

St Nicholas Hospice (Suffolk)
(A company limited by guarantee and
not having a share capital)

Annual Report and Financial Statements

Year Ended 31 March 2010

ST NICHOLAS' HOSPICE (SUFFOLK)

Contents

Page:

1	Report of the Trustees
18	Report of the Independent Auditors
20	Statement of financial activities
21	Balance sheet
22	Cash flow statement
23	Notes forming part of the financial statements

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2010 (Continued)

TRUSTEES AND ADVISERS

Board of Trustees

The Revd Canon RH Norburn MBE ³	President
Mr FAL Robinson	Chairman
Mrs J Rutherford ^{2 4}	Deputy Chairman
Mr D Barclay ¹	(Honorary Treasurer from 20th May 2009)
The Countess of Euston ⁴	
Mr P Marchant ¹	(From 21 October 2009)
Mrs B. Martineau ⁴	
Ms P Nicholson ³	
Dr. E. Wallace ³	
Mr ASV Williams CBE ²	

Secretary and registered/principal office

Julie Roy
Macmillan Way, Hardwick Lane, Bury St Edmunds, Suffolk, IP33 2QY

Chief Executive

Barbara Gale

Senior Management

Paul Abbott – Fundraising & Marketing Director
Jane Doughty – Personnel Director
Julie Roy – Finance Director
Jackie Saunders – Clinical Services Director

Auditors

Baker Tilly UK Audit LLP, Abbotsgate House, Hollow Road, Bury St Edmunds, Suffolk, IP32 7FA

Solicitors

Gross & Co, 84 Guildhall Street, Bury St Edmunds, Suffolk, IP33 1PR

Bankers

Barclays Bank plc, 52 Abbeygate Street, Bury St Edmunds, Suffolk, IP33 1LL

Investment managers

Rathbones Investment Management Limited, 159 New Bond Street, London, W1S 2UD

Registered Charity number 287773

Company number 1748046

¹ Finance Committee member ² Personnel Committee member ³ Clinical Governance Committee member ⁴ Fundraising and Marketing Committee member

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2010 (Continued)

Trustees Report

The Board of Trustees present their annual report on the affairs of the charitable company, together with the financial statements and independent auditors' report for the year ended 31st March 2010.

Charitable Activities

Our Charity's purposes as set out in the objects contained in the company's memorandum of association are to:

"promote the relief of persons of either gender, without regard to either race or creed, while suffering from any terminal or life-threatening illness, or from any disability or disease, attributable to old age or from any other physical or mental infirmity, disability or disease, in such ways as the charity shall from time to time think fit."

By constant review over the years this has been developed so the charity's purposes are to:

- Benefit the public by providing relief to those who are suffering from a life threatening illness.
- Support the families of those who are affected during illness and bereavement.
- Promote the practice of good end of life care in the local community.

Our name

We have now completed the transition to the use of St Nicholas Hospice Care as the name by which we wish to be known by our local community. The new name was developed to reflect the full range of services offered by the organisation. 'St Nicholas Hospice' implied that the work was just in the one building; putting 'Care' at the end encompassed all elements and did not link our service just to one geographic place.

Ensuring our work delivers our objectives

Our aims, objectives and activities are reviewed annually, identifying achievements and outcomes. The review looks at the success of each key activity and the benefits they have brought to those groups of people we are set up to help, this ensures our aims, objectives and activities remained focused on our stated purposes.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the Trustees considered how all planned activities will contribute to the aims and objectives they have set.

Our aim

To improve the quality of lives of patients and their families, during life-limiting illness, death and bereavement.

Our objectives

To work compassionately in the fields of life-limiting illness, death and bereavement by:

- enabling patients and families to live with illness and bereavement
- giving specialist care
- empowering communities to care for those affected
- teaching and influencing other professionals.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2010 (Continued)

The focus of our work is to deliver specialist palliative care to those who require it, this care includes:

- Impeccable assessment of need with care planning and reassessment.
- Hands on care
- Spiritual support with recognition of the need to be alongside people in their time of distress.
- Rapid response to facilitate care and death in preferred place of choice.
- Bereavement support by trained staff and volunteers.

The services are delivered by a clinical team led by a Clinical Services Director and Consultant, the team comprises of professionals proficient in specialist palliative care that includes: doctors, nurses (registered and nursing assistants), chaplain, occupational therapist, physiotherapist, complementary therapist, social workers, counsellors and psychological therapist.

Care is given to patients in:

- The local community, whether in their own homes or in other settings – including care homes, community hospitals and prisons.
- At the hospice building in Sylvan Ward or in the Orchard Day Centre

To support and enable our local community we also provide:

- A 24 hour advice line for professionals
- An Education Department that provides internal and external programmes, locally and regionally
- Attendance at Gold Standards Framework (GSF) meetings
- Ongoing relationships with all providers of palliative and end of life services including working with social care, schools, prisons, mental health units and voluntary providers.

Who uses and benefits from our service?

All our services are provided free to our clients. Our objects and funding limit this service to the people who meet our referral criteria and are living in West Suffolk and Thetford, a population of approximately 250,000. We also indirectly influence the quality of lives of those not accessing our services by supporting, advising and teaching local professionals caring for other patients and families.

We believe equal access to our services is vital to our success. With over 5,000 people dying in Suffolk every year, access to our services is limited by giving priority to patients and families with the severest needs. Last year we saw 963 patients, 89% of whom have cancer, yet we are aware that only 27% of deaths are from cancer. We continue to work with our local community to increase access to our services for those who do not have cancer.

During the last year financial pressures meant that some services were reduced. However the organisation refocused its efforts during this time to increase support to people in their own homes. By working with the local media the local community were kept informed and admissions from the community were prioritised as appropriate.

Our strong volunteering department also benefited disadvantaged groups by offering an opportunity to volunteer either in our retail department or at the Hospice.

Those who can access our clinical services are:

Patients who are over 18 and have an advanced life-shortening illness and their families, where there is unresolved physical, psychosocial or spiritual needs. We also see bereaved children aged 5 – 18 regardless of their cause of bereavement.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2010 (Continued)

How do we meet demand?

It is acknowledged by the Public Health Department that there is increasing aging population, with more people living longer with often more than one illness. The Hospice has seen increasing numbers of referrals over recent years and established a triage system to help manage demand. The new triage system enables the Hospice to prioritise those most in need and the advice system supports professionals who care for patients that either cannot be seen by the Hospice or do not choose to be referred. All referrals are responded to by a triage practitioner within 24 hours. Admissions are prioritised on patient and family needs and bed availability. Medical Outpatient and Domiciliary appointments are organised within 7 working days but an urgent appointment can be requested.

Our structure

On 31 March 2010 the Charity employed 107 staff (this equates to 86.5 whole time equivalents), almost two thirds of whom were part-time, and over 498 formal volunteers. This is a reduction from March 2009 last year when we had 116 staff equating to 90 whole time equivalents.

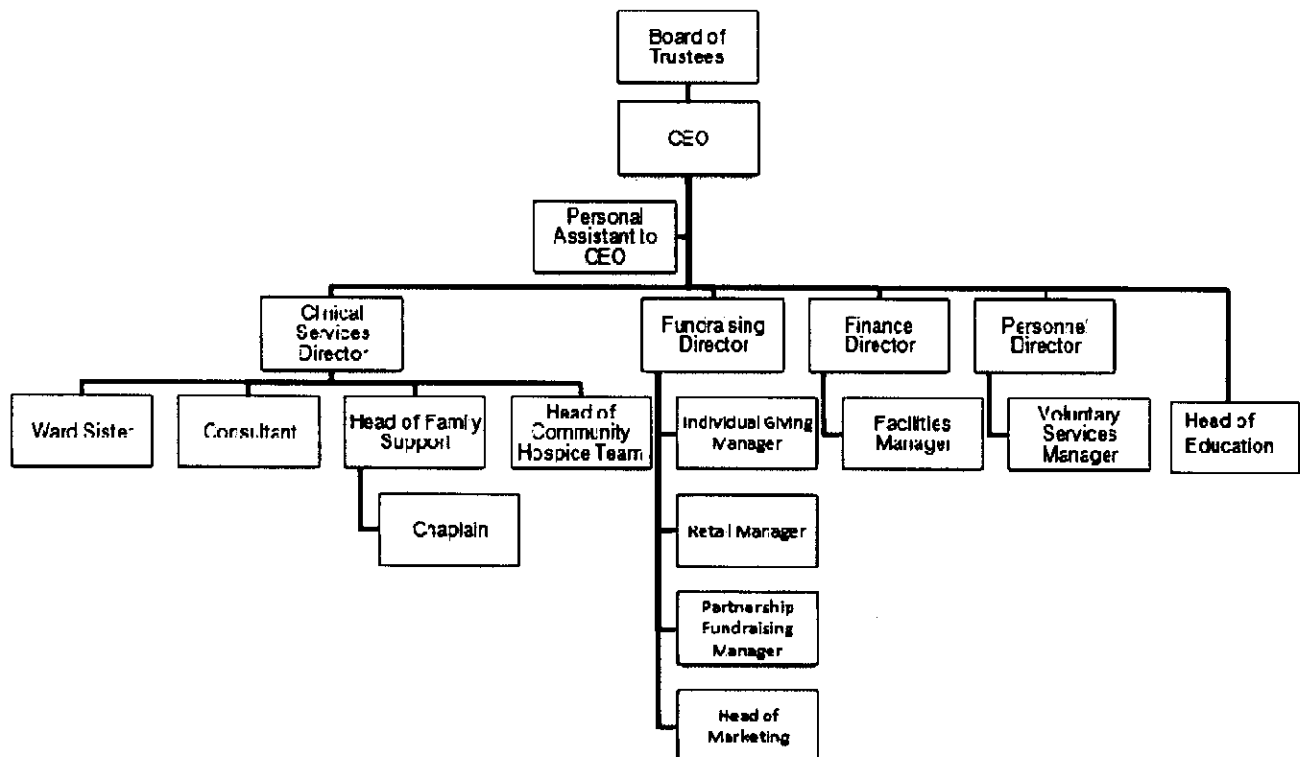
Of these volunteers, 221 work in our charity shops and 18 at the warehouse. Over 250 volunteers work across the range of our services, including fundraising, supporting and befriending patients, providing reception, administration, chaplaincy, catering, maintenance or gardening services etc.

