

Annual Report & Financial Statements 2017/18

St Clare West Essex Hospice Care Trust



FRIDAY



L7B3I4WB
LD4 27/07/2018 #74
COMPANIES HOUSE

stclarehospice.org.uk
Registered Charity No. 1063631
Registered Company No. 3398955



Annual Report and Financial Statements 2018

Contents

Reference and Administrative Information about the Charity, its Trustees, Management and Advisors	2
Trustees' Report	4
Introduction	4
Organisation, Governance and Management	4
<i>Constitution and Registration</i>	
<i>Governance of St Clare Hospice</i>	
<i>Management of St Clare Hospice</i>	
<i>Corporate Structure</i>	
Aims, Objectives and Activities	5
Public Benefit	7
Volunteers	8
Strategic Report	8
<i>Achievements and Performance</i>	
<i>Financial Review</i>	
<i>Fundraising Performance</i>	
<i>Retail and Lottery Performance</i>	
<i>Investment</i>	
<i>Reserves Policy and Objectives</i>	
<i>Risk Management</i>	
<i>Commentary on Last Year's Plans for 2017/18</i>	
<i>Future Plans</i>	
Statement of Trustees' Responsibilities	15
People	15
Independent Auditors' Report	17
Group Statement of Financial Activities	21
Group and Charity Balance Sheets	22
Group Cash Flow Statement	23
Notes Forming Part of the Financial Statements	24

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

Dame Claire Bertschinger DBE DL
Mr Michael Chapman DL
Mr Robert Halfon MP
Mrs Melissa Jones
Dame Eleanor Laing DBE MP
Mr Gary Neill MBIE
Lord Petre KCVO
Ms Christine Walkden
Mr Bob Weston
Mr John Wickens
Mrs Paula Winter

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

Mr Patrick Foster <i>FCIOB</i>	Chairman
Mr Graham Randall <i>FCA</i>	Vice Chairman
Mr David Thomson <i>BAcc CA</i>	Vice Chairman
Mr Phil Quincey <i>BSc (Hons)</i>	
Mr Russell Cattell	<i>Resigned 29/08/2017</i>
Mr Brian Moore	
Dr Ronald Morgan <i>MB ChB FRCP Dip Pall Med</i>	
Mr David Dunkley	<i>Resigned 20/06/2018</i>
Mrs Jennifer Minihane <i>BSc (Hons) RGN</i>	
Mr Andy Skelton	
Mrs Gita Mehta <i>BSc (Hons) RGN DMS</i>	<i>Resigned 15/08/2017</i>
Mrs Wendy Adams <i>RGN</i>	<i>Appointed 27/02/2018</i>
Mr Phil Birch	<i>Appointed 27/02/2018</i>
Mrs Jill Rowlinson <i>ACIS MBA</i>	<i>Appointed 11/06/2018</i>

Company Secretary

Mr Phil Quincey *BSc (Hons)*

Registered Office & Principal Office

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

St Clare West Essex Hospice Care Trust

Directors Team

Chief Executive

Mrs Sarah Thompson *MSc BA (Hons)*

Appointed 08/05/2017

Medical Director

Dr Giovambattista Zeppetella *BSc (Hons) MBBS PG Dip (Med Ed) PG Dip (Med Leadership) MD(Res) FRCGP FRCP*

Director of Finance and Resources

Mr Riyad Islam *BA (Hons) FCMA CGMA DChA*

Director of Organisational Development

Mrs Tracey Hammond *MBA MA*

Director of Patient Care

Ms Carolanne Brannan *BSc Dip HE*

Appointed 26/03/2018

Mr Philip Ball *MA BSc (Hons) DipN Cert Mngmnt(OU) RN*

Resigned 18/12/2017

Director of Income Generation

Mrs Cheryl Armitage *DipM MinstF (Cert)*

Advisors

Bankers

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

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

Auditors

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

Solicitors

Whiskers LLP, 6 Mitre Buildings, Kitson Way, Harlow, Essex, CM20 1DR

Attwaters Jameson Hill, 72-74 Fore St, Hertford, Hertfordshire, SG14 1BY

Insurance Brokers

Towergate Insurance, Kings Court, London Road, Stevenage, Hertfordshire, SG1 2GA

Trustees' Report

Introduction

This year has been filled with change and progress that signals a renewed focus on reaching the needs of more people faced with death and dying across West Essex and East Herts.

During the year, the Board of Trustees approved a new strategic approach for St Clare Hospice, which will drive all plans and decisions in the future. Alongside this, the year has seen St Clare remodel the Day Therapy service to offer more clinics to more patients, and the Hospice began to operate a new service (the Children and Young Person's Bereavement Service). The Hospice also developed and launched a community-based, volunteer-led scheme called Compassionate Neighbours. All of these refreshed and new pieces of work are an indication of some of the plans St Clare is beginning to forge to improve the provision of end of life care for local people. The services are already demonstrating a significant impact on the patients and families experiencing hospice care and the local communities around St Clare.

None of this work is possible without the incredible support of the local community; volunteers, businesses, individuals, community groups, local health organisations and partners and the local CCG.

The Hospice is very proud of its achievements during the year, there is much more that is needed to do; the coming year will be a busy one for St Clare Hospice.

Organisation, Governance and Management

Constitution and Registration

St Clare West Essex Hospice Care Trust is registered under the Companies Act 2006 (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 2011 (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.

Governance of St Clare Hospice

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 and ongoing development 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 178 of the Charities Act 2011. The Company Secretary holds the Register; any changes in a Trustee's interests between declarations are notified to the Company Secretary. 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. Trustees are required at the start of every Trustee

St Clare West Essex Hospice Care Trust

meeting, to declare their actual or potential interest in any item on the agenda for that meeting.

The Trustees have a structure of governance committees including Clinical, Finance, Income Generation, Buildings, Governance, Remuneration and Human Resources, 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 Executive Team. To these committees, the Board delegates much of the governance and performance monitoring, leaving it free to consider matters of a more strategic nature.

The Hospice provides trustee indemnity insurance for all Trustees.

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 Officer and Directors manage St Clare in accordance with regularly reviewed policies agreed and approved by 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 Officer 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. The management team of each directorate meet quarterly to share operational information and discuss strategic service developments and improvements. The Chief Executive Officer meets with the Chairman every month to update on all activities and any areas of risk.

The Remuneration Committee meets annually to review all staff salaries and to set the salaries for the Directors team. A benchmarking and risk-profiling template is used to ensure pay is appropriate and competitive for the roles required to be performed by each member of the team.

Corporate Structure

The Trust has one wholly owned subsidiary, St Clare Hospice Trading Company, which operates eight charity shops and a lottery. St Clare Hospice Trading Company has a separately constituted Board of Directors, which reports to the Board of Trustees.

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.'

St Clare West Essex Hospice Care Trust

It is the Trustees' principal aim that St Clare provides a Hospice that 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 enabling 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 enable 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 reviewed. The strategy is formally reviewed every three months and a report prepared by the Chief Executive Officer is shared with the Board of Trustees. The Directors and Management Team are responsible for the delivery of activities and services in line with the Hospice strategy and overarching mission statement.

St Clare Hospice offers palliative care for people over the age of 18 who are living with a life-limiting illness when a cure is no longer possible. The Hospice also supports families, carers and friends. All health and social care professionals can make a referral. Patients, families and friends can also seek a referral directly.

