

St Nicholas Hospice (Suffolk)

Trustees report and financial statements
for the year ended 31 March 2023

Company number: 1748046

Charity number: 287773

Pending approval 30 November 2023

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Pending approval 30 November 2023

The Trustees, who are also the directors for the purposes of company law, present their report and audited consolidated financial statements of the Charity and group for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the accounts and comply with the Charity's governing document, the Charities Act 2011 and Companies Act 2006, and 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 published in October 2019.

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Registered charity: St Nicholas Hospice (Suffolk)
Company number: 1748046
Charity number: 287773
Registered office: St Nicholas Way, Hardwick Lane, Bury St Edmunds, Suffolk,
IP33 2QY

Country of incorporation: United Kingdom

Trustees: The Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Charles Simpson	Chair of the Board of Trustees
Anne Fisher	Vice Chair - Appointed 27/04/2023
Karen Chandler-Male	
Dave Evans	Appointed 27/04/2023
Donna Forster	
Anthony Faulkner	Appointed 27/04/2023
Susan Hayter	Vice Chair - Resigned 27/04/2023
Jo Howlett	Appointed 27/04/2023
Ann Langdon	Resigned 27/04/2023
Michelle Masson	Resigned 27/07/2023
Marion Miles	Resigned 27/04/2023
Neil Morgan	Resigned 26/10/2022
Anita Pearson	Appointed 27/04/2023
Paul Siklos	Appointed 27/04/2023
Sam Turner	
Kate Vaughton	Appointed 26/05/2022

Key management: Linda McEnhill Chief Executive Officer
Sharon Basson Director of Clinical Services
Jelena Sarubina Director of Corporate Services
Clare Chater Director of Income Generation

Secretary: Fiona Heath

Data Protection Officer: Michael Pollington

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- Bankers:** Barclays Bank plc
20/21 Cornhill, Bury St Edmunds IP33 1DY.
- Solicitors:** Elisons Solicitors incorporating Gross & Co
83-84 Guildhall Street, Bury St Edmunds, Suffolk IP33 1LN.
- Investment Managers:** Rathbones Investment Management Limited, 159 New Bond Street, London, W1S 2UD.
Sarasin & Partners LLP, Juxon House, 100 St Paul's Churchyard, London, EC4M 8BU.
- Auditors:** Lovewell Blake LLP, Chartered accountants & statutory auditor, Bankside 300, Peachman Way, Broadland Business Park, Norwich, NR7 0LB.

Objectives and activities

In the Objectives and Activities section of this annual report, we spotlight our Hospice's core mission and its implementation. Here, we highlight our diverse services, meaningful interactions, and impactful initiatives that define our commitment to improving experiences for people at the end of life.

The purpose of the Charity set out in its Articles of Association is to promote the relief of persons of either sex (without regard to race or creed) who are suffering from any chronic or terminal illness or disease attributable to old age or from any other physical or mental infirmity or disease in such ways as the Association shall from time to time think fit.

In setting our programme each year we have regard to the Charity Commission's general guidance on public benefit. The Trustees always ensure that the programme we undertake is in line with our charitable objects and aims.

Vision

Everyone in our communities has support, dignity and choice when facing dying, death and grief.

Mission statement

We strive for something better in the provision of high-quality, specialist palliative care, emotional and practical support, so that no-one in West Suffolk and Thetford has to face dying, death and grief alone.

Beneficiaries

Serving communities in West Suffolk and Thetford, the Charity's key beneficiaries include people approaching the end of life with a terminal illness or life-limiting condition. We support their family members, caregivers, friends, and the broader community too. We also support medical and health and social care professionals.

Activities

The primary focus is on providing comfort, emotional support, and symptom management through the provision of clinical services staffed with specialist teams and supported by volunteers. However, the Trustees recognise the long-term impact of raising awareness of end-of-life issues to enhance quality of care in general. Therefore, we ensure the Charity's specialist knowledge is accessible to the wider community by offering advice, education and strategic partnerships with health and social care partners.

The activities currently carried out for the public benefit by the Charity can be broadly categorised into the following programmes:

- Hospice care: providing specialised medical, emotional, and spiritual support. This includes advanced care planning, pain management, symptom relief, and palliative care to improve quality of life for patients.

- End-of-life care: offering compassionate care and support to patients during their final stages of life, ensuring their comfort and dignity.
- Psychological, bereavement and practical support: extending counselling and assistance to the families and loved ones of patients who are living with dying or have died, helping them cope with grief and loss.
- Community outreach: engaging with the local community to raise awareness about hospice care and end-of-life issues, promoting education and understanding.
- Income generation: raising funds for the Hospice's operations and services, ensuring sustainability and expansion of what they are able to offer.
- Volunteer programmes: engaging volunteers who contribute their time and skills to assist with various tasks, including patient care, administrative work, retail and fundraising activities.
- Education and training: providing training and resources to health and social care professionals and family caregivers to enhance their understanding of hospice care, advanced care planning, and end-of-life support.
- Advocacy: advocating for policies and initiatives that support and improve end-of-life care, bereavement and advance the hospice care field.
- Collaborations and partnerships: working with other health and social care organisations, institutions, and community stakeholders to create a seamless network of care for patients and families.

How we work

The Charity delivers its charitable aims in the following ways:

- Our care is provided free of charge and is available to people through referral by their GP, or other professionals, such as hospital doctors or district nurses.
- As well as working with fellow healthcare professionals, we promote self-referral or contact from family or friends on behalf of others.
- We encourage people and their families to contact us early so we can help them live well and maintain their independence. Our services are there to support anyone who needs us, sometimes from the point of diagnosis onwards, not just in the last year or months of life.
- We support people in many different settings, from the Hospice itself in Bury St Edmunds, which has an inpatient unit, to West Suffolk Hospital and working in local communities. Our services also ensure that specialist support and advice is available to people wherever they are.
- We have developed a flexible and experienced skill mix of people, ranging from employed staff such as palliative care clinicians, therapists, counsellors and carers, to a broad mix of volunteers

who provide support to all our services and organisational functions and work across all settings. This enables us to focus on proactive care planning and management, which aids effective person-centred care.

The Hospice provides the following clinical services to deliver multidisciplinary and holistic support:

- Inpatient care – bedded unit with 24/7 access to palliative care specialists;
 - Community nursing team – Specialist care and education support;
 - Psychological services team – psychotherapy, counselling and practical support;
 - Spiritual care and chaplaincy team – spiritual support, facilitation of cultural and religious support for people of all faiths and none;
 - Independent living team – physiotherapy, occupational therapy and rehabilitative support;
 - Hospice Neighbours – Volunteer-delivered companionship and practical help;
 - Education – training, support and information.
- The Hospice also works to educate and support communities in developing their understanding of end-of-life issues. We help build mutual support and resilience among community members so those with life limiting illness can remain independent for as long as possible and do not feel alone. We achieve this through our Hospice Neighbours (trained volunteers), Community Connectors and a range of qualified staff who provide education and training.
 - St Nicholas Hospice Care also proactively develops strategic partnerships to ensure the best possible end-of-life care is available wherever it is needed. We work with other health and social care providers to share expertise and knowledge, give specialist advice through a 24/7 helpline, and to collaborate on innovative solutions that improve care for people and their families. The Hospice's leadership team are active participants in key forums that bring together professionals and organisations across the local health and social care system.

How our services are funded

The Charity receives some statutory funding from the Integrated Care Boards of Norfolk and Waveney and Suffolk and North East Essex; the majority of its funding comes from voluntary, commercial, and charitable means, including:

- Charitable donations: generous gifts provided by individuals, organisations, and community groups;
- Legacy giving: gifts in Wills from compassionate individuals continue to have a lasting impact on our ability to provide care;
- Fundraising events;

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- Corporate partnerships: including donations, fundraising and sponsorship;
- Lottery and raffles;
- Grants and trusts: we submit applications for funding for activities, projects and capital items;
- Gift Aid: tax relief on charitable giving maximises the value of donations, making every contribution even more impactful;
- Retail and other trading activities: we sell donated and new goods through our charity shops and online sales. Our house clearance service generates income through a paid-for service and by providing stock for our retail channels;
- Investment and reserves: our prudent management of investments and reserves ensures steady income to support our long-term goals.

Thank you to all the trusts and foundations who have supported our work in 2022-23.

We are grateful for funding from Suffolk Giving, Fonnereau Road Health Foundation Fund and the Harris Family Fund through Suffolk Community Foundation.



The Trustees and executive team review support services and management structures and arrangements regularly.

During the year we acquired 91 new volunteers, taking our total contingent of willing and generous volunteers to 483.

Achievements and performance

Impact of St Nicholas Hospice Care's charitable activities

The Trustees ensure the Charity's limited resources have the best impact on its beneficiaries. The achievements and performance section shows the range of activities and the number of people we have supported.

	2020-21	2021-22	2022-23
New referrals	1,208	1,236	1,367
Total people supported	1,898	1,573	1,584
% supported with non-malignant primary diagnosis	25%	27%	28%
Supported deaths	745	643	626

The Trustees are pleased to report that the Hospice's services continue to make an impact on more than a thousand people each year, and over time, this ensures many thousands benefit from the Charity's mission.

In the last three years, we have seen a growing number of new referrals but our capacity to support has been relatively stable. We understand that pausing community-based and outpatient services during the pandemic has had a limiting effect on our reach. Therefore, our strategy has renewed focus to provide services in the community such as Bereavement Cafés, and the development of outpatient services. We are optimistic about the gradual increase in support for those with non-malignant conditions, which indicates we are increasing support for the range of conditions experienced at the end of life. But, to make a more significant impact without compromising the quality of care we provide, we understand that we must find ways to remodel our services within our budget. Ongoing strategic planning will be key to achieving this, and we will focus on optimising resource allocation, streamlining processes, and exploring partnerships with other organisations and health and social care providers to expand our reach.

Progress of services

A Quality Account of the Hospice's services is available on our website:
www.stnicholashospice.org.uk.

Inpatient Unit

The inpatient unit supports between six to eight patients at any one time, and during 2022-23, Sylvan Ward supported 203 patients; a 5% increase from the previous year.

With dedication to symptom management, end-of-life care, and psychological support, our Sylvan Ward effectively embodies our mission to ensure that individuals in West Suffolk and Thetford do not face the challenges of dying, death, and grief alone by:

- Employing a holistic and multi-disciplinary approach, the unit has adeptly navigated an increased patient load, even amidst the complexities brought on by the Covid-19 pandemic.
- Sustained visitor support and adaptive responses to seasonal demands highlight our pledge to enhance the quality of life for both patients and their families during these pivotal moments.
- To support winter pressures, our Sylvan Ward opened an additional four beds from October 2022 – March 2023, funded by our Integrated Care Board (ICB).

