

REGISTERED NUMBER:

COMPANY 01850502  
CHARITY 515668

**REPORT OF THE GOVERNORS**  
**AND CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2017**

**FOR**

**ST RICHARD'S HOSPICE FOUNDATION**  
**REGISTERED CHARITY LIMITED BY GUARANTEE**

**ST RICHARD'S HOSPICE FOUNDATION**  
**REGISTERED CHARITY LIMITED BY GUARANTEE**  
**CONSOLIDATED FINANCIAL STATEMENTS**

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**REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 MARCH 2017**

The Governors present their annual report, strategic report and audited financial statements of the parent charity and its subsidiary undertakings for the year ended 31 March 2017. The accounts comply with current statutory requirements, the charity's governing document and the Statement of Recommended Practice – Accounting and Reporting by Charities.

**Reference and administration details of the charity, its trustees and advisers**

The name of the charity is St Richard's Hospice Foundation, a company limited by guarantee. The company was incorporated on 24 September 1984. In accordance with Section 60 of the Companies Act 2006, the company is exempt from the requirements of that Act to include 'Limited' as part of its name. The company's registered number is 01850502. The company is also a registered charity, number 515668.

The principal address and registered office of the company is:

St Richard's Hospice  
Wildwood Drive  
Worcester  
WR5 2QT

The following Governors were in office during the year:

J M Bawden	(Chairman)
J G Bartholomew	
Mrs J P Cowpe	
Mrs H E Edwards	
P L Flagg	
C C A Glossop	
S A A Hyslop	
Professor R A Lewis	
Mrs A L Palmer	
Dr Quallington	
Cllr A Roberts	
R G Shaw	(Treasurer)
Miss B Sheridan	
Mrs M A Sullivan	
Professor T Thompson OBE	
Professor V Wilkie	

The Governors delegated the day to day management of the charity to the Chief Executive, Mark Jackson OBE.

Principal advisers:

The company's auditors are:

The Richards Sandy Partnership Limited  
Chartered Certified Accountants and Statutory Auditors  
Thorneloe House  
Barbourne Road  
Worcester  
WR1 1RU

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**Reference and administration details of the charity, its trustees and advisers** (Continued)

Principal advisers: (Continued)

The company's solicitors are:

HallmarkHulme  
Solicitors  
3, 4 & 5 Sansome Place  
Worcester WR1 1UQ

The company's bankers are:

National Westminster Bank Plc  
1 The Cross  
Worcester WR1 3PR

The company's investment advisers are:

Close Brother Asset Management Limited  
10 Exchange Square  
Primrose Street  
London EC2A 2BY

**Structure, governance and management**

The company is governed by its Memorandum and Articles of Association.

**Council of Governors**

In accordance with the company's Articles of Association, the company has a council whose members are Governors. Such Governors constitute directors of the company for Companies Act purposes and trustees of the charity for Charity Act purposes.

The company is limited by guarantee and therefore the Governors have no beneficial interest to disclose. The appointment of new Governors is undertaken by the current Governors and approved by the members at the AGM. Two Governors are nominated by Worcester City Council, who are volunteers within the Council.

St Richard's Hospice Governors are expected to be pro-active and actively involved in supporting the Hospice. Potential Governors are identified by the skills and expertise they will bring, as well as their motivation and support for the mission. They are interviewed by the Chairman and at least two other Governors. They are required to attend the volunteer induction training programme and receive formal induction by the Chairman who also carries out an annual performance appraisal with each Governor, reviewing their performance and contribution to the work of the Hospice.

**Organisation**

Strategic decisions are made by the Council of Governors in regular meetings, delegating operating responsibilities to appropriate sub-committees. Day to day management is conducted by the Chief Executive Officer, who reports regularly to the Council of Governors.

There is a management structure for committees, each of which has a Governor as Chairman, which supervise Finance and General Purpose, Hospice Services, Clinical Quality Sub-Committee and Trading Company Board. The committees meet regularly. They report to the quarterly Council of Governors meetings. The Hospice has a full suite of policies and procedures which clearly outline the demarcation of levels of responsibilities.

St Richard's Hospice is affiliated to the National Council of Palliative Care, is a member of Hospice UK and is a member of the Herefordshire and Worcestershire Chamber of Commerce.

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**Subsidiary and associated companies**

The charity has a wholly owned subsidiary company – St Richard's Hospice Trading Company Limited. The object of St Richard's Hospice Trading Limited is to raise funds for St Richard's Hospice.

The charity's owns 33.33% of Worcestershire Hospices Lottery Limited. It shares equal ownership with Primrose Hospice Limited and Acorn's Children's Hospice.

For the purposes of these consolidated accounts, the wholly owned subsidiary has been consolidated on a line by line basis and the holding in Worcestershire Hospices Lottery Limited included using the net equity method applicable to joint ventures.

**Risk assessment**

St Richard's has a comprehensive on-going system for risk assessment and management. Every week the Senior Management Team meeting will consider any risk to the charity. These, and any necessary remedial action taken, will be reported to either the Finance and General Purpose Committee or Hospice Services Committee that meet quarterly, as appropriate. This presents an opportunity to:

- Talk about principle risks
- Give a summary of plans
- Explain factors affecting future performance

A Risk Register is managed by the Chief Executive and is reviewed at the Finance and General Purpose Committee and Council of Governors meetings, as appropriate.

**Mission**

The mission of St Richard's is, in partnership with other providers, to enhance, through specialist palliative and end of life care and education, the quality of life of patients and those important to them, suffering from life-limiting illnesses.

**Vision**

St Richard's is to be a centre of expertise providing excellent individualised care and support to those affected by life-limiting conditions.

**Values**

We should aim to maximise the quality of life of adult patients who have a life-limiting illness by:

- Creating a safe and caring environment by offering physical, emotional and spiritual support to patients and their families.
- Enabling patients to gain freedom from distressing symptoms.
- Relieving patients and families from the stress brought about by active and progressive disease.
- Enabling and empowering communities to support patients with end of life care needs, and their families, locally.
- Supporting the local community to be well informed about individualised care and support available to them.
- Enabling people to care for themselves and remain independent for as long as possible.

On behalf of our patients and families we aim to:

- Work towards a quality of life acceptable to them.
- Enable them to enjoy life to the maximum ability.
- Encompass all of them in care, ensuring those who die do so with dignity.
- Help provide care in a place chosen by them, surrounded by people important to them.

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**Strategic Objectives & Activities**

The strategic objectives for the period 2017-2026 are:

- Develop patient services to meet the specialist and rehabilitative palliative and end of life care needs within the community 24/7.
- Develop and maintain a flexible, multi-skilled work force who will be equipped to meet the challenges of developing specialist palliative and end of life care.
- Maintain financial reserves of at least 6 months expenditure.
- Sustain good relations with all appropriate NHS, civic, private, voluntary and community sector partners.
- Deliver high quality palliative and end of life care in Worcestershire by the better integration of the provision of care with partners and most efficient use of all assets and organisations.
- Nurture staff and volunteer loyalty and retention by a proactive HR policy that encourages job satisfaction through good personnel management, training and personal development planning, while offering realistic financial remuneration.
- Obtain long term contracts with Commissioners, or other statutory bodies that provide St Richard's Hospice with statutory funding and service support that conforms to national tariffs, Department of Health guidelines, and compares favourably with the average national contribution to independent hospices.
- Sustain an achievable annual increase in income from fundraising and all commercial activities to cover increases in services, inflation and any reduction in statutory funding that may impact upon St Richard's Hospice.
- Develop and maintain St Richard's Hospice profile across Worcestershire, and other areas from which patients come, as the first choice charity to support.
- Broaden the recruitment of new volunteers to take into account local demographics and modern cultural attitudes towards volunteering and increase in volunteering roles.

**Our method**

Hospice is not a place, it is a philosophy of care; we provide free physical, social, psychological and spiritual palliative care in the form of specialist medical, nursing, counselling and care support to patients with cancer and other life-limiting illnesses, their families and carers. Patient care is provided at home, in nursing homes, in residential homes, in the community hospitals, in the Worcestershire Royal Hospitals Acute NHS Trust, at Wildwood Drive, or wherever the patient is.

We work closely with our community and hospital colleagues from the NHS, Social Services, local nursing homes and other voluntary service providers. All our work enhances the care and support patients and their families receive from statutory services.

Our care is unconditional, non-judgemental and provided free of charge to all at the point of delivery, regardless of creed, gender, ethnic origin or social background.

