

Company registration number : 1748046

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

Annual Report and Financial Statements

Year Ended 31 March 2012

ST NICHOLAS' HOSPICE (SUFFOLK)

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ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2012

TRUSTEES AND ADVISERS

Board of Trustees

The Revd Canon R Norburn MBE ³	President
Mr A Robinson	Chairman
Mrs J. Rutherford ^{2 4}	Deputy Chairman
Mr D Barclay ^{1 5 6}	Honorary Treasurer
Mr P. Marchant ^{1 5 6}	
Mrs B. Martineau ⁴	
Ms P. Nicholson ³	(Resigned 16 February 2012)
Dr. E. Wallace ³	
Mr A. Williams CBE ²	
Mrs S Hayter ³	(Appointed 19 October 2011)
Mrs M. Miles ²	(Appointed 19 October 2011)
Mr N. Gambier ^{1 6}	(Appointed 15 March 2012)

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 (resigned 31 Oct 2011)

Kevin Clements – Fundraising and Marketing Director (appointed 1 March 2012)

Jane Doughty – Personnel Director

Julie Roy – Finance Director

Jacqueline 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

Standard Life Wealth, 30 St Mary Axe, London, EC3A 8EP

Registered Charity number 287773

Registered Charity name: St Nicholas Hospice (Suffolk)

Other name used: St Nicholas Hospice Care

Company number 1748046

¹ Finance Committee member ² Personnel Committee member ³ Clinical Governance Committee member ⁴ Fundraising and Marketing Committee member ⁵ Director of St Nicholas Hospice Trading Ltd ⁶ Retail Committee member

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2012

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 2012. This report will be sent to the Department of Health as the organisation's Quality Report

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 at the end of life.
- Support the families of those who are affected during illness and bereavement.
- Promote the practice of good care for the dying in the local community.

Ensuring our work delivers our objectives

We review our objectives and activities 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 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.

The Hospice's aim is to make living with dying better and to:

- Enable patients, families and carers to live with illness and bereavement
- Work in partnership with our communities to help them care for those affected.

Our Vision:

- Services - To improve the quality of lives of patients and their families during illness, death and bereavement
- People - A great place to work, inspiring staff and volunteers to be the best they can
- Organisation - Continually striving for excellence and taking a lead in the field of hospice care
- Financial - To work with financial integrity, giving best value and securing our long-term future
- Partners - To build successful partnerships with our local community in a socially responsible way.

Our Values:

Leadership, Developing, Communication, Respect, Teamwork, Equality, Quality, Learning, Resilience and Integrity.

The clinical services are delivered by a clinical team led by a Clinical Services Director (who is the Registered Manager and Accountable Officer) and a Consultant in Palliative Medicine. The team comprises professionals proficient in palliative care that includes: doctors, registered nurses, healthcare assistants, chaplain, occupational therapist, physiotherapist, complementary therapist, social workers, counsellors and psychological therapist.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2012 (Continued)

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 (Inpatient Unit) or in The Orchard Centre (Day Care and clinics).

To support and enable our local community we also provide:

- A 24 hour telephone advice line.
- 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.
- An Education Department that provides internal and external programmes, locally and nationally.

All our services are provided free to patients, clients and their families.

Who uses and benefits from our service?

Our Service Level Agreements with NHS Suffolk and NHS Norfolk are to provide support to people whose GP practice is based within West Suffolk or Thetford (Norfolk). This catchment area includes a population of approximately 268,000 (238,000 in West Suffolk and 30,000 in South Norfolk). Wherever possible, people outside this geographical area are always accepted, if it is their choice to use St Nicholas Hospice Care as a provider of services.

Our goal is never to turn anyone away; our services are provided free and range from web-based advice, phone advice, personal consultations from our professional specialist clinicians through to neighbourhood based volunteer Hospice Neighbours providing companionship and practical household help.

People who can access our clinical services may be facing a diagnosis of life-shortening disease, disability or other reasons which indicate earlier than expected death and who:

- Are experiencing physical, psychosocial or spiritual distress
- Need help with difficult decisions, planning, or conversations about managing end of life care
- Need advice and information.

There is no minimum age; if our staff have expertise, which is not available within other organisations and the patient seeks our intervention we will consider becoming involved. We generally work with teenagers and adults and their families. Our staff collaborate with East Anglia Children's Hospice to meet the needs of young people in transition from children's hospice to adult services, in order to promote continuity.

In addition we run Nicky's Way, a children's bereavement programme for children and young people whatever their cause of bereavement.

How do we meet demand?

It is acknowledged by the Public Health Department that the size of the older population is increasing and old age is associated with people having more than one serious illness. Compared to the rest of the UK, Suffolk has a higher proportion of over 50 year olds and a lower proportion of 15 to 39 year olds. Over the next 20 years the Suffolk population is projected to increase by 136,800 people. The largest increase in population will be among the over 65s.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2012 (Continued)

By 2030 the number of 65 to 74 year olds is projected to increase by 28,600 (47%), 75 to 84 year olds by 29,700 (75%), and 85 + year olds by 20,400 (125%). Hence more people will encounter life shortening disease with resultant demand on hospice, health and social care services.

To manage this demand the Hospice has developed its triage service into a First Contact Team. All referrals are responded to by a senior practitioner within 24 hours, Monday to Friday. The team provide prompt and sensitive assessment need. Out of hours requests for support are handled by our nursing and medical team. Ward admissions are prioritised on patient and family needs and bed availability. Medical Outpatient and Domiciliary appointments are provided within 5 working days; urgent appointments are arranged within 2 working days.

Our workforce and management structure

On 31 March 2012 the Charity employed 129 staff – including 7 fixed term employees (this equates to 106 whole time equivalents), over half of whom were part-time, and 530 formal volunteers.

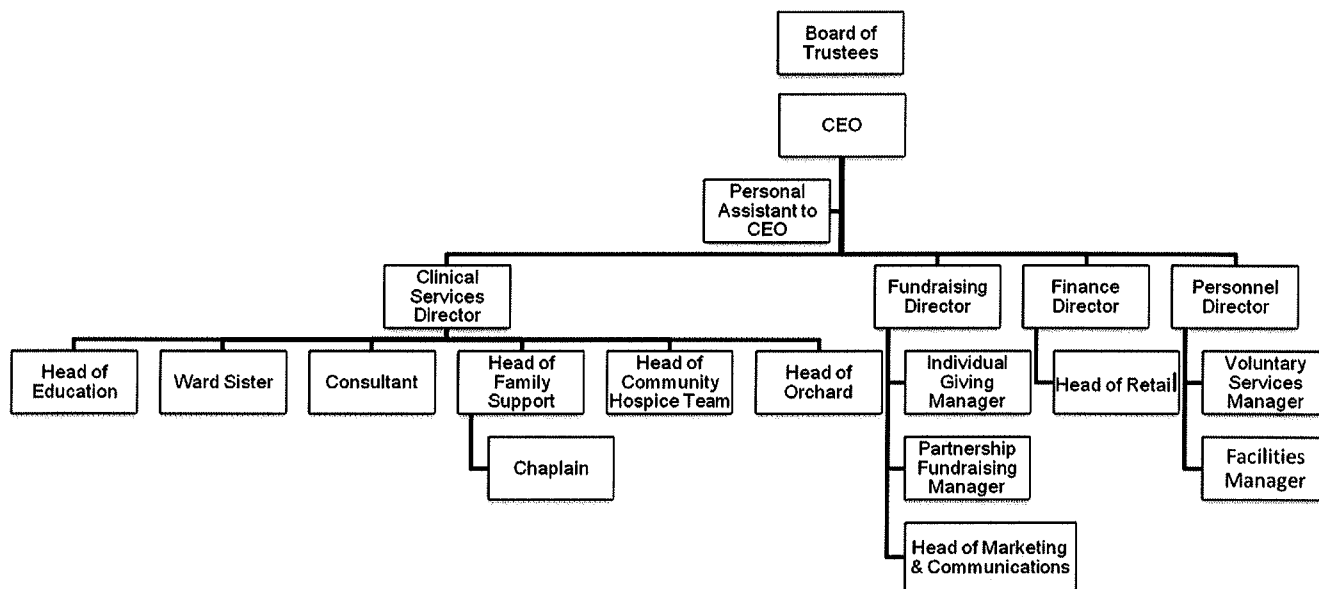
The management and leadership of the Hospice is led by the Chief Executive who chairs a weekly Directorate meeting with the Clinical Services, Fundraising, Finance, and Personnel Directors. The Directorate meets monthly with the Management Forum to ensure good cross organisation planning and management.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

We have continued to further define our vision to be a great place to work, inspiring staff and volunteers to be the best they can by listening to our staff and delivering those changes that made St Nicholas Hospice Care a Top 100 Employer within the Public Voluntary Sector 2011 (Sunday Times/Best Companies Awards).