Medical Team

The medical team includes hospice physicians, and doctors in training.

The medical team's involvement in the national clinical trial (CHELsea II) showcases their dedication to forefront medical practices, reflecting the Charity's commitment to high-quality palliative care. This randomised trial compares the treatment of encouraging/helping the patient to drink, giving regular mouth care, and usual management of symptoms versus giving fluid by a drip in addition to the measures above.

The team has also continued to lead on the development of a model of family administered 'Just in Case' medications, cascading this development across the Integrated Care System (ICS) in the region. This model empowers families to enable better symptom control, resonating with the Charity's compassionate and holistic care approach.

Work continues to develop this, with plans to widen awareness amongst the public and patients, educate staff across the whole region, and evaluate the impact upon those who participate in the related training.

Out-of-hours clinical advice

Our out-of-hours clinical advice service is instrumental in providing accessible and specialist support 24/7 to healthcare professionals and to patients and families.

The Sylvan Ward staff provide out-of-hours telephone advice and support for patients across West Suffolk and Thetford. From 6pm-8am, clinical advice is provided by registered nurses, with signposting to other appropriate services or further advice secured from an on-call doctor, or consultant, as required.

An audit of the quality of out-of-hours telephone calls was undertaken with a review of data from August and September 2022. Findings from the audit demonstrated appropriate clinical advice being given, though some areas of improvement were identified, including the need to ensure that clear follow-up is planned and actioned,

and the need for additional staff training. This is work that will be led by the Hospice's Advanced Care Practitioner who has already begun consultation with staff.

Hospice Extra Support Team

In April 2022, the Hospice was asked by the ICS to undertake a pilot project and introduced the Hospice Extra Support Team (HEST), a virtual ward model to provide registered nurse and hospice care assistant support to patients at home during periods of heightened need. This aimed to prevent potential hospital or Hospice admissions. HEST successfully aided 356 patients between April 2022 and March 2023. Analyzing patient stay duration and at-risk admissions, the service is estimated to have saved 620 hospital inpatient bed days within a year.

While the impact was evident through bed day savings, the service's value extended beyond statistics, with positive patient feedback validating its effectiveness. Unfortunately, due to financial constraints, ongoing funding for this model couldn't be secured from the ICB thus the service had to be discontinued. Nonetheless, the knowledge gained from HEST has been integrated into our existing community care model, ensuring responsive and high-quality support and we continue to champion the value of end-of-life virtual wards with an aim to continue to seek funding to reestablish this service in the future.

Spiritual Care and Chaplaincy Team

The team offers spiritual, religious, and pastoral care to all, supporting patients in their homes, care facilities, and throughout the community. With 21 members in various roles, the majority being volunteers, their presence is valued by patients and staff. Volunteer chaplains provide impactful on-call support for Sylvan Ward patients, participating in visits and offering spiritual care. From 2022-23, they provided out-of-hours support for patients on 37 occasions.

The Head of Chaplaincy Services' continued representation in initiatives like Gravetalk, bereavement activities, and Light Up a Life remembrance events demonstrate community engagement and a holistic approach.

Community Team

Community based clinical visits have increased to 3,351 in 2022/23 from 1,659 in 2021/22.

The Community Team's extensive reach across two regions, north and south, demonstrate our charity's commitment to providing widespread care. Comprising of clinical nurse specialists and senior hospice nurses, support is offered both in-person and virtually. The increase in in-person visits stems from a return to pre-pandemic practice and addressing complex needs.

Patient numbers increased to 1,062 in 2022/23 compared to 901 in 2021/22 - particularly in the south. An insightful caseload review highlighted the integral roles of clinical nurse specialists, senior registered nurses, and hospice assistant practitioners. The diverse skill set is evident in the comprehensive holistic care provided by the community team.

Independent Living Team (ILT)

In 2022/23, ILT saw a 21% increase in the number of patients they visited.

Our Independent Living Team supported inpatients on Sylvan Ward and in their own homes. The team contributes to palliative rehabilitation, supporting patient independence for a better quality of life. This holistic approach aligns harmoniously with the charity's objectives, promoting compassionate and patient-centered care.

Psychological Services Team

The Psychological Services Team has made substantial contributions towards the Charity's objectives. Through their support, education, community engagement, and research, they enhance the quality of life for our adult and child beneficiaries as well as assistance for the broader community.

The team's 25% increase in referrals indicates a growing demand for services.

The team has focused on expanding the number of Bereavement Café's and resuming face-to-face activities such as Nicky's Way for bereaved children, which demonstrate a commitment to community engagement and support.

The team's participation in the Bereavement in Care Homes research project showcases the Charity's dedication to evidence-based practices. A presentation of this work at the Hospice UK Conference highlights their contribution to the field and supports the Charity's commitment to education and collaboration.

The development of educational videos for care homes underscores our aims to provide resources and knowledge to healthcare partners and the wider community. These resources address critical subjects such as loss, grief, and compassion fatigue.

Welcoming 21 new volunteers for training sessions in supporting bereaved adults and children reflects the Charity's emphasis on community involvement and collaboration in achieving its objectives and aims.

Education

The Hospice has effectively supported our clinical staff by providing essential training and education. A Training Needs Analysis was conducted to guide planning and the educational and training needs of individual staff are identified through the annual staff appraisal process. Face-to-face sessions resumed during the year, covering topics such as mouthcare, fatigue management, and communication skills. Our clinical teams also engaged in mentoring and training support for 14 students and 16 professionals, fostering practical learning experiences.

Highlighting our commitment to advancing knowledge, one of our clinical nurse specialists published a journal article on managing respiratory secretions at the end of

life. To enhance medication practices, collaboration with GPs and community nurses continued, involving tailored training for safe medication use.

Recognising the importance of continuous improvement, existing educational resources were reviewed and modified to align with best practice. Training sessions, led by our trainee advanced care practitioner and palliative care consultant, engaged over 60 participants, including medical students, GPs, GP registrars, and advanced nurse practitioners. The training's effectiveness will be explored through primary research conducted by our trainee advanced care practitioner.

Overall, our efforts have contributed to strengthening our Clinical Team's capabilities, promoting best practice and enhancing knowledge dissemination for improved patient care.

Achievements against set out objectives 2021/22

Review our Finance and Income Generation Strategies

During the course of the year, we appointed a new Director of Income Generation and subsequently two new Heads of Fundraising, to develop plans for public fundraising and philanthropy and partnerships fundraising.

Develop and implement our Education, People and Clinical Strategies

An organisational strategy has been developed which comprises our strategic approaches to education, staff and volunteers and our clinical care. A clinical strategy group has been established.

Review our data systems and outputs

Acquired external expertise to train staff and assisted with improving SystmOne and referral processes

Carried out procurement work to obtain a new financial system which will reduce dependencies on paper-based and outdated manual processes.

Review, with the Trustees, our governance and committee structures

The terms of reference of each of our board sub committees have been reviewed.

We continue to strengthen the governance of the organisation through a range of committees, extending these where necessary for example, with the addition of the Information Governance Committee.

Recruit new trustees:

Successfully recruited and appointed six new Trustees.

Map our assets/resources and review services and partnerships

Work is still in progress.

Work with staff and volunteers to refresh our values and reinvigorate our culture

We held away days to explore the importance of St Nicholas Hospice Care and why it exists, workshops at these away days provided the basis for developing our renewed vision, mission and values.

Embed a co-production approach to all service development and quality improvement

Recruited for our new patient feedback forum, the 'Have your say group'.

Support the development of the new Integrated Care Systems (ICS)

Maintained representation in key forums such as the ICS End of Life Board, the West Suffolk Dying Well Domain Group, the ICS Personalisation Group, Cyber Associates network; Enabling Architecture Delivery Group, the West Suffolk Alliance Partnership Group and the West Suffolk Alliance Delivery Group.

Train staff in economic evaluation

We trained the Leadership team in how to appraise the values of activities in order to establish sound business proposals for funding new services and programmes.

Four pairs of individuals from the Leadership Team undertook time-limited economic evaluation projects

Pilot an innovative response to bereavement in care homes

We successfully piloted a programme of support and were asked to share our findings at the Hospice UK annual conference.

Develop a virtual ward service which will extend our care in people's homes

Established the Hospice Extra Support Team (HEST) which successfully intervened at crisis points so patients avoided unplanned admissions to Hospital and the Hospice ward freeing up beds.

Progress our aspiration to develop locality-based day services

Senior clinical staff attended a facilitated away day at St Christopher's Hospice to consider and develop the clinical plan for the hospice

A Clinical Strategy Group has been formed of senior clinicians who have begun exploring innovative models of support.

Financial review

The consolidated financial statements include the results of the Charity together with those of the trading company, St Nicholas Hospice Trading Limited, a wholly-owned subsidiary that donates, under Gift Aid, the maximum available profits to the Charity.

The 2022-23 financial year was the first full year since the pandemic in March 2020, which was not directly impacted by the Covid-19 pandemic. However, the Hospice continued to face residual challenges from the pandemic together with new financial challenges, not least the cost-of-living crisis.

The overall result was a net operating deficit of £112k which was a significant improvement compared with the deficit plan. Unrealised and small realised losses on our investment portfolio worsened the deficit by £290k, meaning there was a reduction in our reserves of £402k from £8.78m in 2021-22 to £8.38m. The trading activity of St Nicholas Hospice Trading Limited (consolidated in the above figures) returned a small increase in turnover to £0.44m but a reduction in profit to £0.05m (2022: £0.08m).

The results are detailed in the accounts and are as follows:

	2022/23	2021/22
	£000s	£000s
Income		
Donations & Legacies	2,231	2,569
Charitable activities (NHS income)	2,237	2,070
Shop and other trading income	1,780	1,589
Other fundraising activities	543	560
Investment income	140	131
Other income	–	28
Total income	6,931	6,947
Expenditure		
Shop and other trading costs	2,024	1,978
Fundraising costs	646	612
Charitable expenditure	4,340	3,723
Other	33	38
Total expenditure	7,043	6,351
Net (losses) / gains on investments	(290)	160
Net operating (expenditure) / income	(402)	756

Income

Income decreased very slightly from £6.95m to £6.93m. Income from charitable activities increased from £2.07m in 2021-22 to £2.22m in 2022-23. Although the government funding support for Covid received in 2020-21 and 2021-22 was understandably withdrawn, we continued to work in partnership with our local ICBs to provide our services and help to reduce the overall burden on the NHS. As a result we received additional non-recurrent funding of £0.61m from the Suffolk and North East Essex (SNEE) ICB, specifically to provide a new service (HEST) and additional beds during the winter months. This funding was in addition to a 3.6% (£50k) uplift to the core grant in recognition of cost pressures.