**Our services**

- Home support provided by St Richard's Hospice Clinical Nurse Specialists and Hospice at Home teams.
- Day Hospice providing rehabilitative stimulation in living, monitoring of pain and other symptoms, respite care for families and other supporting therapies.
- Medical advice to General Practitioners.
- Bereavement support for family and friends of former patients both pre and post death.
- Information centre for the general public via our Gateway service.
- A 17 bed consultant led In-Patient Unit with full Multi-Disciplinary Team support.
- Chaplaincy.
- 24/7 advice and help line. Manned by Clinical Nurse Specialists this provides a "triage" service in working hours and switches through to a telephone advice line in silent hours.
- Volunteer services providing specially trained volunteers to support patients, families and carers at home, in Day Hospice or in the In-patient Unit.
- Education and training in specialist palliative and end of life care for health and social care staff, students, staff and volunteers.

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**Quality standards and clinical quality**

The clinical work of St Richard's Hospice is subject to audit, registration and compliance by the Care Quality Commission "Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 part 3" and "CQC (Registration) regulations 2009". Following registration, there is on-going monitoring of St Richard's clinical quality via a variety of sources of information and accessible data. On 9<sup>th</sup> June 2016, the CQC rated St Richard's services overall as good. The Hospice holds its own quarterly Care Quality Sub-Committee meetings which is attended by two Governors where quality matters are reviewed. The Minutes of these meetings are submitted to the Hospice Services Committee and the Council of Governors. Additionally, annual Clinical Quality Reviews are carried out with Commissioners.

**Employees and Volunteers**

St Richard's Hospice has a Remuneration Committee chaired by the Chairman with three additional Governors and attended by the CEO and HR Manager. Each year it reviews the salaries of all members of staff. Salaries for senior management are benchmarked against the Croner Hospice Rewards and Charities Rewards reports with consideration being given to the regional, West Midlands, median. Additionally consideration is given to NHS and private sector comparators. This process is applied to setting the remuneration of key management personnel.

During the reporting period, 'key management personnel' are the Senior Management Team of the Hospice:

Chief Executive	Mark Jackson OBE
Care Director	June Patel
Medical Director	Dr Nicola Wilderspin
Commercial Director	Daniel Corns
Fundraising Director	Tricia Cavell

It is company policy to give full and fair consideration to applications for employment made by disabled persons, having regard to the particular abilities and aptitudes of each applicant and to the requirements of vacant posts available. Employees who become disabled in service are retained where possible either in their own or more suitable posts.

St Richard's Hospice has a staff representation group called "Moving Forward Together" that meets regularly and gives feedback to the senior management team. Additionally, staff and volunteers are kept up to date with hospice matters through a weekly newsletter, quarterly Staff Meetings, in-house reports, the Intranet, and the "In Touch" news sheet sent to all volunteers.

The charity is reliant upon its 1000+ volunteers who work across the full breadth of its patient services, in the shops, and fundraise. The Governors estimate that the contribution in terms of hours and indicative value of volunteers is as follows:

**Role: Patient Services**

	<b>2017 Annual Hours</b>	<b>2017 Annual Cost £</b>	<b>2016 Annual Hours</b>	<b>2016 Annual Cost £</b>
<b>Patient Services</b>				
Admin – Volunteer Services	1,189	9,551	604	4,861
Admin – Community Care Team	227	1,827	414	3,330
Admin – Day Hospice	8	64	-	-
Admin – Chaplaincy	5	36	-	-
Admin – HR	107	864	23	185
Admin – Education	42	342	-	-
6	42			
Bath Nurses	582	4072	720	5,039
Hand Care	-	-	12	82
Clinic Support	775	10,856	731	10,234
Mini-Bus Driver	934	6,542	910	6,372
Car Driver	1,623	11,370	2,271	15,894
Mini-Bus Escort	788	5,519	843	5,900
Complementary Therapy	644	7,117	735	8,121
Chaplain	1,285	19,268	1,384	20,762
Day Hospice Volunteer	6,815	47,713	6,424	44,970
Creative & Diversional Therapy	273	3,139	575	6,611
Osteopathy – General Help	-	-	30	420
Saturday Social Group	160	2,199	185	2,590
Flower Arranging	3	22	3	21
Gardeners	470	3,288	499	3,496
Laundry	4	28	-	-
Maintenance	5	35	85	593

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**Employees and Volunteers** (Continued)

Hairdressing	393	2,612	483	3,204
IPU Helpers	1,215	8,505	1,582	11,071
Kitchen Volunteer	47	329	76	534
Physiotherapy	98	1,718	59	1,032
Main Reception	5,819	40,731	5,892	41,229
Snowdrop Reception	-	-	605	4,237
Community Sitters	108	755	255	1,787
Hospice Neighbours/Community Volunteers	1,653	13,304	1,343	10,816
Listening Into Action	-	-	1	7
Family Support Workers	1,712	20,787	1,748	24,454
Volunteer Counsellor	1,625	22,754	1,908	26,706
Yoga Therapist	-	-	37	522
	-----	-----	-----	-----
	28,609	245,347	30,437	265,080
	=====	=====	=====	=====

**Role: Support and Trading Company**

Admin – Accounts	208	1,678	10	79
Admin – Commercial	1745	14,109	1,381	11,114
Admin – Fundraising, Coordinators, Collectors, Events	1,102	8,868	561	4,516
Admin – Library	150	1,354	144	1,292
Admin – Education	5	70	55	457
Governors/Trustees	228	4,557	355	6,796
Shop Volunteers	95,675	635,662	104,163	691,581
Warehouse	14,108	98,757	18,850	131,947
	-----	-----	-----	-----
	113,221	765,055	125,519	847,782
	=====	=====	=====	=====
Grand Total:	141,830	1,010,402	155,956	1,112,862
	=====	=====	=====	=====
Plus 4% Pension		1,050,818		1,157,376
		=====		=====



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**Strategic Report**

**Achievements and performance including plans for future periods**

A key area of success and development for this reporting period has been the transformation of our Day Hospice that has enabled and supported people to 'live well' with their life limiting illness. This approach has enabled people to gain confidence in managing their conditions supported by a range of self-care strategies tailored to their personal needs.

*"I cannot thank the staff, volunteers and other patients enough. Day Hospice has changed me forever and I now know what the word 'hospice' really means. It's a place you come to, to learn how to live again. I think one of the best ways to describe your life when something like this happens to you is....Life is a glass vase that can shatter into a thousand pieces when dropped. You cannot put it back together again. However, Day Hospice helps you put your life back together and rebuild that vase into a new and better suited shape."*

**PRIORITIES FOR IMPROVEMENT 2016-2017**

**Summary of achievements:**

**Improvement Priority 1:** Complete the Strategic Review implementation that will shape St Richard's Hospice palliative and end of life care services for the next 5-10 years. **Partially completed.**

**Improvement Priority 2:** Create the St Richard's Gateway. **Completed.**

**Improvement Priority 3:** Develop the concept of wellness into practical rehabilitative palliative care. **Completed.**

**Improvement Priority 4:** Develop the workforce model for community services. **Completed.**

**Improvement Priority 5:** Expand the Community Volunteers Service by recruiting and training more volunteers. **Partially completed.**

**Improvement Priority 6:** Take over the Worcestershire Palliative Care System contract for SystmOne and achieve interoperability with the GP system, EMISweb. **Partially completed.**

**PRIORITIES FOR IMPROVEMENT 2017-2018**

**Future planning**

It must be noted that implementation of these priorities is dependent upon the ability to raise the necessary funds.

**Improvement Priority 1:** Complete the Strategic Review implementation that will shape St Richard's Hospice palliative and end of life care services for the next 5-10 years, including building an extension to Day Hospice.

**Improvement Priority 2:** Continue to expand the concept of wellness into practical rehabilitative palliative care. To enable patients to live well with life limiting illnesses.

**Improvement Priority 3:** Continue to expand the Community Volunteers Service by recruiting and training more volunteers.

**Improvement Priority 4:** Take over the Worcestershire Palliative Care System contract for SystmOne and achieve interoperability with the GP system, EMISweb.

**Material Fundraising Targets and Activity**

Fundraising targets are set as part of the annual budgeting process. The three main sources of income for the hospice are grouped as follows:

- 1: NHS
- 2: Donations, legacies and fundraising events
- 3: Income from Shops

**NHS**

The budget for this stream of income was set at a 0% uplift on the income received in 15/16. St Richard's managed to achieve this level of NHS support. 16/17 was the fifth year in succession our NHS grant has been frozen.

**DONATIONS, LEGACIES AND FUNDRAISING EVENTS**

Total income for these sources exceeded budget by over £400k in the year. The main reason for this group of income sources exceeding budget was a high level of legacy notifications in the period.

**INCOME FROM SHOPS**

A profit target for St Richard's Hospice Trading Company Limited for 16/17 was set at £755,555. Profit achieved in the year totalled £586,310. Tough trading conditions combined with the closure of a high performing store in Evesham, as the site was being developed by the landlord, affected the performance of shops.