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2012 (Continued)

Organisational structure



Two changes were made to the organisational structure this year, the Head of Retail moved to be managed by the Finance Director, the Facilities department to be managed by the Personnel Director and the Head of Professional Development moved to be managed by the Clinical Services Director. These changes were initially temporary, but were confirmed as permanent in April 2012.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2012 (Continued)

In 2011 we said we would:	By March 2012 we had:
Develop an open access service	<ul style="list-style-type: none"> • Developed a First Contact service. • Established "open mornings" for patients and relatives. • Started a bereavement walking group, marketed for people not known to the Hospice. • Started volunteer led bereavement sessions in DIY, Cookery and Craft – using skills of catering and facilities staff. • Increased group work attendances (including 'drop-in'). • Started project work with marginalised groups and the homeless.
Focus on developing community services	<ul style="list-style-type: none"> • Increased community visits by 18%. • Increased our support to GSF meetings. • Supported more bereaved children. • Expanded the Hospice Neighbours project. • Supported 16% more home deaths. • Prevented 166 unnecessary hospital admissions. • Increased the number of healthcare assistants in the community.
Increase our work in partnership with other providers to help meet the needs of those not currently accessing our services	<ul style="list-style-type: none"> • Built relationships with multi-faith groups. • Established working partnerships with Heart Foundation, dementia services, multiple sclerosis and motor neurone teams. • Contacted health clubs, gyms, hairdressers etc to market wellbeing and survivorship services. • Established a strong relationship with East of England Gypsy and Traveller Support Advisor (One Voice 4 Travellers). • Worked with Inspired Services to support their development of an 'easy read' pack for people with a learning disability.
Develop the skills of staff and volunteers to enable them to work with a wider range of people	<ul style="list-style-type: none"> • Enhanced mandatory & statutory training with an emphasis on equality and diversity training linked to the organisational strategy. • Enabled internal secondments and transfers to widen skill sets of nurses and nursing assistants. • Started a leadership development programme for managers across the organisation.
Develop and enhance sustainable income streams	<p>Improved income from:</p> <ul style="list-style-type: none"> • Local businesses. • Events. • Legacies. • Retail. • Telephone fundraising.
Continue to closely manage the organisation's resources in light of the continuing recession	<ul style="list-style-type: none"> • Maintained income from fundraising. • Improved income from retail. • Controlled expenditure across all departments.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2012 (Continued)

Our people

Our annual staff survey conducted in November 2011 provided valuable information and focussed dialogue on a number of important issues for staff – which included their views on working for the hospice, the leadership and management of the hospice, team working, pay and benefits, training and development, their health and wellbeing, and the contribution the hospice makes to its community.

These were discussed at management, staff forum and departmental level and this year we also convened a working group to review the results and feedback views and key suggestions on areas of improvement. As a result communication and cross departmental awareness was viewed as an important area for further improvement. This has resulted in an objective across the organisation for every member of staff to spend a day at work shadowing someone in another directorate.

The Staff Forum continues to be an important meeting for staff to feed in their thoughts and concerns to the CEO who chairs this group.

Whilst the constraints of the economic climate continued, all staff have worked with the dedication and professionalism that exemplifies hospice staff and we were therefore pleased to be able to offer a pay award of 1.25% in October 2011, plus an additional payment that ensured all staff received a minimum of £250 (full-time).

Within the economic constraints affecting all organisations we were still able to deliver or enable 301 days of development and training to our staff and volunteers incorporating mandatory and statutory training as well as Continuous Professional Development (CPD).

Members of staff and volunteers engaged in CPD activity, which included:

- Chief Executive starting a PhD in Palliative Care
- Clinical Nurse Specialist completing a Masters in Palliative Care
- Chaplain undertaking a MSc in Palliative Care
- Two Hospice Physicians continuing their Diploma's in Palliative Medicine
- Two Healthcare Assistants completing a sign language course following their difficulties communicating with a profoundly deaf family.

With support from the Foundation of Nursing Studies three registered nurses completed their understanding and practice in relation to patient choice at the end of life.

Volunteering

Of our 530 volunteers, 229 work in our charity shops; this is an increase from last year when we had 483 volunteers and 218 in retail. The remaining 301 work across the range of our services; including fundraising, supporting and befriending patients, providing reception, administration, chaplaincy, catering, and maintenance and gardening services. 86 work as Hospice Neighbours in the Community.

The organisation's retail volunteer placement scheme continues to help disadvantaged people. These Volunteers have been doing essential work helping to sort and process donated goods at the Retail Centre as well as volunteering at the Hospice.

Volunteers provided approximately 1,533 hours a month of support and invaluable expertise, resources, time and local networking to the Hospice as a whole.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2012 (Continued)

Marketing

Positive press coverage was consistently high, with an average of 50 stories each month in the local press.

The development of social media also contributed to our communications in 2011/12, with the employment of a dedicated social media fundraiser, who generated income and awareness through a successful Christmas e-card, and built our Twitter and Facebook followers considerably in a short space of time.

Hospice Care Week in October saw a great amount of interest generated in our work, and as a result we had a large number of press stories during this time.

Website – the project to develop a new website that was started in 2011 with a new supplier was abandoned in 2012. However a Lottery grant was used successfully to give a significant facelift to the current website which was launched in April 2012. This upgrading achieved the objectives set to improve the experience of website users, make online donations and in memoriam giving easier and create an online community forum for the local community.

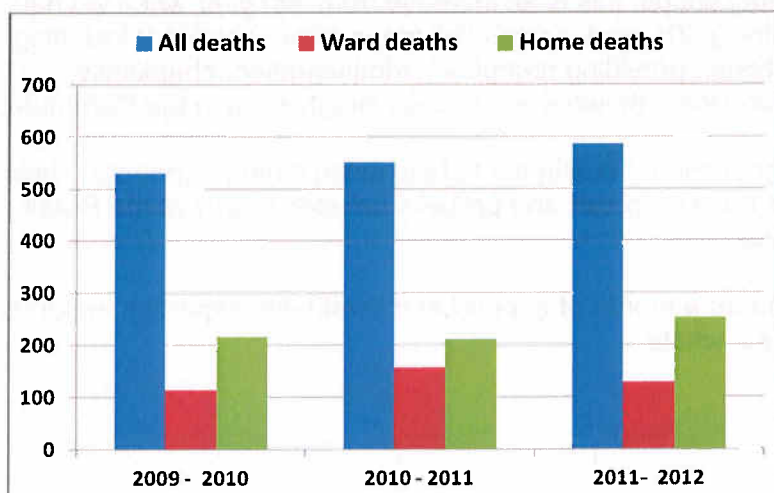
Clinical Service Activity

This year we saw a 9% increase in referrals. Last year we supported 1,064 patients, 14% of whom did not have cancer – this is not representative of the national average where 73% of deaths are from causes other than cancer. Our support to people with non-malignant disease has increased since 2010/11 and we have in the last year been working proactively to meet the needs of marginalised groups particularly end of life care for homeless people.