Overall, income generation was £4.55m, slightly below £4.71m achieved in the previous year. Some income generation activities, particularly fundraising, were still hindered by the longer-term impact of the pandemic and resulted in several of our income streams falling below budget. Lottery and corporate fundraising were most adversely affected. This was largely mitigated by legacy income (£1.17m) which exceeded the five-year average but was less than the previous year (2022: £1.66m), and a significant increase in retail income, which was in line with the positive trend across the charity retail sector.

Expenditure

Expenditure has increased by £0.69m from £6.35m to £7.04m (11% increase). Expenditure on charitable activities increased across most departments, and reflects the provision of HEST and additional beds, which was fully funded on a non-recurrent basis.

The continued provision of some services on a partially virtual basis rather than face-to-face, the remote working of many support staff together with staff turnover and resultant vacancy gap savings across the hospice resulted in lower than budgeted expenditure. However, high inflation and the cost-of-living crisis increased our cost base during the year. In response to the cost-of-living crisis and in recognition that pay increases had fallen behind inflation over recent years, a pay increase was agreed for staff. Non pay costs also increased, most notably utility costs, for which we received some government funding support which only partly offset the significant price increases.

Investments

The Hospice has a diversified investment portfolio comprising of listed equities and unit trusts, fixed interest securities and cash and is managed by independent investment managers.

The investment portfolio is apportioned between and managed by two independent investment managers, Rathbones Investment Management Limited and Sarasin & Partners LLP, appointed by the Board of Trustees. The Trustees, through the Finance and Income Generation Committee (FIG), consult with the investment managers, to take advice on the management of the portfolios and to monitor their performance.

During the year, it was necessary to drawdown £0.50m to support the operational cash flow and together with realised and unrealised losses, our investment funds decreased in value by £0.69m to

£4.09m. Our investment managers advised that the continued conflict between Russia and Ukraine, higher inflation and a tighter interest rate policy weighed negatively on the valuations.

The Hospice investment policy remains unchanged. Over the long-term, we aim to maintain and increase the real capital value of the investment funds to achieve returns from a diversified portfolio of equities, fixed interest securities and cash within a medium to low risk/ reward profile as agreed by the Finance and Income Generation Committee. Where appropriate and within the investment objectives, the Trustees will attempt to invest in ethical and socially responsible organisations and include environmental, social and corporate governance (ESG) considerations. The Finance and Investment Committee considered that the investment account had performed satisfactorily given the market conditions.

Reserves

The reserves policy, agreed by the Trustees, remains unchanged and requires that the Charity must hold a minimum level of free reserves equivalent to approximately six months' worth of total running costs, circa £3.5m. This ensures a balance between sustainability, to continue to support beneficiaries in a period of financial downturn and the avoidance of excessive reserve balances, to enable funds to be invested in future Hospice services and revenue-generating projects.

Free reserves at the end of the year equated to £6.13m (2022: £6.47m) or the equivalent of approximately 10 months' worth of total running costs. This includes £0.25m that has been transferred into a new designated Job Evaluation Fund 2022-23 in recognition of the potential costs associated with the implementation of the outcome of the job evaluation initiative and an increase of £0.10m to the IT Systems Fund to support the anticipated costs of the planned replacement and improvement of some of the IT systems used by the hospice.

The free reserves (£6.13m) include designated reserves of £5.59m, as follows:

Fixed Asset fund (£2.10m)

This is a designated fund representing the construction costs of the original building to 31 March 2023 less depreciation.

Maintenance fund (£2.25m)

This is a designated fund (previously named New building and maintenance fund) for the purposes of maintaining and updating the existing hospice building and allocating funds for future building requirements. This fund has not been drawn on during 2022/23.

IT systems fund (£0.12m)

The Charity has a number of IT systems and hardware which require replacing or upgrading to develop greater resilience, functionality and efficiency to support the services we deliver and the way in which we work. The designated reserve was insufficient to support the required investment and the Trustees approved an increase of £100,000 in November 2022.

Service development fund (£0.47m)

The purpose of this fund is to develop and test new service delivery models across our entire service offering in all settings. The fund will continue to support the ongoing development, testing and planning of services. This fund has not been drawn on during 2022/23.

Income generation fund (£0.40m)

The fund is to develop income generation through new and existing income streams that are sustainable and resilient to economic and social challenges. This fund has not been drawn on during 2022/23.

A new fund has been designated by the Trustees in 2022-23:

Job evaluation fund (£0.25m)

The fund is to support the costs associated with the job evaluation programme, which will commence in 2023/24, and the potential resultant increase in staffing costs, for a maximum period of two years. After when, the resultant staff costs will be accommodated within the operating costs of the hospice. Trustees approved a fund of £250,000. This fund has not been drawn on during 2022-23.

Total reserves at the end of the year amounted to £8.38m (2022: £8.78m), of which £0.11m (2022: £0.05m) were restricted. The Charity also benefits from the Earl of Euston 2009 Endowment Fund of £47k. The attributed income from this fund was used in furtherance of the objectives of the Hospice. The total value of designated funds is £5.59m.

Going concern

In common with many other charities, the Hospice faces the challenge of providing an equitable service which can respond flexibly to the changing and growing needs expressed by people in the local community, as well as ensuring the Charity remains financially sustainable, despite the additional challenges imposed as a result of the pandemic and cost-of-living crisis.

The Trustees have considered the following areas specifically in their assessment of going concern:

Fundraising

St Nicholas Hospice Care has a diverse range of income-generating activities including grants and donations, investments, fundraising, retail, events and lottery income. Some of these income streams are inherently volatile and our income generation strategy continues to evolve in recognition of the residual challenges of the pandemic and the current economic climate. In addition, the Charity has policies in place to manage these risks including specific investment and reserves policies, explained in the Trustees' Report. The ongoing use of designated funds to improve existing or to develop new income streams will add to this diversification and enable the Charity to continue serving our local population.

NHS Grant Funding

The Suffolk and North East Essex (SNEE) Integrated Care Board (ICB) is the main single NHS funder and continues to support the work of the Charity. The Charity and SNEE ICB have commenced discussions to establish a new funding agreement which will come into effect from April 2024 when the current 4-year agreement ends. A small amount of funding, £78k, is also received from Norfolk and Waveney ICB each year.

Reserves policy and Going Concern

At the end of the financial year 2022-23, the Charity has reserves amounting to £8.38m of which £6.13m are free reserves, which exceeds the minimum target criteria of six months total running costs. This allows for investment in services, income generation and infrastructure to further the Charity's aims and objectives as well as providing funds to mitigate against economic uncertainty including any future impact of another pandemic and/or the cost-of-living crisis.

The Trustees have reviewed the circumstances of St Nicholas Hospice Care and its group company and consider that adequate resources continue to be available to fund the activities of the charity and the group for the foreseeable future. The Trustees are of the view that St Nicholas Hospice Care and the group company are a going concern and likely to remain so for the foreseeable future.

Principal risks and uncertainties

The Trustees have the overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise. The Trustees and management team work closely together in policy setting and monitoring to ensure that the Charity is working to the highest standards. The Trustees have a risk management strategy that includes:

- Maintaining a risk register covering all parts of the organisation;
- Regular reviews of the risks the Charity may face;
- Establishment of systems and procedures to mitigate risks identified in the plan;
- Maintaining adequate insurance cover.

The major risks the Charity manages are as follows:

Funding and financial sustainability

Risks: Reduced opportunities for statutory funding; economic uncertainty and cost-of-living increases impacting expenditure levels, income generation and investments.

Mitigation: We are committed to diversifying our funding sources by seeking grants, fundraising, trading through retail outlets, and appealing for donations and gifts in wills and implementing a robust financial forecasting process to manage costs effectively.

Regulatory and compliance

Risk: Hospice operations are facing a growing and increasingly complex regulatory environment (healthcare, health & safety, fundraising and trading).

Mitigation: Our dedicated compliance team will continue to monitor evolving regulations, conduct regular audits to ensure adherence, support the development of effective policy and procedure, and provide ongoing staff and volunteer training to maintain compliance with changing requirements.

Workforce and staffing

Risk: Shortage of skilled professionals, increased agency costs and staff burnout due to the impact of managing vacancies.

Mitigation: We recognise the importance of our workforce and will strive to offer competitive compensation packages, invest in professional development opportunities, implement measures to prevent staff burnout, and foster partnerships with relevant professional and educational institutions to ensure a skilled workforce.

Patient care and quality

Risk: Failure to provide consistent, safe, high-quality care and deliver patient satisfaction.

Mitigation: We are dedicated to maintaining a high standard of care through rigorous quality assurance programs, continuous staff training through continued professional development and our internal education resources, and open communication channels with our patients and their families to address their needs effectively. The Charity is regulated by the Care Quality Commission (CQC) and subject to onsite inspections and regular meetings to discuss compliance matters.

Community engagement and reputation

Risk: Loss of positive reputation and/or inability to address misconceptions results in poor perception and decreased support for Hospice.

Mitigation: The Charity employs specialist resources to manage public relations and communications, data and cyber security, health and safety, HR Law, fundraising practice and patient safety.

Legal and liability

Risk: Potential issues arising from management of legal claims.

Mitigation: We maintain thorough documentation, invest in liability insurance, and implement policies aligned with legal standards.

Fraud, data management and other irregularities

Risk: System or procedural failures result in loss of income, identity theft, compromised data integrity, cyber-attack and/or data breach.

Mitigation: We ensure that proper records are maintained and archived appropriately, that robust data security measures are in place, and adequate training is provided for staff.

Fundraising practices

St Nicholas Hospice Care employs a core fundraising staff to develop, promote and deliver a range of fundraising activities, assisted by vital volunteers and taken up by our supporters. We steward our donors and promote our fundraising campaigns to them, and the wider community which we serve, through printed media, direct mail, e-mail, telephone and digital channels. During the pandemic, we did not engage in any canvassing activity to promote our lottery.

We constantly monitor the cost and time which goes into each fundraising activity against the financial return to ensure we are making the most of every donation received.

