 | 840,758 |

Gifts in kind comprise the donation of equipment. A corresponding amount is included within fixed assets

St Clare West Essex Hospice Care Trust

Notes forming part of the financial statements for the year ended 31 March 2011

4 Legacies

In addition to legacies received during the year the Chanty is the beneficiary of six further legacies. The estimated value to the charity of future legacies is £31,000 but these legacies have not been included in the financial statements, as there is no certainty that they will be received and they cannot be accurately quantified.

5 Net Income from Friends' branches

There are four Friends groups that raise funds for the Trust. Their accounts are consolidated within the Chanty's accounts.

| | 2011 £ | 2010 £ |
|--|---------------------|---------------------|
| Income | 13,222 | 36,522 |
| Fundraising expenditure | (1,441) | (12,486) |
| Net income | <u>11,781</u> | <u>24,036</u> |
| Amount remitted to St Clare West Essex Hospice Care Trust | <u>11,550</u> | <u>26,312</u> |
| Increase / (decrease) in retained funds | 231 | (2,276) |
| Friends' branch funds brought forward | 2,278 | 4,554 |
| Balance at 31 March | <u><u>2,509</u></u> | <u><u>2,278</u></u> |

6 Net Income from trading activities of subsidiaries

The Chanty has two wholly owned trading subsidiaries which are registered in England & Wales.

(i) St Clare Hospice Trading Company Limited

The principal activities of St Clare Hospice Trading Company Limited are the sale of donated goods in support of the St Clare Hospice Trust through its shops, and the operation of a lottery.

| | 2011 £ | 2010 £ |
|--|-----------------------|-----------------------|
| Profit and loss account | | |
| Turnover | 1,159,960 | 1,017,710 |
| Cost of sales & administration expenses | (846,688) | (770,988) |
| Rent payable to St Clare West Essex Hospice Care Trust | (10,000) | (10,000) |
| Interest payable to St Clare West Essex Hospice Care Trust | (1,210) | (1,610) |
| Net profit | <u><u>302,062</u></u> | <u><u>235,112</u></u> |
| Amount gift-aided to the Chanty | 301,396 | 232,233 |
| Retained in subsidiary | 666 | 2,879 |
| | <u><u>302,062</u></u> | <u><u>235,112</u></u> |

The aggregate of the assets, liabilities and funds at 31 March 2011 was

| | | |
|-------------|----------------------|---------------------|
| Assets | 313,586 | 384,076 |
| Liabilities | (303,268) | (374,424) |
| Funds | <u><u>10,318</u></u> | <u><u>9,652</u></u> |

St Clare West Essex Hospice Care Trust

Notes forming part of the financial statements for the year ended 31 March 2011

(ii) St Clare Hospice Development Company Limited

The principal activity of St Clare Hospice Development Company Limited is the design and build of hospice premises
The company was dormant throughout the year

The aggregate of the assets, liabilities and funds at 31 March 2011 was

| | 2011 | 2010 |
|-------------|----------|----------|
| | £ | £ |
| Assets | 5,460 | 5,557 |
| Liabilities | (5,458) | (5,555) |
| Funds | <u>2</u> | <u>2</u> |

7 Incoming resources from charitable activities

| | 2011 | 2010 |
|---|------------------|----------------|
| | £ | £ |
| NHS West Essex - Primary Care Trust Service Level Agreement | 538,360 | 508,751 |
| NHS Hertfordshire - Primary Care Trust Service Level Agreement | 41,278 | 40,869 |
| Prior year Service Level Agreement unpaid | - | (55,873) |
| NHS Pension reimbursement | 60,500 | 60,149 |
| Reimbursement of share of consultant costs | 65,499 | 65,499 |
| Department of Health capital grants programme (restricted income) | 396,000 | - |
| Research & development (restricted income) | 9,609 | 23,809 |
| | <u>1,111,246</u> | <u>643,204</u> |

8 Costs of generating funds

| | Direct costs | Support costs (note 11) | Total 2011 | Total 2010 |
|--------------------------------------|------------------|----------------------------|------------------|------------------|
| | £ | £ | £ | £ |
| Costs of generating voluntary income | 428,589 | 78,137 | 506,726 | 445,402 |
| Friends of St Clare branches | 1,441 | - | 1,441 | 12,486 |
| Trading Company expenses | 864,858 | - | 864,858 | 770,988 |
| | <u>1,294,888</u> | <u>78,137</u> | <u>1,373,025</u> | <u>1,228,876</u> |