NHS Suffolk data showed an increase in 'deaths at home' (home plus care home) from 44% in 2010 to 50.5% January 2012. "Deaths at home" known to the Hospice also increased, which is extraordinarily successful given that people referred to the Hospice services are those with having the most complex needs. 585 people died whilst being cared for or supported by the Hospice; an increase of 6% on the previous year.

Working with people facing death

The Hospice supports the national initiative of maximising people's choice of their preferred place of death (PPD) and preferred priorities of care (PPC); and this year 17% more deaths occurred in a preferred place.



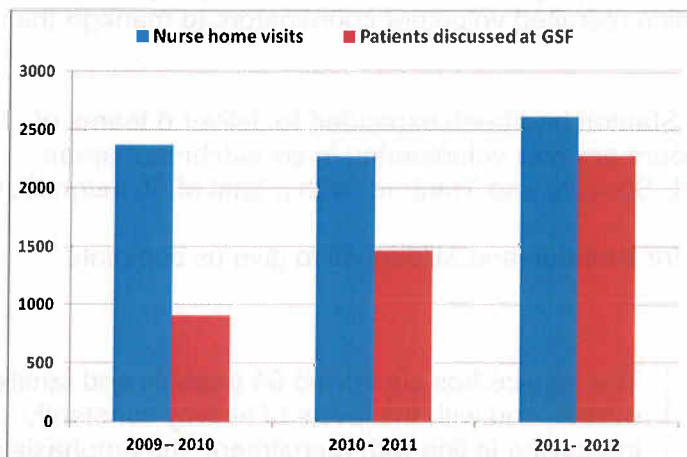
Home deaths increased by 16%, and ward deaths decreased by 18% indicating the clinical teams' effort to facilitate a home death whenever possible.

The community Healthcare Assistants have been key to this achievement as skilled practical nursing care is of paramount importance at end of life.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2012 (Continued)

Community Hospice Service



All the disciplines which provide care on the ward also work within the community hospice service. This year saw an increase in home visits by our nurses related to an increase in Health Care Assistants working in the community.

The Clinical Nurse Specialists prioritised attendance at Gold Standard Framework meetings in order to participate and influence end of life decision making.

Not all patients discussed will be hospice patients and this graph indicates the exponential growth in this important advisory role; attendance at meetings increased by 14%.

The opinion of hospice staff is frequently sought and respected by local professionals.

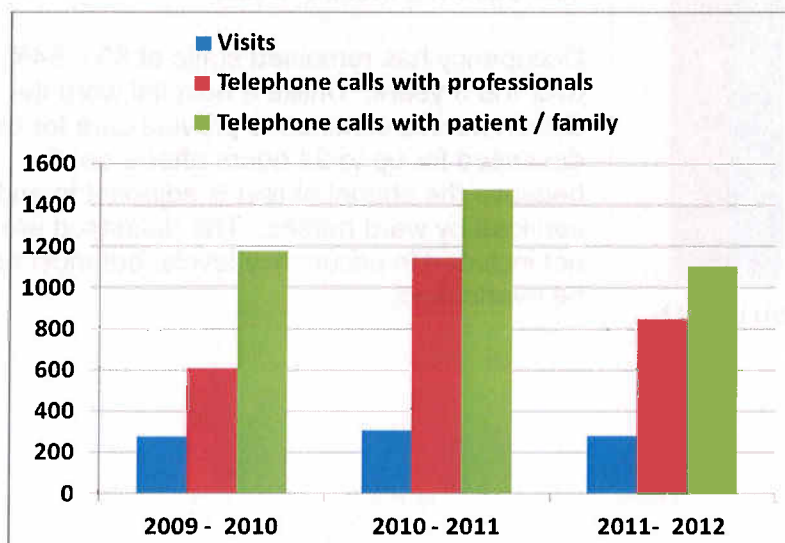
The Patient and Carer Satisfaction Survey undertaken in the community received comments which included:

- *'you are able to visit me, as my illness restricts my ability to leave home unassisted (I live alone)'*
- *'just being there for carers is good in that the Family Support comes to the house'*
- *'have had excellent advice, support and help from the home visiting team'*
- *'I have only recently come into contact with SNHC, but would say that the home visits, equipment, advice and help received have been first class'.*

When asked what improvements the Hospice should consider one response was *'just keep going as you are as far as I am concerned. The way I have been looked after is exceptional'*

There were no detrimental comments.

Out of office hour's activity



The work undertaken by the hospice community team outside of office hours is mainly in relation to advice and symptom management and the use of drugs in the last days of life; all of which helps to prevent unwanted emergency admissions to hospitals and reassures families and professionals.

The increased advice at GSF meetings explains reduction in activity of phone advice to professionals out of hours. This pre-emptive work is in line with the national GSF principles; anticipation of problems prevents crises.

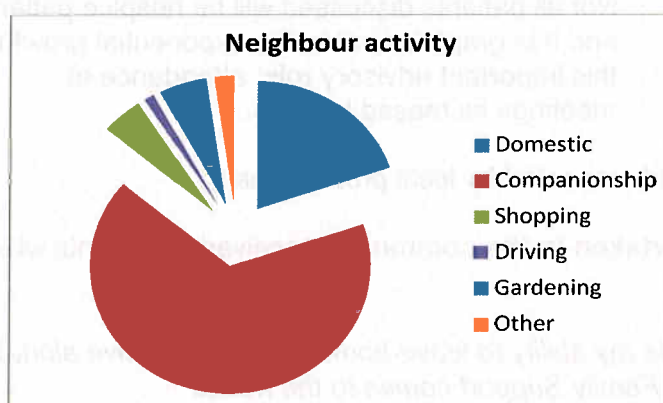
ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2012 (Continued)

Hospice Neighbours - thanks to a grant from NHS Suffolk, the Hospice started an innovative volunteer project called Hospice Neighbours in January 2011. The project aimed to recruit local people to provide practical support in patients' homes. The project also recruited volunteer coordinators to manage the volunteers in their neighbourhood.

By March 2012 the original pilots in Haverhill and Stanton had been expanded to deliver 6 teams of neighbours in 6 areas. Teams of Hospice Neighbours are now volunteering in six catchment areas (Haverhill, Stanton, Bury St Edmunds, Newmarket, Sudbury and Thetford) with a total of 86 neighbours.

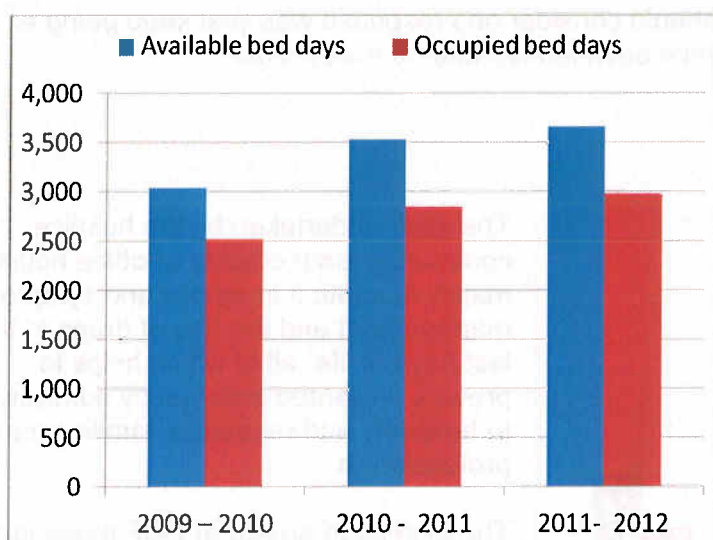
Further groups of neighbours are being recruited for Brandon and Mildenhall to give us complete coverage in our key catchment areas.