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**Achievements and performance** (Continued)

CLINICAL PERFORMANCE

The 17 bed In-Patient Unit received 312 admissions 72% (225) of which were admitted within 24 hours. With 1,028 new referrals and 34,702 "contacts" the St Richard's Hospice Nurse Specialists have been exceedingly busy, as have the Hospice at Home team that has seen its referrals increase to 380 and have been able to deliver 2631 "sits" in patients' homes. The overall benefit of these properly coordinated services has been the ability to support more patients and families in the community, prevent admissions to the NHS Acute Trust and to help that Trust facilitate discharges so that patients can be in their preferred place of care rather than unnecessarily occupying a hospital bed.

St Richard's Hospice uses Key Performance Indicators (KPIs) to measure its performance monthly. From these KPIs that cover all clinical services, HR, Volunteers and Finance, information is extrapolated to inform 7 strategic level KPIs that are reported to the Council of Governors covering the three major clinical areas, Finance, Reserves and NHS Contracts and Personnel. The annual Patient Services and Quality Accounts report covers each clinical department's performance over the year in detail. These reports can be found on St Richard's Hospice website: [www.strichards.org.uk](http://www.strichards.org.uk)

**Public Benefit**

The Governors consider that they have complied with the duty in Section 17(5) of the Charities Act 2011 and have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing their aims and objectives and in planning future activities.

St Richard's Hospice clinical services are free to all; death does not discriminate and neither does St Richard's in offering a level of specialist palliative care that the NHS cannot. The only real limit upon our services is the ability to raise funds. Knowing that our resources are not limitless, the health community refers patients to the hospice who are in greatest need of its care. The number of patients that St Richard's has been able to help in 2016/17 is as follows:

<b>Category</b>	<b>2016/17</b>
Number of Admissions to the In-patient Unit	312
Monthly average of Day Hospice patients attendance	169
Number of Specialist Nurse new Referrals	1,028
Number of Family Support Client Contacts	2,485

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**Financial review**

**St Richard's Hospice Foundation**

Total income for the year was £6,529,295 (2016- £6,625,388). Total expenditure was £6,647,626 (2016 - £5,969,624).

At 31 March 2017 the charity's unrestricted fund balances were £9,806,781 (2016 - £9,330,778) of which £3,284,687 (2016 - £3,326,092) represented tangible fixed assets.

The Hospice activities, which are provided free of charge, are primarily funded by public donations, fundraising activities and income generated by the shops operated through St Richard's Hospice Trading Co Limited, supported by a service contract with the NHS.

The restricted funds are detailed on pages 21 to 23. Total restricted funds were £3,709,008 (2016 - £3,806,255).

The largest two factors which influenced the financial results in the year were the performance of the investment portfolio and the continuation of large legacy receipts.

**St Richard's Hospice Trading Co Limited**

The company generated gift aided profits from operations in its shops and warehouse of £586,310 (2016 - £635,568) from total income of £2,445,690 (2016 - £2,457,675) and total direct expenditure of £1,859,380 (2016 - £1,822,107).

**The Group**

The Group's results show total income (including the joint venture) of £8,281,837 (2016 - £8,388,625). Total expenditure increased to £8,311,768 (2016 - £7,637,161) with the cost of raising funds up by £101,749 and charitable activities costs up by £572,858.

Therefore, net expenditure was £ 29,931 (2016 - £751,464 – net income) and after including realised gains on sale of investments of £7,359 (2016 – loss £69,475) and unrealised gains on revaluation of investments of £395,997 (2016 – loss £97,304), the net movement in funds was £373,425 (2016 - £584,685) giving a total reserves figure of £13,506,905 (2016 - £13,133,480). Group unrestricted reserves were £9,797,897 (2016 - £9,327,225) and restricted reserves were £3,709,008 (2016- £3,806,255).

**Principal financial management policies**

St Richard's prepares an annual budget, which is approved by the Governors. Monthly accounts are prepared and discussed with the Senior Management Team to ensure that variances from the budget are monitored and acted upon as appropriate. Copies of the monthly accounts are circulated to Governors. The accounts are discussed at the meetings of the Finance & General Purpose Committee and Council of Governors. Cash balances in excess of St Richard's immediate requirements are placed in interest bearing deposit accounts and with Investment Advisers.

**Principal risks and uncertainties**

The principal risks and uncertainties facing the Hospice relate to the funding of the charity, particularly the impact of constraints, or reductions, on statutory funding, a significant reduction in grant making, trust or legacy income, and a downturn in income from the trading subsidiary company. The Hospice mitigates these risks by focusing on the following:

- Taking advantage of opportunities to reduce costs where this can be done without compromising other hospice objectives
- To continue to pursue the objective of diversifying income streams so that the impact of a reduction in any one income stream is less significant to the hospice's ability to achieve its goals
- Hold sufficient reserves to allow it time to address financial challenges as they present themselves

The strategy for 2016-26 will require capital investment. The excess of funds above the Reserves policy at the year-end can be applied to this. The risk for implementing the strategy will be St Richard's ability to increase income over this period to pay for the additional running costs that come from growing the services offered by the Hospice and the outcome of any additional Capital Appeal.

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**Reserves policy**

Reserves are required in order:

- a) To provide a buffer should there be a downturn in fundraising.
- b) To provide staff security of employment.

Total funds held as at 31 March 2017 were £13,506,905 (2016 - £13,133,480).

The Council of Governors have directed that a minimum of six months operating costs should be held (for the financial year 2016/17 this represented a target of £4.2m).

Unrestricted group reserves at 31 March 2017 which were freely available for general purposes amounted to £6,255,573 (2016: £5,738,166). The surplus of reserves held compared to the reserves policy can be applied to further the Hospice strategy for 2016-26.

The designated fixed asset fund of £3,542,324 (2016 - £3,589,059) has been set up to assist in identifying those funds that are not free funds. It represents the net book value of tangible fixed assets excluding those tangible fixed assets funded from restricted funds.

Restricted funds totalling £3,709,008 (2016 - £3,806,255) were held at the year end. This type of fund is not available for general purposes.

**Investment policy**

The majority of the Hospice's investments are managed by Close Brothers Asset Management (CBAM). Actual performance of all investment classes i.e. those managed by CBAM and investment property in the year was 11.2%. The investment target is CPI + 4% which at 31 March 2017 was 6.3%.

The investment policy has not changed, for detail thereof, please review the accounts for the year ended 31 March 2016.

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**Statement as to disclosure of information to auditors**

So far as each Governor is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each Governor has taken all the steps that he or she ought to have taken as a Governor in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Statement of Governors' responsibilities**

The Governors (who are also directors of St. Richard's Hospice Foundation for the purposes of company law) are responsible for preparing the Strategic Report, Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

The Governors are responsible for keeping adequate 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.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Auditors**

In line with best practice, St Richard's Hospice will go to tender in 2017 to select its auditor for the 17/18 accounts.

**The report of the Governors (incorporating the directors' report and the strategic report) was approved by the Board of Governors on and signed on its behalf by:-**

**J M Bawden – Chairman**  
**12 October 2017**

**ST RICHARD'S HOSPICE FOUNDATION**  
**REGISTERED CHARITY LIMITED BY GUARANTEE**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**ST RICHARD'S HOSPICE FOUNDATION**

We have audited the group and parent charity financial statements of St. Richard's Hospice Foundation for the year ended 31 March 2017 which comprises the Statement of Financial Activities, Summary Income and Expenditure Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the charity'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 charity's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of governors and auditors**

As explained more fully in the Governor's Responsibilities Statement, the governors (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 (APB'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 charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the governors and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

**Opinion of financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group and the parent charitable company's affairs as at 31 March 2017 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion of other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' Annual Report (which incorporates the strategic report and directors' report required by company law) for the financial year for which the financial statements are prepared is consistent with the financial statements.