Individuals with life-limiting illnesses often have complex and multifaceted needs. In order to meet this challenge, the Hospice clinical team is a multi-professional specialist palliative care team bringing together staff with the necessary knowledge, skills and experience to ensure high quality diagnosis, treatment and care considering the patient and their family and friends, as a whole not just about treating the illness. Members of the specialist team include doctors, nurses, health care assistants, physiotherapists, occupational therapists, complementary therapists, social workers, counsellors, pharmacist, administrative support, chaplain and supported by a team of highly skilled and committed volunteers to support the delivery of care.

The clinical team within each service area undertakes detailed, specialised and holistic assessments of the needs of the patient across physical, psychological, social and spiritual domains. Expert management of complex symptoms is provided, which takes into account of the patient's views, preferences and circumstances wherever possible when considering their advice on the care that is most appropriate for the patient's condition.

The St Clare Hospice clinical services include the inpatient unit, day therapy and outpatient service, community service and bereavement service.

The eight-bedded Inpatient Unit (IPU) has continued to provide patients, their family and friends with a high level of care and support, ensuring dignity and respect at all times. Demand has remained high, with 233 patient admissions during 2017/18, 44 of which were outside office hours. Patients were cared for on the IPU for an average of 10.6 days and the bed occupancy was 85%.

St Clare West Essex Hospice Care Trust

The Day Therapy and Outpatient service takes a holistic, rehabilitative approach to understanding the needs of patients, their family, carers and friends through therapeutic and creative activities that enhance quality of life, promote independence and build self-confidence. Last year 322 patients were referred to the service. Patients and carers can also be referred for complementary therapy or outpatient service provided by the team of doctors, specialist nurses, physiotherapists, occupational therapists, complementary therapists, social workers, bereavement counsellor and chaplain.

St Clare offers a comprehensive community service, consisting of Clinical Nurse Specialists and Hospice at Home, caring for people in their own homes as well as care homes, and community hospitals. The Clinical Nurse Specialists provide specialist advice, and emotional and psychological support, to patients, their family, carers and friends seven days a week, working in partnership with other health and social care professionals. Last year the service received 992 referrals, made 1,682 visits and 6,412 phone calls. The community service is supported by the Rehabilitation team and the Patient and Family Support team who undertake home assessments as required. The Hospice at Home provides hands-on, palliative care during times of crisis, or in the last few weeks of life for people who would prefer to remain in the comfort of their own home or their usual place of residence. The team provides both a daytime and night time service seven days a week, and works closely with health and social care colleagues. Last year the service received 773 referrals, made 5,729 face-to-face visits, 4,518 telephone calls and prevented hospital admission on 688 occasions.

During the year, St Clare set up its first non-clinical model of care and support for the community in the form of the Compassionate Neighbours scheme, which launched in early 2018. The scheme aims to identify and develop volunteers as Compassionate Neighbours who will be 'matched' with someone nearing the end of their life in their own home.

The bereavement support and counselling service provides a range of services to the relatives and friends of anyone who has been cared for by St Clare Hospice. Led by a qualified counsellor, the support provided follows nationally approved guidelines and is tailored to each person's need. In 2017/18, the service provided support for 273 family members. The Children's Bereavement Service is led by a Children, Young Person and Family Therapist. Following an assessment, and based on the child or young person's needs, children can attend one-to-one counselling, family therapy, group therapy and peer support.

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, human suffering and palliative care.

The Trustees confirm that they comply with their duty under section 17 of the Charities Act 2011, to have due regard to the guidance in public benefit published by the Charity Commission. It is intended that the Charity should maximise the benefit that it provides to the local community given the restraints of size and funds.

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 (including local NHS commissioning groups). For this reason, the beneficiaries tend to

St Clare West Essex Hospice Care Trust

be predominantly, though not exclusively, from a catchment area covering West Essex and the borders of East Hertfordshire.

Volunteers

Volunteers are vital to the services St Clare Hospice provides. Over 500 volunteers regularly donate their time and talents, enabling the Hospice to significantly increase the scope and quality of the services provided to local people. In addition, over 200 people have helped on a one off basis during the year – groups from local businesses, schools, community groups, or individuals assisting with one off activities.

The Hospice is exceedingly lucky to have a very loyal and dedicated volunteer team. One of the ways to recognise this is to award certificates to those who have volunteered for St Clare for 5, 10, 15, 20 and even as many as 25 years. It is deeply humbling to say that an incredible 76 people passed one of these milestones in the last twelve months.

Volunteers continue to fill exciting and innovative roles, which stretch across the breadth of services provided. An exciting recent addition has been the Compassionate Neighbours scheme – volunteers who provide companionship and a listening ear to people living in their community who are coping with illness or old age.

Overall, volunteers both support the work of paid staff, enabling them to maximise their expertise; but also bring their own diverse range of skills, qualities and experience that can be distinctly different from those of paid staff. Put simply, the Hospice just could not do what it does, in the way it does it, without volunteers' ongoing support.

Strategic Report

Achievements and Performance

During 2017/18, there was an opportunity to refresh the Hospice strategy, which sets out four simple principles:

- 1. We will reach significantly more people who are facing death, dying and loss in our local communities.**
- 2. We will support our communities to become more resilient, to support each other and to remain independent for as long as possible.**
- 3. We will seek partnerships with other organisations to deliver better care for our patients.**
- 4. We will grow as a strong, sustainable and effective organisation.**

The principles indicate St Clare's focus on meeting local people's need, and recognising that the Hospice cannot do any of this alone. St Clare needs to work in partnership with other organisations and the local community; we are local people serving local people's needs, generously supported by local people. The Hospice works closely with the local NHS Clinical Commissioning Group, and is grateful for a very supportive relationship.

The Hospice's renewed focus has helped to achieve the following during the year:

- Recruitment of new Trustees who have been selected for their skills and commitment to the Hospice, including Trustees with personal experience of hospice care;

St Clare West Essex Hospice Care Trust

- Launch of the new Children and Young Person's Bereavement Service funded by BBC Children in Need, which has seen 32 children and young people use the post-bereavement service.
- Launch of the Compassionate Neighbours project, partly funded by Nesta, which aims to train volunteers as Compassionate Neighbours to have the confidence to visit people at the end of their lives in their own homes to reduce their sense of loneliness and social isolation.
- Remodelling of the Day Therapy service to increase capacity to reach more patients and to improve their health and wellbeing outcomes.
- Development of a range of tools that offer staff and volunteers more support and a voice in making changes to how the Hospice operates and to value each other.

St Clare Hospice continually strives to deliver the best quality services to the local community. Quality is at the forefront of all that the Hospice does, in every aspect of operational and strategic work.

During 2017/18, two major quality improvement projects commenced in the year, which will be ongoing in the coming year – the first is reviewing and developing the ways in which the Hospice receives feedback from patients and families and the second is reviewing how clinical activity data is collected and reporting on the impact of services.

During the year, the St Clare team has continually striven for improvement in services and people. Staff at St Clare are responsive and flexible to the ever-changing national and local healthcare landscape, and most importantly remain focused on meeting the needs of patients and their families. During the year, the staff attrition rate fell from 23% to 12% and sickness absence fell from 3.78% to 3.16%. By the end of 2017/18, there was also a full fundraising team for the first time in a number of years, with all vacancies filled.

Staff and volunteers have a good range of opportunities for training and development, and there is an open culture of ensuring knowledge and skills gained from courses, events and seminars are shared within the organisation. The Hospice places great importance on all staff and volunteers meeting the mandatory training requirements and several staff are being supported through additional qualifications to support their work and their personal development.