We are registered with the Fundraising Regulator and the Gambling Commission and work in accordance with the Code of Fundraising Practice, and the best practice laid out by the Hospice Lotteries Association, Chartered Institute of Fundraising and Institute of Legacy Management. Our staff are encouraged to be actively involved with these organisations at a strategic level and we meet the standards required of these memberships.

Our lottery and raffles are promoted in accordance with the Gambling Commission guidelines, and we have checks in place to monitor third parties who carry out work for us, or whom we enter into contracts with. We appraise the commercial marketplace before engaging in contracts with others and ensure our supporters enter into written agreements with us when promoting or selling products or activities which raise funds for us. We received no suppressions of contact through the Fundraising Regulator this year and received no other complaints.

We review the frequency and appropriateness of our communications and provide an option for supporters to 'opt-out' of being contacted. We contact people based on legitimate interest or consent, as appropriate depending on the format of the communication. We also run vulnerability checks and have a self-exclusion form on our website for gambling-related products. We continue to listen to our supporters and to learn from them to shape our fundraising activity. Our supporters are very important to us, and we put them at the heart of everything we do.

Plans for future periods

In conjunction with celebrating 40 years of caring for the West Suffolk and Thetford community, our future plans will develop under our four new strategic aims established in March 2023 along with our renewed vision and mission, which are:

- Provide high-quality, responsive and accessible specialist palliative care and psychosocial support, putting the person at the centre of all we do.
- Enable our communities to develop their understanding of end-of-life issues, build mutual support and resilience, and utilise their assets to remain independent for as long as possible.
- Proactively develop robust strategic partnerships to ensure best end of life care for the people of West Suffolk and Thetford.
- Thrive as a safe, effective and sustainable organisation, which is driven by evidence-based innovation and where our values are lived in all that we do.

Operational objectives

Infrastructure objectives

The Board recognises that the Hospice's building, based in Bury St Edmunds, is now thirty years old and requires maintenance. We plan to update the building to make sure it is fit for the future and offers a high-quality experience for our patients and families, staff and volunteers, regulators and commissioners.

Service objectives

Widen access – develop our services based on equity, diversity and inclusion across our community.

Making sure our 12-bed inpatient ward runs effectively and we have capacity to support as many patients as possible.

Relaunching Hospice outpatient services to make most effective use of our resources to reach more people in our community, and locality-based hospice day services to reach those in underrepresented areas of our community.

Work in partnership with neighbouring hospices to develop a robust Provider Collaborative to reduce inequity and ensure consistent, adequately funded provision of end-of-life and bereavement care across Suffolk and North-East Essex.

Continue to actively champion for a virtual ward service which will meet the needs of people at the end of life in West Suffolk and play our part in ensuring the delivery of it.

Working with our local health and social care partners to cooperate and coordinate, so that we give our patients the best care.

People and culture objectives

Sustainable workforce – Use creative solutions and opportunities to develop and deliver the workforce of the future so that we have a robust staff and volunteer workforce matched to beneficiaries needs and a defined progression pathway with fitting support, remuneration and opportunities for development.

Pay – Implement a new pay and reward structure based on the outcomes of our organisation wide Job Evaluation project.

Embed the revised values of Compassion, Respect, Accountability and Equity throughout our paid and volunteer workforce.

Appoint to a Volunteer Coordinator role and refresh the volunteering strategy.

Funding objectives

Develop and implement a new, integrated Income Generation strategy to align retail and fundraising activity and deliver a £1m increase in net contribution by year three.

Scope and launch a significant 'Fit for the Future' appeal to fund the upgrading of the hospice estate to support safe and excellent patient and family care and a facilitative working environment.

Increase core income through robust commissioning relationships and a revised income generation and retail strategy.

Financial objective

Embed the new (Access) finance system to support the achievement of agreed budgets, and to ensure longer term financial and service sustainability through strict financial controls and compliance with the reserves policy and by increasing sources of income.

Environmental, social and corporate governance objectives

Data quality – Use data to support service design and demonstrate patient outcomes, develop digital resources that support data driven decision making and our ability to engage with a population health analysis of palliative care need in West Suffolk and Thetford.

High quality care – Ensure robust clinical governance processes.

Environmental sustainability is one of the Hospice's strategic priorities. The organisation aspires to reach carbon neutrality by combining efficiency measures across the hospice and engaging with external organisations that support emission reduction. During the past year, we considered alternative energy sources and continued our program to become more energy-efficient by introducing new energy-efficient lighting systems.

Structure, governance and management

Management and decision-making

St Nicholas Hospice (Suffolk) is a company limited by guarantee, incorporated on 24th August 1983 and registered as a charity on 4th November 1983, and is governed under its Memorandum and Articles of Association, through a 62-strong membership association comprised of persons from the community. The Association, in turn, appoints and monitors the performance of the Trustees. It delegates the effective governance of the Charity to the Board of Trustees and receives reports at least once per annum. The full Board of Trustees meets six times per year to review performance and delivery of the strategic plan. Additional meetings are held to cover specific areas of focus, review strategy and direction, and the governance arrangements in place.

Our Trustees

The Board of Trustees is made up of no fewer than seven and no more than twelve trustees.

All Trustees give their time voluntarily and receive no benefits from the Charity. Any expenses reclaimed from the Charity are set out in note 19 to the accounts.

Board of Trustees committees

During the year, the board has continued to operate four committees with specific terms of reference and functions delegated by the board and with a trustee as chair appointed by the board - Clinical Committee, Finance and Income Generation Committee, the Human Resources Committee and the Remuneration Committee. These committees include co-opted, associate, members with relevant experience from the association and the Trustees. Trustees, aside from the chair, serve on at least one sub-committee. The meetings are attended by the Chief Executive Officer and relevant director(s), other directors or heads of departments attend when requested. The committees review directorate KPIs, monitor risk, incidents, complaints, health and safety and director's recommendations for developments. The chair of each committee reports back to the board about matters discussed at each meeting.

The Clinical Committee oversees all clinical matters with particular reference to palliative care and clinical standards and medicines management. It monitors performance and quality. The meetings are attended by the Chief Executive Officer, the Clinical Services Director, the consultant in palliative medicine, the head of nursing and quality and the head of supportive care.

The Finance and Income Generation Committee manages charity finances, reviews finance strategies, audits statements, and oversees external audit actions. Attendees include the Chief Executive Officer, Corporate Services Director, Income Generation Director, and the Head of Finance.

The Human Resources Committee monitors employment policy and recommends the annual employee percentage salary increase to the Board of Trustees. The meetings are attended by the Chief Executive Officer, the Corporate Services Director and the Human Resources Operations Manager.

The Remuneration Committee meets once a year to agree the Chief Executive Officer and Directors' remuneration. The meetings are attended by the CEO, committee chairs and the chair of the Board of Trustees. Although this committee consists of a subset of the Board of Trustees, any decisions are taken by the full board.

The Board of Trustees fulfil their key role and function in overseeing and directing the affairs of the Charity, ensuring that it is well-run and delivering the charitable outcomes for which it was established. The above committees are part of that process.

Management and Leadership

The day-to-day running of the Hospice is entrusted to the Chief Executive Officer who delegates that work through the directorate and leadership team to the staff and volunteers deployed across the Charity's services.

The Chief Executive Officer chairs a fortnightly directorate meeting with the Clinical Services Director, Director of Corporate Services, and Director of Income Generation. The directorate meets regularly with the leadership team, which comprises of heads of services. The Chief Executive Officer meets formally with the Chair of the Board of Trustees and/ or Vice Chair at least once a month.

Internal communication: A regular all-staff meeting, emails, newsletters, staff intranet and internal social network ensures good communication across all levels of staff and across the entire operation.

Trustee recruitment and appointment

All current board members have been appointed based on their experience and expertise, their involvement in the community, and their commitment and passion for the work of St Nicholas Hospice Care and the hospice movement in general.

The board chair and the committee chairs oversee the process of succession planning, recruitment and induction of trustees and recruitment of association members serving on the board committees and will also meet with all prospective trustees. Their work will include an ongoing skills audit and looking at different methods of recruitment.

Prospective trustees undergo a thorough recruitment process which ensures that they align with the fit and proper person's test and can add value to the governance of the hospice. All appointments to the board are confirmed by the association at its Annual General Meeting (AGM).

Trustee induction and training

New trustees receive introductory information, including national guidance about being a trustee and information relevant to the governance and life of the Hospice. A staged, induction programme orientates them to the various departments of the hospice and provides the opportunity to engage with staff holding responsibility for oversight for these, this includes seeing the work of the Charity first-hand. All trustees are expected to undertake statutory and mandatory training including safeguarding training.

Chair

Trustees elect a chair and vice chair from within their numbers. There is no limit to the number of times a person can be elected or elected to a specific role with the board. The current chair is Charles Simpson.

Related Parties and relationships with other organisations

None of the Trustees receive remuneration or other benefit from their work with the Charity or St Nicholas Hospice Trading Limited.

St Nicholas Hospice Care and St Nicholas Hospice Trading Limited requires Trustees and executive directors to declare any interests that they may have outside of the Charity. Transactions and contractual relationships with related parties must be disclosed.

Employee information

Recruitment

Average headcount figures for 2022/23 were 163 compared to 154 in 2021/22.

Average full-time equivalent (FTE) figures for 2022/23 were 127 compared to 120 in 2021/22.

Remuneration and benefits

Employee Costs were £5.12m compared to £4.53m last year.

47 employees are in the NHS pension scheme (principally clinical staff), and 103 employees are in the Aegon Group Personal Pension Plan.

Employers' contributions to the NHS pension scheme were made at the rate of 20.68% (2022: 20.68%). The increase from 14.38% is still being funded by the NHS Pension Schemes transitional arrangements resulting in no additional costs to the Charity. This transitional arrangement is to continue into 2023/24. Employee contributions ranged from 5.1% to 13.5%.

Employee wellbeing

The Hospice continues to implement its wellbeing strategy which incorporates a group of wellbeing champions and mental health first aiders.

Development of staff

The key focus areas for 2022/23 were to focus on continued compliance with all mandatory and statutory training and development of internal nursing talent in response to recruitment challenges.

Statement of Trustees' responsibilities

The Trustees (who are also directors of St Nicholas Hospice (Suffolk) for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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 and the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the group will continue in operation.

The Trustees are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the Charity's auditor is aware of the information.

Small company provisions

This report has been prepared taking advantage of the small companies' exemption of section 45A of the Companies Act 2006.