The organisation's retail volunteer placement scheme continues to help disadvantaged people. The Hospice works in partnership with staff from Adult Community Services, the YMCA and the Probation service to deliver a scheme offering volunteer placements to adults with learning disabilities, as well as to underprivileged people from the local community. Volunteers have been doing essential work helping to sort and process donated goods at the Retail and Fundraising Centre warehouse operation as well as volunteering at the Hospice.

Volunteers provided approximately 2,200 hours a month of support and invaluable expertise, resources, time, and local networking to the Hospice as a whole within the clinical department and in the warehouse; this does not include the hours volunteers give to the shops.

The management and leadership of the Hospice is led by the Chief Executive who chairs a weekly Directorate meeting with the Fundraising, Finance, Personnel and Clinical Services Directors. The Directorate with the Management Forum meets monthly to ensure good cross organisation planning and management. The Chief Executive meets formally with the Chairman and or Vice Chairman at least twice a month.

Organisational structure



Our achievements in 2009 – 2010 are described below

We said we would manage the organisation's resources in light of the recession to ensure the sustainability of the Charity.

During the year, with the Board of Trustees' approval, the management team developed a planned response to the recession which included:

- Freezing vacancies and a restriction on training
- A request to staff for a reduction in hours
- No renewal of short term contracts
- A pay freeze
- Very tight cost control
- An extensive marketing campaign to raise public awareness about the effect of the recession on the Charity

In addition to this 3 staff were made redundant as their roles had been identified as non essential. The impact on services meant 4 beds on the inpatient unit were closed, day services ran on 2 days rather than 3 days a week and a creative art project was halted.

Staff, volunteers and the local community were kept fully informed during this process. Staff briefings and staff forum meetings were held more frequently.

With the closure of 4 beds, 2 Nursing Assistants (following consultation) were transferred to the Community Hospice Team.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2010 (Continued)

In January 2010 the management and the Board of Trustees agreed to increase the beds available back up to 10 during 2010; this was the result of a steady increase in income together with the receipt of a large legacy and a grant from the Big Lottery.

We said we would further develop community services enabling more people to die at home.

The recruitment of 2 Nursing Assistants in 2009/10, together with the 2 Nursing Assistants transferred from the Ward meant an increase in the amount of support the Hospice could give to people at home. Home deaths supported by the Hospice rose slightly from 215 in 2008/9 to 216 in 2009/10. The Community Hospice Team (CHT) managed to respond to a 44% increase in referrals, and increasing activity at weekends and bank holidays.

This year saw a shift of workload with the nurse specialists reducing their numbers of visits and delegating visits to the nursing assistants, the nurse specialists increased their emphasis on supporting other professionals via Gold Standards Framework (end of life care) meetings and providing telephone advice. It is estimated that by working in this way the team prevented 194 potential admissions to hospital.

Community Hospice Team (CHT) data

	2009 - 2010	2008 - 2009
Referrals to CHT	708	491
1st visits by nurse specialists (not weekend and BH)	471	424
Follow up visits by nurse specialists (not weekend and BH)	1,397	2,099
Patients achieving their preferred place of death	71%	
Nursing Assistants' workload	2009 - 2010	
Referrals for terminal care	135	
First visits (not weekend and BH)	150	
Follow up visits (not weekend or BH)	282	
Out of hours activity for all staff	2009 - 2010	2008 - 2009
Visits	275	264
Telephone calls with professionals	607	447
Telephone calls with patient / family	1,177	883

The nursing assistants provision of hands on care was focused on the last weeks of life, the majority of the nursing assistants' work was outside of office hours.

Liaising with other service providers at weekends and bank holidays continues to be a crucial component in enabling patients to die at home. The work with the Primary Healthcare Team at GSF meetings ensures that the Hospice is influencing the care of patients and families not known to the Hospice and ensuring when required, they can be referred early.

Our Head of Education has also led work on a Do Not Attempt Resuscitation (DNAR) Community Policy, and is developing an e-learning tool for use when it spreads to the whole of the county, hopefully at the end of 2010. This work will also influence the East of England DNAR development.

We said we would develop new ways of meeting demand for the service.

A triage service was put in place to respond rapidly to all new referrals, this was run by a Nurse Specialist from the Community Hospice Team. This service saw an improvement in average response time from just under 3 days to less than 24 hours.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2010 (Continued)

The Hospice was granted the Foundation of Nursing Studies 'Patient First' Award to develop preferred priorities of care practice specifically focussing on the patient experience.

We said we would work with the local community in raising awareness about end of life choices.

Working in partnership with the local community and all other providers is core to the way that the Hospice functions. To ensure close working relationships with NHS providers, the Hospice has representation on the Suffolk Palliative and End of Life Strategy Group (our CEO Barbara Gale is the Chair), the Anglia Cancer Network Supportive and Palliative Care Cross Cutting Group, the Strategic Health Authority End of Life Care Education Group and the Suffolk Workforce Development Group;

In November 2009 BBC Inside Out focused on the work of volunteers with the Hospice and highlighted the work of the Hospice in improving quality of life for patients.

During March 2010 the Charity took part in the National Campaign "Dying Awareness Week", the Charity designed and distributed a poster locally to engage the public in thinking about their wishes in preparation for their death. Details about this were also posted on the Hospice website and Facebook page to encourage discussion. The Hospice's Facebook page has 698 friends.

During 2009 – 2010 St Nicholas Hospice Care's activity included:

	2009 - 2010	2008 - 2009
Referrals	739	756
Patients	963	1,075
Cancer patients	857	919
Patients with non malignancies	68	88
Home deaths	216	215
All deaths	530	523

The annual patient and family satisfaction survey that is led by the User Forum showed high levels of satisfaction by patients and families using the services.

The annual staff survey conducted by Best Companies saw an improvement from a One to Watch to a One Star. This was a great achievement considering the climate of recession.

The Hospice also worked closely with other organisations in a planned response to an outbreak of Swine Flu and whilst the plans were not needed in relation to Swine Flu they were put into action during the bad weather in December 2009.

One of our volunteers won the coveted International Journal of Palliative Care Volunteer of the Year award for outstanding contributions and another received highly commended for the High Sheriff's award for Suffolk's volunteer of the year.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2010 (Continued)

Sylvan Ward (In Patient Unit)

The activity for Sylvan Ward shows the impact of the bed closures; figures for 2007 – 2008 have been included to show a clearer picture as beds were reduced during 2008 – 2009 because of the ward refurbishment.

	2009 - 2010	2008 - 2009	2007 - 2008
Admissions	218	234	317
Deaths	114	127	153
Discharges	102	107	133
Available bed days	3,035	3,319	4,242
Occupied bed days	2,522	2,688	3,411
Occupancy	83%	85%	81%

During the year priority was given to patients in the most need and specifically those in their own homes where there is no access to 24 hour care. Admissions for respite and intravenous treatment were not possible with so few beds.