Working in an emotionally charged environment means that staff support remains a crucial aspect of the Hospice ethos, with front line staff supported through a model of clinical supervision. All staff are able to attend Schwartz Rounds, a structured forum where staff come together regularly to discuss the emotional and social aspects of working in healthcare which aids reflection and mutual understanding of each other's roles. Additionally, all staff receive management support from their line managers, with each Director (Senior Manager) leading their team management meetings on a regular basis. Directors continue to meet weekly, with clear agendas in place for discussing complaints, risk management, contractual performance, service development, and information exchange. During the year, policies and procedures of the Hospice continued to be reviewed, developed and enhanced, to ensure that they are in line with all legislative requirements and that the provision of safe and best practice continues.

Staff engagement and communications are essential to keep staff and volunteers informed. To improve communications, a monthly team bulletin with news from across the Hospice was developed during the year and is sent to all staff and volunteers. Quarterly breakfast meetings take place for all staff and volunteers to attend, where they have an opportunity to meet, support each other and ask questions, whilst at the same time enjoying and taking part in a range of presentation topics focused around service

St Clare West Essex Hospice Care Trust

delivery and development. Additionally, a staff forum has been set up during the year to give staff across the Hospice a voice and a way of being involved in making changes to the working environment of the Hospice. Coupled with monthly 'surgeries' run by the CEO and the Director of Patient Care, this means that staff have several opportunities of putting forward their ideas.

It has been fantastic to see the progress of St Clare Hospice services over the past 12 months, with new challenges and opportunities for development being considered all the time. Clinical and non-clinical teams have risen to the many challenges they have met along the way in a rapidly changing world. The hard work of every member of staff enables the Hospice to continue to deliver high quality patient care, which is at the heart of all that St Clare does.

Financial Review

The outcome for the year was a surplus of £934k. This successful financial result was achieved due to exceptionally high legacy income of almost £1.5m (prior year legacy receipts were £304k). Lottery contribution also showed growth in 2017/18, which offset a decline in income from fundraising and retail.

The Hospice continued to improve and develop patient services, which led to an 8% increase in patient care expenditure in 2017/18. The cost of raising funds also increased, which was principally due to investment in the fundraising team.

NHS income represented 41% of expenditure in 2017/18, which was down from the prior year. This was a result of costs incurred to expand patient services, which did not attract any new NHS funding. Over the next year, the aim will be to grow voluntary income streams, which in addition to using reserves, will enable further expenditure to develop services to reach more people affected by end of life issues

St Clare held net assets of £7.57m at 31 March 2018. Of this amount, £2.89m had been invested in land, buildings and equipment, leaving net current assets of £4.68m.

Fundraising Performance

Fundraising income generated in 2017/18 was £1,294k compared to a prior year figure of £1,382k. Despite a decrease in income there was encouraging performance considering that there had been significant vacancies within the fundraising team during the first part of the year.

There was a further increase in income from corporate fundraising, which was primarily due to excellent support from corporate events. The Hospice continued to benefit from the generous support from Weston Homes including their annual Golf Day and Auction.

Charitable Trusts benefitted from the first stage of a three year grant from BBC Children in Need to support the new Children's Bereavement Service.

There was a good result from appeals and donations from individuals, considering the amount of work undertaken to update systems to comply with new data protection legislation.

There was a decrease in income from community fundraising, which was the result of a vacant Community Fundraiser post for the majority of the year. Income generated from fundraising events experienced a decline from the prior year, primarily due to fewer participants than anticipated at the flagship Midnight Walk event.

St Clare West Essex Hospice Care Trust

Income from Gifts in Wills was exceptionally high in the year, with gifts totalling nearly £1.5m. This represented a remarkable increase of almost five-fold on the previous year total. It is always gratifying to see the efforts of the clinical team recognised in this way.

Retail and Lottery Performance

St Clare Hospice shops had a decrease in trading figures with a net contribution of £384k in 2017/18 compared £424k for the previous year. Disappointingly, sales for the first part of the year were slow. There was an improvement seen in the final quarter but the shortfall was not fully recovered.

Although there was a decrease in shop sales, it was encouraging to see an increase in income from the retail Gift Aid scheme. Retail Gift Aid income was £72k, which was £14k better than 2016/17.

There were savings on staffing costs again this year due to some staff vacancies, however operating costs continue to increase especially utilities and shop sundries.

Lottery activities continue to offer a valuable and growing income stream for the Hospice. Net proceeds from the weekly lottery draw were £385k – an increase of £85k from the previous year. The number of players in the weekly draw at the end of the financial year was over 14,000, which represents an increase of almost 30% from the beginning of 2017/18.

The main source of player recruitment continues to be face-to-face sales from the canvassing team; however, some of the growth came from other marketing methods including website sign ups, promotion in the Hospice newsletter and via social media.

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, the Trustees have made a decision to prioritise security of funds, and therefore the organisation currently does not hold any investments other than cash.

Beyond a small working balance, all of St Clare's cash is held in interest bearing accounts. That cash which is not required in the short term is invested in immediate, notice or fixed term deposits to secure the highest rate of interest available, which is consistent with the security of the investment.

The current policy set by the Trustees for investment of cash, limits the amount that can be invested within a financial institution and also prohibits investment in any financial product except term deposits in pounds sterling.

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).

St Clare West Essex Hospice Care Trust

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

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), 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 £7.57m at 31 March 2018, £2.89m had been invested in land, buildings and equipment, leaving net current assets of £4.68m. After deducting restricted funds, £4.52m is available to the Trustees as free reserves. The table below illustrates progress towards the Trustees' reserves targets as follows:

	As at 01/04/2017	Movement during year	Progress towards target 31/03/2018	Level 4 Target
	£	£	£	£
Six months operating costs	2,600,000	200,000	2,800,000	2,800,000
Clinical development reserve	-	700,000	700,000	700,000
Unexpected curtailment of activities	861,869	157,026	1,018,895	1,100,000
Unrestricted funds	3,461,869	1,057,026	4,518,895	4,600,000
Restricted funds	111,104	51,908	163,012	-
Net current assets	3,572,973	1,108,934	4,681,907	4,600,000

At the start of the financial year, the Trustees' had accumulated free reserves totalling £3.46m. This amount was 94% towards the Level 4 target of £3.70m, which the Trustees considered prudent for the security of the Hospice.

Available unrestricted funds increased by £1.06m during the year, which was due to the receipt of unexpectedly high legacy income. In light of this significant increase, and in line with the reserves policy, the Trustees' agreed to allocate £700k to spend on developing clinical services over the next few years. This amount will enable the

St Clare West Essex Hospice Care Trust

Hospice to work towards achieving its strategic ambitious plans. The increased free reserves at 31 March 2018 represented 98% of the revised Level 4 target.

At the beginning of the year, St Clare held free reserves to cover 6 months of operating costs and 57% of the costs of the unexpected curtailment of activities. By the end of the financial year, the increased level of free reserves represented 6 months of operating costs, a new clinical development fund and 93% of the costs towards unexpected curtailment of activities.

Risk Management

The Directors team, which meets weekly under the chairmanship of the Chief Executive Officer, monitors, records, and manages risk on an operational and strategic basis. The Directors team reports to the Governance Committee where risks are concerned. All areas of risk are monitored by the relevant Director and ultimately the Chief Executive Officer. Insurance cover for insurable risks is co-ordinated by the Director of Finance and Resources, and reported to the Board of Trustees. In short, risks are identified through the management structures and mitigated, managed 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.
- Implementation and compliance with a full range of internal policies and procedures.