**ST RICHARD'S HOSPICE FOUNDATION**  
**REGISTERED CHARITY LIMITED BY GUARANTEE**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**  
**ST RICHARD'S HOSPICE FOUNDATION** (Continued)

**Matters on which we are required to report by exception**

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

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

**Rob Richards FCA CTA FCCA (Senior Statutory Auditor)**  
for and on behalf of:  
**The Richards Sandy Partnership Limited**  
**Chartered Certified Accountants and Statutory Auditors**  
Thorneloe House  
25 Barbourne Road  
Worcester  
WR1 1RU

**Date: 18 October 2017**

**ST RICHARD'S HOSPICE FOUNDATION**  
**REGISTERED CHARITY LIMITED BY GUARANTEE**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	<u>Notes</u>	<u>Total Unrestricted Fund</u> £	<u>Total Restricted Funds</u> (Note 2) £	<u>Total Funds 2017</u> £	<u>Total Funds 2016</u> £
<b><u>INCOME FROM:</u></b>					
Donations and Legacies	3	2,394,989	290,405	2,685,394	3,101,092
Charitable Activities	4	2,086,774		2,086,774	2,066,350
Other Trading Activities	5	3,260,195		3,260,195	2,987,420
Investments:	6	155,743		155,743	134,510
Other					
- Share of net income of Joint Venture	17	93,731		93,731	99,253
		----- 7,991,432 =====	----- 290,405 =====	----- 8,281,837 =====	----- 8,388,625 =====
<b><u>TOTAL INCOME</u></b>					
<b><u>EXPENDITURE ON:</u></b>					
Raising Funds	7	2,642,278	27,475	2,669,753	2,568,004
Charitable Activities	8	5,281,838	360,177	5,642,015	5,069,157
		----- 7,924,116 =====	----- 387,652 =====	----- 8,311,768 =====	----- 7,637,161 =====
<b><u>TOTAL EXPENDITURE</u></b>					
<b><u>NET INCOME/(EXPENDITURE) AND NET MOVEMENT IN FUNDS BEFORE GAINS/(LOSSES) ON INVESTMENTS</u></b>					
		67,316	(97,247)	(29,931)	751,464
Net gains/(losses) on investments	14	403,356	-	403,356	(166,779)
		----- 470,672	----- (97,247)	----- 373,425	----- 584,685
<b><u>NET MOVEMENT IN FUNDS</u></b>					
<b><u>RECONCILIATION OF FUNDS:</u></b>					
<b><u>TOTAL FUNDS BROUGHT FORWARD</u></b>					
		9,327,225	3,806,255	13,133,480	12,548,795
<b><u>TOTAL FUNDS CARRIED FORWARD</u></b>					
	2	9,797,897	3,709,008	13,506,905	13,133,480
		----- 9,797,897 =====	----- 3,709,008 =====	----- 13,506,905 =====	----- 13,133,480 =====

The notes form part of these financial statements



**ST RICHARD'S HOSPICE FOUNDATION**  
**REGISTERED CHARITY LIMITED BY GUARANTEE**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2017**

	<u>Notes</u>	<b>Group 2017</b>	Group 2016	<b>Charity 2017</b>	Charity 2016
		£	£	£	£
<b>INCOME</b>		<b>8,188,106</b>	8,289,372	<b>6,529,295</b>	6,625,388
<b>EXPENDITURE</b>		<b>8,311,768</b>	7,637,161	<b>6,647,626</b>	5,969,624
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR BEFORE JOINT VENTURE</b>		<b>(123,662)</b>	652,211	<b>(118,331)</b>	655,764
Share of net incoming resources from joint venture	17	<b>93,731</b>	99,253	<b>93,731</b>	99,253
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR BEFORE NET GAINS/(LOSSES) ON INVESTMENTS</b>		<b>(29,931)</b>	751,464	<b>(24,600)</b>	755,017
Net gains/(losses) on investments		<b>403,356</b>	(166,779)	<b>403,356</b>	(166,779)
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR BEFORE TAX</b>		<b>373,425</b>	584,685	<b>378,756</b>	582,238
Tax on net income/(expenditure)	12	-	-	-	-
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR AFTER TAX</b>		<b>373,425</b>	584,685	<b>378,756</b>	588,238

**CONTINUING OPERATIONS**

None of the group's activities were acquired or discontinued during the current year or previous year.

The Income and Expenditure Account is presented in order to ensure compliance with the Companies Act 2006.

The notes form part of these financial statements

**ST RICHARD'S HOSPICE FOUNDATION**  
**REGISTERED CHARITY LIMITED BY GUARANTEE**  
**REGISTERED COMPANY NUMBER 01850502**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2017**

	<u>Notes</u>	<u>Group</u> <u>2017</u> £	<u>Group</u> <u>2016</u> £	<u>Charity</u> <u>2017</u> £	<u>Charity</u> <u>2016</u> £
<b><u>FIXED ASSETS</u></b>					
Tangible assets	13	<b>7,213,016</b>	7,345,536	<b>6,955,380</b>	7,082,569
Investments	14	<b>4,988,048</b>	4,001,428	<b>4,988,148</b>	4,001,528
Investment property	15	<b>259,800</b>	252,000	<b>526,321</b>	518,521
		<b>12,460,864</b>	11,598,964	<b>12,469,849</b>	11,602,618
<b><u>CURRENT ASSETS</u></b>					
Stock	18	<b>122,895</b>	134,487	-	-
Debtors	19	<b>1,031,799</b>	605,184	<b>1,086,933</b>	606,204
Cash at bank		<b>935,854</b>	1,448,271	<b>901,640</b>	1,404,191
		<b>2,090,548</b>	2,187,942	<b>1,988,573</b>	2,010,395
<b><u>LIABILITIES</u></b>					
Creditors: amounts falling due within one year	20	<b>1,044,507</b>	653,426	<b>942,633</b>	475,980
<b><u>NET CURRENT ASSETS</u></b>					
		<b>1,046,041</b>	1,534,516	<b>1,045,940</b>	1,534,415
<b><u>TOTAL NET ASSETS</u></b>					
		<b>13,506,905</b>	13,133,480	<b>13,515,789</b>	13,137,033
<b><u>THE FUNDS OF THE CHARITY</u></b>					
Restricted Funds	2	<b>3,709,008</b>	3,806,255	<b>3,709,008</b>	3,806,255
Unrestricted Funds:					
General Fund	2	<b>5,625,237</b>	5,522,246	<b>5,891,758</b>	5,788,766
- Investment Fair Value Reserve	2	<b>630,336</b>	215,920	<b>630,336</b>	215,920
Designated Funds	2	<b>3,542,324</b>	3,589,059	<b>3,284,687</b>	3,326,092
		<b>13,506,905</b>	13,133,480	<b>13,515,789</b>	13,137,033

**ON BEHALF OF THE BOARD:**  
**J M Bawden - Governor**

Approved by the Board on 12 October 2017

The notes form part of these financial statements

**ST RICHARD'S HOSPICE FOUNDATION**  
**REGISTERED CHARITY LIMITED BY GUARANTEE**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31ST MARCH 2017**

	Notes	<u>2017</u> £	<u>2016</u> £
<b>Cash flows from operating activities:</b>			
Net cash provided by (used in) operating activities	1	<b>148,241</b>	1,141,721
<b>Cash flows from investing activities:</b>			
Dividends, interest and rents from investments		<b>150,656</b>	130,455
Purchase of property, plant and equipment		<b>(319,068)</b>	(835,317)
Proceeds from sale of investments		<b>515,103</b>	707,164
Purchase of investments		<b>(1,098,367)</b>	(1,085,160)
Joint Venture Distributions		<b>91,018</b>	93,608
Net cash provided by (used in) investing activities		<b>(660,658)</b>	(989,250)
<b>Change in cash and cash equivalents in the reporting period:</b>		<b>(512,417)</b>	152,471
<b>Cash and cash equivalents at the beginning of the reporting period:</b>		<b>1,448,271</b>	1,295,800
<b>Cash and cash equivalents at the end of the reporting period:</b>		<b>935,854</b>	1,448,271
	2	<b>935,854</b>	1,448,271

The notes form part of these financial statements

**ST RICHARD'S HOSPICE FOUNDATION**  
**REGISTERED CHARITY LIMITED BY GUARANTEE**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31ST MARCH 2017**

1.	<b>Reconciliation of net income to net cash flow from operating activities</b>		
		<b><u>2017</u></b>	<b><u>2016</u></b>
		£	£
	<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities):</b>	<b>373,425</b>	584,685
	<b>Adjustments for:</b>		
	Depreciation charges	<b>451,588</b>	406,764
	(Gains)/losses on investments	<b>(403,356)</b>	166,779
	Dividends, interest and rents from investments	<b>(155,743)</b>	(134,510)
	(Increase)/decrease in stocks	<b>11,592</b>	27,838
	(Increase)/decrease in debtors	<b>(426,615)</b>	220,494
	Increase/(decrease) in creditors	<b>391,081</b>	(31,076)
	Income from Joint Venture	<b>(93,731)</b>	(99,253)
		-----	-----
	<b>Net cash provided by (used in) operating activities:</b>	<b>148,241</b>	1,141,721
		=====	=====
2.	<b>Analysis of cash and cash equivalents</b>		
	Cash in hand	<b>935,854</b>	1,448,271
		=====	=====

The notes form part of these financial statements

**ST RICHARD'S HOSPICE FOUNDATION**  
**REGISTERED CHARITY LIMITED BY GUARANTEE**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

1. **ACCOUNTING POLICIES**

**Charitable company information**

St Richard's Hospice Foundation is a charitable company limited by guarantee, incorporated in England and Wales. The registered office is Wildwood Drive, Worcester, WR5 2QT.

**Basis of preparation and assessment of going concern**

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP FRS 102) and the Companies Act 2006.

The charitable company meets the definition of a public benefit entity under FRS 102.

The governors consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The financial statements are presented in sterling (£).