Orchard Day Therapy activities

The reorganisation of services caused by recessionary pressures had huge impact on the Centre;

- Day Therapy reduced from three to two days over 44 rather than 52 weeks.
- Rosetta Life artistic programme, Carers Group, Time for You and Gentleman's Tonic days ceased. A complementary therapist and physiotherapist resigned and were not replaced
- Early Assessment Clinic was developed as a creative way of extending choice for both patients and carers referred to the service.

	2009 - 2010	2008 - 2009	2007 - 2008
Referrals	111	99	101
Attendances	582	756	837
Complementary Therapy sessions	680	743	619
Group attendances	42	130	48

Family Support Team

Family Support Team continued to support patients and families across the organisation, with the majority of their care being delivered in people's homes. Bereavement letters, which are sent to close family friends, reduced this year due to the lower number of deaths on the ward, however the number of bereaved clients had increased. The paid Family support team saw a reduction in activity because of an unfilled vacancy for a number of months. The bereavement volunteers continue to increase their amount of bereavement work.

	2009 - 2010	2008 - 2009
Bereaved clients	142	118
Sessions by FST during illness	1,577	1,988
Bereavement sessions by FST	366	477
Bereavement letters sent	624	721
Referrals for bereavement support	717	764
Sessions by bereavement volunteers	776	588

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2010 (Continued)

Nicky's Way Programme

Nicky's Way is an age-related group-work programme for any bereaved child in the area, offering a range of activities, together with a support group for adults (who maybe caring for the child) that runs alongside the children's programme. Two six week programmes are run every year and give a child:

- information that helps to make sense of the questions they may have
- the chance to be with other children who have had similar experiences
- a safe place to express varied and conflicting emotions
- opportunities to remember the person who has died.

Not all children referred attend the programme, but family support may carry on individual work with those children and their families outside of the programme. Because of the increase in the number of referrals and preparatory work a sessional worker was used to support this extra workload.

	2009 - 2010	2008 - 2009
Nicky's Way children referred	67	54
Children attended programme	28	29
Adults attended programme	19	22
Children supported outside the programme	87	38

Educating, Training and Research in palliative care

Internal education

Our plan was to ensure staff and volunteers were skilled and resourced to provide future and existing services as well as providing palliative care education for the local community. This year mandatory and statutory training was taken over by the Personnel Department and the programmes redesigned.

	2009 - 2010	2008 - 2009
Total courses run	67	119
External staff attendances	1,255	810
Internal staff attendances	1,054	1,219

External education

There has been a large increase in the number of unqualified / health care support workers attending the courses commissioned by external agencies. During 2009-2010 the education department at SNHC worked closely with Adult Community Services (ACS, previously Social Services) developing and delivering half and one-day courses for relevant end of life care learning.

The education department received a grant of £15,000 with which to write a Foundation Degree (FD) in Palliative Care in conjunction with University College Suffolk. This ensures that the Hospice will have a significant role in leading this 2-year course in the future. The grant also developed an Assistant Practitioner job description for the hospice for those who successfully complete the FD.

The department also received a further grant of £20,000 for a project on advance care planning for people with dementia. This will take place at Wedgewood House, Bury St Edmunds and will include the community mental health and hospital teams.

Because of the recession the decision was taken to make a charge for all courses, this has coincided with a drop in the number of non-attendees' numbers from 123 in 2008-2009 to 35 in 2009-2010. Income also increased from to £11,798 in 2008-2009 to £55,000 in 2009-2010.

Several Hospice staff spoke at national and international conferences, topics included managing during a recession, bereavement needs analysis and foundation degree.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2010 (Continued)

Research

The Family Support Team led the Hospice participation in the national Bereavement Needs Assessment research and the Hospice is working towards developing a research project that will examine the needs of patients and families when dying in 2010, as there is a paucity of evidence for hospice and palliative care.

The Future

In 2010 to 2011 we will continue with the objectives set last year i.e. we will:

- Manage the organisation's resources in light of the continuing recession to ensure the sustainability of the Charity.
- Further develop community services enabling more people to die at home and in care homes.
- Develop new ways of meeting demand for the service.
- Work with the local community in raising awareness about end of life choices.

In addition to this we will:

- Develop a new five year strategy.
- Enhance Information Communications Technology systems.
- Expand volunteering in the community.

Fundraising

Overall, 2009/10 started well and this continued throughout the year, helped in some part by the 25th Anniversary marketing campaign. Retail struggled to reach gross budgeted income, but due to cost savings their net income exceeded expectations by £4k.

The disappointment during the year was the 25th anniversary draw, which was budgeted to raise £100k but only realised £53k. Despite these set-backs, income in other areas exceeded expectations and costs came in below budget so that at the end of the year net fundraising income was £266k over budget before legacies (£782k over including legacy income).

The Community Fundraising Team continued their strategy of concentrating on encouraging groups such as schools, Women's Institute groups, churches, to adopt the Hospice as their charity. They also continued to encourage the formation of new 'Friends' groups across the catchment area. The Special Events Committee organised a spectacular Dinner in the Nave at St Edmundsbury Cathedral and their renewed vigour has attracted many new influential local people to the St Nicholas Hospice Care cause. The strategy to concentrate our events resources on mass participation events, such as the Girls Night Out, which attracted over 300 participants, also worked very well. Community Fundraising ended the year £82k over budget.

The relationships built by our corporate fundraiser in the previous year saw increasing numbers of companies adopt the Hospice as their charity of the year. The momentum built during the whole of the year culminating in us being almost £50k ahead of budget.

Individual giving also performed extremely well, particularly in the area of 'In Memory' Donations. We believe this to be influenced by the roll out of the Community Hospice Team, but also by the concentration of local newspaper appeals raising awareness of the Hospice's role in local communities.

Disappointingly we failed to convert most of the people who were motivated to make a gift by the 25th Anniversary Campaign into regular (monthly) givers.

Underlining all of the great results achieved by the fundraising teams was the brilliant work of our Marketing Department; continually sending out hard hitting messages that reached many more potential donors.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2010 (Continued)

Governance

Management and decision-making

The Charity is a company limited by guarantee and is governed, under its memorandum and articles of association, through a 70 strong membership association made up from persons in the community served. 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 each month and has an annual meeting to review strategy and direction.

Compliments and complaints

During the last 12 months the organisation has been improving the recording of compliments received, it has also encouraged all complaints to be recorded (whether or not the complaint results in a major investigation) which is why there is an increase in the number of complaints. Only 6 complaints resulted in a major investigation, all other complaints were dealt with by either the member of staff at the time or their manager. Of the 23 complaints received, one is noted as unresolved as the complainant requested that no further action be taken, however they did not wish the file to be closed yet.

All complaints are tabled at every Board of Trustee meeting.

	2009 - 2010	2008 - 2009
Total compliments	101	53
Total complaints	23	7

Board of Trustees Committees

The Board has four Committees with specific terms of reference and functions delegated by the Board and with a Trustee as chairman appointed by the Board - Finance and Investment Committee, Clinical Governance Committee, Personnel Committee, and Fundraising and Marketing Committee. These Committees include co-opted members with relevant experience from the Association and every Trustee serves on at least one Sub Committee. The Chair of each Committee reports back to the Board about matters discussed at each meeting.

1. **The Finance and Investment Committee** oversees all financial aspects of the Charity's activities. It reviews the budget and monitors performance against it. The committee reviews the Charity's investment strategy and monitors investment performance; reviews the audited financial statements of the Charity and recommends them to the Board; reviews reports from the external auditors and monitors management actions to implement recommendations made in reports from the auditors. It also considers the appointment, resignation or dismissal of the external auditors and approves their annual fee. The Chief Executive and Finance Director attend meetings.
2. **The Clinical Governance Committee** oversees all clinical matters with particular reference to clinical standards and complaints review. The meetings are attended by the Chief Executive, the Clinical Services Director and the Medical Consultant.
3. **The Personnel Committee** reviews and monitors remuneration and employment policy and recommends to the Board of Trustees the annual employee percentage salary increase. The meetings are attended by the Chief Executive, Personnel Director, Finance Director and the Clinical Services Director.
4. **The Fundraising and Marketing Committee**, which was newly established in 2008, oversees fundraising and marketing strategy, policy and performance and reports its findings and recommendations to the Board. The meetings are attended by the Chief Executive and the Fundraising and Marketing Director.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2010 (Continued)

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 is established. The above committees are part of that process. The day-to-day running of the Hospice is entrusted to the Chief Executive who delegates that work through the Directorate and Management Team to the staff and volunteers deployed across the charity's services.

Statement of Trustees' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company 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 charity's website. Legislation in the UK governing the preparation and dissemination of financial statements and other information included in the annual report may differ from legislation in other jurisdictions.