The Directors team has 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.

St Clare believes that a high quality service is one that should have minimal risks to the organisation, patients and staff. Where operational risks are identified through complaints, incidents or risk assessments and reviews, they are added to the risk register and actions are agreed to ensure that the risk is either removed or reduced to as low a level as reasonably possible.

The highest organisational risks for the Hospice are its financial dependence on voluntary income. This is closely related to the reputation of the organisation. Without sufficient funds, it would not be possible to run the extent of hospice services that are currently provided.

St Clare West Essex Hospice Care Trust

There is currently a dedicated team of fundraising, lottery and retail staff, who supported by volunteers and the wider base of Hospice staff, work tirelessly to ensure that the Hospice continues to receive donations and support from its local community and maintain a good reputation locally. The Hospice management team and the Income Generation committee closely monitor income and expenditure. Robust and detailed plans are created for the fundraising, lottery and retail functions on an annual basis. Activity against these plans is regularly monitored through line management processes in place.

Another risk that became more prominent during 2017/18, which was compliance with GDPR. A working group from across the Hospice has worked hard over the year in identifying where policies needed to be developed or procedures tightened up. Due to the changes implemented, St Clare is now GDPR compliant.

Commentary on Last Year's Plans for 2017/18

- A new strategic approach was developed for the Hospice that was approved by the Board, which sets out a very clear direction for future developments and plans based on the needs of the local population. Plans include significant engagement with the local community and local partners to further refine plans and services.
- A review of services meant that the Day Therapy service was remodelled to include more specialist clinics, including working with local heart failure nurses.
- A full staff and volunteer engagement strategy was implemented, with more regular and improved communications in order to narrow the engagement 'gap' between staff and volunteers. Additionally, a range of new staff support tools were implemented such as the Schwartz Rounds and a staff forum.
- Recruitment process commenced for an apprentice who will join the Facilities Team in the new financial year and it was agreed that some development roles would be created to open up career pathways to retain staff.
- During the year, all vacancies were recruited to in the Fundraising Team, and detailed work started on strengthening systems and processes across the Income Generation Directorate.

Future Plans

The Hospice plans for the coming financial year of 2018/19 are as follows:

- Develop a full clinical strategy that focuses on delivering the strategic principles set and agreed by the Board. It will focus on the services and care provided for patients, their families and the wider population across West Essex and East Hertfordshire.
- Work with other health and social care providers to improve knowledge and confidence of local health and social care professionals and the general public on death, dying and loss.
- Strengthen engagement with the local community through the development and delivery of a programme that will build relationships, links and projects. This will widen access for local communities to St Clare services and support, and help local communities to better understand end of life issues.
- Continue to strengthen workforce through improved training and career pathways so that the Hospice can retain skills and experience.

St Clare West Essex Hospice Care Trust

- Continue to strengthen the fundraising, lottery and retail functions to deliver excellent customer care and develop stronger community relationships.
- Refurbish the Hospice kitchen to improve the ability to provide excellent food and hospitality to patients.

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;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- 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

In accordance with the provisions of the Companies Act, Kingston Smith LLP were reappointed as auditors during the year. They have always served the Charity well and indicated willingness to continue in office.

Disclosure of information to auditors

As 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

In my role as Chair and on behalf of the Board of Trustees, I express my appreciation and gratitude to the staff and volunteers who have all made such a significant contribution to St Clare over the past year. They continue to demonstrate tremendous

St Clare West Essex Hospice Care Trust

commitment, professionalism and enthusiasm that is so necessary to ensure the smooth running of the Hospice.

The Directors team have a new set of strategic principles to deliver and I am pleased how they are working together to achieve the Hospice goals. We have welcomed Carolanne Brannan to the team, as Director of Patient Care. Carolanne brings significant experience in nursing and nursing leadership to St Clare, and we are delighted she has joined us.

We also welcome Wendy Adams, and Phil Birch to the Board of Trustees. Wendy is currently a Practice Nurse at a GP Surgery in our catchment area and joins us with valuable clinical knowledge and experience. Phil has significant retail experience and brings substantial and wide-ranging managerial and commercial skills to the Board of Trustees.

During the year, two Trustees resigned from the Board. Gita Mehta and Russell Cattell stepped down after both serving for more than 3 years. Their contribution to St Clare has been valued and greatly appreciated. We wish them all the best for the future.

I would like to offer my thanks to my colleagues on the Board of Trustees for their continuing support, which has been incredibly valuable, especially during my time as Chairman. After completing nine years as a Trustee, I will be retiring from my role later this year and look forward to seeing the continued growth, development and success of St Clare. The experience of the Board not only enables us to meet our responsibilities regarding the organisation's governance, but also encourages and facilitates the development of our services for local people. I am thankful to all involved and am very proud to be part of St Clare.

Finally, I must thank all our supporters and local community who so generously give of their time and money to support the work of St Clare. It is humbling to witness the appreciation and goodwill that local people have for our Hospice and it would be impossible for us to continue our work without their support. I am most grateful.

This Trustees' Report and Strategic Report were approved by the Board of Trustees and authorised for issue on 23 July 2018.



Patrick Foster
Chairman

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

Opinion

We have audited the financial statements of St Clare West Essex Hospice Care Trust ('the parent charitable company') and its subsidiary for the year ended 31 March 2018 which comprise the Group Statement of Financial Activities, the Group Balance Sheet, the Company Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

St Clare West Essex Hospice Care Trust

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement set out on page 15, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the

St Clare West Essex Hospice Care Trust

Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

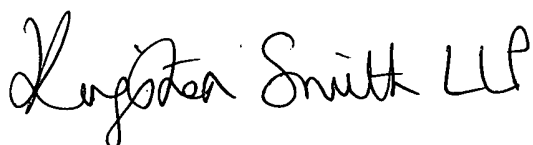
St Clare West Essex Hospice Care Trust

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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 for no purpose other than to draw to the attention of the charitable company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the charitable company and charitable company's members as a body, for our work, for this report, or for the opinions we have formed.



Karen Wardell
Senior Statutory Auditor
for and on behalf of Kingston Smith LLP
Chartered Accountants
Statutory Auditor

Devonshire House
60 Goswell Road
London
EC1M 7AD

23 July 2018

St Clare West Essex Hospice Care Trust

Group Statement of Financial Activities (incorporating an Income and Expenditure Account) for the year ended 31 March 2018