The service has supported 94 patients and families overall, and with the levels of activity constantly increasing in line with recruitment, the emphasis at present is on support, both for coordinators and the neighbours and ongoing training and development.

The majority of the need is for companionship as between 40 and 50% of those visited live alone and 27% do not have cancer as their primary diagnosis.

Sylvan Ward (In Patient Unit)



The ward received 230 admissions with an average length of stay of 13 days indicating the short-stay nature of the unit. The occupancy data has fluctuated over the years because of the impact of refurbishment and subsequent closure of beds.

Occupancy has remained static at 83 – 84% over the 3 years. Unlike a hospital ward the Sylvan nurses continue to provide care for the deceased for up to 24 hours after a death because the chapel of rest is adjacent to and serviced by ward nurses. The deceased are not included in occupancy levels, but must not be overlooked.

ST NICHOLAS HOSPICE (SUFFOLK)

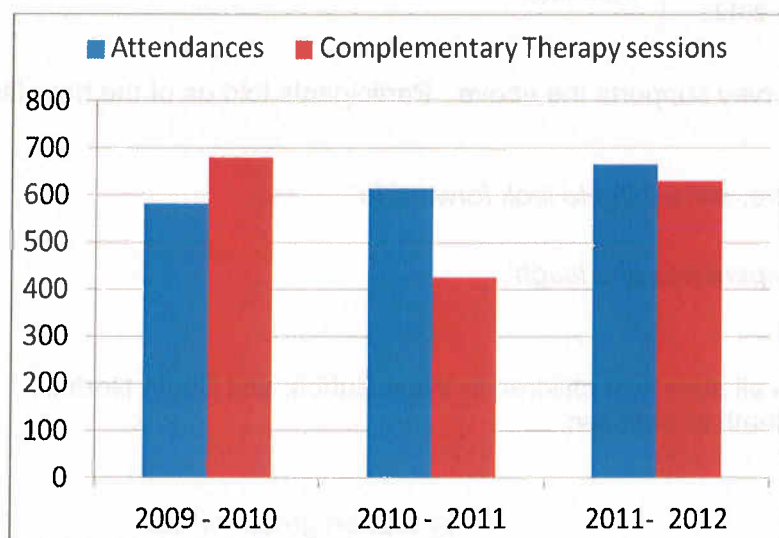
Trustees report for the year ended 31 March 2012 (Continued)

The Orchard Centre

This year saw the impact of the new Orchard manager in relation to the planning and implementation of new services and collaborative working for those with heart disease, multiple sclerosis and dementia and their carers.

There was a tremendous increase in group attendances for those coming to positive living, creative writing and gardening. The breathlessness clinic and fatigue group did not succeed as anticipated; patients were too ill to either attend or participate in a week by week programme of support; the physiotherapist and OT will pilot a new scheme in 2012/13.

28 people referred to the Hospice were seen at a First Assessment Clinic in Orchard; the review recommended this service should develop as a cost effective option for new referrals. The benefit to patients and families includes being able to visit the Hospice and dispel myths and fears of the word 'hospice'.



This graph indicates a slight increase in attendances at Orchard Day Centre, but many people now attend for a shorter period, shortened from a 12 week to a 6 week programme. This minimises a waiting list, enabling more people to use the Centre.

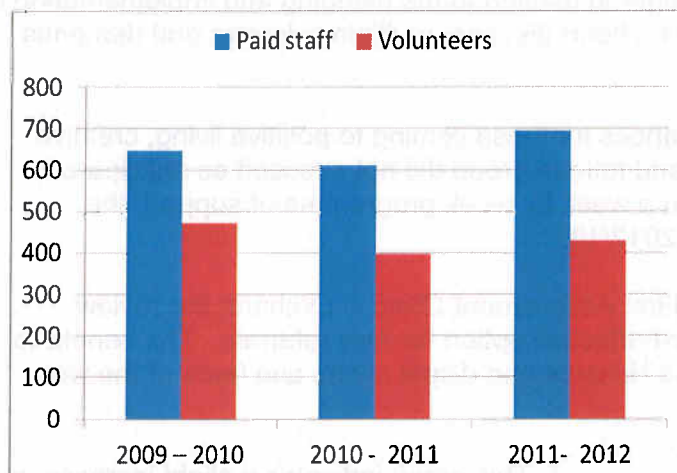
Following the 6 weeks people *can* return as needed, however they are encouraged to use the 'Open House' drop in, Creative Writing or other sessions which promote peer support and greater independence. Our aim is to help 'well' people live their lives, rather than rely on an institutionalised programme of care.

The Headstart alopecia clinic/service celebrated the news that the West Suffolk Hospital satellite Headstart clinic had become self-sufficient following the training and support by our team. Cancer patients no longer had to come to the Hospice; our team had trained hospital volunteers to set up their own advice and support service.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2012 (Continued)

Bereavement Support



The graph shows the number of bereavement home visits made by the Hospice, including those of the community nurses and the family support team.

This year we introduced peer group support as additional choice for people where they could participate in walking, cooking, crafts or DIY group.

These groups gave focus on practical tasks where attendees might or might not choose to talk about their loss.

Feedback from service user satisfaction survey supports the above. Participants told us of the benefits which included:

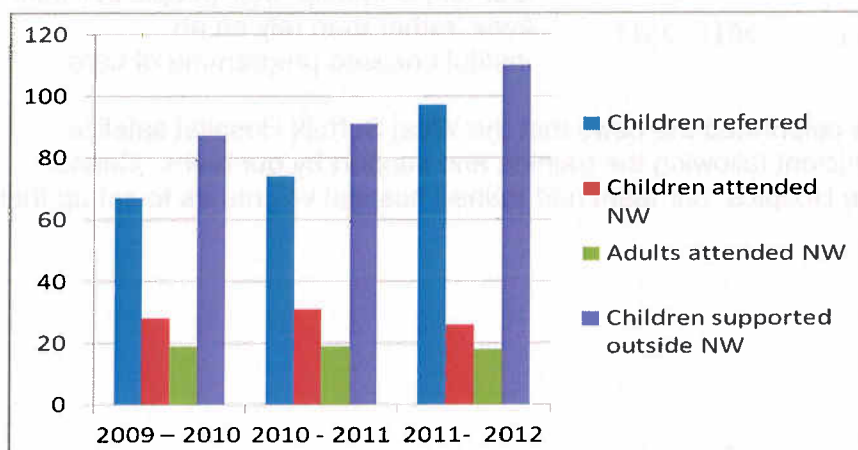
'...social aspect, relaxed atmosphere; something to look forward to'

'...increased confidence in cooking'

'...group helped me to talk, share experience and laugh'.

Nicky's Way Programme

This is an open access service available to all bereaved children in West Suffolk and South Norfolk, regardless of the place and nature of the death in question.



A support group for the parent/guardian is run in parallel with the children's programme.

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.

110 children were supported outside Nicky's Way – an increase of 21%

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.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2012 (Continued)

Each programme is evaluated; comments received included - '*amazing*' '*my son was a different child*'. However our services do not suit everyone; a parent said Nicky's Way had not really helped and that her son still had behavioural difficulties

We initiated the first West Suffolk Bereavement Forum bringing together all bereavement agencies and support services; this became a precursor for St Nicholas Hospice Care working with St Elizabeth Hospice and Cruse to apply for Macmillan Cancer Support funding to increase resources to the county.

Quality Assurance

Unannounced inspection visits. Two separate visits occurred, firstly from the NHS Suffolk commissioner who reported 100% compliance with expected standards. The Care Quality Commission unannounced inspection delivered a glowing report with no remedial actions required.