St Nicholas Hospice (Suffolk)
Trustees' annual report
For the year ended 31 March 2023

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This Annual Report was approved by the Trustees on

Charles Simpson, Chair

Pending approval 30 November 2023

St Nicholas Hospice (Suffolk)

Company limited by Guarantee

Independent Auditor's Report to the Members and Trustees of St Nicholas Hospice (Suffolk)

Year ended 31 March 2023

Opinion

We have audited the financial statements of St Nicholas Hospice (Suffolk) (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2023 which comprise Consolidated Statement of Financial Activities (including income and expenditure account), Consolidated Balance Sheet, Consolidated Statement of Cash Flow 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of 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 parent charitable company's affairs as at 31 March 2023, and of the group's incoming resources and application of resources 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.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company 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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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.

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 this gives rise to material misstatement in the financial statements themselves. 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 which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors report included within the trustees' report has been prepared in accordance with applicable legal requirements.

St Nicholas Hospice (Suffolk)

Company limited by Guarantee

Independent Auditor's Report to the Members and Trustees of St Nicholas Hospice (Suffolk)

Year ended 31 March 2023

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of the trustees

As explained more fully in the trustees' responsibilities statement (set out on page 28), the trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 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 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance to confirm there are no instances of fraud or non-compliance with laws and regulations.
- Review of disclosures within the financial statements and vouching these to supporting documentation to ensure compliance with applicable laws and regulations.
- Review of key accounting estimates, to ensure reasonable and no signs of management bias.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal course of activities and reviewing accounts estimates for bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-forauditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

St Nicholas Hospice (Suffolk)

Company limited by Guarantee

Independent Auditor's Report to the Members and Trustees of St Nicholas Hospice (Suffolk)

Year ended 31 March 2023

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 so that we might state to the charitable company's members and its trustees 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Proctor FCA DChA (Senior Statutory Auditor)

For and on behalf of

Lovewell Blake LLP

Chartered Accountants & statutory auditor

Bankside 300

Peachman Way

Broadland Business Park

Norwich

NR7 0LB

Date.....

pending approval 30 November 2023

Note	2023				2022			
	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
Income and endowments from:								
Grants, donations and Legacies								
Donations	881,970	181,798	-	1,063,768	750,699	162,152	-	912,851
Legacies	1,166,871	-	-	1,166,871	1,656,111	-	-	1,656,111
Grants	-	-	-	-	-	-	-	-
	2,048,300	181,798	-	2,230,639	2,406,810	162,152	-	2,568,962
Charitable activities	2,237,122	-	-	2,237,122	1,792,452	277,618	-	2,070,070
Other trading activities:								
Shops	1,695,869	-	-	1,695,869	1,493,526	-	-	1,493,526
Lottery	364,563	-	-	364,563	392,272	-	-	392,272
Fundraising	179,115	-	-	179,115	168,426	-	-	168,426
Other	84,211	-	-	84,211	95,021	-	-	95,021
	2,323,758	-	-	2,323,758	2,149,245	-	-	2,149,245
Investment income	139,477	-	371	139,848	130,391	-	363	130,754
Other income	-	-	-	-	27,955	-	-	27,955
Total income	6,749,198	181,798	371	6,931,367	6,506,853	439,770	363	6,946,986
Expenditure on:								
Raising funds								
Raising grants, donations and legacies	(646,319)	-	-	(646,319)	(611,959)	(345)	-	(612,304)
Other trading activities	(2,023,777)	-	-	(2,023,777)	(1,978,388)	-	-	(1,978,388)
Investment management	(32,587)	-	-	(32,587)	(38,227)	-	-	(38,227)
	(2,702,683)	-	-	(2,702,683)	(2,628,574)	(345)	-	(2,628,919)
Charitable activities								
In patient care	(2,056,222)	(26,098)	(371)	(2,082,691)	(1,676,108)	(175,772)	(363)	(1,852,242)
Day care	-	-	-	-	(7,113)	-	-	(7,113)
Community services	(1,571,067)	(96,218)	-	(1,667,285)	(1,164,004)	(253,974)	-	(1,417,978)
Family support and bereavement	(454,441)	(2,859)	-	(457,300)	(331,716)	(75)	-	(331,791)
Education and research	(132,718)	(578)	-	(133,296)	(111,155)	(2,530)	-	(113,685)
	(4,214,448)	(125,753)	(371)	(4,340,572)	(3,290,095)	(432,351)	(363)	(3,722,809)
Total expenditure	(6,917,131)	(125,753)	(371)	(7,043,255)	(5,918,669)	(432,696)	(363)	(6,351,728)
Net (losses)/gains on investments	(288,552)	-	(1,173)	(289,725)	159,433	-	965	160,398
Net income before transfers	(456,485)	56,045	(1,173)	(401,613)	747,617	7,074	965	755,656
Transfers between funds	4,036	(4,036)	-	-	14,135	(14,135)	-	-
Net income and net movement in funds	(452,449)	52,009	(1,173)	(401,613)	761,752	(7,061)	965	755,656
Reconciliation of funds:								
Total funds brought forward	8,682,419	52,640	47,588	8,782,647	7,920,667	59,701	46,623	8,026,991
Total funds carried forward	8,229,970	104,649	46,415	8,381,034	8,682,419	52,640	47,588	8,782,647

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities.

The notes set out on pages 36-52 form an integral part of the accounts.

	Note	Group		Charity	
		2023	2022	2023	2022
		£	£	£	£
Fixed assets					
Tangible fixed assets	11	2,098,788	2,210,526	2,098,788	2,210,526
Investments	12	4,086,415	4,775,860	4,121,421	4,810,866
		6,185,203	6,986,386	6,220,209	7,021,392
Current assets					
Stock		30,332	24,725	-	-
Debtors	13	1,733,648	2,089,540	1,782,224	2,112,794
Cash at bank and in hand		920,251	630,758	821,449	538,164
		2,684,231	2,745,023	2,603,673	2,650,958
Creditors: amounts falling due within one year	14	488,400	948,762	473,950	953,240
Net current assets		2,195,831	1,796,261	2,129,723	1,697,718
Net assets		8,381,034	8,872,647	8,349,932	8,719,110
The funds of the charity					
Restricted income funds	15	104,649	52,640	104,649	52,640
Unrestricted funds:					
General fund	16	2,637,622	3,332,910	2,606,520	3,269,373
Designated fund	16	5,592,348	5,349,509	5,592,348	5,349,509
Endowment fund	17	46,415	47,588	46,415	47,588
Total funds	18	8,381,034	8,782,647	8,349,932	8,719,110

During the year, the charity made a deficit of £369,178. The charity is not required to produce its own Statement of Financial Activities (SOFA) because of the exemption provision in Section 408 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the Board of Trustees on

Charles Simpson

Chairman

Company registration number 05268499

The notes on 36-52 part of these financial statements.

		Group	
	Note	2023	2022
		£	£
Cash flows from operating activities:			
Net cash used in operating activities	21	<u>(199,323)</u>	<u>(406,770)</u>
Cash flows from investing activities:			
Dividends and interest from investments		131,884	130,568
Interest received		7,964	811
Proceeds from the sale of tangible fixed assets		200	-
Payments to acquire tangible fixed assets		(50,951)	(64,883)
Proceeds from the sale of investments		971,493	487,512
Purchase of investments		<u>(659,040)</u>	<u>(734,494)</u>
Net cash provided by investing activities		<u>401,550</u>	<u>(180,486)</u>
Change in cash and cash equivalents in the year		<u>202,227</u>	<u>(587,256)</u>
Cash and cash equivalents at the beginning of the year		759,248	1,346,504
Cash and cash equivalents at end of the year	22,23	<u>961,475</u>	<u>759,248</u>

1 Accounting policies

Basis of preparation

St Nicholas Hospice (Suffolk) is a public benefit entity and a private company limited by guarantee, registered in England and Wales and a registered charity in England and Wales. The address of the registered office is Hardwick Lane, Bury St Edmunds, Suffolk, IP33 2QY.

The charity constitutes a public benefit entity as defined by FRS 102. 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared on the historical cost basis, with the exception of investments which are stated at market value. The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

The Trustees have considered the financial position of the Group and Charity, the investment portfolio, the 2023/24 and the 2024/25 budgets and the planned service delivery model. As a consequence, the Trustees believe that the Group and Charity can manage its business risks successfully through these difficult and uncertain times.

The Trustees have a reasonable expectation that the Group and Charity has adequate resources to continue in operational existence for at least 12 months from the date of approval of the financial statements, due to:

- Regular re-forecasting and monitoring of accounts including cash flow
- Performance of sensitivity analysis on income and expenditure levels
- Robustness of income generation and legacy forecasts
- A regular review of investments
- The management team's planning and willingness to implement significant changes to working practices and use of assets to ensure future sustainability to continue charitable activities, and by
- Maintaining the current reserves policy.

The Trustees have not identified any material uncertainties in relation to going concern and therefore continue to adopt a going concern basis of accounting in preparing the financial statements.

Consolidation

The financial statements consolidate the results of the Charity and its wholly owned subsidiary, St Nicholas Hospice Trading Limited, on a line by line basis. A separate Statement of Financial Activities for the Charity itself is not presented because the charity has taken advantage of the exemption of Section 408 of the Companies Act 2006.

Income

Income is included in the Statement of Financial Activities when the charity is entitled to the income, the amount can be quantified with reasonable accuracy and there is probability of receipt.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is 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.

Income from NHS contracts and other grants is included on a receivable basis. Recognised when the charity has entitlement to the funds, any performance conditions attached 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.

Legacies and donations are included when the aforementioned recognition criteria have been met.

Dividends and interest on fixed interest securities are included in the accounts when due.

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

1 Accounting policies (*continued*)

Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis (that is, recognised once there is a legal or constructive obligation committing the charity to the expenditure), and has been classified under the headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with use of resources.

- Raising funds include expenditure incurred in seeking voluntary contributions and in trading activities and do not include the costs of disseminating information in support of the charitable activities.
- Charitable activities include expenditure associated with the provision of hospice services and include both the direct costs and support costs relating to these activities.
- Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at the Hospice. Such costs have been allocated to activity cost categories on a headcount basis.

Irrecoverable VAT is charged against the category of expenditure for which it was incurred.

Volunteers

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 note 8 to the accounts and within the Trustees report.

Tangible fixed assets and depreciation

Fixed assets costing more than £500 are capitalised and capital project related expenditure all of which is capitalised irrespective of value.