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2018 £	Total 2017 £
Income:					
Donations and gifts	4	1,367,824	164,936	1,532,760	1,990,861
Legacies	5	1,454,682	-	1,454,682	304,421
Other trading activities					
Fundraising events & similar income		117,223	-	117,223	177,573
Friends of St Clare branches	6	3,080	-	3,080	4,167
Trading Company turnover	7	1,520,858	-	1,520,858	1,521,251
		<u>1,641,161</u>	<u>-</u>	<u>1,641,161</u>	<u>1,702,991</u>
Income from charitable activities	8	1,937,319	8,414	1,945,733	1,972,967
Investment income and interest		14,944	-	14,944	18,415
Other income		29,713	-	29,713	23,244
Total income		<u>6,445,643</u>	<u>173,350</u>	<u>6,618,993</u>	<u>6,012,899</u>
Expenditure:					
Raising funds					
Fundraising expenditure	9	574,827	-	574,827	451,580
Friends of St Clare branches	6	45	-	45	25
Trading Company expenses	7	1,110,857	-	1,110,857	1,087,974
		<u>1,685,729</u>	<u>-</u>	<u>1,685,729</u>	<u>1,539,579</u>
Charitable activities					
Patient care	10	3,907,749	88,560	3,996,309	3,698,727
Education and research		-	2,937	2,937	13,892
		<u>3,907,749</u>	<u>91,497</u>	<u>3,999,246</u>	<u>3,712,619</u>
Total expenditure	12	<u>5,593,478</u>	<u>91,497</u>	<u>5,684,975</u>	<u>5,252,198</u>
Net income for year		<u>852,165</u>	<u>81,853</u>	<u>934,018</u>	<u>760,701</u>
Transfers between funds		29,945	(29,945)	-	-
Net movement in funds		<u>882,110</u>	<u>51,908</u>	<u>934,018</u>	<u>760,701</u>
Reconciliation of funds:					
Total funds brought forward at 1 April		6,525,697	111,104	6,636,801	5,876,100
Total funds carried forward at 31 March	22	<u>7,407,807</u>	<u>163,012</u>	<u>7,570,819</u>	<u>6,636,801</u>

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

All income and expenditure derive from continuing activities of the group.

The detailed comparative information for the statement of financial activities is included in note 27.


St Clare West Essex Hospice Care Trust

Group and Charity Balance Sheets as at 31 March 2018

	Notes	Group		Charity	
		2018	2017	2018	2017 (restated)
Fixed assets		£	£	£	£
Intangible assets	14	31,993	45,907	31,993	45,907
Tangible assets	15	2,856,919	3,017,921	2,805,135	2,945,917
Investments	16	-	-	2	2
		<u>2,888,912</u>	<u>3,063,828</u>	<u>2,837,130</u>	<u>2,991,826</u>
Current assets					
Stocks		20,731	15,115	-	-
Debtors and prepayments	17	976,755	290,728	1,418,177	219,495
Bank deposits		3,822,978	3,462,758	3,421,155	3,155,935
Cash at bank and in hand		182,429	159,145	93,525	50,783
Friends branch funds	6	652	867	652	867
		<u>5,003,545</u>	<u>3,928,613</u>	<u>4,933,509</u>	<u>3,427,080</u>
Creditors: amounts falling due within one year	18	(321,638)	(355,640)	(200,508)	(214,138)
Net current assets		<u>4,681,907</u>	<u>3,572,973</u>	<u>4,733,001</u>	<u>3,212,942</u>
Net assets		<u>7,570,819</u>	<u>6,636,801</u>	<u>7,570,131</u>	<u>6,204,768</u>
Funds:					
Unrestricted funds	22	7,407,807	6,525,697	7,407,119	6,093,664
Restricted funds	22	163,012	111,104	163,012	111,104
Total funds		<u>7,570,819</u>	<u>6,636,801</u>	<u>7,570,131</u>	<u>6,204,768</u>

Approved by the Board of Trustees and authorised for issue on 23 July 2018

and signed on its behalf by:



Patrick Foster
Chair of Board of Trustees



David Thomson
Chair of Finance Committee

Company Registration Number: 3398955

Group Cash Flow Statement for the year ended 31 March 2018

	2018 £	2018 £	2017 £	2017 £
Cash flows from operating activities:				
Net cash inflow from operating activities (note 1 below)		463,992		1,270,716
Cash flows from investing activities:				
Interest received	14,944		18,415	
Acquisition of intangible fixed assets	-		(25,936)	
Purchase of tangible fixed assets	(95,647)		(900,177)	
Net cash outflow from investing activities		(80,703)		(907,698)
Increase in cash and cash equivalents in the year		383,289		363,018
Analysis of changes in cash and cash equivalents during the year:				
Total as at 1 April		3,622,770		3,259,752
Increase in cash and cash equivalents in the year		383,289		363,018
Total as at 31 March (note 2 below)		4,006,059		3,622,770

Notes to the Group Cash Flow Statement

1 Reconciliation of net income to net cash flow from operating activities	2018 £	2017 £
Net income (as per statement of financial activities)	934,018	760,701
Adjustments for:		
Interest received	(14,944)	(18,415)
Amortisation of intangible fixed assets	13,914	8,511
Depreciation of tangible fixed assets	256,649	243,081
(Increase) / decrease in stocks	(5,616)	1,053
(Increase) / decrease in debtors	(686,027)	256,280
(Decrease) / increase in creditors	(34,002)	19,505
Net cash inflow from operating activities	463,992	1,270,716
2 Analysis of cash and cash equivalents	2018 £	2017 £
Bank deposits	3,822,978	3,462,758
Cash at bank and in hand	182,429	159,145
Friends branch funds	652	867
Total as at 31 March	4,006,059	3,622,770

**Notes forming part of the financial statements
for the year ended 31 March 2018**

1 Accounting policies

(a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015), Charities SORP (FRS 102), Companies Act 2006 and Charities Act 2011.

The Hospice meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

(b) Company status

The Charity is a company limited by guarantee and has no share capital. The company is incorporated in England and Wales, and its registered office is St Clare Hospice, Hastingwood Road, Hastingwood, Essex CM17 9JX.

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) Going concern

The Trustees have at the time of approving the financial statements, a reasonable expectation that the Charity has adequate resources to continue to adopt the going concern basis of accounting in preparing the financial statements.

(d) Group financial statements

The financial statements consolidate the results of the Charity and its wholly owned subsidiary, St Clare Hospice Trading Company Limited, on a line by line basis.

No separate statement of financial activities has been presented for the Charity alone as permitted by Section 408 of the Companies Act 2006.

(e) 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 fund as appropriate.

(f) Income

Income is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Where income has related expenditure (as with fundraising or contract income), the income and related expenditure are reported gross in the statement of financial activities.

Donations, grants and gifts are recognised when receivable. In the event that a donation is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period.

Income from Gift Aid tax reclaims for any donations with relevant Gift Aid certificates is recognised in income for the year. Any amounts of Gift Aid not received by the year end are accounted for in income and as accrued income in debtors.

Income from NHS contracts, government and other grants, whether 'capital' grants or 'revenue' grants, are recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken on a case by case basis. Usually, the Charity would not recognise any legacy income if there has been no communication from the Executor of the estate. For pecuniary legacies, the Charity would usually recognise the income once communication has been received from the Executor that there are sufficient net assets available to pay the legacy. For residual legacies, the Charity would usually only recognise once the estate accounts have been approved, or after other communication has been received from the Executor confirming entitlement and amount due.

**Notes forming part of the financial statements
for the year ended 31 March 2018**

Income received in advance for a grant received relating to the following year are deferred until the criteria for income recognition are met.

Lottery income is accounted for in respect of those draws that have taken place in the year.

Retail sales income is recognised on point of sale for both donated and purchased goods.

Funds raised by Friends branches are consolidated within the Charity's accounts.

(g) Donated goods and services

Donated services or facilities are recognised when the Charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the item is probable and that economic benefit can be measured reliably.

Donated professional services and facilities are included in income at the estimated value of the gift to the Charity when received, based on the amount that the Charity would have been prepared to pay for these services or facilities had it been required to purchase them, with a corresponding entry in the appropriate expenditure heading for the same amount. Donated fixed assets are similarly taken to income at the value to the Charity with the other entry being capitalised in fixed assets.