User involvement - the User Advisory Group (UAG) was formerly known as the User Reference Group. The decision to change the name, fully endorsed by Trustees, recognises the important role the group plays in influencing the organisation. The UAG is very well attended, with a mix of longer established and newer members. It values its role and independence strongly. Its members wish to do more for the Hospice in recognition of the service that either they or family members have received. One of the strengths of the group is its relationship with the Board and the presence of both standing and visiting Board members at each meeting - this ensures a good two way communication process and is valued by UAG members.

Quality and safety is given high profile by staff and Trustees. All strive for the provision of services which are subject to consistent and meticulous quality assessment and review. Reflection, analysis and planning of practice are undertaken by:

The **Clinical Incident Analysis Committee** ensuring remedial action is implemented following single events or identified trends

The **Infection Prevention Committee** ensuring compliance with legislation. There were no reportable infections. Focus on hand hygiene auditing and training increased success rates to 100% each audit by end of year

The **Therapeutics Committee** ensuring practice is supported by up to date guidelines and protocols

The **Quality and Audit Committee** supporting systematic reflection on practice and ensuring findings and recommendations are integrated into practice

The **Medicine Management Committee** supporting best practice and legislation inclusive of controlled drug procedures

The **Safe Management of Controlled Drugs Committee**, which meets twice a year.

Each committee reports quarterly to the Clinical Management Team (CMT) which meets fortnightly. The CMT, in turn, reports quarterly to the Clinical Committee, which is a sub-committee of the Board of Trustees.

The **Accountable Officer** (AO) attends the regional and county wide Accountable Officer meetings and reports any untoward incidents involving controlled drugs (CD) to the Local Intelligence Network. The AO convenes twice yearly meetings with the West Suffolk Hospital Pharmacist to ensure highest standards of CD Medicine Management.

Medical Team Governance This year the board appointed Dr Jenna Kitchen as Responsible Officer with responsibility to ensure systems are in place to support medical revalidation and to oversee the process.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2012 (Continued)

Influencing, Educating, Training and Research in Palliative Care

Our Clinical Lead became the East of England National Council for Palliative Care representative.

Conference presentations

- Three oral presentations and eleven posters at Help the Hospices Widening Access conference
- Keynote speaker on 'Do Not Attempt CPR' at East of England End of Life conference
- Clinical Lead presented poster on Advance Care Planning for People with Dementia at Palliative Care Research Symposium.

External education

Two members of staff were seconded to the Suffolk Advance Care Planning education team which received an International Journal of Palliative Nursing award for their work. Dr Kitchen assisted the project and worked with the team to teach local GPs. The project outcomes included:

- 1,417 people experienced the 'train the trainer' model
- 87 completed the 'verification of expected death' training
- 62 care home managers attended Level 3 end of life training
- 143 Liverpool Care Pathway and Communication skills training attendees.

The Head of Education post remained vacant until January 2012; this significantly constrained the development of research objectives; discussions continued with research academics and inaugural links were made with UCS but, overall, it was disappointing not to be able to realise the potential within the organisation regarding research. Despite the vacancy, the clinical team continued to deliver local and national palliative education which included:

- 19 sessions of classroom and clinically based teaching of medical students
- Placements for general practice trainees
- Teaching GPs on 'do not attempt CPR'
- Educative support to 3 care homes was piloted
- End of life care education for staff working with people with dementia in a NHS mental health inpatient unit
- Our chaplaincy team facilitated sessions for the Deanery Chapter of Haverhill and St Helena Hospice chaplaincy team
- Using complementary therapy in end of life care for Anglia Cancer Network
- Understanding the Mental Capacity Act
- Resuscitation in end of life care.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2012 (Continued)

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.

The range of training and educational experiences required by such a diverse organisation is immense. We invested a significant budgetary spend this year (in excess of 1.4% of payroll) on training, however many of the development needs were met by low cost, subsidised or free courses for example; attendance and presentations at Regional and National conferences were often subsidised or free and allowed staff to experience and widen their knowledge base and networking within their professional communities.

The vast majority (31 of 35) CPD study day subjects were clinical and covered the entire range of palliative care subjects.

158 members of staff attended at least one study day or session. This included bank staff who also have to maintain their mandatory or statutory training with the hospice.

Within the health and safety spectrum of training we focused on driver training this year, particularly for those who undertake significant mileage on organisational business, or who transport patients.

The strategic emphasis on widening access to hospice care has become a core message within the delivery of equality and diversity awareness training to staff and volunteers. 107 staff and volunteers have attended this workshop during 2011.

The medical team supported a 'return to medicine' doctor, increasing her confidence and competence following a number of years out of practice. The work resulted in her accessing acute trust and hospice based employment and progression to complete senior medical qualifications.

In autumn 2011 we commenced a programme of leadership and change management development with our current managers facilitated by Dr Simon Western. This is to be extended to a group of potential leaders in 2012. The focus of our work with Dr Western has been the strategic aim of widening access and reaching out to our community.

The Future for our services

In 2012 to 2013 we will:

- Review and improve current systems and processes to deliver more care to our community, ensuring a truly user led service within current resources
- Embed our Hospices services within local communities and plan for an outreach centre
- Develop an Information Technology infrastructure that enables a responsive and efficient patient care service
- Raise the profile of the Hospice with potential service users and new local commissioners
- Improve current and future income to meet service demand and protect the organisation from any potential fall in income from the NHS
- Continue to closely manage the organisation's resources in light of the continuing recession.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2012 (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 10 times each year and has an annual meeting to review strategy and direction.

Compliments and complaints

All complaints or comments about the service are taken very seriously by the Hospice. Complaints are dealt in line with the Complaints Policy and are fully investigated. All complaints are reported to the Board of Trustees. This year only one complaint 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 9 complaints received, one is noted as unresolved as the complainant requested that no further action be taken, however requested that the file remain open.

All complaints are tabled at every Board of Trustees meeting.

	2010 - 2011	2011 - 2012
Compliments	155	139
Complaints	18	9

Risk management

This year the Hospice focussed on improving its retail health and safety; with the support of a health and safety consultant and the facilities department, new systems and procedures were put in place across the whole of retail. Considerable time was focussed on improving standards in the retail centre where there was significant risk.

	2010 - 2011	2011 - 2012
Incidents reported	155	225
Incidents where a person was harmed	71	74

The Hospice has developed a robust health and safety monitoring system that is supervised by each of the Executive Directors and the Chief Executive. There were no serious infectious incidents reported to the Board of Trustees during the year.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2012 (Continued)

Board of Trustees Committees

The Board has five 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, Fundraising and Marketing Committee and the recently formed Retail 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** 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.
5. **The Retail Committee** oversees the strategy, policy and performance of the retail operation and reports its findings and recommendations to the Board. The meetings are attended by the Chief Executive, Finance Director and Head of Retail. Two trustee members are also Directors of St Nicholas Hospice Trading Ltd.

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.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2012 (Continued)

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.

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 confirmed 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.

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:

The Revd Canon Richard Norburn MBE
Adrian Williams CBE
Paul Marchant

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

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2012 (Continued)

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.

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 two independent investment managers, Rathbones and Standard Life Wealth, on a regular basis to take advice on the management of the portfolios and to monitor their 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 2012 (Continued)

Financial Review

The group outcome for the year was positive with a surplus of £547k which compares with a surplus of £947k for the year before. The principal reasons for this reduction were:

- 2011/12 increase in the value of investment assets was £9k compared to £179k in 2010/11 reflecting the fact that 2011/12 was a volatile year for the investment markets.
- Resources expended increased by 9% due to increased investment in the Orchard Day Therapy, Community Hospice, First Contact and Fundraising and Retail teams.

Capital expenditure during the year amounted to £105k and included building works and furniture for the Community Hospice Team and Sylvan Ward offices, new fire and security systems for the Hospice building, 2 replacement specialist baths for Sylvan Ward and the fitting out of the new larger retail shop in Mildenhall.