9 Patient care

| | Direct costs | Support costs (note 11) | Total 2011 | Total 2010 |
|--------------------------------|------------------|----------------------------|------------------|------------------|
| | £ | £ | £ | £ |
| In-patient unit | 1,036,486 | 482,671 | 1,519,157 | 1,569,586 |
| Day Therapy and Family Support | 277,211 | 222,798 | 500,009 | 503,219 |
| Community service | 29,192 | 73,241 | 102,433 | - |
| | <u>1,342,889</u> | <u>778,710</u> | <u>2,121,599</u> | <u>2,072,805</u> |

10 Governance

| | Direct costs | Support costs (note 11) | Total 2011 | Total 2010 |
|-----------------------------|--------------|----------------------------|---------------|---------------|
| | £ | £ | £ | £ |
| Audit | 6,540 | - | 6,540 | 5,845 |
| Trustee indemnity insurance | 1,305 | - | 1,305 | 2,000 |
| Other | - | 27,691 | 27,691 | 42,927 |
| | <u>7,845</u> | <u>27,691</u> | <u>35,536</u> | <u>50,772</u> |

St Clare West Essex Hospice Care Trust

Notes forming part of the financial statements for the year ended 31 March 2011

11 Support costs by activity 2010/11

| | | | | | | | Total | Total |
|---------------------------|---------------------|---------------|-----------------|--------------------------------|-------------------|---------------|----------------|----------------|
| | Basis of allocation | Fundraising | In-patient unit | Day Therapy and Family Support | Community service | Governance | 2011 £ | 2010 £ |
| Management and HR | Staff time | 20,223 | 91,004 | 38,424 | 36,401 | 16,178 | 202,230 | 136,825 |
| Insurance and other costs | Floor | 532 | 7,442 | 2,339 | 319 | - | 10,632 | 20,644 |
| Volunteer services | Usage | 2,490 | 8,715 | 13,695 | - | - | 24,900 | 26,945 |
| Premises and facilities | Floor | 10,598 | 148,359 | 46,627 | 6,358 | - | 211,942 | 193,473 |
| Catering and cleaning | Staff time | 6,383 | 85,548 | 33,198 | 2,554 | - | 127,683 | 119,027 |
| Communications | Staff time | 15,085 | 37,714 | 15,085 | 7,543 | - | 75,427 | 89,000 |
| IT | Staff time | 10,323 | 51,612 | 31,999 | 7,226 | 2,064 | 103,224 | 92,838 |
| Office costs | Staff time | 11,671 | 49,015 | 39,679 | 9,336 | 7,002 | 116,703 | 201,253 |
| Legal fees | Usage | 832 | 3,262 | 1,752 | 3,504 | 2,447 | 11,797 | 14,684 |
| TOTALS | | 78,137 | 482,671 | 222,798 | 73,241 | 27,691 | 884,538 | 894,689 |

12 Total resources expended

Resources expended includes

| | 2011 £ | 2010 £ |
|---|-----------|-----------|
| Depreciation | 121,818 | 104,997 |
| Auditors remuneration (including irrecoverable VAT) | | |
| - Statutory audit - current year | 14,950 | 13,750 |
| - Prior year underprovision | 1,040 | 2,010 |
| - Other services | - | 3,265 |
| Trustees indemnity insurance | 1,305 | 2,000 |
| Operating leases | 170,342 | 182,598 |

As permitted by s 408 Companies Act 2006, the income and expenditure account of the Company is not presented in the

13 Trustees' remuneration

No Trustees received emoluments or were reimbursed expenses in the current or comparative year

St Clare West Essex Hospice Care Trust

Notes forming part of the financial statements for the year ended 31 March 2011

14 Tangible fixed assets

Group

| | Freehold Land & Buildings £ | Furniture & Equipment £ | Total £ |
|---------------------------------|--------------------------------------|-------------------------------|------------------|
| Cost | | | |
| At 1 April 2010 | 2,500,700 | 410,061 | 2,910,761 |
| Additions | 347,427 | 120,453 | 467,880 |
| Disposals | (2,525) | (66,047) | (68,572) |
| At 31 March 2011 | <u>2,845,602</u> | <u>464,467</u> | <u>3,310,069</u> |
| Depreciation | | | |
| At 1 April 2010 | 550,621 | 286,693 | 837,314 |
| Charge for year | 72,202 | 49,616 | 121,818 |
| Disposals | (2,525) | (66,047) | (68,572) |
| At 31 March 2011 | <u>620,298</u> | <u>270,262</u> | <u>890,560</u> |
| Net book value at 31 March 2011 | <u>2,225,304</u> | <u>194,205</u> | <u>2,419,509</u> |
| Net book value at 31 March 2010 | <u>1,950,079</u> | <u>123,368</u> | <u>2,073,447</u> |