(h) Expenditure

Expenditure is included in the statement of financial activities on an accruals basis, inclusive of any VAT which cannot be recovered.

Fundraising expenditure includes costs 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.

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.

(i) 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.

(j) Pension costs

The Charity contributes to defined benefit and defined contribution schemes on behalf of its employees.

The pension costs charged in the Financial Statements represent the contributions payable by the Charity during the year, in accordance with Financial Reporting Standard 17.

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 the NHS Pension Scheme are able to join one of two Group Personal Plans, which are both defined contribution schemes.

For all schemes, the Charity has no liability beyond making its contributions and paying across deductions for the employees' contributions.

Where employees' salaries are allocated to unrestricted and restricted funds, the pension costs related to those employees, are allocated to the same funds.

(k) Intangible fixed assets and amortisation

Intangible fixed assets costing more than £1,000 are capitalised.

Amortisation is provided on all intangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful lives as follows:

Computer software	over 4 years
-------------------	--------------

**Notes forming part of the financial statements
for the year ended 31 March 2018**

(l) Tangible fixed assets and depreciation

Tangible fixed assets costing more than £500 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 expected useful lives as follows:

Freehold land	Nil
Freehold buildings	over 50 years
Freehold building adaptations	over 10 years
Furniture, equipment and medical equipment	over 5 years
Telephones	over 5 years
Computer equipment	over 4 years
Motor vehicles	over 4 years

(m) Stock

Stock consists of purchased goods for resale. Stocks are valued at the lower of cost and net realisable value. Items donated for resale are not included in the financial statements until they are sold, because the Trustees consider it impractical to be able to assess the amount of donated stocks as there are no systems in place which record these items until they are sold and undertaking a stock take would incur undue cost for the Charity which far outweigh the benefits.

(n) Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(o) Operating leases

Operating leases are recognised over the period of which the lease falls due.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period of the lease.

2 Judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 15 for the carrying amount of the tangible fixed assets and note 1 for the useful economic lives for each class of asset.

St Clare West Essex Hospice Care Trust

Notes forming part of the financial statements for the year ended 31 March 2018

3 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:

	2018	2017 (restated)
	£	£
Total income	5,939,481	4,749,157
Total expenditure	(4,574,118)	(4,164,224)
Net income for year	1,365,363	584,933
Total funds brought forward	6,204,768	5,619,835
Total funds carried forward	7,570,131	6,204,768
Represented by:		
Unrestricted income funds	7,407,119	6,093,664
Restricted income funds	163,012	111,104
	7,570,131	6,204,768

4 Donations and gifts

	Unrestricted Funds	Restricted Funds	Total 2018
	£	£	£
Individuals	494,964	34,968	529,932
Appeals	34,068	-	34,068
Charitable Trusts	41,878	129,968	171,846
Community	212,050	-	212,050
Corporate	225,844	-	225,844
Donations from retail Gift Aid scheme	287,214	-	287,214
Retail Gift Aid	71,806	-	71,806
	1,367,824	164,936	1,532,760
	Unrestricted Funds	Restricted Funds	Total 2017
	£	£	£
Individuals	546,228	200	546,428
Appeals	45,229	-	45,229
Charitable Trusts	77,569	99,250	176,819
Community	253,103	-	253,103
Corporate	178,430	-	178,430
Donations from retail Gift Aid scheme	232,668	-	232,668
Retail Gift Aid	58,184	-	58,184
Gifts in kind	500,000	-	500,000
	1,891,411	99,450	1,990,861

Gifts in kind comprise of contributions towards costs of a new building. A corresponding amount is included within fixed assets.

5 Legacies

In addition to legacies received during the year, the Charity is the beneficiary of further legacies which have not been included in the financial statements, as neither entitlement to the legacies has been established nor is it considered probable that they will be received nor can they be reliably quantified.

St Clare West Essex Hospice Care Trust

Notes forming part of the financial statements for the year ended 31 March 2018

6 Net income from Friends branches

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

	2018	2017
	£	£
Income	3,080	4,167
Fundraising expenditure	(45)	(25)
Net income	<u>3,035</u>	<u>4,142</u>
Amount remitted to		
St Clare West Essex Hospice Care Trust	<u>3,250</u>	<u>4,545</u>
Decrease in retained funds	(215)	(403)
Friends branch funds brought forward	867	1,270
Balance at 31 March	<u><u>652</u></u>	<u><u>867</u></u>

7 Net income from trading activities of subsidiary company

The Charity has one wholly owned trading subsidiary, St Clare Hospice Trading Company Limited, which is registered in England and Wales, company number 2951374.

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

St Clare Hospice Trading Company Limited **Profit and loss account**

	2018	2017
	£	(restated) £
Turnover	1,520,858	1,521,251
Cost of sales & administration expenses	(1,108,446)	(1,087,974)
Rent and IT charge payable to St Clare West Essex Hospice Care Trust	(11,180)	(10,000)
Corporation tax	(2,411)	-
Net profit after tax	<u><u>398,821</u></u>	<u><u>423,277</u></u>
Distributions to St Clare West Essex Hospice Care Trust	830,166	247,509
Corporation tax	(2,411)	-
Retained in subsidiary	<u><u>(428,934)</u></u>	<u><u>175,768</u></u>
	<u><u>398,821</u></u>	<u><u>423,277</u></u>
The aggregate of the assets, liabilities and funds at 31 March was:		
Assets	680,987	637,322
Liabilities	(680,297)	(205,287)
Funds	<u><u>690</u></u>	<u><u>432,035</u></u>

**Notes forming part of the financial statements
for the year ended 31 March 2018**

8 Income from charitable activities

	2018 £	2017 £
NHS West Essex - Clinical Commissioning Group		
Contract for patient care services	1,844,494	1,867,651
NHS East and North Hertfordshire - Clinical Commissioning Group		
Contract for patient care services	45,331	45,330
Reimbursement of medical consultant costs	47,494	45,532
Research & development (restricted income)	8,414	14,454
	<u>1,945,733</u>	<u>1,972,967</u>

9 Costs of raising funds

	Direct costs £	Support costs (note 11) £	Total 2018 £
Fundraising expenditure	425,971	148,856	574,827
Friends of St Clare branches	45	-	45
Trading Company expenses	1,110,857	-	1,110,857
	<u>1,536,873</u>	<u>148,856</u>	<u>1,685,729</u>
	Direct costs £	Support costs (note 11) £	Total 2017 £
Fundraising expenditure	311,287	140,293	451,580
Friends of St Clare branches	25	-	25
Trading Company expenses	1,087,974	-	1,087,974
	<u>1,399,286</u>	<u>140,293</u>	<u>1,539,579</u>

10 Patient care costs

	Direct costs £	Support costs (note 11) £	Total 2018 £
Inpatient unit	1,161,543	784,787	1,946,330
Day Therapy and Outpatients	281,991	248,246	530,237
Community service	447,517	109,231	556,748
Hospice at Home	559,396	131,834	691,230
Patient and Family Support	230,170	41,594	271,764
	<u>2,680,617</u>	<u>1,315,692</u>	<u>3,996,309</u>
	Direct costs £	Support costs (note 11) £	Total 2017 £
Inpatient unit	1,081,249	732,056	1,813,305
Day Therapy and Outpatients	304,404	228,187	532,591
Community service	400,443	103,395	503,838
Hospice at Home	529,782	119,539	649,321
Patient and Family Support	160,841	38,831	199,672
	<u>2,476,719</u>	<u>1,222,008</u>	<u>3,698,727</u>