Statement as to disclosure of information to Auditors

In accordance with company law, as the charity's Trustees, we certify that:

- So far as we are aware, there is no relevant audit information of which the charity's auditors are unaware.
- We have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of the information.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2010 (Continued)

Trustee recruitment and induction

All current Board members have been appointed to the Board of Trustees on the basis of their experience, expertise, and community involvement – and for their commitment to and passion for the work of St Nicholas Hospice (Suffolk) and the Hospice Movement in general. All appointments to the Board are approved by the Association at its AGM.

The Board has a nominations group to 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.

As part of their induction, Trustees are given a file of introductory papers, including planning and financial documents, national guidance about being a Trustee and information relevant to the Hospice. They will see the work of the charity first hand and be given ample opportunity to engage with the Charity's activities, services, staff and volunteers – and with services users as appropriate. Prospective Trustees will normally attend at least one Trustee meeting, before being asked to enter the formal processes of application and acceptance. Once approved new Trustees will usually identify particular areas of interest and will especially spend time in those areas.

The Charity has a number of senior employees with the title of Director who are not directors within the meaning of the Companies Act 2006.

Trustees

In accordance with the Charity's Articles of association, the following Trustees retire by rotation and being eligible; have been invited to offer themselves for re-election at the next annual general meeting:

Mr F.A.L. Robinson (Chairman)
Mrs J. Rutherford (Vice Chairman)
The Revd Canon RH Norburn MBE

For the purposes of the Companies Act 2006 members of the Board of Trustees are deemed to be directors.

Risk and internal control

The Trustees have overall responsibility for ensuring that the Charity has an appropriate system of controls, financial and otherwise.

They are also responsible for safeguarding the assets of the Charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide assurance that:

- Its assets are safeguarded against unauthorised use or disposition
- Proper records are maintained and financial information used within the Charity or for publication is reliable
- The Charity complies with relevant laws and regulations.

As part of the Charity's risk management process the Trustees acknowledge their responsibility for the Charity's system of internal control and reviewing its effectiveness. The Trustees recognise that such a system is designed to manage rather than eliminate the risk of failure to achieve the Charity's objectives and can only provide reasonable, not absolute, reassurance against material misstatement or loss.

The system of financial controls designed to mitigate risk include a five year strategic plan, an annual operational plan, an annual budget and regular updated forecasts including cash flow. Regular scrutiny is given by the Trustees to monitoring actual performance against the budget and forecasts and to the formal delegation of authority to spend within clearly defined authorisation limits.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2010 (Continued)

Investments

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

The Hospice investment policy is:

- To achieve acceptable returns on listed equities and unit trusts, fixed interest securities and cash with equities not exceeding 75% of the value of the fund
- To maintain and protect the capital value of the portfolio in real terms.

The Trustees, through the Finance and Investment Committee, consult with the independent investment managers, Rathbones, on a regular basis to take advice on the management of the portfolio and to monitor its performance.

The Finance and Investment Committee agreed that the investment account was well balanced with solid investments. The change in value of the investment portfolio reflected the market conditions.

Register of members

The register of members is available for inspection by members, free of charge, at the registered office of the charitable company.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2010 (Continued)

Financial Review

The outcome for the year was very positive with a surplus of £1,693k which compares with a deficit of £752k for the year before. The principal reasons for this improvement were:

- The significant increase in the value of investment assets which totalled £767k - £112k of which arose from investment sales. This represents 35% of the value of the investment assets at the end of the previous financial year and is the result of the general recovery in financial markets over that period. In the 5 months since the end of the financial year, further instability in the markets had reduced the portfolio by 2%.
- Incoming resources improved by £373k.
- The result of actions to reduce costs taken throughout the year meant that resources expended reduced by £347k.

Capital expenditure during the year amounted to £30k and included 5 further electronic tills for the retail shops and a replacement server to operate all of the Hospice's key databases.

Income

- Income in 2009/10 of £4,832k was up 8% on the previous year. During the year a significant legacy of £720k was received, which was a distribution from an estate that the Hospice has previously benefitted from over the last 3 years, now totalling almost £1.4m. This meant that legacy income improved by 8%, but, in line with current legacy trends, without the continued support of this estate the value of legacies received was 23% of the previous year.

Voluntary income through donations and capital grants increased by 7% year on year. Within this improvement there were some significant areas of increase and decline :

- Income from trusts and statutory funders was down by 43%
- Corporate support increased by 95%
- Income from in memoriam donations was up by 35%
- General donations were up by 36%
- Regular giving by standing order (although not a significant contributor) was up by 68%

The areas that saw an improvement reflect the support received from the community of West Suffolk for which the Hospice is very grateful. Investment in a professional marketing approach has contributed greatly to the awareness of the Hospice's need for continual financial support from the public.

Retail income only grew by 4% this year, which is in line with national performance. The extremely successful furniture outlet in Mildenhall had to close as a result of a commercial tenant being found for the premises and there was a delay before an alternative was found in Newmarket, which has also traded very positively.

Events and groups income improved year on year by 20% - this was as a result of the very successful 'Girls Night Out' which raised in excess of £70k.

Lottery and draw income fell year on year by 3%. This reflects a gradual decline over a number of years as lottery participants reduce.

Investment income fell again by 42% due to falling interest rates and dividend distributions as a result of the continuing economic crisis.

Income from charitable activities, comprising principally NHS funding increased by 18%, demonstrating their continuing commitment to end of life care.

Financial Review (continued)

Expenditure

A programme of cost reduction was implemented across the Hospice which resulted in the closure of 4 in-patient beds, a reduction in the number of day patient days, a reduction of staff hours in fundraising clinical administration and support areas, 3 redundancies, a recruitment and pay freeze for all staff and the closure of the Rosetta Life art project.

The cost of generating funds fell by 12% to £1,197k. The retail operation cost reduction accounted for 40% of the savings, reflecting the fact that significant investment took place in the previous year and the redundancy of two staff members.

The remainder of the cost savings in this area were due to:

- A reduction in staff hours across two income areas and administration
- A targeted reduction in general marketing spend
- A reduction in event costs.

Expenditure on charitable activities fell by 6% to £2,685k. The in-patient bed closure and reduction in day patient days accounted for the majority of this saving. Expenditure on caring for patients in their own homes was increased by 14% as the Hospice at Home service team expanded.

Cash at bank

The positive financial performance combined with minimal capital expenditure for the year has resulted in an improvement in cash holdings of £1m.

Reserves

Total reserves at the end of the year amounted to £8,300k of which £ 398k were restricted. Of the unrestricted reserves £2,337k is the Building Fund representing an element of the cost of the Hospice's buildings less depreciation charged thereon. This was increased during the year by the restricted Capital Appeal fund (£511k) which had contributed to accommodation for the family support and bereavement team, in particular the Nicky's Way programme.

The Trustees have reviewed the reserves policy giving consideration to the risk, probability and likely impact on the Charity's continuing ability to meet its long-term charitable objectives as a result of any decline in income.

The Trustees have designated part of the unrestricted funds to a project included within the charity's Five Year Strategic Plan, the implementation of a "Hospice at Home" service. Phase one of the "Hospice at Home" service was started in the autumn of 2006. The team was increased in the current and previous financial year, but at a much slower pace than originally planned. This reflects the Trustees desire to protect cash reserves in the light of the current recession. We were also successful in attracting short-term external funding to support the new roles. The designated fund has been reduced by an amount equal to new restricted funding secured to date. The project will continue to be rolled out over the next few years and the remaining designated funds represent the costs to cover its developing operation for the next three years during which negotiations will take place with the NHS to part fund it. The Trustees will continue to search for external funding to support this project.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2010 (Continued)

Financial Review (continued) - Reserves

The Trustees have reviewed the level of free undesignated reserves giving consideration to the current economic uncertainty and its' impact on income and investments plus the on-going need for working capital for the day-to-day activities of the charity. The Trustees are currently of the opinion that in the light of this review, free reserves, excluding designated funds, should ideally represent approximately 2 years total running costs. This ensures that the organisation can continue to support beneficiaries in periods of financial downturn.

Free undesignated reserves at 31st March 2010 stood at £4.8m, which whilst it has improved, is still at only 69% of the Trustees' requirement. The Trustees will seek to build free reserves to this target by increasing general fundraising and targeting legacy income.

Going Concern

The Charity has a diverse range of income generating activities including voluntary, investment, fundraising, retail, event and lottery income. In addition approximately 30% of total income comprises funding from NHS Suffolk which is subject to a three year rolling agreement.