Charity

| | Freehold Land & Buildings £ | Furniture & Equipment £ | Total £ |
|---------------------------------|--------------------------------------|-------------------------------|------------------|
| Cost | | | |
| At 1 April 2010 | 2,500,700 | 335,711 | 2,836,411 |
| Additions | 347,427 | 112,555 | 459,982 |
| Disposals | (2,525) | (66,047) | (68,572) |
| At 31 March 2011 | <u>2,845,602</u> | <u>382,219</u> | <u>3,227,821</u> |
| Depreciation | | | |
| At 1 April 2010 | 550,621 | 236,503 | 787,124 |
| Charge for year | 72,202 | 42,723 | 114,925 |
| Disposals | (2,525) | (66,047) | (68,572) |
| At 31 March 2011 | <u>620,298</u> | <u>213,179</u> | <u>833,477</u> |
| Net book value at 31 March 2011 | <u>2,225,304</u> | <u>169,040</u> | <u>2,394,344</u> |
| Net book value at 31 March 2010 | <u>1,950,079</u> | <u>99,208</u> | <u>2,049,287</u> |

St Clare West Essex Hospice Care Trust

Notes forming part of the financial statements for the year ended 31 March 2011

15 Fixed asset investments

| | Charity | |
|--------------------------------|----------|---------------|
| | 2011 | 2010 |
| | £ | £ |
| Shares in subsidiary companies | 4 | 4 |
| Trading Company loan | - | 46,000 |
| | <u>4</u> | <u>46,004</u> |

The loan which was in place to cover long term working capital of the Trading Company was no longer necessary and was repaid during the year. Interest was charged at three per cent above Barclays Bank plc base rate. Security for the repayment and discharge of the loan was provided for by a Debenture which placed a floating charge on the assets of the Trading Company.

St Clare Hospice Trading Company Limited

The Charity owns the whole of the issued share capital of St Clare Hospice Trading Company Limited, a company incorporated in England and Wales. The company exists solely to raise funds for the work of the Charity by the sale of donated and purchased goods and the operation of a lottery.

St Clare Hospice Development Company Limited

The Charity owns the whole of the issued share capital of St Clare Hospice Development Company Limited, a company incorporated in England and Wales. The company was formed to design and build the In-patient Unit.

16 Debtors and prepayments

| | Group | | Charity | |
|--|----------------|----------------|----------------|----------------|
| | 2011 | 2010 | 2011 | 2010 |
| | £ | £ | £ | £ |
| St Clare Hospice Trading Company Limited | - | - | 231,056 | 265,418 |
| St Clare Hospice Development Company Limited | - | - | 5,458 | 5,555 |
| HMRC - income tax recoverable | 63,736 | 53,270 | 63,736 | 53,270 |
| Accrued legacy income | 102,000 | 10,717 | 102,000 | 10,717 |
| Interest due | 9,137 | - | 9,137 | - |
| Prepayments and other debtors | 105,492 | 80,643 | 53,146 | 21,621 |
| | <u>280,365</u> | <u>144,630</u> | <u>464,533</u> | <u>356,581</u> |

17 Creditors amounts falling due within one year

| | Group | | Charity | |
|------------------------------|----------------|----------------|----------------|----------------|
| | 2011 | 2010 | 2011 | 2010 |
| | £ | £ | £ | £ |
| Interest free loans | 9,929 | 9,929 | 9,929 | 9,929 |
| Taxation, Social Security | 63,028 | 45,788 | 63,028 | 45,788 |
| Trade creditors | 8,713 | 14,400 | - | - |
| Other creditors | 127,001 | 92,088 | 63,503 | 43,482 |
| Accruals and deferred income | 17,339 | 8,148 | 17,339 | 8,148 |
| | <u>226,010</u> | <u>170,353</u> | <u>153,799</u> | <u>107,347</u> |