Towards the end of the year £2m was transferred from cash holdings to a second investment manager targeted with the objective of better than cash returns but with less volatility than traditionally managed investments.

Income

Income in 2011/12 at £5,299k was up 4% on the previous year. Legacies at £974k (2010/11 £654k) were a major factor in this improvement - up by almost 50%. A major contributor to this result was a legacy from one estate which totalled £699k. Whilst it is difficult to quantify the exact reason for this success, credit must be given to the success of our Legacy Officer who has developed strong relationships with local solicitors.

Voluntary income has decreased by 21% year on year. Income in 2010-11 had the benefit of the following non-recurring funding:

- Restricted grants of £272k (Garden and Orchard Day Therapy improvements and funding for Hospice Neighbours)
- An in memoriam endowment of £32k

Therefore there was an underlying improvement in voluntary income of 5%:

- Income from in memoriam donations at £183k was up by 9%
- General donations at £286k were down by 5%.
- The second year of funding was received from the Big Lottery of £165k towards the Hospice at Home service.
- Corporates continued to provide a successful income stream as evidenced by the Accumulator Challenge, which had over 50 companies taking part due to strong relationships built over last 3 years, this challenge generated over £40k profit alone.

Events and groups income reduced year on year by 10% - this was despite the continued efforts of our community fundraisers and the very successful 'Girls Night Out' which raised in excess of £100k (a 20% increase) – which reflects the much appreciated continued support, even in increasingly harder economic times, of the Community of West Suffolk. The Special Events Committee organised some successful events including the Race Night in Newmarket, 350 people attended and it raised £30k, plus a Classic car event attracting over 200 classic cars, raising £15k. The overall reduction was due to the fact that some events are held alternate years and 2010/11 included a one off cross Suffolk special event.

Lottery and draw income improved year on year by 2%. Whilst draw income continued to disappoint by falling further, mirroring a national trend, a major campaign to grow lottery membership reversed the decline of lottery membership and income grew by 3%.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2012 (Continued)

Financial Review (continued)

Retail income grew by 13% which is consistent with the sector. The major contributors to this were:

- A change in the recycling contractor delivered an 88% improvement in income.
- Strong growth in ladies fashion sales particularly at the Sudbury 'boutique' shop which was refurbished in 2010/11.
- A new shop based at the Hospice that focused on bought in goods.

Trading Subsidiary (St Nicholas Hospice Trading Ltd) income shown of £60k relates to the sale of bought in goods and corporate sponsorship activity.

Investment income improved due to higher cash holdings and improved interest rates from holding longer term deposits.

Income from charitable activities, comprising principally NHS funding improved by 4% due to activity related funding for drugs and medical supplies and an education related Suffolk wide advance care planning project. There continued to be no funding available to support an inflationary increase for the main grant. For further comment on the future of NHS funding please refer to the later section 'Going Concern'.

Expenditure

Total resources expended at £4,761k represent an increase of £414k (9%) against the previous year. The increase was due to:

- Investment in staffing and promotion of Orchard Day Therapy to increase the services on offer.
- Staffing costs associated with the Advance Care Planning education project.
- The continued expansion of the Hospice at Home service.
- A full year of costs associated with the Hospice Neighbours project.
- A general pay increase of 1.25% was awarded to staff.
- Investment in staffing levels to generate income, particularly in retail which continues to show strong growth from the same number of outlets.
- Investment towards the end of the year in larger retail unit for Mildenhall.

The increase was less than originally planned due to a number of posts not being filled until later than the operational plan anticipated.

St Nicholas Hospice Trading Ltd

The income of £96k relates to the sale of bought in goods, sponsorship monies and donor procurement charges made to the Charity for the recruitment of Priority Donors. For the year under review £21k of gift aid is due to be reclaimed as a result of this donor recruitment.

After expenditure of £84k (which includes charges for its share of shop, management and event costs and a donation to the Charity of £2k) the company generated a profit of £12k.

The formerly dormant company re-commenced trading on 1st October 2010. The company was restarted to enable the recovery of gift aid on donated goods.

At the end of the year shareholders funds stood at £47k (2011: £35k).

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2012 (Continued)

Financial Review (continued)

Cash at bank

Once again the Charity has benefited from a positive financial performance which enabled it to transfer £2m from cash holdings into a longer term investment product, hence the cash outflow for the year.

Reserves

Total reserves at the end of the year amounted to £9.8m of which £0.4m were restricted. Of the unrestricted reserves £2.2m is the Building Fund representing an element of the cost of the Hospice's buildings less depreciation charged thereon.

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 had 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. The team is now well established and continues to expand in accordance with the needs of our community. We were successful in attracting two year funding from the Big Lottery to support the new roles. During the year The Big Lottery confirmed its intention to support further development in 2012/13. The designated fund has been reduced by an amount equal to new restricted funding received to date.

In 2010/11 The Trustees reviewed the fund and agreed that it should now be designated the 'Hospice Community Service Fund' and be used for all services that are designed to support people in the local community during illness and bereavement. This fund will therefore support the development of a more open access hospice whilst long term funding is sought.

The attributed income (£817) from the Earl of Euston 2009 Fund was used in furtherance of the objects of the Hospice.

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 2012 stood at £6.6m, 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 23% of total income comprises funding from NHS Suffolk, the three year agreement for which ended in March 2012. A further one year agreement to 31st March 2013 was signed on the same terms during the year.

The national review of how hospices and other palliative care providers are funded was completed in July 2011. Pilots are now underway across the U.K. to test the options. The implementation of funding changes is targeted for at latest 2015. GP consortia have been established in Suffolk and Norfolk and in the future the Hospice will be commissioned by these. Whilst the Hospice has received some assurances from NHS Suffolk about continuation of funding, at this time the Hospice has no formal agreements with its local commissioning groups for 2013 onwards that define the amount to be funded and the related contractual arrangements.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2012 (Continued)

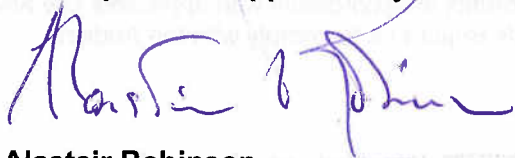
Going Concern (continued)

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 2012/13 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 20 September 2012



Alastair Robinson
Chairman

ST NICHOLAS HOSPICE (SUFFOLK)

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

We have audited the group and parent charity financial statements of St Nicholas Hospice (Suffolk) ("the financial statements") for the year ended 31 March 2012 on pages 25 to 50. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 13 the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditors under the Companies Act 2006 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2012 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006.

Opinion on other requirements of the Companies Act 2006

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

Matters on which we are required to report by exception

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

- the parent charity has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity 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.