St Clare West Essex Hospice Care Trust

Notes forming part of the financial statements for the year ended 31 March 2018

11 Support costs

	Fundraising	Inpatient unit	Day Therapy and Outpatients	Community Service	Hospice at Home	Patient and Family Support	Basis of allocation	Total 2018 £
Management and HR	47,260	232,006	51,557	42,964	42,964	12,889	Staff Time	429,640
Insurance costs	847	11,344	3,217	508	677	338	Floor space	16,931
Volunteer services	4,421	13,705	20,778	-	4,421	884	Usage	44,209
Premises and facilities	18,864	252,778	67,910	11,318	18,864	7,546	Floor space	377,280
Catering and cleaning	6,572	113,361	32,858	3,286	3,286	4,929	Staff Time	164,292
Communications	17,186	27,497	17,186	9,452	11,171	3,437	Staff Time	85,929
I T	19,745	50,774	28,208	16,925	19,745	5,642	Staff Time	141,039
Office costs	30,200	77,386	24,537	22,650	28,312	5,662	Staff Time	188,747
Governance costs	931	5,586	1,995	2,128	2,394	267	Usage	13,301
Legal fees	2,830	350	-	-	-	-	Usage	3,180
TOTALS	148,856	784,787	248,246	109,231	131,834	41,594		1,464,548

	Fundraising	Inpatient unit	Day Therapy and Outpatients	Community Service	Hospice at Home	Patient and Family Support	Basis of allocation	Total 2017 £
Management and HR	43,681	214,438	47,653	39,711	39,711	11,913	Staff Time	397,107
Insurance costs	972	13,022	3,499	583	972	389	Floor space	19,437
Volunteer services	3,181	9,859	14,949	-	3,181	636	Usage	31,806
Premises and facilities	17,668	236,746	63,604	10,601	17,668	7,067	Floor space	353,354
Catering and cleaning	6,260	107,982	31,299	3,130	3,130	4,695	Staff Time	156,496
Communications	18,990	30,386	18,990	11,394	11,394	3,798	Staff Time	94,952
I T	16,368	42,088	23,382	15,199	15,199	4,676	Staff Time	116,912
Office costs	28,978	74,255	23,544	21,733	27,166	5,433	Staff Time	181,109
Governance costs	522	3,280	1,267	1,044	1,118	224	Usage	7,455
Legal fees	3,673	-	-	-	-	-	Usage	3,673
TOTALS	140,293	732,056	228,187	103,395	119,539	38,831		1,362,301

12 Total expenditure

Net income is stated after charging:

	2018 £	2017 £
Amortisation of intangible fixed assets	13,914	8,511
Depreciation of tangible fixed assets	256,649	243,081
Auditors remuneration (including irrecoverable VAT)		
- Statutory audit	16,905	17,600
Trustees indemnity insurance	607	690
Operating leases	176,318	169,845

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

St Clare West Essex Hospice Care Trust

Notes forming part of the financial statements for the year ended 31 March 2018

13 Trustees' remuneration

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

14 Intangible fixed assets

Intangible fixed assets acquired by the Charity represent computer software.

Group

	£
Cost	
At 1 April 2017	55,656
Additions	-
At 31 March 2018	<u>55,656</u>
Amortisation	
At 1 April 2017	9,749
Charge for year	13,914
At 31 March 2018	<u>23,663</u>
Carrying value at 31 March 2018	<u>31,993</u>
Carrying value at 31 March 2017	<u>45,907</u>

Charity

	£
Cost	
At 1 April 2017	55,656
Additions	-
At 31 March 2018	<u>55,656</u>
Amortisation	
At 1 April 2017	9,749
Charge for year	13,914
At 31 March 2018	<u>23,663</u>
Carrying value at 31 March 2018	<u>31,993</u>
Carrying value at 31 March 2017	<u>45,907</u>

St Clare West Essex Hospice Care Trust

Notes forming part of the financial statements for the year ended 31 March 2018

15 Tangible fixed assets

Group

	Freehold Land & Buildings £	Furniture & Equipment £	Total £
Cost			
At 1 April 2017	4,196,129	664,914	4,861,043
Additions	10,340	85,307	95,647
Disposals	-	(42,758)	(42,758)
At 31 March 2018	<u>4,206,469</u>	<u>707,463</u>	<u>4,913,932</u>
Depreciation			
At 1 April 2017	1,368,473	474,649	1,843,122
Charge for year	173,464	83,185	256,649
Disposals	-	(42,758)	(42,758)
At 31 March 2018	<u>1,541,937</u>	<u>515,076</u>	<u>2,057,013</u>
Net book value at 31 March 2018	<u>2,664,532</u>	<u>192,387</u>	<u>2,856,919</u>
Net book value at 31 March 2017	<u>2,827,656</u>	<u>190,265</u>	<u>3,017,921</u>

Charity

	Freehold Land & Buildings £	Furniture & Equipment £	Total £
Cost			
At 1 April 2017	4,196,129	484,600	4,680,729
Additions	10,340	82,819	93,159
Disposals	-	(31,603)	(31,603)
At 31 March 2018	<u>4,206,469</u>	<u>535,816</u>	<u>4,742,285</u>
Depreciation			
At 1 April 2017	1,368,473	366,339	1,734,812
Charge for year	173,464	60,477	233,941
Disposals	-	(31,603)	(31,603)
At 31 March 2018	<u>1,541,937</u>	<u>395,213</u>	<u>1,937,150</u>
Net book value at 31 March 2018	<u>2,664,532</u>	<u>140,603</u>	<u>2,805,135</u>
Net book value at 31 March 2017	<u>2,827,656</u>	<u>118,261</u>	<u>2,945,917</u>

St Clare West Essex Hospice Care Trust

Notes forming part of the financial statements for the year ended 31 March 2018

16 Fixed asset investments

	Charity	
	2018	2017
	£	£
Shares in subsidiary company:		
St Clare Hospice Trading Company Limited	<u>2</u>	<u>2</u>

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.

The Charity has taken advantage of the exemption in FRS 102 from disclosing related party transactions.

17 Debtors and prepayments

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	(restated) £
St Clare Hospice Trading Company Limited	-	-	559,167	63,785
HMRC - income tax recoverable	27,381	23,240	27,381	23,240
Accrued legacy income	696,220	41,500	696,220	41,500
Interest due	4,825	3,413	4,825	3,413
Prepayments and other debtors	248,329	222,575	130,584	87,557
	<u>976,755</u>	<u>290,728</u>	<u>1,418,177</u>	<u>219,495</u>

18 Creditors: amounts falling due within one year

	Group		Charity	
	2018	2017	2018	2017
	£	£	£	£
Interest free loans	2,500	2,500	2,500	2,500
Taxation and Social Security	84,854	71,587	82,443	71,587
Trade creditors	33,549	64,981	-	-
Other creditors	186,843	202,120	101,673	125,599
Accruals	13,892	14,452	13,892	14,452
	<u>321,638</u>	<u>355,640</u>	<u>200,508</u>	<u>214,138</u>

Included in other creditors are pension contributions amounting to £43,550 (2017: £45,695).