Whilst the Charity receives its income from a wide range of sources, many of the income streams are inherently volatile. The Charity has policies in place to manage these risks including specific investment and reserves policies which are explained above in the Trustees annual report.

The Trustees have considered the financial position of the Charity, the investment portfolio, the level of free reserves and the 2010/11 budget and accompanying cash flow forecast. As a consequence, the Trustees believe the Charity is well placed to manage its business risks successfully through these difficult and uncertain times.

The Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

This report was approved by the Trustees on 15 September 2010



Alastair Robinson
Chairman

ST NICHOLAS HOSPICE (SUFFOLK)

Independent auditors' report to the members of St Nicholas' Hospice (Suffolk)

We have audited the financial statements of St Nicholas Hospice (Suffolk) for the year ended 31 March 2010 on pages 20 to 38.

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 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.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Trustees' Annual Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Trustees' Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

ST NICHOLAS HOSPICE (SUFFOLK)

Independent auditors' report to the members of St Nicholas' Hospice (Suffolk)

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 March 2010 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- the financial statements have been prepared in accordance with the Companies Act 2006; and
- the information given in the Trustees' Annual Report is consistent with the financial statements.

Baker Tilly UK Audit LLP

Claire Sutherland (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Abbotsgate House

Hollow Road

Bury St Edmunds

Suffolk IP32 7FA

5 October 2010
.....

ST NICHOLAS HOSPICE (SUFFOLK)

Statement of financial activities (incorporating the income and expenditure statement) for the year ended 31 March 2010

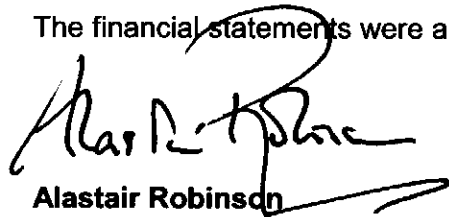
	Note	Unrestricted Funds £	Restricted Funds £	2010 Total £	2009 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income:					
Donations, gifts and capital grants	2	751,228	118,087	869,315	812,789
Legacies		866,762	-	866,762	799,473
Activities for generating funds:					
Sale of donated and other goods		611,376	-	611,376	585,606
Events, groups and promotional activities		453,965	12,092	466,057	388,403
Lottery and Draw subscriptions		479,482	-	479,482	494,710
Other income		37,072	-	37,072	27,432
Investment income	3	92,874	-	92,874	159,242
<i>Incoming resources from charitable activities</i>	4				
Caring for in-patients		798,986	-	798,986	848,862
Caring for day patients		136,085	-	136,085	32,697
Caring for patients in their homes		281,208	-	281,208	218,060
Family support and bereavement counselling		132,086	-	132,086	35,184
Education, training and research into palliative care		40,714	20,000	60,714	56,161
Total incoming resources		4,681,838	150,179	4,832,017	4,458,619
Resources expended	5				
<i>Cost of generating funds</i>					
Cost of generating voluntary income:					
Donations and gifts		156,237	396	156,633	202,668
Legacies		45,121	114	45,235	70,946
Fundraising trading:					
Cost of selling donated and bought-in goods		538,875	4,173	543,048	609,248
Events, groups and promotional activities		242,179	615	242,794	287,264
Lottery prizes and administration		193,899	-	193,899	181,860
Investment management costs		15,987	-	15,987	14,667
		1,192,298	5,298	1,197,596	1,366,653
<i>Charitable activities</i>					
Caring for in-patients		1,406,800	61,922	1,468,722	1,585,285
Caring for day patients		278,928	1,738	280,666	348,492
Caring for patients in their homes		393,810	183,783	577,593	504,875
Family support and bereavement counselling		256,296	16,123	272,419	327,929
Education, training and research into palliative care		85,246	252	85,498	93,508
		2,421,080	263,818	2,684,898	2,860,089
Governance costs	7	23,649	-	23,649	26,812
Total resources expended		3,637,027	269,116	3,906,143	4,253,554
Net incoming resources before other recognised gains and losses		1,044,811	(118,937)	925,874	205,065
Realised gains (losses) on investment assets	12	112,546	-	112,546	(207,292)
Net incoming resources	8	1,157,357	(118,937)	1,038,420	(2,227)
Unrealised gains/ (losses) on investment assets	12	654,651	-	654,651	(749,648)
Net movement in funds before transfers		1,812,008	(118,937)	1,693,071	(751,875)
Transfer between funds	17	513,279	(513,279)	-	-
Net movement in funds		2,325,287	(632,216)	1,693,071	(751,875)
Reconciliation of funds					
Total funds brought forward		5,577,790	1,029,725	6,607,515	7,359,390
Total funds carried forward		7,903,077	397,509	8,300,586	6,607,515

All amounts relate to continuing activities. All gains and losses for the year are included in the statement of financial activities above.

ST NICHOLAS HOSPICE (SUFFOLK)**Balance sheet as at 31 March 2010****Company registration number 1748046**

	Note	2010 £	2009 £
Fixed assets			
Tangible assets	11	2,885,150	3,017,675
Investments	12	3,181,183	2,354,490
		6,066,333	5,372,165
Current assets			
Stocks	13	2,967	2,195
Debtors	14	128,414	221,346
Cash at bank and in hand		2,473,271	1,436,597
		2,604,652	1,660,138
Creditors: amounts falling due within one year	15	370,399	424,788
Net current assets		2,234,253	1,235,350
Net assets	16	8,300,586	6,607,515
The funds of the charity			
Unrestricted funds:			
General fund	17	4,802,899	2,908,640
Designated funds	17	3,100,178	3,180,679
Restricted fund	18	397,509	518,196
Total charity funds	16	8,300,586	6,607,515

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



Alastair Robinson

Chairman

15 September 2010

The notes on pages 23 to 38 form part of these financial statements.

ST NICHOLAS HOSPICE (SUFFOLK)

Cash flow statement for the year ended 31 March 2010

	Note	2010		2009	
		£	£	£	£
Net cash inflow from operating activities	A		1,031,057		97,800
Capital expenditure					
Payments to acquire tangible fixed assets			(30,244)		(714,689)
Financial investment					
Payments to acquire investments		(683,231)		(542,029)	
Receipts from sale of investments		513,221		551,902	
			(170,010)		9,873
Returns on investment and servicing of finance					
Bank interest received		20,893		73,862	
Investment income received		74,464		94,596	
			95,357		168,458
			926,160		(438,558)
Cash movement			926,160		(438,558)
Increase /(decrease in cash)	B		926,160		(438,558)

A Reconciliation of net incoming resources before transfers and gains to net cash (outflow) / inflow from operating activities

	2010 £	2009 £
Net incoming resources before transfers and gains	925,874	205,065
Investment Income	(92,874)	(159,242)
Depreciation	162,769	139,503
Increase/(decrease) in stock	(772)	2,712
Decrease/(increase) in debtors	90,449	(53,131)
(Decrease) in creditors	(54,389)	(37,107)
Net cash inflow from operating activities	1,031,057	97,800

B Analysis of changes in cash

	At 1 April 2009 £	Cash flows £	At 31 March 2010 £
Cash at bank and in hand	1,436,597	1,036,674	2,473,271
Cash held as investment	181,022	(110,514)	70,508
	1,617,619	926,160	2,543,779

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2010

1 Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention, with the exception of investments which are stated at market value, and in accordance with applicable accounting standards and the Companies Act 2006. The financial statements also comply with the Statement of Recommended Practice 2005 - 'Accounting and Reporting by Charities'.

Group accounts

The company is exempt from the requirement to prepare group accounts under SORP 2005 on the basis that, in the Trustees' opinion, the results of the dormant subsidiary undertaking are not material to the group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Income

Incoming resources are 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 certainty of receipt.

Income from NHS contracts and other grants is included on a receivable basis. Legacies are included when the aforementioned recognition criteria has 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.

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.

- Costs of generating funds are those costs 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.
- Governance costs include those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.
- Support costs 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 the trustees' report.

Tangible fixed assets and depreciation

Fixed assets costing more than £500 are capitalised, with the exception of computer equipment which is capitalised for anything costing over £100.

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% - 20% per annum
Motor vehicles	- 20% per annum

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2010 (Continued)

1 Accounting policies (continued)

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

Investments are stated at market value, less any provision for impairment. The SOFA 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. 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.

Stocks

Stocks are included at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

Pension costs

The charitable company has contributed to a group personal pension plan and a defined benefit pension scheme. Contributions paid into these pension arrangements are charged to the profit and loss account when due.

Operating leases

Rentals paid under operating leases are charged to the SOFA over the period in which the cost is incurred.

Impairment of fixed assets

The need for any fixed asset impairment write-down is assessed by comparison of the carrying value of the asset against the higher of net realisable value and value in use.