Included in other creditors are pension contributions amounting to £22,977 (2010 £21,719)

St Clare West Essex Hospice Care Trust

Notes forming part of the financial statements for the year ended 31 March 2011

18 Staff costs

| | 2011 £ | 2010 £ |
|-----------------------|------------------|------------------|
| Salaries | 2,073,661 | 1,963,585 |
| Social security costs | 162,076 | 148,761 |
| Pension costs | 167,464 | 171,552 |
| | <u>2,403,201</u> | <u>2,283,898</u> |

The number of employees whose emoluments as defined for taxation purposes amounted to more than £60,000 during the year was as follows

| | | |
|---------------------|---|---|
| £60,000 - £70,000 | - | 1 |
| £80,000 - £90,000 | 1 | 1 |
| £100,000 - £110,000 | - | 1 |
| £110,000 - £120,000 | 2 | - |

During the year pension costs on behalf of these employees amounted to £27,325 (2010 £27,153)

For the highest paid employee the Charity receives 50% of this cost from the local PCT

The average number of employees during the year was

| | 2011 | 2010 |
|-----------|------|------|
| Full time | 46 | 43 |
| Part time | 44 | 39 |

19 Analysis of net assets between funds

| | General Funds £ | Designated Funds £ | Restricted Funds £ | Total Funds £ |
|---|-----------------------|--------------------------|--------------------------|---------------------|
| Fund balances at 31 March 2011 represented by: | | | | |
| Tangible fixed assets | - | 2,419,509 | - | 2,419,509 |
| Current assets | 2,034,168 | - | 49,802 | 2,083,970 |
| Current liabilities | (226,010) | - | - | (226,010) |
| Total net assets | <u>1,808,158</u> | <u>2,419,509</u> | <u>49,802</u> | <u>4,277,469</u> |

20 Statement of funds

| | At 1 April 2010 £ | Incoming Resources £ | Outgoing Resources £ | Transfers | At 31 March 2011 £ |
|------------------------------|-------------------------|----------------------------|----------------------------|------------------|--------------------------|
| Unrestricted funds | | | | | |
| General funds | 3,804,055 | 3,533,602 | (3,511,990) | (2,017,509) | 1,808,158 |
| Designated funds | - | - | - | 2,419,509 | 2,419,509 |
| | <u>3,804,055</u> | <u>3,533,602</u> | <u>(3,511,990)</u> | <u>402,000</u> | <u>4,227,667</u> |
| Restricted funds | | | | | |
| Day Therapy & IPU Equip fund | - | 6,000 | - | (6,000) | - |
| Dept of Health capital grant | - | 396,000 | - | (396,000) | - |
| Education & Research fund | 44,037 | 9,609 | (3,844) | - | 49,802 |
| | <u>44,037</u> | <u>411,609</u> | <u>(3,844)</u> | <u>(402,000)</u> | <u>49,802</u> |
| Total funds | <u>3,848,092</u> | <u>3,945,211</u> | <u>(3,515,834)</u> | <u>-</u> | <u>4,277,469</u> |

Designated funds represent the net book value of fixed assets held by the Charity as these are not free reserves

Restricted funds

The IPU and Day Therapy fund represents funds given by Trusts which wish to remain anonymous to purchase equipment. This restriction has now been fulfilled and the balance of the fund was transferred to general funds on 31 March 2011.

The Department of Health capital grant was awarded in April 2010 for the refurbishment of the IPU. The IPU has now been fully refurbished. Therefore this restriction has now been fulfilled and the balance of the fund was transferred to general funds on the 31 March 2011.

The Education & Research fund represents funds for the further education of Doctors.

St Clare West Essex Hospice Care Trust

Notes forming part of the financial statements for the year ended 31 March 2011

21 Future financial commitments

At 31 March 2011 the group had annual commitments under non-cancellable operating leases as set out below

| | 2011 £ | 2011 £ | 2010 £ | 2010 £ |
|-------------------------------|---------------|-----------------|---------------|-----------------|
| | Other | Land & Building | Other | Land & Building |
| Operating leases which expire | | | | |
| under one year | 1,008 | 45,350 | - | 19,350 |
| in the second to fifth year | 21,369 | 84,001 | 20,756 | 80,407 |
| after five years | - | 30,000 | - | 53,000 |
| | <u>22,377</u> | <u>159,351</u> | <u>20,756</u> | <u>152,757</u> |