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets evenly over their expected useful lives. It is calculated at the following rates:-

Leasehold buildings	- remaining term of lease
Furniture and equipment	- 10% - 50% straight line
Motor vehicles	- 20% straight line
IT Equipment	- 10% - 50% straight line

Fixed assets donated

Donated assets provided for use by the charity are taken to income and capitalised in the accounts at their estimated market value when donated.

Investments

In the Group and Charity Balance Sheet, Listed Investments are stated at market value, less any provision for impairment. The Statement of Financial Activity includes gains and losses arising on revaluation and disposals throughout the year.

Realised gains and losses represent the difference between the market value at the previous balance sheet date and the eventual sale proceeds or the acquisition price if bought and sold within the same year. Unrealised gains and losses represent the difference between market value at the previous balance sheet date or cost of any purchases during the year and the market value at the current balance sheet date.

In the Charity Balance Sheet, 'Investments' includes the investment in a subsidiary, which is recorded at cost.

Stocks

Stock of retail goods is included at the lower of cost and net realisable value. Donated items of stock for resale or distribution are not included in the financial statements until they are sold or distributed. 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.

Pension costs

The charity contributes to a group personal pension plan and a defined benefit pension scheme. Contributions paid into these pension arrangements are charged to the Statement of Financial Activity when due.

A number of employees contribute to the NHS Superannuation scheme and certain other employees participate in personal pension plans. Whilst the NHS Superannuation scheme is a Defined Benefit Scheme, it is a multi-employer scheme for which the Charity's share of the underlying assets and liabilities cannot be identified; it is therefore accounted for as a Defined Contribution Scheme in accordance with FRS 102. The Charity's contributions to these schemes are therefore charged to the Statement of Financial Activity when due.

1 Accounting policies (*continued*)

Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.

Employee benefits

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Fund accounting

Unrestricted funds comprise accumulated surpluses and deficits on the general fund and designated funds. They are available for use at the discretion of the Trustees in furtherance of the charity's objectives.

Designated funds are those funds designated for particular purposes or projects at the discretion of the Trustees.

Restricted funds are created when grants or donations are made for a particular purpose, the use of which is restricted to that purpose.

Endowment funds represent funds which must be held permanently by the Charity, principally as investments. Income arising on each of the endowment funds can be used in accordance with the objects of each fund and is shown as income against that fund and allocated to costs as appropriate. Any material gains or losses arising on the investment forms part of the fund.

Taxation

The income and gains of the charity are exempt from corporation tax to the extent that they are applied to its charitable objectives. Recoverable income tax is accrued within the financial statements.

Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Accrued income and tax recoverable is included in the best estimate of the amounts receivable at the balance sheet date.

Creditors

Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any discounts due.

Cash at Bank and in hand

Cash at bank and cash in hand includes cash and short term liquid investments with a short maturity of three months or less.

Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualify as a basic financial instrument. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised costs using the effective interest method, apart from listed investments, which are held at fair value, derived as noted within the investments accounting policy.

Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. There are not considered to be any estimates or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical areas of judgement

The Trustees do not consider that there are any critical areas of judgement applied in the preparation of these financial statements.

2 Income from charitable activities

	Unrestricted 2023	Unrestricted 2022
	£	£
In patient care	980,355	899,241
Day care	-	-
Community services	1,043,604	687,085
Family support & bereavement	132,260	154,594
Hospital services	913	-
Education and research	79,990	51,532
Hospice UK – NHSE Funding	-	277,618
	<u>2,237,122</u>	<u>2,070,070</u>

The NHSE awarded funding to allow the hospice to make available bed capacity and community support from December 2021 to March 2022 to provide support to people with complex needs in the context of the COVID-19 situation.

3 Other trading income

	Unrestricted 2023	Unrestricted 2022
	£	£
Catering income	30,120	25,289
Other income	54,091	69,732
	<u>84,211</u>	<u>95,021</u>

4 Investment income

	Un- restricted 2023	Un- restricted 2022
	£	£
Dividend – equities	123,869	122,980
Interest – fixed interest securities	8,015	7,588
Bank interest	7,964	186
	<u>139,848</u>	<u>130,754</u>

5 Other income

	Unrestricted 2023	Unrestricted 2022
	£	£
Government Grant – Coronavirus Job Retention Scheme	-	5,411
Government Grant – Retail Business Grant	-	21,334
Education Grant	-	1,210
	<u>-</u>	<u>27,955</u>

6 Analysis of expenditure

	Direct Costs £	Support Costs (note 7) £	2023 Total Costs £	2022 Total Costs £
Costs of raising grants, donations and legacies	546,573	99,746	646,319	612,304
	<u>546,573</u>	<u>99,746</u>	<u>646,319</u>	<u>612,304</u>
Other trading activities				
Shop costs	1,402,029	249,655	1,651,684	1,590,322
Lottery costs	178,959	13,230	192,189	172,997
Events costs	53,667	29,106	82,773	54,493
Other income	62,896	34,235	97,131	160,577
Corporation tax	-	-	-	-
	<u>1,697,551</u>	<u>326,226</u>	<u>2,023,777</u>	<u>1,978,389</u>
Investment management costs	31,795	792	32,587	38,227
	<u>2,275,919</u>	<u>426,764</u>	<u>2,702,683</u>	<u>2,628,920</u>
In patient care	1,661,794	420,897	2,082,691	1,852,242
Day care	-	-	-	7,113
Community services	1,383,656	283,629	1,667,285	1,417,978
Family support & bereavement	362,191	95,109	457,300	331,791
Education and research	101,494	31,802	133,296	113,685
	<u>3,509,135</u>	<u>831,437</u>	<u>4,340,572</u>	<u>3,722,809</u>
Total	<u>5,785,054</u>	<u>1,258,201</u>	<u>7,043,255</u>	<u>6,351,728</u>

7 Analysis of support costs

	Admin, Finance & IT £	Human Resources £	Maintenance and Domestics £	Catering £	Governance Costs £	2023 Total £	2022 Total £
Cost of raising grants, donations and legacies	53,579	23,196	9,351	-	13,620	99,746	132,297
Other trading activities	203,148	87,950	5,104	-	30,024	326,226	440,603
Investment management costs	-	-	-	-	792	792	2,133
	<u>256,727</u>	<u>111,146</u>	<u>14,455</u>	<u>-</u>	<u>44,436</u>	<u>426,764</u>	<u>575,033</u>
In patient care	127,764	55,313	196,406	-	41,414	420,897	516,731
Day care	-	-	-	-	-	-	397
Community services	151,666	65,661	31,822	-	34,480	283,629	322,737
Family support & bereavement	36,381	15,750	33,952	-	9,026	95,109	77,385
Education and research	15,959	6,909	6,405	-	2,529	31,802	32,665
Charitable services	<u>331,770</u>	<u>143,633</u>	<u>268,585</u>	<u>-</u>	<u>87,449</u>	<u>831,437</u>	<u>949,915</u>
Total	<u>588,497</u>	<u>254,779</u>	<u>283,040</u>	<u>-</u>	<u>131,885</u>	<u>1,258,201</u>	<u>1,524,948</u>

Not included in the expenditure above is the donated rent of the Hospice building. As noted in note 11, the Hospice is provided with the use of the building for a peppercorn rent. As the Hospice is a specialised building a commercial value of the rent is not available and therefore has not been recognised as income and expenditure in these financial statements.

8 Employee Costs

The total staff costs and employee benefits for the reporting period are analysed as follows:

	2023	2022
	£	£
Wages and salaries	4,376,870	3,890,644
Social security costs	413,729	341,355
Pension costs	331,255	292,323
Other employee benefits	-	6,037
	<u>5,121,854</u>	<u>4,530,359</u>

Full time equivalent employees during the year were 127 (2022:120) and analysis of the headcount in the year was:

	Group 2023	Group 2022
	(No)	(No)
Direct charitable services	99	91
Fundraising services	50	50
Support services	14	13
	<u>163</u>	<u>154</u>

The number of employees whose total employee benefits excluding pension contributions earning over £60,000, classified within bands of £10,000 is as follows:

	2023	2022
	Actual Number	Actual Number
£60,000-£69,999	3	2
£70,000-£79,999	1	-
£80,000-£89,999	1	1
£90,000-£99,999	1	-
£100,000-£109,999	1	1
Total	<u>7</u>	<u>4</u>

Pension costs relating to those staff earning over £60,000 totalled £54,854 in 2023 (2022: £39,761).

There were no termination payments in 2023 (2022: £4,312 – number of people 1).

The Hospice considers that the key management personnel comprise of four of the senior management team –the Chief Executive and three other key personnel (2022: CEO and seven others). The total employee benefits of the key management personnel of the Hospice were £364,886 (2022: £490,341)

The Hospice had an average of 483 volunteers as at 31 March 2023 (2022: 540) who provided their services in the following areas:

	2023	2022
	(no)	(no)
Retail	228	248
Clinical	109	119
Hospice Neighbours	86	100
Fundraising and support services	42	53
Trustees	10	11
Associates	8	9
	<u>483</u>	<u>540</u>

9 Net movement in funds

	2023	2022
	£	£
Net movement is stated after charging/(crediting):		
Depreciation	154,848	168,473
Auditor's remuneration		
-Statutory audit of charity and group	15,900	17,975
-Statutory audit of subsidiary	4,500	3,900
-Tax advisory	750	1,800
-Other services	-	8,880
(Profit)/loss on sale of fixed assets	(7,641)	(4,033)
Government grants	-	(27,955)
Operating lease rentals	225,084	219,268

10 Taxation

St Nicholas Hospice (Suffolk) is a registered charity and as such is exempt from taxation on its income and gains falling within section 505 of the Taxes act 1988 or section 252 of the Taxation of chargeable Gains Act 1992 to the extent that these are applied for charitable purposes.

The subsidiary trading company paid no corporation tax in the year (2022: £nil).