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 charitable company'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.

Taxation

The income and gains of the charitable company 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.

Government grants

Government grants are credited to income in the period to which they relate.

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2010 (*Continued*)

2 Voluntary income

	2010 £	2009 £
Donations, gifts and capital grants		
General donations	277,905	203,763
Specific donations	118,087	275,533
Regular giving	68,984	40,510
In Memoriam	210,028	155,629
Collection boxes	21,240	21,956
Trusts	99,879	64,222
Industry/commerce	71,277	49,536
Non-cash donations	391	-
Membership subscriptions	1,524	1,640
	869,315	812,789

3 Investment income

	2010 £	2009 £
UK fixed interest securities	6,498	12,307
Non- UK fixed interest securities	352	2,813
Non-UK listed equities and unit trusts	2,699	13,554
UK listed equities and unit trusts	64,790	61,846
Interest on bank and building society deposits	18,535	68,722
	92,874	159,242

4 Incoming resources from charitable activities

	Grants £	Training income £	Training grants £	NHS Service contracts £	Sponsor -ship £	Total 2010 £	Total 2009 £
Caring for in-patients	19,235	-	-	779,751	-	798,986	848,862
Caring for day patients	-	-	-	136,085	-	136,085	32,697
Caring for patients in their homes	-	-	-	281,208	-	281,208	218,060
Family support and bereavement counselling	-	-	-	132,086	-	132,086	35,184
Education, training and research into palliative care	-	21,442	35,448	-	3,824	60,714	56,161
Total	19,235	21,442	35,448	1,329,130	3,824	1,409,079	1,190,964
2009	18,690	13,393	7,132	1,149,471	2,278	1,190,964	

In 2010 NHS service contracts have been allocated to charitable activities by reference to the relative cost of each activity for the year, which reflects the intentions of the three year agreement with Suffolk NHS commencing from 1st April 2009. In 2009 the apportionment is based upon the three year agreement with Suffolk NHS commencing from 1st April 2006. The amounts disclosed also include the drugs, gases and pharmacy support received from the NHS, these have all been allocated to caring for in-patients.

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2010 (Continued)

5 Resources expended

	Staff costs £	Other Costs £	Support costs £	Total 2010 £	Total 2009 £
Cost of generating voluntary Income:					
Donations and gifts	121,426	15,438	19,769	156,633	202,668
Legacies	27,130	12,396	5,709	45,235	70,946
	<u>148,556</u>	<u>27,834</u>	<u>25,478</u>	<u>201,868</u>	<u>273,614</u>
Fundraising trading:					
Cost of selling donated and bought in goods	205,573	278,295	59,180	543,048	609,248
Events, groups and promotional activities	100,518	111,633	30,643	242,794	287,264
Lottery prizes and administration	38,890	140,639	14,370	193,899	181,860
	<u>344,981</u>	<u>530,567</u>	<u>104,193</u>	<u>979,741</u>	<u>1,078,372</u>
Investment management costs	<u>-</u>	<u>15,987</u>	<u>-</u>	<u>15,987</u>	<u>14,667</u>
Charitable activities:					
Caring for in-patients	908,318	237,049	323,355	1,468,722	1,585,285
Caring for day patients	145,599	51,351	83,716	280,666	348,492
Caring for patients in their homes	441,905	52,703	82,985	577,593	504,875
Family Support and bereavement counselling	190,593	40,117	41,709	272,419	327,929
Education, training and research into palliative care	59,363	13,040	13,095	85,498	93,508
	<u>1,745,778</u>	<u>394,260</u>	<u>544,860</u>	<u>2,684,898</u>	<u>2,860,089</u>
Governance costs	<u>-</u>	<u>14,771</u>	<u>8,878</u>	<u>23,649</u>	<u>26,812</u>
Total resources expended	<u>2,239,315</u>	<u>983,419</u>	<u>683,409</u>	<u>3,906,143</u>	<u>4,253,554</u>

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2010 (Continued)

6 Support costs

	Admin, Finance and IT £	Personnel £	Maintenance £	Catering £	Total 2010 £	Total 2009 £
Cost of generating voluntary income:						
Donations and gifts	11,405	6,744	1,620	-	19,769	23,609
Legacies	3,294	1,947	468	-	5,709	8,264
	<u>14,699</u>	<u>8,691</u>	<u>2,088</u>	<u>-</u>	<u>25,478</u>	<u>31,873</u>
Fundraising and trading:						
Cost of selling donated and bought in goods	36,988	21,870	322	-	59,180	60,674
Events, groups and promotional activities	17,679	10,453	2,511	-	30,643	33,463
Lottery prizes and administration	8,962	5,298	110	-	14,370	12,726
	<u>63,629</u>	<u>37,621</u>	<u>2,943</u>	<u>-</u>	<u>104,193</u>	<u>106,863</u>
Charitable activities:						
Caring for in-patients	84,073	49,709	66,501	123,072	323,355	351,678
Caring for day patients	18,889	11,169	22,890	30,768	83,716	90,747
Caring for patients in their Homes	45,790	27,074	10,121	-	82,985	68,283
Family Support and bereavement counselling	20,256	11,977	9,476	-	41,709	44,039
Education, training and research into palliative care	6,287	3,717	3,091	-	13,095	13,289
	<u>175,295</u>	<u>103,646</u>	<u>112,079</u>	<u>153,840</u>	<u>544,860</u>	<u>568,036</u>
Governance costs	<u>8,878</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,878</u>	<u>11,427</u>
Total resources expended	<u>262,501</u>	<u>149,958</u>	<u>117,110</u>	<u>153,840</u>	<u>683,409</u>	<u>718,199</u>

The charity adopts a policy of allocating costs to the respective cost headings through the year. This allocation includes support costs where they are directly attributable. Where they are not directly attributable, support costs are allocated on the basis of headcount, floor space and usage.

7 Governance costs

	2010 £	2009 £
Audit fees	14,771	15,385
General management	8,878	11,427
	<u>23,649</u>	<u>26,812</u>

ST NICHOLAS HOSPICE (SUFFOLK)**Notes forming part of the financial statements for the year ended 31 March 2010 (Continued)****8 Net movement in funds**

	2010 £	2009 £
This has been arrived at after charging:		
Depreciation	162,769	139,503
Operating lease payments - land and buildings	145,359	141,911
- motor vehicles	22,055	20,386
Auditors remuneration - audit services	14,771	13,628
- non audit services	-	5,578
	<u> </u>	<u> </u>

9 Staff costs

	2010 £	2009 £
Wages and salaries	2,379,622	2,518,167
Social security costs	195,319	203,882
Pension costs	181,347	173,979
	<u>2,756,288</u>	<u>2,896,028</u>

Staff costs include the cost of 'bank' staff (individuals who are employed as and when they are required by the charity) paid through the payroll. The recharged costs of a member of the medical team (Senior House Officer), who is paid by another organisation, amounting to £42,143 in 2010 (2009 - £37,918) are also included. A grant of £19,235 (2009 - £18,690) was received during the year from the East of England Multi-Professional Deanery to support these costs as part of the GP Vocational Training Scheme.

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

	Number	Number
£60,000 - £70,000	2	1
£80,000 - £90,000	-	1
£90,000 - £100,000	1	-
	<u> </u>	<u> </u>

Employers pension contributions related to the above were £25,542 (2009 - £20,350).

The average number of full time equivalent employees, including part time staff analysed by function was:

	Number	Number
Hospice services	56	58
Fundraising and publicity	10	11
Shops	9	10
Lottery	2	2
Management and administration	9	9
	<u>86</u>	<u>90</u>

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2010 (Continued)

10 Taxation

The income and gains of the charitable company 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.

11 Tangible fixed assets

	Long leasehold buildings £	Motor vehicles £	Furniture and equipment £	Total £
Cost				
At 1 April 2009	3,304,314	30,308	1,088,334	4,422,956
Additions	902	-	29,342	30,244
Disposals	-	(13,614)	-	(13,614)
At 31 March 2010	3,305,216	16,694	1,117,676	4,439,586
Depreciation				
At 1 April 2009	691,575	17,743	695,963	1,405,281
Charge for the year	63,366	3,339	96,064	162,769
Disposals	-	(13,614)	-	(13,614)
At 31 March 2010	754,941	7,468	792,027	1,554,436
Net book value				
At 31 March 2010	2,550,275	9,226	325,649	2,885,150
At 31 March 2009	2,612,739	12,565	392,371	3,017,675

The long leasehold expenditure represents the building costs of the Hospice on land at Macmillan Way, Bury St Edmunds for which a 60 year lease at a peppercorn rent was entered into on 15 August 1991, expenditure on refurbishment of the In Patient Unit during 2008 and expenditure on the shop redevelopment and warehouse, Bury St Edmunds.