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

27 September 2012

ST NICHOLAS HOSPICE (SUFFOLK)

Consolidated Statement of financial activities (incorporating the income and expenditure statement) for the year ended 31 March 2012

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2012 Total £	2011 Total £
Incoming resources						
<i>Incoming resources from generated funds</i>						
Voluntary income:						
Donations, gifts and capital grants	2	690,922	278,202	-	969,124	1,230,106
Legacies		973,626	-	-	973,626	654,131
Activities for generating funds:						
Sale of donated and other goods		733,835	-	-	733,835	661,481
Events, groups and promotional activities		481,901	11,956	-	493,857	572,897
Lottery and Draw subscriptions		435,644	-	-	435,644	428,796
Other income		47,816	-	-	47,816	47,310
Income of trading subsidiary	3	59,918	-	-	59,918	26,268
Investment income	4	154,945	-	817	155,762	121,104
<i>Incoming resources from charitable activities</i>	5					
Caring for in-patients		805,369	-	-	805,369	808,554
Caring for day patients		146,992	-	-	146,992	118,840
Caring for patients in their homes		306,227	-	-	306,227	294,658
Family support and bereavement counselling		126,625	-	-	126,625	127,979
Education, training and research into palliative care		43,726	-	-	43,726	21,804
Total incoming resources		5,007,546	290,158	817	5,298,521	5,113,928
Resources expended	6					
<i>Cost of generating funds</i>						
Cost of generating voluntary income:						
Donations and gifts		214,592	-	-	214,592	185,215
Legacies		58,621	-	-	58,621	54,084
Fundraising trading:						
Expenses of trading subsidiary	3	33,510	-	-	33,510	15,552
Cost of selling donated and bought-in goods		674,029	18,896	-	692,925	611,658
Events, groups and promotional activities		304,480	-	-	304,480	257,329
Lottery prizes and administration		204,871	-	-	204,871	204,824
Investment management costs		23,056	-	-	23,056	20,247
		1,513,159	18,896	-	1,532,055	1,348,909
<i>Charitable activities</i>						
Caring for in-patients		1,645,434	46,968	817	1,693,219	1,657,831
Caring for day patients		361,112	4,166	-	365,278	273,736
Caring for patients in their homes		475,234	285,746	-	760,980	678,711
Family support and bereavement counselling		302,484	12,180	-	314,664	294,785
Education, training and research into palliative care		69,573	1,091	-	70,664	66,625
		2,853,837	350,151	817	3,204,805	2,971,688
Governance costs	8	24,087	-	-	24,087	26,028
Total resources expended		4,391,083	369,047	817	4,760,947	4,346,625
Net incoming resources before other recognised gains and losses		616,463	(78,889)	-	537,574	767,303
Realised gains/(losses) on investment assets	14	3,686	-	-	3,686	(28,626)
Net incoming resources	9	620,149	(78,889)	-	541,260	738,677
Unrealised gains on investment assets	14	5,829	-	-	5,829	208,126
Net movement in funds		625,978	(78,889)	-	547,089	946,803
Reconciliation of funds						
Total funds brought forward		8,699,605	519,139	32,000	9,250,744	8,303,941
Total funds carried forward		9,325,583	440,250	32,000	9,797,833	9,250,744

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)**Consolidated Balance Sheet as at 31 March 2012****Company registration number 1748046**

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	12	2,797,127	2,867,799
Investments	13	5,861,972	3,668,835
		8,659,099	6,536,634
Current assets			
Stocks	15	6,027	3,551
Debtors	16	188,813	87,886
Cash at bank and in hand		2,661,067	4,198,824
		2,855,907	4,290,261
Creditors: amounts falling due within one year	17	1,717,173	1,576,151
Net current assets		1,138,734	2,714,110
Net assets	18	9,797,833	9,250,744
The funds of the charity			
Unrestricted funds:			
General fund	19	6,648,988	5,799,054
Designated funds	19	2,676,595	2,900,551
Restricted fund	20	440,250	519,139
Endowment fund	21	32,000	32,000
Total charity funds	18	9,797,833	9,250,744

The financial statements were approved and authorised for issue by the Board of Trustees on 20 September 2012


Alastair Robinson**Chairman**

The notes on pages 29 to 50 form part of these financial statements.

ST NICHOLAS HOSPICE (SUFFOLK)

Charity Balance Sheet as at 31 March 2012

Company registration number 1748046

	Note	2012 £	2011 £
Fixed assets			
Tangible assets	12	2,797,127	2,867,799
Investments	14	5,896,972	3,703,835
		<u>8,694,099</u>	<u>6,571,634</u>
Current assets			
Stocks		-	-
Debtors	16	200,959	98,466
Cash at bank and in hand		2,636,183	4,195,475
		<u>2,837,142</u>	<u>4,293,941</u>
Creditors: amounts falling due within one year	17	1,719,523	1,585,911
Net current assets		<u>1,117,619</u>	<u>2,708,030</u>
Net assets	18	<u>9,811,718</u>	<u>9,279,664</u>
The funds of the charity			
Unrestricted funds:			
General fund	19	6,662,873	5,827,974
Designated funds	19	2,676,595	2,900,551
Restricted fund	20	440,250	519,139
Endowment fund	21	32,000	32,000
Total charity funds	18	<u>9,811,718</u>	<u>9,279,664</u>

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

20 September 2012



Alastair Robinson

Chairman

The notes on pages 29 to 50 form part of these financial statements.

ST NICHOLAS HOSPICE (SUFFOLK)

Consolidated cash flow statement for the year ended 31 March 2012

	Note	2012		2011	
		£	£	£	£
Net cash inflow from operating activities	A		500,674		2,054,034
Returns on investment and servicing of finance					
Bank interest received		53,945		36,229	
Investment income received		92,097		77,371	
			146,042		113,600
Capital expenditure					
Payments to acquire tangible fixed assets		(115,805)		(133,929)	
Receipts from sale of fixed assets		1,417		-	
			(114,388)		(133,929)
Financial investment					
Payments to acquire investments		(2,135,492)		(979,816)	
Receipts from sale of investments		428,154		761,553	
			(1,707,338)		(218,263)
(Decrease)/Increase in cash	B		(1,175,010)		1,815,442

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

	2012	2011
	£	£
Net incoming resources before transfers and gains	537,574	767,303
Donated investments	(111,319)	-
Investment Income	(155,762)	(121,104)
Depreciation	172,305	173,835
Loss on disposal of tangible fixed assets	1,731	579
(increase) in stock	(2,476)	(584)
(Increase)/Decrease in debtors	(93,429)	48,032
Increase/(Decrease) in creditors	152,050	1,185,973
Net cash inflow from operating activities	500,674	2,054,034

B Analysis of changes in cash

	At 1 April 2011	Cash flows	At 31 March 2012
	£	£	£
Cash at bank and in hand	4,198,824	(1,537,757)	2,661,067
Cash held as investment	160,397	362,747	523,144
	4,359,221	(1,175,010)	3,184,211

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2012

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 consolidated financial statements incorporate the accounts of the Charity and those of its trading subsidiary, St Nicholas Hospice Trading Limited for the year ended 31 March 2012.

A separate Statement of Financial Activity (SOFA) is not presented because the Charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP.

The gross income of the Charity was £5,249,979 and the net movement in funds was a surplus of £532,055.

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.

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2012 (*Continued*)

1 Accounting policies (*continued*)

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

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 Balance Sheet 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.

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

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.

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2012 (*Continued*)

1 Accounting policies (*continued*)

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.

Endowment fund

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 investments forms part of the fund.

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.

2 Voluntary income

	2012	2011
	£	£
Donations, gifts and capital grants		
General donations	254,872	284,495
Specific donations	31,488	16,827
Capital grants	-	156,730
Statutory specific grant	-	116,210
Statutory grants	530	-
Regular giving	73,274	74,103
In Memoriam	182,870	168,199
In Memoriam Endowment	-	32,000
Collection boxes	22,368	20,785
Trusts	290,863	249,737
Industry/commerce	111,428	109,639
Membership subscriptions	1,431	1,381
	969,124	1,230,106

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2012 (Continued)

3 Net income from trading activities of subsidiary

The Charity holds 100% of the issued share capital of St Nicholas Hospice Trading Limited, 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.

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 2012 were £46,618 (2011: £34,587).