St Clare West Essex Hospice Care Trust

Notes forming part of the financial statements for the year ended 31 March 2018

19 Staff costs

	2018 £	2017 £
Salaries	3,501,204	3,168,244
Social security costs	311,284	278,721
Pension costs	296,325	271,758
	<u>4,108,813</u>	<u>3,718,723</u>

Included in the above is a termination payment of £10,000. There were no termination payments in the prior year.

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

	2018	2017
£60,001 - £70,000	5	1
£70,001 - £80,000	1	1
£100,001 - £110,000	1	1
£120,001 - £130,000	1	1

The average number of employees during the year was:

	2018	2017
Full time	77	72
Part time	68	62
	<u>145</u>	<u>134</u>

The average number of full time equivalent employees in the year was 110.4 (2017: 106.7).

20 Key management personnel

The Charity considers that the key management personnel comprise the Trustees and the Directors team. The total employee benefits of the key management personnel of the Charity were £495,998 (2017: £447,871).

21 Analysis of net assets between funds

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Group fund balances at 31 March 2018:				
Intangible fixed assets	-	31,993	-	31,993
Tangible fixed assets	-	2,856,919	-	2,856,919
Current assets	4,840,533	-	163,012	5,003,545
Current liabilities	(321,638)	-	-	(321,638)
Total net assets	<u>4,518,895</u>	<u>2,888,912</u>	<u>163,012</u>	<u>7,570,819</u>
	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Group fund balances at 31 March 2017:				
Intangible fixed assets	-	45,907	-	45,907
Tangible fixed assets	-	3,017,921	-	3,017,921
Current assets	3,817,509	-	111,104	3,928,613
Current liabilities	(355,640)	-	-	(355,640)
Total net assets	<u>3,461,869</u>	<u>3,063,828</u>	<u>111,104</u>	<u>6,636,801</u>

**Notes forming part of the financial statements
for the year ended 31 March 2018**

21 Analysis of net assets between funds (continued)

	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Charity fund balances at 31 March 2018:				
Intangible fixed assets	-	31,993	-	31,993
Tangible fixed assets	-	2,805,135	-	2,805,135
Investments	-	2	-	2
Current assets	4,770,497	-	163,012	4,933,509
Current liabilities	(200,508)	-	-	(200,508)
Total net assets	<u>4,569,989</u>	<u>2,837,130</u>	<u>163,012</u>	<u>7,570,131</u>
	General Funds £	Designated Funds £	Restricted Funds £	Total Funds £
Charity fund balances at 31 March 2017 (restated):				
Intangible fixed assets	-	45,907	-	45,907
Tangible fixed assets	-	2,945,917	-	2,945,917
Investments	-	2	-	2
Current assets	3,315,976	-	111,104	3,427,080
Current liabilities	(214,138)	-	-	(214,138)
Total net assets	<u>3,101,838</u>	<u>2,991,826</u>	<u>111,104</u>	<u>6,204,768</u>

22 Statement of funds

	At 1 April 2017 £	Income £	Expenditure £	Transfers £	At 31 March 2018 £
Unrestricted funds:					
General funds	3,461,869	6,445,643	(5,322,915)	(65,702)	4,518,895
Designated funds	3,063,828	-	(270,563)	95,647	2,888,912
	<u>6,525,697</u>	<u>6,445,643</u>	<u>(5,593,478)</u>	<u>29,945</u>	<u>7,407,807</u>
Restricted funds:					
Community Service fund	26,371	-	(26,371)	-	-
Patient Care fund	-	117,936	(27,232)	(29,945)	60,759
Community Engagement fund	-	5,000	(2,740)	-	2,260
Bereavement Service fund	25,000	42,000	(32,217)	-	34,783
Education & Research fund	59,733	8,414	(2,937)	-	65,210
	<u>111,104</u>	<u>173,350</u>	<u>(91,497)</u>	<u>(29,945)</u>	<u>163,012</u>
Total funds	<u>6,636,801</u>	<u>6,618,993</u>	<u>(5,684,975)</u>	<u>-</u>	<u>7,570,819</u>

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

Restricted funds:

The Community service fund represents funds given by Trusts to develop the Hospice at Home service and the community palliative care service.

The Patient Care fund represents funds given by Trusts and individuals to purchase equipment and fund other costs for patient care services.

The Community Engagement fund represents funds given by organisations to contribute towards costs of the Compassionate Neighbours project.

The Bereavement Service fund represents funds given by Trusts to develop the Children's Bereavement Service.

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 2018

23 Related party transactions

The Charity has taken advantage of the exemptions conferred by FRS102 not to disclose transactions with its wholly owned subsidiary. There were no other related party transactions in the current or comparative year which required disclosure.

24 Capital commitment

During the year the Charity entered into an agreement with a specialist contractor to refurbish the main kitchen in the Hospice building. The value of the non-cancellable contract was £69,311, of which the Charity paid a deposit of £20,833 in March 2018.

The works commenced in April 2018, and the newly refurbished kitchen was brought into use in June 2018 upon completion.

At 31 March 2018, the Charity was committed to contracted expenditure of £69,311, and the deposit amount is included within the debtors total on the Balance Sheet.

25 Commitments under operating leases

At 31 March, the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

	2018 £	2018 £	2017 £	2017 £
	Other	Land & Building	Other	Land & Building
Operating leases which expire:				
within one year	373	-	2,675	106,014
between two and five years	20,480	547,696	362	74,948
	<u>20,853</u>	<u>547,696</u>	<u>3,037</u>	<u>180,962</u>

26 Restatement of comparative figures

Following the confirmation by the Financial Reporting Council in the triennial review of FRS102 that Gift Aid payments should be treated as distributions, the comparative figures have been restated to exclude the unpaid Gift Aid donation from the subsidiary company.

St Clare West Essex Hospice Care Trust

Notes forming part of the financial statements for the year ended 31 March 2018

27 Prior year group statement of financial activities

	Unrestricted Funds £	Restricted Funds £	Total 2017 £
Income:			
Donations and gifts	1,891,411	99,450	1,990,861
Legacies	304,421	-	304,421
Other trading activities			
Fundraising events & similar income	177,573	-	177,573
Friends of St Clare branches	4,167	-	4,167
Trading Company turnover	1,521,251	-	1,521,251
	<u>1,702,991</u>	<u>-</u>	<u>1,702,991</u>
Income from charitable activities	1,958,513	14,454	1,972,967
Investment income and interest	18,415	-	18,415
Other income	23,244	-	23,244
Total income	<u>5,898,995</u>	<u>113,904</u>	<u>6,012,899</u>
Expenditure:			
Raising funds			
Fundraising expenditure	451,580	-	451,580
Friends of St Clare branches	25	-	25
Trading Company expenses	1,087,974	-	1,087,974
	<u>1,539,579</u>	<u>-</u>	<u>1,539,579</u>
Charitable activities			
Patient care	3,627,719	71,008	3,698,727
Education and research	-	13,892	13,892
	<u>3,627,719</u>	<u>84,900</u>	<u>3,712,619</u>
Total expenditure	<u>5,167,298</u>	<u>84,900</u>	<u>5,252,198</u>
Net income for year	<u>731,697</u>	<u>29,004</u>	<u>760,701</u>
Transfers between funds	176,102	(176,102)	-
Net movement in funds	<u>907,799</u>	<u>(147,098)</u>	<u>760,701</u>
Reconciliation of funds:			
Total funds brought forward at 1 April	5,617,898	258,202	5,876,100
Total funds carried forward at 31 March	<u>6,525,697</u>	<u>111,104</u>	<u>6,636,801</u>