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

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2010 (*Continued*)

12 Investments

	2010 £	2009 £
Market value		
At 1 April 2009	2,173,468	3,140,281
Additions	683,231	542,029
Disposals	(513,221)	(551,902)
Gains (Losses)	767,197	(956,940)
	<u>3,110,675</u>	<u>2,173,468</u>
Cash held as investment	70,508	181,022
At 31 March 2010	<u>3,181,183</u>	<u>2,354,490</u>
<i>Market value can be analysed as follows:</i>		
UK fixed interest securities	498,986	474,369
UK listed equities and unit trusts	1,351,147	845,732
Non UK fixed interest securities	105,776	-
Non-UK listed equities and unit trusts	1,154,766	853,367
Cash held as investment	70,508	181,022
	<u>3,181,183</u>	<u>2,354,490</u>
<i>The historical cost of investments can be analysed as follows:</i>		
UK fixed interest securities	451,512	495,846
UK listed equities and unit trusts	1,319,910	1,178,456
Non-UK listed equities and unit trusts	1,149,716	1,181,337
Non-UK fixed interest securities	96,722	-
Cash held as investment	70,509	181,022
Cost at 31 March 2010	<u>3,088,369</u>	<u>3,036,661</u>

Concentration of investments

The following represent investment holdings of a material nature (excluding cash).

	2010		2009	
	Market value	%	Market value	%
	£		£	
Rathbone Unit Trust	188,214	6.1	135,607	6.2
Cazenove Investment Fund	160,680	5.2	145,380	6.7
Fidelity	149,040	4.8	-	-
M&G	146,070	4.7	70,330	3.2
Artemis	145,490	4.7	92,055	4.2
Mellon Asset Management	138,671	4.5	134,080	6.2
Standard Life High Income	124,078	4.0	128,091	5.9

ST NICHOLAS HOSPICE (SUFFOLK)Notes forming part of the financial statements for the year ended 31 March 2010 (*Continued*)**13 Stocks**

	2010 £	2009 £
Bought in goods for resale	2,967	2,195

14 Debtors

	2010 £	2009 £
Trade debtors – including NHS grant	29,909	10,405
VAT debtor	2,341	1,611
Other debtors	-	259
Prepayments and accrued income	96,164	209,071
	128,414	221,346

15 Creditors: amounts falling due within one year

	2010 £	2009 £
Expense creditors	68,461	82,964
Due to subsidiary company	3,362	3,362
Other taxes and social security costs	62,321	62,668
Other creditors	23,918	24,138
Accruals	111,304	121,543
Deferred income - lottery (see below)	74,594	77,019
Deferred income - other	26,439	53,094
	370,399	424,788

Deferred income - other relates to income received in advance for fundraising events that take place after the year end.

Deferred Income – lottery

	2010 £	2009 £
Balance as at 1 st April	77,019	76,279
Additional amounts of income deferred	74,594	77,019
Amount released to incoming resources	(77,019)	(76,279)
Balance as at 31 st March 2010	74,594	77,019

This relates to advance payments for future lottery draws.

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2010 *(Continued)*

16 Analysis of group net assets between funds

	Tangible fixed assets	Investments	Net current Assets	2010 Total	2009 Total
	£	£	£	£	£
Unrestricted funds					
General fund	181,064	2,711,183	1,910,652	4,802,899	2,908,640
Designated funds:					
Building fund	2,337,393	-	-	2,337,393	1,880,332
Hospice at Home fund	-	470,000	292,785	762,785	788,818
	<u>2,518,457</u>	<u>3,181,183</u>	<u>2,203,437</u>	<u>7,903,077</u>	<u>5,577,790</u>
Restricted fund					
Capital appeal fund	-	-	-	-	511,529
IPU ward refurbishment	319,220	-	-	319,220	350,945
Dementia Training			20,000	20,000	-
Day Hospice refurbishment	22,318	-	-	22,318	-
Hospice at Home	-	-	4,118	4,118	128,824
Beds	11,419	-	-	11,419	13,823
Van for retail operation	7,152	-	-	7,152	8,951
Bradbury Green	353	-	-	353	7,789
Clinical Equipment	5,112	-	-	5,112	5,336
Miscellaneous Non Clinical Equipment	1,119	-	226	1,345	2,128
Patient Choice Research	-	-	2,000	2,000	-
Early Assessment Clinics	-	-	2,578	2,578	-
Miscellaneous clinical expenditure	-	-	1,266	1,266	-
Miscellaneous expenditure	-	-	628	628	400
	<u>366,693</u>	<u></u>	<u>30,816</u>	<u>397,509</u>	<u>1,029,725</u>
	<u>2,885,150</u>	<u>3,181,183</u>	<u>2,234,253</u>	<u>8,300,586</u>	<u>6,607,515</u>

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2010 (*Continued*)

17 Unrestricted funds

	Balance at 1 April 2009 £	Incoming Resources £	Resources used £	Investment Gains £	Transfers £	Balance at 31 March 2010 £
General fund	2,908,640	4,681,838	(3,582,559)	767,197	27,783	4,802,899
Designated funds						
Building fund	1,880,332	-	(54,468)	-	511,529	2,337,393
Hospice at Home Fund	788,818	-	-	-	(26,033)	762,785
	<u>5,577,790</u>	<u>4,681,838</u>	<u>(3,637,027)</u>	<u>767,197</u>	<u>513,279</u>	<u>7,903,077</u>

General Fund

Transfers of £27,783 into the General Fund have taken place made up of:

- £1,750 relating to monies expended in 2008/09 from general funds in relation to a Patient and Family Guide that attracted restricted funding in 2009/10
- £26,033 relating to restricted funding received in 2009/10 for Hospice at Home

Building fund

This is a designated fund representing the construction cost of the original building to 31 March 2010 less depreciation charged thereon, together with funds transferred from the original foundation fund. During the year the balance on the capital appeal restricted fund (£511,529), which was held specifically for the purpose of the development and provision of accommodation for family bereavement and support services was transferred into this fund.

Hospice at Home fund

The Hospice at Home fund was set up to designate funds towards the first two years running costs of a new Hospice at Home service. The first stage of this project was started in the autumn of 2006. Since this start up phase, the Hospice has been able to attract funding to cover the lower than originally planned current costs of the project. However the funds received have been for finite periods and so far no long term commitment has been secured. The designated fund has been reduced by the amount received and been reviewed to reflect current estimates for three years of further development costs. Negotiations are continuing with the NHS to secure long term funding.

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2010 (Continued)

18 Restricted funds

	Balance at 1 April 2009 £	Incoming Resources £	Resources Used £	Transfers £	Balance at 31 March 2010 £
Capital appeal Fund	511,529	-	-	(511,529)	-
In Patient Unit refurbishment	350,945	-	(31,725)	-	319,220
Day Hospice refurbishment	-	23,000	(682)	-	22,318
Hospice at Home	128,824	26,033	(150,739)	-	4,118
Nurses	-	20,689	(20,689)	-	-
Dementia Training	-	20,000	-	-	20,000
Community Nurses	-	30,980	(30,980)	-	-
Nicky's Way	4	15,377	(15,321)	-	60
Beds	13,823	-	(2,404)	-	11,419
Bradbury Green capital Works	7,789	-	(7,436)	-	353
Van for retail operation	8,951	-	(1,799)	-	7,152
Clinical Equipment	5,336	556	(780)	-	5,112
Volunteer placements	-	1,000	(1,000)	-	-
Patient Choice research	-	2,000	-	-	2,000
Early assessment clinics	-	2,943	(365)	-	2,578
Patient & Family Guide	-	1,750	-	(1,750)	-
Website and IT projects	-	2,500	(2,500)	-	-
Miscellaneous non clinical equipment	2,128	-	(783)	-	1,345
Miscellaneous clinical expenditure	-	2,946	(1,680)	-	1,266
Miscellaneous expenditure	396	405	(233)	-	568
	<u>1,029,725</u>	<u>150,179</u>	<u>(269,116)</u>	<u>(513,279)</u>	<u>397,509</u>

The In Patient Unit refurbishment fund is specifically for the purpose of the refurbishment of the In-Patient Unit at the Hospice. The money has been expended and is represented within leasehold land and buildings and furniture and equipment (note 11).

The Day Hospice refurbishment fund is specifically for the purpose of the refurbishment of Day Hospice. The money had been expended and is represented within leasehold land and buildings and equipment (note 11)

Hospice at Home relates to specific revenue funding received and partly expended in the year for the continued development of a Hospice at Home service. This includes specific funding for the appointment of a triage nurse and nursing assistants received from the Henry Smith Charity and the St James' Place Foundation.