11 Tangible fixed assets (Charity and Group)

	Long Leasehold Buildings	Furniture and Equipment	ICT Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2022	4,069,604	1,227,973	431,815	67,280	5,796,672
Additions	-	46,631	4,320	-	50,951
Disposals	(6,032)	(48,120)	(52,827)	-	(106,979)
At 31 March 2023	4,063,572	1,226,484	383,308	67,280	5,740,644
Depreciation					
At 1 April 2022	2,059,538	1,131,579	328,582	66,447	3,586,146
Charge for the year	79,080	35,553	39,427	788	154,848
Disposals	(2,125)	(44,186)	(52,827)	-	(99,138)
At 31 March 2023	2,136,493	1,122,946	315,182	67,235	3,641,856
Net book value					
At 31 March 2023	1,927,079	103,538	68,126	45	2,098,788
At 31 March 2022	2,010,066	96,394	103,233	833	2,210,526

The long leasehold expenditure represents:

- The building costs of the Hospice on land at Hardwick Lane, Bury St Edmunds for which a 60 year lease at a peppercorn rent was entered into on 15 August 1991
- The refurbishment of the In Patient Unit during 2008
- Office reconfigurations in 2013
- Improvements to the Orchard Day Centre on the Hospice site
- Expenditure on new and existing shops
- The development of an Outreach Centre at the Haverhill Hub (formerly the Burton Centre).

All fixed assets of the charity are used for charitable purposes.

12 Investments

A) Summary	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
At start of the year	4,647,370	4,239,990	4,647,370	4,239,990
Additions	659,040	734,494	659,040	734,494
Disposals	(971,493)	(487,512)	(971,493)	(487,512)
Realised gains / (losses)	(53,772)	35,355	(53,772)	35,355
Unrealised gains / (losses)	(235,953)	125,043	(235,953)	125,043
	4,045,192	4,647,370	4,045,192	4,647,370
Cash held as part of the investment portfolio	41,223	128,490	41,223	128,490
Equity investment in subsidiary	-	-	35,006	35,006
	4,086,415	4,775,860	4,121,421	4,810,866

B) Analysis of investments	2023 £	2022 £
Equities	3,155,409	3,909,280
Fixed interest securities	889,783	738,090
Cash held as part of the investment portfolio	41,223	128,490
Total group	4,086,415	4,775,860
Equity investment in subsidiary	35,006	35,006
Total charity	4,121,421	4,810,866

C) Historical cost of investments	2023 £	2022 £
Rathbones	1,393,075	1,664,943
Sarasin & Partners	2,375,091	2,302,187
Equity Investment in Subsidiary	3,768,166	3,967,130
	35,006	35,006
Total charity	3,803,172	4,002,136

D) Trading subsidiary

The Charity holds 100% of the issued share capital of St Nicholas Hospice Trading Limited (company number 02176804), a company incorporated in the UK. The principal activity of St Nicholas Hospice Trading Limited during the year was the sale of the bought in goods, house clearances and income from the Haven Café.

The company gifts its taxable profits to St Nicholas Hospice (Suffolk) under gift aid and the aggregate capital and reserves of St Nicholas Hospice Trading Limited at 31 March 2023 were £66,108 (2022: £98,543).

All items of income or expenditure reported on the Group Statement of Financial Activities have been shown after the removal of intra group transactions.

12 Investments (continued)

The trading results for the year ended 31 March 2023 and 31 March 2022 are show below:

	2023 £	2022 £
Turnover	443,783	417,049
Cost of sales	(330,309)	(258,637)
Gross profit	113,474	158,412
Operating expenses	(66,970)	(82,343)
Other operating income	-	3,225
Profit on ordinary activities before interest	46,504	79,294
Interest payable on concessionary loan to hospice	(625)	(625)
Net trading profit	45,879	78,669
Assets	130,880	146,582
Liabilities	(64,774)	(48,039)
Net assets	66,106	98,543
Represented by:		
Capital	35,006	35,006
Reserves	31,100	63,537
Net assets	66,106	98,543

13 Debtors

	Group		Charity	
	2023 £	2022 £	2023 £	2022 £
Trade debtors	239,625	190,379	238,065	188,843
Taxation recoverable	31,384	35,423	31,384	35,423
Other debtors	559	761	559	761
Prepayments	224,438	187,375	224,311	187,210
Accrued income	235,153	348,920	235,153	348,875
Legacies	1,002,489	1,326,682	1,002,489	1,326,682
Amounts due from subsidiary undertaking	-	-	25,263	-
	1,733,648	2,089,540	1,757,224	2,087,794
Amounts due greater than one year:				
Loan due from subsidiary undertaking	-	-	25,000	25,000
	1,733,648	2,089,540	1,782,224	2,112,794

In 2018/19, the charity entered into a new loan agreement to the subsidiary undertaking to fund working capital, secured by a fixed charge over goodwill and a floating charge over all assets of the company with interest charged at 2.5%. The balance on this loan will be repaid in full on 15 November 2028.

Included within prepayments is £109,379 (2022: £113,372) for a lease which falls due greater than one year.

14 Creditors: amounts falling due within one year

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Trade creditors	50,749	45,999	49,880	45,881
Amounts due to subsidiary undertaking	-	-	-	27,517
Taxation and social security	109,552	100,244	105,036	94,925
Other creditors	51,378	49,626	51,378	49,626
Accruals	207,020	278,938	200,355	269,816
Deferred income – lottery	56,072	62,965	56,072	62,965
Deferred income - other	13,629	410,990	11,229	402,510
	488,400	948,762	473,950	953,240

Deferred income reconciliation – lottery

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Balance brought forward	62,965	65,902	62,965	65,902
Amounts released to income in the year	(62,965)	(65,902)	(62,965)	(65,902)
Amount deferred in the year	56,072	62,965	56,072	62,965
Balance carried forward	56,072	62,965	56,072	62,965

Deferred income reconciliation – other

	£	£	£	£
Balance brought forward	410,990	1,494,868	402,510	1,487,918
Amounts released to income in the year	(410,990)	(1,494,868)	(402,510)	(1,487,918)
Amount deferred in the year	13,629	410,990	11,229	402,510
Balance carried forward	13,629	410,990	11,229	402,510

Deferred income relates to income for future events, house clearances and lottery subscriptions and the CCG grant paid in advance.

15 Restricted funds (Group and Charity)

	Balance at 1 April 2022	Income	Expenditure	Transfers	Balance at 31 March 2023
	£	£	£	£	£
In patient care	1,710	39,127	(24,232)	(2,466)	14,139
Day care	46,715	-	-	(2,111)	44,604
Community services	-	123,792	(96,218)	-	27,574
Family support and bereavement	-	4,543	(2,859)	541	2,225
Education and research	3,725	7,363	(578)	-	10,510
Fundraising	-	-	-	-	-
Catering (Haven Café)	-	400	(400)	-	-
Facilities	490	6,573	(1,466)	-	5,597
	52,640	181,798	(125,753)	(4,036)	104,649

15 Restricted funds (Group and Charity) (continued)

	Balance at 1 April 2022	Income	Expenditure	Transfers	Balance at 31 March 2022
	£	£	£	£	£
In patient care	7,050	178,763	(175,772)	(8,331)	1,710
Day care	49,631	1,938	-	(4,854)	46,715
Community services	-	253,974	(253,974)	-	-
Family support and bereavement	-	75	(75)	-	-
Education and research	2,675	3,580	(2,530)	-	3,725
Fundraising	345	-	(345)	-	-
Catering (Haven Café)	-	450	-	(450)	-
Facilities	-	990	-	(500)	490
	59,701	439,770	(432,696)	(14,135)	52,640

In Patient Care Fund incorporates:

Beds fund received for the purchase of beds for the Hospice.

Memorable Moments fund received to provide a memorable experience for patients who are nearing the end of their life.

Ward/Family Room fund received for improvements to the family room.

Ward equipment fund received and fully expended for the purchase of equipment for the ward.

Clinical uniform fund received for the purchase of uniforms for ward staff.

Day Care Fund incorporates;

Clinical Equipment fund was specifically received for and partially expended on palliative care equipment.

Community services restricted funds incorporates;

Community Connectors fund is to build community capacity to support people and their families facing long term illnesses, dying, death and grief.

Hospice Neighbours Project fund relates to revenue funding to maintain and grow a volunteer scheme to provide practical support to people in their own homes. This funding is fully expended.

Community Hospice Team fund relates to specific revenue funding received and fully expended in the year for the Community Hospice Team Service which includes Community Nurse Specialists and community based Nursing Assistants.

Community Nursing Equipment fund received for patient related equipment.

Norfolk Generally fund received and fully expended on community nursing costs in Thetford and surrounding area.

Family Support and Bereavement restricted funds incorporates;

Nicky's Way fund relates to specific revenue funding for the children's bereavement support service known as Nicky's Way.

Chaplaincy fund is for related materials and equipment.

Education and Research restricted funds incorporates;

HOPE course fund relates to revenue funding received for co-ordinating a course for cancer patients.

My Care Wishes fund is a specific piece of funding to deliver advanced care planning to West Suffolk care homes.

West Suffolk Hospital training fund relates to revenue funding received for the training of palliative care staff at West Suffolk Hospital.

Catering restricted fund incorporates;

Catering fund is for catering equipment and is fully expended.

Facilities fund incorporates;

Facilities fund includes funding for a memorial in the hospice garden and for roof maintenance.

The transfer for the year reallocates the net book value of the fixed assets held within the restricted fund to the Fixed Asset Fund to realign the fund.

16 Unrestricted funds

Charity

	Balance at 1 April 2022 £	Income £	Expenditure £	Investment gains/ (losses) £	Transfers £	Balance at 31 March 2023 £
Designated funds						
Fixed Asset Fund	2,210,526	-	(107,161)	-	-	2,103,365
Maintenance fund	2,250,000	-	-	-	-	2,250,000
IT Systems fund	16,217	-	-	-	100,000	116,217
Service development fund	474,102	-	-	-	-	474,102
Income generation project fund	398,664	-	-	-	-	398,664
Job evaluation fund	-	-	-	-	250,000	250,000
	5,349,509	-	(107,161)	-	350,000	5,592,348
General fund	3,269,373	6,384,356	(6,412,691)	(288,552)	(345,964)	2,606,522
	8,618,882	6,384,356	(6,519,852)	(288,552)	4,036	8,198,870

Group

	Balance at 1 April 2022 £	Income £	Expenditure £	Investment gains/ (losses) £	Transfers £	Balance at 31 March 2023 £
Designated funds						
Fixed Asset fund	2,210,526	-	(107,161)	-	-	2,103,365
Maintenance fund	2,250,000	-	-	-	-	2,250,000
IT Systems fund	16,217	-	-	-	100,000	116,217
Service development fund	474,102	-	-	-	-	474,102
Income generation project fund	398,664	-	-	-	-	398,664
Job evaluation fund	-	-	-	-	250,000	250,000
	5,349,509	-	(107,161)	-	350,000	5,592,348
General fund	3,332,910	6,749,198	(6,809,970)	(288,552)	(345,964)	2,637,622
	8,682,419	6,749,198	(6,917,131)	(288,552)	4,036	8,229,970