**Group financial statements**

These financial statements consolidate the results of the charity and its wholly owned subsidiary on a line by line basis. Investments in joint ventures are included in the group financial statements using the "equity method".

**Income**

Income, excluding donations, is included in the financial statements using the accruals concept. Grants are recognised when the entitlement, certainty and measurement conditions have been met. Donations are included as and when received. Legacies are recognised when it becomes reasonably certain that they will be receivable and if the value can be measured with sufficient reliability. Income tax recoverable on gift aided donations is included in the period to which it relates.

**Expenditure**

The cost of generating funds includes costs of generating voluntary income and costs of fundraising trading. Charitable activities costs include expenditure on delivering palliative care and education. Governance costs include costs of meeting the charity's statutory and constitutional objectives.

**Gifts in kind**

Gifts received in kind for resale are recognised when the gift is sold using the sales value.

Donated services or facilities are included in the Statement of Financial Activities where the benefit to the charity is reasonably quantifiable and measurable. The contribution of volunteers is not included in the Statement of Financial Activities but is disclosed in the Governors' Report in accordance with the SORP.

Donated assets given for use by the charity are recognised at their market value as incoming resources and within the relevant fixed asset category on the balance sheet when receivable.

**Liabilities**

Liabilities are recognised in the accounts as soon as a present obligation arises from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably.

**Fund accounting**

General funds are expendable at the discretion of the governor's in furtherance of the charity's objectives and which have not been designated for other purposes. It is the policy of the hospice to build up a reserve of at least six months operating costs in this fund. Designated funds comprise unrestricted funds that have been set aside by the governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds contain income which has been received for specific purposes, less the related expenditure against these. The aim and use of each material restricted fund is set out in the notes to the financial statements.

**ST RICHARD'S HOSPICE FOUNDATION**  
**REGISTERED CHARITY LIMITED BY GUARANTEE**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017** (Continued)

1. **ACCOUNTING POLICIES** (Continued)

**Tangible fixed assets**

Tangible fixed assets are included at cost.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property (including commercial property)	-	2% on cost of buildings
Freehold property – solar panels	-	5% on cost
Leasehold land	-	Over life of lease (125 years)
Assets under construction	-	0%
Shop refurbishment	-	20% - 33% on cost
Medical equipment	-	20% - 50% on cost
Furniture and fittings	-	10% - 50% on cost
Motor vehicles	-	20% - 33% on cost
Office equipment	-	20% - 50% on cost

Items of medical equipment, office equipment and furniture and fittings, having an initial cost of less than £250, are written off to revenue in the year of acquisition.

Fixed asset impairment reviews are carried out regularly.

**Leasing commitments**

Rentals paid under operating leases are charged to the profit and loss account as incurred.

**Pensions**

The pension costs represent amounts payable by the group during the year (see note 22).

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Allocation of support costs**

Support costs are allocated to all cost centres on a basis calculated in proportion to the estimated usage of facilities.

**Investments**

Listed fixed asset investments are included at fair value (quoted market price in an active market). Realised gains and losses on sales of investments are calculated as sale proceeds less the market value at the start of the period, or cost if purchased during the period. Both realised and unrealised gains or losses on investments are included in the Statement of Financial Activities and Income and Expenditure Account.

The Charity owns investment properties that are valued internally at fair value, considered by the governors to be open market value, annually with fair value changes recognised in the Statement of Financial Activities and Income and Expenditure Account. One property owned is treated as an investment property in the parent only accounts but as an own use tangible fixed asset in the group financial statements in accordance with FRS 102 as it is let by the parent to its wholly owned subsidiary.

Any changes in fair value over historic cost will be shown as an investment fair value reserve in the balance sheet.

The investment in the subsidiary and joint venture are included at cost.

**ST RICHARD'S HOSPICE FOUNDATION**  
**REGISTERED CHARITY LIMITED BY GUARANTEE**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017** (Continued)

**2. RESTRICTED FUNDS/UNRESTRICTED FUNDS**

The General Fund represents the free funds of the Hospice which are not designated for particular purposes. The investment fair value reserve represents the excess of fair value over the historic cost of the investments. The transfer from the general fund to the investment fair value reserve £18,419 (2016 – (£41,193)) represents the realisation of prior period fair valuation losses on investments.

The designated fixed asset fund has been set up to assist in identifying those funds that are not free funds. It represents the net book value of tangible fixed assets excluding those tangible fixed assets funded from restricted funds.

The transfer from the general fund to the designated fixed asset fund of £292,117 (2016 - £824,038) for the group and £292,117 (2016 - £557,518) for the charity represents unrestricted tangible fixed asset additions in the year.

The restricted Hospice fund was to provide a fund for the purchase of a new bedded unit. The fund balance at 31 March 2017 of £2,231,243 (2016 - £2,286,985) has arisen from direct fundraising for the bedded unit. The fund is held in buildings fixed assets and is depreciated in accordance with the relevant accounting policy.

The restricted Community Care Centre fund was to provide a fund for the building of a new Community Care Centre. The fund balance at 31 March 2017 of £ 777,116 (2016 - £794,778) is held in buildings fixed assets and is depreciated in accordance with the relevant accounting policy.

The restricted IPU extension fund was to provide a fund for the building of an extension to the bedded unit. The fund has a balance at 31 March 2017 of £624,630 (2016 - £639,430) and is held in building fixed assets. The fund will be reduced in line with the depreciation policy for its asset class.

Restricted other funds represent amount held from many smaller grant making trust and others for various restricted purposes which, due to their individual size, are not to be disclosed separately in these accounts.

**GROUP**

	At 1 April 2016 £	Income £	Expenditure £	Investment Gains £	Transfers £	At 31 March 2017 £
<b>General fund</b>	5,522,246	7,991,432	(7,585,264)	7,359	(310,536)	5,625,237
<b>Investment fair value reserve</b>	215,920			395,997	18,419	
<b>630,336</b>						
<b>Designated funds</b>						
Fixed asset fund	3,589,059		(338,852)		292,117	3,542,324
<b>Total unrestricted funds</b>	<b>9,327,225</b>	<b>7,991,432</b>	<b>(7,924,116)</b>	<b>403,356</b>	<b>-</b>	<b>9,797,897</b>
<b>Restricted funds</b>						
Hospice Fund	2,286,985		(55,742)			2,231,243
Community Care Fund	794,778		(17,662)			777,116
IPU Extension Fund	639,430		(14,800)			624,630
Other Funds	85,062	290,405	(299,448)			76,019
	<b>3,806,255</b>	<b>290,405</b>	<b>(387,652)</b>	<b>-</b>	<b>-</b>	<b>3,709,008</b>
<b>Total funds</b>	<b>13,133,480</b>	<b>8,281,837</b>	<b>(8,311,768)</b>	<b>403,356</b>	<b>-</b>	<b>13,506,905</b>

**ST RICHARD'S HOSPICE FOUNDATION**  
**REGISTERED CHARITY LIMITED BY GUARANTEE**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017** (Continued)

2. RESTRICTED FUNDS/UNRESTRICTED FUNDS (Continued)

CHARITY	At 1 April 2016 £	Income £	Expenditure £	Investment Gains £	Transfers £	At 31 March 2017 £
General fund	5,788,766	6,332,621	(5,926,452)	7,359	(310,536)	5,891,758
Investment fair value reserve 630,336	215,920			395,997	18,419	
<b>Designated funds</b>						
Fixed asset fund	3,326,092		(333,522)		292,117	3,284,687
<b>Total unrestricted funds</b>	<b>9,330,778</b>	<b>6,332,621</b>	<b>(6,259,974)</b>	<b>403,356</b>	<b>-</b>	<b>9,806,781</b>
<b>Restricted funds</b>						
Hospice Fund	2,286,985		(55,742)			2,231,243
Community Care Fund	794,778		(17,662)			777,116
IPU Extension Fund	639,430		(14,800)			624,630
Other Funds	85,062	290,405	(299,448)			76,019
	3,806,255	290,405	(387,652)	-	-	
<b>3,709,008</b>						
<b>Total funds</b>	<b>13,137,033</b>	<b>6,623,026</b>	<b>(6,647,626)</b>	<b>403,356</b>	<b>-</b>	<b>13,515,789</b>

ASSETS AND LIABILITIES REPRESENTING UNRESTRICTED FUNDS

GROUP	General Fund £	General Fund Re: investment Fair Value Reserve £	Designated Fixed Asset Fund £	Total Unrestricted Funds 2017 £	Total Unrestricted Funds 2016 £
<b>FIXED ASSETS</b>					
Tangible assets	-	-	3,542,324	3,542,324	3,589,059
Investments	4,617,412	630,336	-	5,247,748	4,253,328
Investments in joint venture	100	-	-	100	100
<b>CURRENT ASSETS</b>					
Stock	122,895	-	-	122,895	134,487
Debtors (Note 19)	1,031,799	-	-	1,031,799	605,184
Cash at bank	894,104	-	-	894,104	1,344,410
<b>CREDITORS:</b> Amounts falling due within one year (Note 20)	(1,041,073)	-	-	(1,041,073)	(599,343)
<b>Total Funds</b>	<b>5,625,237</b>	<b>630,336</b>	<b>3,542,324</b>	<b>9,797,897</b>	<b>9,327,225</b>