The Nurses fund relates to a specific revenue funding received and expended in the year on the In Patient Unit nurses.

The Dementia Training Fund relates to a grant received in respect of training to be delivered in 2010-11 by the Education department.

The Community Nurses fund relates to specific revenue funding received and expended in the year for the community nurses service.

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2010 (*Continued*)

18 Restricted funds (*Continued*)

The Nicky's Way fund relates to specific revenue funding received and expended in the year for the children's bereavement support service known as Nicky's Way.

The Beds fund relates to specific funding received and partly expended for the purchase of electric beds for the Hospice. Those beds that have already been purchased are represented within furniture and equipment (note 11).

The Bradbury Green refurbishment fund relates to specific funding for a large refurbishment project undertaken in the Bradbury Green area. The money has been expended and is represented within furniture and equipment (note 11).

The van for retail operation relates to a grant received to purchase a van in support of the recycling activities associated with the retail shops and the central warehouse facility. The van purchased is represented within motor vehicles (note 11).

The Clinical Equipment fund relates to specific funding received for and partially expended on palliative care equipment. The equipment that has already been purchased is represented within furniture and equipment (note 11).

The Volunteer Placement fund relates to funding received and expended in the year in support of activities involving the development of individuals with learning difficulties through working with the Hospice.

The Patient First Research Fund relates to specific revenue funding received for a project to be undertaken by selected members of the nursing staff. The project focus is to determine how our services can best meet patient and family choice regarding their priorities and preferences in respect of end of life care.

The Early Assessment Clinics fund relates to specific revenue funding received and partially expended in the year to expand our out-patient clinics and enable different disciplines to undertake first assessments for those patients/clients able to travel to the Hospice. The benefits include being able to show Hospice facilities to the families and uphold their independence.

The Patient and Family Guide fund relates to funding received to produce a guide to Hospice Services for patients and families. The monies were expended from general funds in 2008/09 to produce the guide and hence the grant received has been transferred into the General Fund.

The Website and IT project is revenue funding received from Vodafone World of Difference which was expended in the year on a young person who was employed to review the St Nicholas Hospice Care website and to specify an IT solution for the Community Hospice Team.

The Miscellaneous Non Clinical Equipment Fund includes the following specific revenue funding for:

- the purchase of a TV satellite system for the Hospice. The money has been expended and is represented within furniture and equipment (note 11).
- the purchase and furnishing of a summer house for the Hospice. The money has been expended and is represented within furniture and equipment (note 11).
- the cost of a dolls house for Nicky's Way, the children's bereavement support service.
- a new garden shed for the Hospice Gardens. The money has been expended and is represented within furniture and equipment (note 11).

The Miscellaneous Expenditure Fund includes the following specific revenue funding for :

- staff welfare at Christmas.

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2010 (Continued)

18 Restricted Funds (continued)

The Miscellaneous Clinical Expenditure Fund includes the following specific revenue funding for:

- Nurses uniforms
- Clinical goods
- Art therapy goods
- Day therapy costs

19 Members guarantee

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

20 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 and amounted to £48,036 (2009 - £42,727). Contributions outstanding at 31 March 2010 amounted to £4,057 (2009 - £3,745).

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 £117,491 (2009 - £125,152). Contributions outstanding at 31 March 2010 amounted to £10,193 (2009 - £11,147). It is not possible to identify each institution's share of the underlying assets and liabilities of the scheme as the scheme is unfunded, and therefore in accordance with FRS17 - 'Retirement Benefits', contributions to the scheme are accounted for as if it were a defined contribution scheme.

Employers' contributions to the NHS pension scheme were made at the rate of 14% and employee contributions amounted to 6%. These rates are set for the forthcoming year to 31 March 2010.

21 Related Party Transactions

St Nicholas' Hospice (Suffolk) has a connected organisation, the Friends of St Nicholas' Hospice.

The objects of the Friends organisation is to support the work of the Hospice and the services it provides and to promote knowledge of its role within the community it serves. It operates under the charitable status accorded to the Hospice using the same registered charity number.

At the Friends AGM held on the 12th June 2008 it was resolved that the rules of the Friends be dissolved so removing the Friends Management Committee. The Friends groups throughout the county would remain in place, with the same aims and objectives, but coming under the Hospice umbrella. Annual subscribers were asked to transfer their support directly to the Hospice.

During the year under review the Friends, as it then stood, continued to be gradually wound down as these changes took effect.

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2010 (Continued)

21 Related Party Transactions (Continued)

The unaudited results for the connected organisation and the transactions with the Hospice during the year are as follows:

	2010 £	2009 £
Income	1,100	1,641
Expenditure	-	-
Surplus	1,100	1,641
Donations to St Nicholas' Hospice (Suffolk)	(4,300)	(561)
Deficit	(3,200)	1,080
Reserves brought forward	4,131	3,051
Reserves carried forward	931	4,131

None of the charity trustees or connected persons received remuneration or reimbursement of expenses during the year (2009 - none). Trustees' indemnity insurance amounting to £1,100 was paid for the year (2009 - £521).

22 Financial commitments

As at 31 March 2010, the charitable company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		Other	
	2010 £	2009 £	2010 £	2009 £
Operating leases which expire:				
Within one year	26,500	-	2,299	2,524
In one to two years	-	7,500	22,363	-
In two to five years	77,670	73,170	2,248	24,662
Over five years	45,080	45,080	-	-
	149,250	125,750	26,910	27,186

23 Interests in subsidiary company

The whole of the issued share capital of St Nicholas' Hospice Trading Limited is held by St Nicholas' Hospice (Suffolk). This company has been dormant since the cessation of its trading activities on 31 March 2000. The capital and reserves of the company as at 31 March 2010 were £3,361 (2009 - £3,361). The investment in this company has been fully written down to £nil.

As at 31 March 2010, St Nicholas' Hospice (Suffolk) owed St Nicholas' Hospice Trading Limited £3,362 (2009 - £3,362).

Since the 31st March 2010 the Board have approved the re-activation of the dormant company to facilitate the expansion of retail and other trading activity.

24 Material Legacies

Legacy income is only included in incoming resources where receipt is reasonably certain and the amount is known with certainty, or the legacy has been received. As at 31 March 2010 the charity had been notified of 2 legacies which have a total estimated value of £157k which has not been accrued as the conditions for recognition had not been met.

25 Capital Commitments

Capital expenditure authorised and contracted, but not provided in the accounts amounts to £ 7,774 and relates to new furniture for the fundraising team and Nicky's Way.

26 Contingent Liabilities

During 1999 the Hospice entered into the Federated Flexiplan No 1 pension scheme (a multi-employer defined benefit pension arrangement). A maximum of 10 employees participated in the scheme up to 2007 when the last active member left the Hospice's employment. This left three deferred members with attendant liabilities that will crystallise when they retire.

Federated Flexiplan No 1 ("the Plan") is a defined benefit pension scheme. However, because of the non associated multi-employer nature of the Plan, the Company is unable to identify its share of the underlying assets and liabilities of the Plan on a consistent and reasonable basis and therefore, as permitted by FRS 17 "Retirement Benefits", it accounts for the Plan as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the Company's contributions payable to the Plan in respect of the accounting period.

There is currently some uncertainty over the interpretation of the Plan rules and the benefits to be provided to some members (and hence liabilities). The valuation has been carried out on two bases reflecting the uncertainty over whether certain benefits should be provided on a 'Pensions Capital' basis or a 'Target Pension' basis. A final decision as to which will apply will be made as a result of an application being made to the High Court and a decision is expected by the end of 2010.

'Pensions Capital' Basis

On a 'Pensions Capital' basis at the valuation date of 31st March 2009, the deficit is £10.265 million. The assets therefore were sufficient to cover 86% of the benefits that had accrued to members.

'Target Pension' Basis

On the 'Target Pension' basis at the valuation date of 31st March 2009, the deficit is £27.671 million. The assets therefore were sufficient to cover 70% of the benefits that had accrued to members.

A recovery plan over 10 years has been agreed to deal with the deficit on a 'Target Pension' basis. This period will be reduced (but the annual contributions remain fixed) should the outcome of the court case be that the 'Pensions Capital' basis is applicable.

During the year the Hospice received an indicative total liability of £11,200 based on the scheme deficit at 31st March 2009 which was £28m. This has been fully provided for in the accounts. This will be payable at the rate of £1.1k per annum over the next 10 years.

The next formal triennial actuarial valuation is due as at 31 March 2012. The contribution rate will be reviewed as part of each valuation.