16 Unrestricted funds (Continued)

Charity

	Balance at 1 April 2021	Income	Expenditure	Investment gains/ (losses)	Transfers	Balance at 31 March 2022
	£	£	£	£	£	£
Designated funds						
Fixed Asset fund	2,318,149	-	-	-	(107,623)	2,210,526
Maintenance fund	2,250,000	-	-	-	-	2,250,000
IT Systems fund	16,217	-	-	-	-	16,217
Service development fund	474,102	-	-	-	-	474,102
Income generation project fund	398,664	-	-	-	-	398,664
	5,457,132	-	-	-	(107,623)	5,349,509
General fund	2,437,137	6,128,735	(5,577,690)	159,433	121,758	3,269,373
	7,894,269	6,128,735	(5,577,690)	159,433	14,135	8,618,882

Group

	Balance at 1 April 2021	Income	Expenditure	Investment gains/ (losses)	Transfers	Balance at 31 March 2022
	£	£	£	£	£	£
Designated funds						
Fixed Asset fund	2,318,149	-	-	-	(107,623)	2,210,526
Maintenance fund	2,250,000	-	-	-	-	2,250,000
IT Systems fund	16,217	-	-	-	-	16,217
Service development fund	474,102	-	-	-	-	474,102
Income generation project fund	398,664	-	-	-	-	398,664
	5,457,132	-	-	-	(107,623)	5,349,509
General fund	2,463,535	6,506,853	(5,918,669)	159,433	121,758	3,332,910
	7,920,667	6,506,853	(5,918,669)	159,433	14,135	8,682,418

16 Unrestricted funds (continued)

Fixed Asset fund

This is a designated fund representing the construction costs of the original building to 31 March 2023 less depreciation.

Maintenance fund

This is a designated fund (previously named New building and maintenance fund) for the purposes of maintaining and updating the existing hospice building and allocating funds for future building requirements. This fund has not been drawn on during 2022/23.

IT systems fund

The charity has a number of IT systems and hardware which require replacing or upgrading to develop greater resilience, functionality and efficiency to support the services we deliver and the way in which we work. The designated reserve was insufficient to support the required investment and the Trustees approved an increase of £100,000 in November 2022.

Service development fund

The purpose of this fund is to develop and test new service delivery models across our entire service offering in all settings. The fund will continue to support the ongoing development, testing and planning of services. This fund has not been drawn on during 2022/23.

Income generation fund

The fund is to develop income generation through new and existing income streams that are sustainable and resilient to economic and social challenges. This fund has not been drawn on during 2022/23.

A new fund has been designated by the Trustees in 2022/23:

Job evaluation fund

The fund is to support the costs associated with the job evaluation programme, which will commence in 2023/24, and the potential resultant increase in staffing costs, for a maximum period of two years. After when, the resultant staff costs will be accommodated within the operating costs of the hospice. Trustees approved a fund of £250,000. This fund has not been drawn on during 2022/23.

17 Endowment funds

	Balance at 1 April 2022 £	Income £	Expenditure £	Investment gain/(loss) £	Balance at 31 March 2023 £
The Earl of Euston 2009 Fund	47,588	371	(371)	(1,173)	46,415

The income earned by the Group and Charity from the investment of the fund, £371 must be spent in accordance with the objects of the Charity.

The loss arising on the investment of the fund was £1,173 and the value of the fund was decreased by this at 31 March 2023. The investment management charge attributable to the fund at £125 was immaterial and no adjustment has been made to the value of the fund

	Balance at 1 April 2021 £	Income £	Expenditure £	Investment gain £	Balance at 31 March 2022 £
The Earl of Euston 2009 Fund	46,623	363	(363)	965	47,588

18 Net assets by funds

Group	General Funds £	Restricted Funds £	Endowment Fund £	Total Funds 31 March 2023 £
Investments	4,040,000	-	46,415	4,086,415
Tangible fixed assets	2,098,788	-	-	2,098,788
Current assets	2,579,582	104,649	-	2,684,231
Creditors falling due within one year	(488,400)	-	-	(488,400)
	8,229,970	104,649	46,415	8,381,034

18 Net assets by funds (continued)

Charity	General Funds	Restricted Funds	Endowment	Total Funds 31 March 2023
	£	£	£	£
Investments	4,075,006	-	46,415	4,121,421
Tangible fixed assets	2,098,788	-	-	2,098,788
Current assets	2,499,024	104,649	-	2,603,673
Creditors falling due within one year	(473,950)	-	-	(473,950)
	8,198,868	104,649	46,415	8,349,932

Group	General Funds	Restricted Funds	Endowment Fund	Total Funds 31 March 2022
	£	£	£	£
Investments	4,728,272	-	47,588	4,775,860
Tangible fixed assets	2,210,526	-	-	2,210,526
Current assets	2,692,383	52,640	-	2,745,023
Creditors falling due within one year	(948,762)	-	-	(948,762)
	8,682,419	52,640	47,588	8,782,647

Charity	General Funds	Restricted Funds	Endowment	Total Funds 31 March 2022
	£	£	£	£
Investments	4,763,278	-	47,588	4,810,866
Tangible fixed assets	2,210,526	-	-	2,210,526
Current assets	2,598,318	52,640	-	2,650,958
Creditors falling due within one year	(953,240)	-	-	(953,240)
	8,618,882	52,640	47,588	8,719,110

19 Related party transactions

None of the charity trustees or connected persons received remuneration in the year (2022: £nil).

Trustee indemnity insurance is included within total insurance costs of £67,630 (2022: £59,601). It is not possible to quantify the trustee indemnity element from the overall insurance cost.

Three trustees were St Nicholas Hospice Care Lottery subscribers in the year (2022: three) and in total paid £208 (2022: £208). Their winnings amounted to £30 (2022: £10).

During the year no trustee commissioned the services of the house clearance team (2022: one Trustee, £300, at the standard rate for a house clearance and not a preferential rate).

During the year fifteen trustees and associates (2022: 14) made donations without conditions totalling £1,205 (2022: £560).

Transactions with the subsidiary undertaking were:

	2023 £	2022 £
Loan outstanding from the trading company to the charity	25,000	25,000
Current account balance from the trading company to the charity	25,263	27,517
Gift aid donation from the trading company to the charity	78,316	41,531
Recharged costs from the charity to the trading company	155,411	120,418
Recharged income from the charity to the trading company	133,008	149,555
Interest paid/received on loan to subsidiary	625	625

20 Operating lease commitments

As at 31 March 2023, the Group and the Charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Operating leases which expire:				
Not later than one year	167,733	198,042	167,733	196,059
Later than one year but not later than five years	238,459	300,032	238,459	299,372
Over five years	-	10,080	-	10,080
	406,192	508,154	406,192	505,511

21 Reconciliation of net income / (expenditure) to net cash flows from operating activities

	Group	
	2023 £	2022 £
Net (expenditure) / income for the year per Statement of Financial Activities	(401,613)	755,655
Adjustments for:		
Depreciation charges	154,848	168,473
Losses / (gains) on investments	289,725	(160,398)
Dividends received from investments	(111,866)	(130,568)
Interest received	(8,589)	(811)
Loss on sale of fixed assets	7,641	4,033
(Increase)/decrease in stocks	(5,607)	6,832
Decrease/(increase) in debtors	355,892	4,334
(Decrease)/increase in creditors	(460,362)	(1,054,320)
Net cash used in operating activities	(179,931)	(406,770)

22 Analysis of changes in net funds

	Group	
	2023 £	2022 £
Opening net funds		
Cash and cash equivalents	759,248	1,346,504
Changes in net fund arising from cash flow of the group	202,226	(587,256)
Closing net funds		
Cash and cash equivalents	961,474	759,248

23 Analysis of cash and cash equivalents

	Group	
	2023 £	2022 £
Cash at bank and in hand	920,251	630,758
Cash held as part of the investment portfolio	41,223	128,490
	961,474	759,248

24 Members guarantee

The charity has no share capital but is limited by guarantee. Every member of the charitable company is a guarantor and undertakes to contribute to the assets of the charitable company, in the event of it being wound up, such amounts as may be required. Each guarantor's liability is limited to £1.

25 Pension costs

A group personal pension plan is operated on behalf of certain employees. The assets are held separately from those of the charity in independently administered funds. The pension charge represents contributions payable by the charity to the plan at rates ranging from 5% to 7%. Contributions paid by the charity during the year amounted to £145,475 (2022: £131,812). Contributions outstanding at 31 March 2023 amounted to £22,945 (2022: £22,765) and were included within other creditors.

In addition, certain other employees previously employed by the National Health Service have, by arrangement, continued to be members of the NHS Pension Scheme, a multi-employer defined benefit scheme, whilst in the employment of St Nicholas' Hospice (Suffolk). Contributions paid by the charitable company during the year amounted to £185,918 (2022: £158,867). Contributions outstanding at 31 March 2023 amounted to £26,705 (2022: £25,822) and were included within other creditors.

The scheme is not designed to be run in a way that would enable NHS bodies to identify their share on the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the Hospice of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

Employers' contributions to the NHS pension scheme were made at the rate of 20.68% (2022: 20.68%). The increase from 14.38% is still being funded by the NHS Pension Schemes transitional arrangements resulting in no additional costs to the charity. This transitional arrangement is to continue into 2023/24. Employee contributions ranged from 5.1% to 13.5%.

26 Material legacies

Legacy income is only included in incoming resources where receipt is probable and the amount can be measured reliably, or the legacy has been received. There were no additional notifications which could be determined to be probable, material or reliably measured over and above those already recognised in the financial statements as at 31 March 2023 (2022: £Nil).

27 Capital commitments

In respect of the Group and Charity, there was no expenditure authorised and contracted (2022: £2,710) at the end of the financial year.

28 Financial Instruments

	Group		Charity	
	2023	2022	2023	2022
	£	£	£	£
Financial assets:				
Instruments measured at fair value through profit & loss	<u>4,045,192</u>	<u>4,647,370</u>	<u>4,045,192</u>	<u>4,647,370</u>

29 Contingent Liabilities

The Charity is registered within the VAT group with St Nicholas Hospice Trading Limited. The maximum potential liability at 31 March 2023 was £4,516 (2022: £5,319).

30 Acting as Agent

The Charitable Company acts as agent holding funding on behalf of the CCG for two projects; £361,000 to support the ROSI project and £125,000 to support DDaT Transformation. There was no disbursement against either fund during 2022-2023.