**ST RICHARD'S HOSPICE FOUNDATION**  
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2. **RESTRICTED FUNDS/UNRESTRICTED FUNDS** (Continued)

<b>CHARITY</b>	<b>General Fund</b>	<b>General Fund Re: investment Fair Value Reserve</b>	<b>Designated Fixed Asset Fund</b>	<b>Total Unrestricted Funds 2017</b>	<b>Total Unrestricted Funds 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b><u>FIXED ASSETS</u></b>					
Tangible assets	-	-	3,284,687	3,284,687	3,326,092
Investments	4,884,132	630,336	-	5,514,468	4,520,049
<b><u>CURRENT ASSETS</u></b>					
Debtors (Note 19)	1,086,933	-	-	1,086,933	606,204
Cash at bank	859,892	-	-	859,892	1,300,330
<b><u>CREDITORS:</u></b> Amounts falling due within one year (Note 20)	<b>(939,199)</b>	-	-	<b>(939,199)</b>	<b>(421,897)</b>
Total Funds	<b>5,891,758</b>	<b>630,336</b>	<b>3,284,687</b>	<b>9,806,781</b>	<b>9,330,778</b>

**GROUP AND CHARITY ASSETS AND LIABILITIES REPRESENTING RESTRICTED FUNDS**

	<b>IPU Extension Fund</b>	<b>Hospice Fund</b>	<b>Community Care Fund</b>	<b>Other Funds</b>	<b>Total Restricted Funds 2017</b>	<b>Total Restricted Funds 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b><u>FIXED ASSETS</u></b>						
Freehold Land & Buildings	624,630	2,231,243	777,116	7,917	3,640,906	3,719,683
Furniture & Fittings				1,820	1,820	7,270
Office Equipment				2,919	2,919	1,887
Medical Equipment				15,845	15,845	18,900
Motor Vehicles				9,205	9,205	8,737
<b><u>CURRENT ASSETS</u></b>						
Cash at bank				41,747	41,747	103,861
Debtors				-	-	-
<b><u>CREDITORS:</u></b> Amounts falling due within one year (Note 20)				<b>(3,434)</b>	<b>(3,434)</b>	<b>(54,083)</b>
Total Funds	<b>624,630</b>	<b>2,231,243</b>	<b>777,116</b>	<b>76,019</b>	<b>3,709,008</b>	<b>3,806,255</b>

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3. **DONATIONS AND LEGACIES**

	<u>Unrestricted Funds</u>	<u>Restricted Fund</u>	<u>Total Funds 2017</u>	<u>Total Funds 2016</u>
	£	£	£	£
Donations	210,851	18,918	229,769	337,728
Donations in memory	412,081		412,081	394,115
Legacies	1,233,828		1,233,828	1,615,346
Collections	34,463		34,463	34,545
Regular giving	94,881		94,881	73,919
Corporate including payroll giving	219,763		219,763	163,872
Grants	189,122	271,487	460,609	481,567
	-----	-----	-----	-----
	<b>2,394,989</b>	<b>290,405</b>	<b>2,685,394</b>	<b>3,101,092</b>
	=====	=====	=====	=====

For the year ended 31 March 2016, £7,050 of the £337,728 for donations and £276,861 of the £481,567 for grants were received as restricted funds.

Donated goods and services of £18,918 (2016 - £7,050) are included in restricted donations above of which £12,900 (2016 - £6,550) related to donations for fundraising and £6,018 (2016 - £500) for items for Facilities and Patient Services.

4. **CHARITABLE ACTIVITIES**

	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>Total Funds 2017</u>	<u>Total Funds 2016</u>
	£	£	£	£
NHS contribution towards drugs	140,000	-	140,000	108,670
NHS Contract	1,872,019	-	1,872,019	1,855,427
Education	59,823	-	59,823	59,009
Medical services and training(SpR?)	14,932	-	14,932	43,244
	-----	-----	-----	-----
	<b>2,086,774</b>	<b>-</b>	<b>2,086,774</b>	<b>2,066,350</b>
	=====	=====	=====	=====

For the year ended 31 March 2016, no restricted fund income was received for this category of income. NHS Contract income and NHS contribution towards drugs were paid pursuant to a grant agreement conditions of which were satisfied.

5. **OTHER TRADING ACTIVITIES**

	<u>Unrestricted Funds</u>	<u>Restricted Fund</u>	<u>Total Funds 2017</u>	<u>Total Funds 2016</u>
	£	£	£	£
Major events fundraising	679,878	-	679,878	422,619
Minor events fundraising	6,370	-	6,370	7,555
Assisted events fundraising	54,801	-	54,801	55,736
Raffles	44,585	-	44,585	32,947
Other	21,424	-	21,424	7,039
Chaplain	7,447	-	7,447	3,848
Trading company income	2,445,690	-	2,445,690	2,457,676
	-----	-----	-----	-----
	<b>3,260,195</b>	<b>-</b>	<b>3,260,195</b>	<b>2,987,420</b>
	=====	=====	=====	=====

For the year ended 31 March 2016, no restricted fund income was received for this category of income.

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6. **UK INVESTMENT INCOME**

	<u>Unrestricted Funds</u>	<u>Restricted Fund</u>	<u>Total Funds 2017</u>	<u>Total Funds 2016</u>
	£	£	£	£
Interest	43,149	-	43,149	41,298
Dividends	96,378	-	96,378	89,137
Rent received	16,216	-	16,216	4,075
	-----	-----	-----	-----
	<b>155,743</b>	<b>-</b>	<b>155,743</b>	<b>134,510</b>
	=====	=====	=====	=====

For the year ended 31 March 2016, no restricted fund income was received for this category of income.

7. **RAISING FUNDS**

	<u>Unrestricted Funds</u>	<u>Restricted Fund</u>	<u>Total Funds 2017</u>	<u>Total Funds 2016</u>
	£	£	£	£
Shops and commercial activities	1,817,131	-	1,817,131	1,794,248
Support costs re above (Note 9)	81,494	-	81,494	60,769
Fundraising	517,653	12,900	530,553	543,177
Support costs re above (Note 9)	186,633	14,575	201,208	140,810
Costs of managing investments	39,367	-	39,367	29,000
	-----	-----	-----	-----
	<b>2,642,278</b>	<b>27,475</b>	<b>2,669,753</b>	<b>2,568,004</b>
	=====	=====	=====	=====

For the year ended 31 March 2016, £14,119 of the £543,177 for Fundraising was paid from restricted funds.

8. **CHARITABLE ACTIVITIES**

	<u>Unrestricted Funds</u>	<u>Restricted Fund</u>	<u>Total Funds 2017</u>	<u>Total Funds 2016</u>
	£	£	£	£
Patient and Family Service costs	3,711,056	240,437	3,951,493	3,650,323
Support costs re above (Note 9)	1,240,504	119,740	1,360,244	1,128,568
Education and Study Centre	216,574	-	216,574	193,687
Support Costs re above (Note 9)	113,704	-	113,704	96,579
	-----	-----	-----	-----
	<b>5,281,838</b>	<b>360,177</b>	<b>5,642,015</b>	<b>5,069,157</b>
	=====	=====	=====	=====

For the year ended 31 March 2016, £306,580 of the £3,650,323 for Patient and Family Service costs and £99,375 of the £1,128,568 for support costs for that service were paid from restricted funds.

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9. **SUPPORT COSTS ALLOCATED TO ACTIVITIES**

	<b>Raising Funds Shops and Commercial Activities</b>	<b>Raising Funds Fundraising</b>	<b>Charitable Activities Education and Study Centre</b>	<b>Charitable Activities Patient and Family Services</b>	<b>Total Funds 2017</b>	<b>Total Funds 2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Unrestricted</b>						
Property related costs	11,530	13,834	23,058	182,158	230,580	168,043
Telephone and fax	988	2,399	1,412	9,313	14,112	17,407
Postage, printing and stationery	2,446	6,116	6,116	9,785	24,463	31,094
Insurance	-	872	872	15,698	17,442	16,895
Depreciation	-	5,348	26,738	137,792	169,878	151,531
Miscellaneous	5,843	1,845	308	25,620	33,616	29,413
Human resources	8,458	2,671	445	32,942	44,516	15,131
Computer expenses	9,362	9,362	9,362	57,877	85,963	52,232
Salaries and other costs	39,543	113,484	40,245	625,810	819,082	741,256
Catering supplies	-	-	4,973	94,495	99,468	85,440
Transport and minibus	-	-	-	6,418	6,418	5,213
Governance costs	3,324	1,050	175	12,945	17,494	13,696
Communications and Marketing	-	29,652	-	29,651	59,303	-
	<b>81,494</b>	<b>186,633</b>	<b>113,704</b>	<b>1,240,504</b>	<b>1,622,335</b>	<b>1,327,351</b>
	=====	=====	=====	=====	=====	=====
<b>Restricted</b>						
Depreciation – land and buildings	-	-	-	86,747	86,747	86,694
Depreciation – transport and minibus	-	-	-	6,025	6,025	5,825
Depreciation – furniture and fittings & office	-	-	-	4,735	4,735	6,856
Communications and Marketing	-	14,575	-	14,574	29,149	-
Computer Expenses	-	-	-	7,659	7,659	-
	<b>81,494</b>	<b>201,208</b>	<b>113,704</b>	<b>1,360,244</b>	<b>1,756,650</b>	<b>1,426,726</b>
	=====	=====	=====	=====	=====	=====

Support costs are allocated to all cost centres at various percentages based on the estimated usage of facilities.

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10. STAFF COSTS	<u>2017</u>	<u>2016</u>
	£	£
Wages and salaries	5,063,123	4,712,291
Social Security costs	430,906	358,704
Pension Costs	340,118	298,188
	=====	=====

The wages and salaries cost above includes salaried employees' costs of £4,936,373 (2016- £4,569,679) with the remaining £126,750 (2016 - £142,612) being staff paid via invoice, due to them being agency/seconded. Staff can receive a benefit of being a member of a private health insurer. The cost of this for the year ended 31 March 2017 was £17,719 (2016 - £17,917).

The average monthly number of salaried employees during the year by the group was as follows:

	<u>2017</u>	<u>2016</u>
Patient and Family Services staff	135	128
Education staff	5	5
Fundraising staff	9	13
Shops and commercial	44	45
Other staff	37	30
	-----	-----
	230	221
	===	===

The number of employees whose emoluments as defined for tax purposes amounted to over £60,000 in the year was as follows:

	<u>2017</u>	<u>2016</u>
£60,000 - £70,000	1	2
£70,000 - £80,000	1	-
£80,000 - £90,000	1	1

The total amount of employee benefits received by key management personnel was £351,698 (2016 - £332,466).

No remuneration has been paid and no expenses have been reimbursed/accrued regarding any governors other than:

R Lewis as a medical consultant and R G Shaw (as Richard G Shaw Ltd), as a practising chartered accountant, who supplied medical services and accounting and taxation as follows:

	<u>2017</u>	<u>2016</u>
	£	£
St Richard's Hospice Foundation – R Lewis	3,600	3,000
St Richard's Hospice Trading Company Limited – R G Shaw	600	550

£0 (2016 - £600) and £536 (2016 - £536) is included in accruals in respect of amounts owed to R Lewis and Richard G Shaw Ltd respectively at the year end.

The governors are satisfied that the payment of these fees complies with the requirements of the Charities Act 2011.

The governors have donated £4,352, without conditions, during the year.

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11. OPERATING PROFIT	<u>2017</u>	<u>2016</u>
	£	£
The operating profit is stated after charging:		
Depreciation - owned assets	451,588	406,764
Operating lease charges:		
- buildings	357,043	362,229
- other	11,962	35,832
Auditors' remuneration:		
- Charity audit	13,894	10,500
- subsidiary audit	3,000	2,600
Pension costs	340,118	309,788
	=====	=====
Governors emoluments and other benefits etc	4,200	3,550
	=====	=====

12. TAXATION

The company is a registered charity and is not liable to corporation tax. No liability to UK corporation tax arose on ordinary activities of the subsidiary companies for the year ended 31 March 2017 nor for the year ended 31 March 2016.

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13. **TANGIBLE FIXED ASSETS - GROUP ONLY**

	<u>Commercial Properties</u> £	<u>Freehold Land and Buildings</u> £	<u>Long Leasehold Land</u> £	<u>Refurbishment of Short Leasehold Shops and Warehouse</u> £	<u>Medical Equipment</u> £
<b>COST:</b>					
At 1 April 2016	266,521	7,437,152	100,000	629,224	87,808
Additions	-	171,040	-	61,139	23,235
Disposals	-	-	-	(61,231)	(17,575)
	-----	-----	-----	-----	-----
At 31 March 2017	266,521	7,608,192	100,000	629,132	93,468
	=====	=====	=====	=====	=====
<b>DEPRECIATION:</b>					
At 1 April 2016	3,554	1,036,335	9,067	262,410	56,680
Charge for year	5,330	151,831	800	156,590	
<b>22,283</b>					
Disposals	-	-	-	(61,231)	(17,575)
	-----	-----	-----	-----	-----
At 31 March 2017	8,884	1,188,166	9,867	357,769	61,388
	=====	=====	=====	=====	=====
<b>NET BOOK VALUE:</b>					
At 31 March 2017	257,637	6,420,026	90,133	271,363	32,080
	=====	=====	=====	=====	=====
At 31 March 2016	262,967	6,400,817	90,933	366,814	31,128
	=====	=====	=====	=====	=====
		<u>Furniture and Fittings</u> £	<u>Motor Vehicles</u> £	<u>Office Equipment</u> £	<u>Totals</u> £
<b>COST:</b>					
At 1 April 2016		207,978	72,878	184,053	8,985,614
Additions		15,062	33,153	15,439	319,068
Disposals		(5,232)	-	(25,468)	(109,506)
		-----	-----	-----	-----
At 31 March 2017		217,808	106,031	174,024	9,195,176
		=====	=====	=====	=====
<b>DEPRECIATION:</b>					
At 1 April 2016		116,738	44,929	110,365	1,640,078
Charge for year		54,813	18,556	41,385	451,588
Disposals		(5,232)	-	(25,468)	(109,506)
		-----	-----	-----	-----
At 31 March 2017		166,319	63,485	126,282	1,982,160
		=====	=====	=====	=====
<b>NET BOOK VALUE</b>					
At 31 March 2017		51,489	42,546	47,742	7,213,016
		=====	=====	=====	=====
At 31 March 2016		91,240	27,949	73,688	7,345,536
		=====	=====	=====	=====

This note represents fixed assets for the Group. The only difference between Fixed Assets for the Group and the Charity is that the Charity has its commercial property leased to its subsidiary (cost £266,521 and depreciation £8,884) shown as investment property (increasing the value of investments in note 15 by £266,521). Therefore, as at 31 March 2017, the total cost, total depreciation and net book value of the Charity's fixed assets are £8,928,655, £1,973,275 and £6,955,380 respectively.

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14. **FIXED ASSETS INVESTMENTS**

Valuation	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
At 1 April 2016	4,001,428	4,042,211	4,001,528	4,042,311
Additions at cost	1,098,367	833,160	1,098,367	833,160
Disposal proceeds	(515,103)	(707,164)	(515,103)	(707,164)
Realised gains/(losses) on disposal	7,359	(69,475)	7,359	(69,475)
Net gain/(loss) on change in fair value	395,997	(97,304)	395,997	(97,304)
	-----	-----	-----	-----
At 31 March 2017	4,988,048	4,001,428	4,988,148	4,001,528
	=====	=====	=====	=====
<b>Fixed asset investments by type:</b>				
Cash on interest deposit	206,176	183,317	206,176	183,317
British Government Stocks	353,957	305,209	353,957	305,209
Fixed Interest	842,953	927,750	842,953	927,750
Hedge Funds	77,611	92,707	77,611	92,707
Overseas Equities	1,233,090	432,674	1,233,090	432,674
UK Equities	1,058,510	968,904	1,058,510	968,904
Infrastructure	673,164	615,988	673,164	615,988
Absolute Return	145,587	133,481	145,587	133,481
Multi Asset/Property Funds	396,900	341,298	396,900	341,298
Unlisted shares in joint venture/subsidiary at cost (see notes 16 and 17)	100	100	200	200
	-----	-----	-----	-----
	4,988,048	4,001,428	4,988,148	4,001,528
	=====	=====	=====	=====
Valuation at 31 March is represented by:				
Cost	4,357,712	3,785,508	4,357,812	3,785,608
Revaluation at 31 March	630,336	215,920	630,336	215,920
	-----	-----	-----	-----
	4,988,048	4,001,428	4,988,148	4,001,528
	=====	=====	=====	=====

The charity manages its investments risk by retaining the services of expert advisers and operating a comprehensive investment policy as detailed in the report of the governors.

15. **INVESTMENT PROPERTY**

Valuation	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
At 1 April 2016	252,000	-	518,521	-
Additions at cost	7,800	252,000	7,800	518,521
	-----	-----	-----	-----
At 31 March 2017	259,800	252,000	526,321	518,521
	=====	=====	=====	=====

Investment property relates to land and buildings held as investment assets and rented out. The charity leases a property (cost £266,521) to its subsidiary which in accordance with FRS 102 is included in investment property for the parent only accounts and in own use tangible fixed assets in the group accounts.

Valuation at 31 March is represented by:

Cost	-----	-----	-----	-----
	259,800	252,000	526,321	518,521
	=====	=====	=====	=====

Investment property was acquired during the year at open market value and the governors do not consider the value to have changed as at 31 March 2017.



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16. **SUBSIDIARY COMPANIES**

The charity has the following subsidiary companies:

**Subsidiary undertakings whose results have been consolidated in these accounts are:**

**St Richard's Hospice Trading Company Limited (Company No.: 04805373)**

Nature of business: Shop and commercial retailing.

Class of shares:	% holding		
Ordinary	100.00	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
Aggregate assets		<b>227,910</b>	301,650
Aggregate liabilities		<b>(227,810)</b>	(301,550)
Aggregate capital and reserves		<b>100</b>	<b>100</b>
		=====	=====

The company had turnover of £2,329,293 (2016 - £2,348,897), other income of £116,397 (2016 - £108,778) and expenditure of £1,859,380 (2016 - £1,822,107) leaving profit of £586,310 (2016 - £635,568) which was distributed as a gift aid payment to this charity. As mentioned in note 1, following guidance from the ICAEW, the trading company changed its accounting policy and it is now committed to paying its annual accounting profits to St Richard's Hospice Foundation.

17. **INVESTMENT IN JOINT VENTURES**

**Worcestershire Hospices Lottery Limited**

Nature of business: Fundraising

Class of shares	% holding
Ordinary 'B'	33.33

The charity's interest in the 12 months to 31 March 2017 of Worcestershire Hospices Lottery Limited are as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Turnover	<b>179,280</b>	175,872
Other income	<b>421</b>	441
Expenditure excluding audit fee	<b>(84,100)</b>	(75,999)
Audit fee	<b>(1,870)</b>	(1,061)
	-----	-----
Profit for the year	<b>93,731</b>	99,253
Gift aid distribution to charity	<b>(93,731)</b>	(99,253)
	-----	-----
Retained profit for the year	<b>-</b>	<b>-</b>
	=====	=====
Fixed assets	<b>323</b>	591
Current assets	<b>67,207</b>	65,251
Current liabilities	<b>(67,430)</b>	(65,742)
	=====	=====
Total assets less current liabilities	<b>100</b>	100
	=====	=====
Share capital	<b>100</b>	100
	=====	=====

As mentioned in note 1, following guidance from the ICAEW, the joint venture company changed its accounting policy and it is now committed to paying a third of its annual accounting profits to St Richard's Hospice Foundation.

At 31 March 2017 St Richard's Hospice Foundation was owed £26,231 (2016 - £23,518) and £4,143 (2016 - £5,239) relating to trading balances by Worcestershire Hospices Lottery Limited. The carrying value of this company in the Group Balance sheet is £100 and forms part of the investments balance.

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18.	<b>STOCK</b>	<b>Group</b>		<b>Charity</b>	
		<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	Goods for resale	122,895	134,487	-	-
		=====	=====	=====	=====
19.	<b>DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>Group</b>		<b>Charity</b>	
		<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>Unrestricted:</b>				
	Trade debtors	698,524	74,842	692,539	51,783
	Other debtors	26,467	23,110	16,988	13,822
	VAT	60,413	62,662	52,411	37,657
	Prepayments and accrued income	220,164	421,052	174,618	355,320
	Amounts due from Joint Venture	26,231	23,518	26,231	23,518
	Amounts due from subsidiary undertakings	-	-	124,146	124,104
		-----	-----	-----	-----
		1,031,799	605,184	1,086,933	606,204
		=====	=====	=====	=====
20.	<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>Group</b>		<b>Charity</b>	
		<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>Unrestricted:</b>				
	Trade creditors	118,410	179,240	111,102	100,357
	Other creditors	81,050	89,567	81,050	89,567
	Social Security and other tax	121,294	108,639	121,294	108,639
	Accruals and deferred income	720,319	221,897	625,753	123,334
		-----	-----	-----	-----
		1,041,073	599,343	939,199	421,897
		=====	=====	=====	=====
	<b>Restricted:</b>				
	Other creditors	3,434	2,583	3,434	2,583
	Accruals and deferred income	-	51,500	-	51,500
		-----	-----	-----	-----
		1,044,507	653,426	942,633	475,980
		=====	=====	=====	=====

**ST RICHARD'S HOSPICE FOUNDATION**  
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20. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR** (Continued)

Included in accruals and deferred income is deferred income of £52,479 (2016 - £110,541) for the group and the charity and this is analysed below:

**GROUP AND CHARITY**

	<b>Education and training income inc. room rental</b>	<b>For events post year end</b>	<b>Grants and Donations</b>	<b>Total For Group &amp; Charity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Deferred income brought forward	2,318	41,723	66,500	110,541
Released in year	(2,318)	(41,723)	(66,500)	(110,541)
Deferred during year	8,730	43,749	-	52,479
	-----	-----	-----	-----
Deferred income carried forward	<b>8,730</b>	<b>43,749</b>	<b>-</b>	<b>52,479</b>
	=====	=====	=====	=====

The amounts have only been deferred when the group does not have unconditional entitlement to the income or when the income relates to delivery of a service and is therefore only recognised to the extent that the charity has provided the service.

21. **CONTINGENT ASSETS**

As at 31 March 2017 the charity had been notified of 1 residuary legacies, the values of which are unknown. As at the approval date of the accounts no further information had been received and therefore this legacy income has not been accrued.

22. **PENSION COMMITMENTS**

The company contributes to a defined benefit pension scheme operated by the NHS. Net NHS pension costs of £217,083 (2016 - £181,274) were charged in the Income and Expenditure Account during the year. The company also contributed £123,037 (2016 - £116,914) to some employees' personal/work place pension schemes. Included in other creditors at 31 March 2017 was £30,746 (2016 - £28,862) in relation to the NHS scheme and £67 (2016 - £68) in relation to the work place pension scheme. The cost and liability is allocated between activities by reference to the area the employee is working in. The cost and liability is allocated against unrestricted funds unless a restricted fund allowed the expenditure.

The NHS scheme is a defined benefit scheme which is unfunded. This is a multi-employer pension scheme based on final pensionable pay, contributions being charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with the company. The company accounts for the scheme as a defined contribution scheme and is not required to account for any share of the assets or liabilities of the scheme in accordance with FRS 102. This is deemed appropriate as the company has no ongoing liability once the contributions to the scheme are made.

23. **RELATED PARTY TRANSACTIONS**

The group owned 33.33% of Worcestershire Hospices Lottery Limited, ownership and control is split equally between St Richard's Hospice, Acorns Children's Hospice Trading Limited and The Primrose Hospice Limited. M Jackson (Chief Executive) is also a director of Worcestershire Hospices Lottery Limited. St Richard's Hospice received £93,731 (2016 - £99,253) gift aid from Worcestershire Hospices Lottery Limited and charged £3,000 (2016 - £3,000) for rent, which is considered by the governors to be a market value. At 31 March 2017 Worcestershire Hospices Lottery Limited owed St Richard's Hospice £26,231 (2016 - £23,518).

See note 10 for transactions with governors.

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24. **CAPITAL COMMITMENT**

There was a capital commitment of £0 at 31 March 2017 (2016 - £11,777).

25. **OPERATING LEASE COMMITMENTS**

The total future minimum lease payments under non-cancellable operating leases are shown below:

	<u>2017</u>		<u>2016</u>	
	<u>Land and Buildings</u>	<u>Other</u>	<u>Land and Buildings</u>	<u>Other</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<b>GROUP</b>				
Within one year	281,805	8,370	262,763	29,448
Between two and five years	603,927	15,974	482,260	5,666
Over five years	299,292	5,333	351,667	-
	-----	-----	-----	-----
	<b>1,185,024</b>	<b>29,667</b>	1,096,690	35,114
	=====	=====	=====	=====
<b>CHARITY</b>				
Within one year	-	6,084	-	27,154
Between two and five years	-	12,614	-	2,000
Over five years	-	5,333	-	-
	-----	-----	-----	-----
	-	<b>24,031</b>	-	29,154
	=====	=====	=====	=====

The group has off balance sheet arrangements in the form of operating leases, which means that neither the liability under the lease nor the related assets appears on the balance sheet. The group uses operating leases so it has the benefit of leasing over a defined period and the risks are retained by the lessor.

26. **LEGAL STATUS OF THE CHARITY**

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.

27. **CONTROLLING PARTY**

The charity is under the control of its governors.