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

The trading results for the year ended 31 March 2012 and 31 March 2011 are show below:

	2012 £	2011 £
Turnover	95,943	42,732
Cost of sales	28,274	10,805
Gross profit	67,669	31,927
Administrative expenses	53,677	35,576
Operating (loss)	13,992	(3,649)
Interest payable	300	(125)
Profit/(Loss) on ordinary activities	13,692	(3,774)
Amount gifted to St Nicholas Hospice (Suffolk)	(1,661)	-
Retained profit/(loss) for the year	12,031	(3,774)

4 Investment income

	2012 £	2011 £
UK fixed interest securities	4,958	5,716
Non- UK fixed interest securities	3,485	4,057
Non-UK listed equities and unit trusts	8,879	11,671
UK listed equities and unit trusts	76,874	55,795
Interest on bank and building society deposits	61,566	43,865
	155,762	121,104

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2012 *(Continued)*

5 Incoming resources from charitable activities

	Grants £	Training income £	Training grants £	NHS Service contracts £	Sponsor -ship £	Total 2012 £	Total 2011 £
Caring for in-patients	17,250	-	-	788,119	-	805,369	808,554
Caring for day patients	-	-	-	146,992	-	146,992	118,840
Caring for patients in their Homes	-	-	-	306,227	-	306,227	294,658
Family support and bereavement counselling	-	-	-	126,625	-	126,625	127,979
Education, training and research into palliative care	-	3,974	39,752	-	-	43,726	21,804
Total	17,250	3,974	39,752	1,367,963	-	1,428,939	1,371,835
2011	19,373	16,348	3,646	1,330,658	1,810	1,371,835	

In 2012 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. 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 2012 (Continued)

6 Resources expended

	Staff Costs £	Other Costs £	Support costs £	Total 2012 £	Total 2011 £
Cost of generating voluntary income:					
Donations and gifts	156,875	29,134	28,583	214,592	185,215
Legacies	38,840	11,973	7,808	58,621	54,084
	<u>195,715</u>	<u>41,107</u>	<u>36,391</u>	<u>273,213</u>	<u>239,299</u>
Fundraising trading:					
Cost of selling donated and bought in goods	271,273	347,085	74,567	692,925	611,658
Events, groups and promotional activities	125,679	136,537	42,264	304,480	257,329
Expenses of trading subsidiary	-	33,510	-	33,510	15,552
Lottery prizes and administration	51,605	139,953	13,313	204,871	204,824
	<u>448,557</u>	<u>657,085</u>	<u>130,144</u>	<u>1,235,786</u>	<u>1,089,363</u>
Investment management costs	<u>-</u>	<u>23,056</u>	<u>-</u>	<u>23,056</u>	<u>20,247</u>
Charitable activities:					
Caring for in-patients	1,036,398	281,005	375,816	1,693,219	1,657,831
Caring for day patients	209,349	64,583	91,346	365,278	273,736
Caring for patients in their homes	571,775	78,845	110,360	760,980	678,711
Family Support and bereavement counselling	218,859	51,952	43,853	314,664	294,785
Education, training and research into palliative care	49,836	8,777	12,051	70,664	66,625
	<u>2,086,217</u>	<u>485,162</u>	<u>633,426</u>	<u>3,204,805</u>	<u>2,971,688</u>
Governance costs	<u>-</u>	<u>12,640</u>	<u>11,447</u>	<u>24,087</u>	<u>26,028</u>
Total resources expended	<u>2,730,489</u>	<u>1,219,050</u>	<u>811,408</u>	<u>4,760,947</u>	<u>4,346,625</u>

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2012 (Continued)

7 Support costs

	Admin, Finance and IT £	Personnel £	Maintenance £	Catering £	Total 2012 £	Total 2011 £
Cost of generating voluntary income:						
Donations and gifts	15,139	10,288	3,156	-	28,583	23,207
Legacies	4,136	2,810	862	-	7,808	6,777
	<u>19,275</u>	<u>13,098</u>	<u>4,018</u>	<u>-</u>	<u>36,391</u>	<u>29,984</u>
Fundraising and trading:						
Cost of selling donated and bought in goods	44,254	30,072	241	-	74,567	57,363
Events, groups and promotional activities	22,386	15,212	4,666	-	42,264	32,242
Lottery, prizes and administration	7,210	4,900	1,203	-	13,313	16,913
	<u>73,850</u>	<u>50,184</u>	<u>6,110</u>	<u>-</u>	<u>130,144</u>	<u>106,518</u>
Charitable activities:						
Caring for in-patients	100,100	68,021	66,091	141,604	375,816	365,328
Caring for day patients	21,344	14,504	20,097	35,401	91,346	73,401
Caring for patients in their Homes	59,950	40,737	9,673	-	110,360	91,243
Family Support and bereavement counselling	20,916	14,213	8,724	-	43,853	41,752
Education, training and research into palliative care	6,707	4,557	787	-	12,051	9,547
	<u>209,017</u>	<u>142,032</u>	<u>105,372</u>	<u>177,005</u>	<u>633,426</u>	<u>581,271</u>
Governance costs	<u>11,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,447</u>	<u>10,855</u>
Total resources expended	<u>313,589</u>	<u>205,314</u>	<u>115,500</u>	<u>177,005</u>	<u>811,408</u>	<u>728,628</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.

8 Governance costs

	2012 £	2011 £
Audit fees	12,640	15,173
General management	11,447	10,855
	<u>24,087</u>	<u>26,028</u>

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2012 (Continued)

9 Net movement in funds

	2012 £	2011 £
This has been arrived at after charging:		
Depreciation	172,305	173,835
Operating lease payments - land and buildings	149,412	150,312
- motor vehicles	26,874	20,107
- equipment	4,170	4,784
Auditors remuneration - audit services	14,800	14,800

10 Staff costs

	2012 £	2011 £
Wages and salaries	2,882,323	2,569,484
Social security costs	236,875	212,959
Pension costs	177,289	175,188
	3,296,487	2,957,631

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 £43,318 in 2012 (2011 - £47,882) are also included. A grant of £17,250 (2011 - £19,373) 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	2
£70,000 - £80,000	1	-
£80,000 - £90,000	-	1

Employers pension contributions related to the above were £ 25,168 (2011 - £26,019).

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

	Number	Number
Hospice services	67	60
Fundraising and publicity	12	10
Shops	12	9
Lottery	2	2
Management and administration	9	10
	102	91

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2012 (Continued)

11 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.

12 Tangible fixed assets (Charity and Group)

	Long leasehold buildings £	Motor vehicles £	Furniture and equipment £	Total £
Cost				
At 1 April 2011	3,384,309	16,694	1,143,136	4,544,139
Additions	14,767	-	90,013	104,780
Disposals	-	(8,995)	(898)	(9,893)
At 31 March 2012	3,399,076	7,699	1,232,251	4,639,026
Depreciation				
At 1 April 2011	819,767	10,807	845,766	1,676,340
Charge for the year	67,640	3,339	101,326	172,305
Disposals	-	(6,447)	(299)	(6,746)
At 31 March 2012	887,407	7,699	946,793	1,841,899
Net book value				
At 31 March 2012	2,511,669	-	285,458	2,797,127
At 31 March 2011	2,564,542	5,887	297,370	2,867,799

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, office reconfigurations in 2012 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 2012 (*Continued*)

13 Investments (Group)

	2012 £	2011 £
Market value		
At 1 April 2011	3,508,438	3,110,675
Additions	2,137,710	979,816
Share transfers in	111,319	-
Disposals	(428,154)	(761,553)
Gains	9,515	179,500
	<u>5,338,828</u>	<u>3,508,438</u>
Cash held as investment	523,144	160,397
At 31 March 2012	<u>5,861,972</u>	<u>3,668,835</u>
<i>Market value can be analysed as follows:</i>		
UK fixed interest securities	463,754	415,763
UK listed equities and unit trusts	3,312,825	1,711,943
Non-UK fixed interest securities	180,226	173,732
Non-UK listed equities and unit trusts	1,382,023	1,207,000
Cash held as investment	523,144	160,397
	<u>5,861,972</u>	<u>3,668,835</u>
<i>The historical cost of investments can be analysed as follows:</i>		
UK fixed interest securities	405,086	364,784
UK listed equities and unit trusts	3,204,916	1,583,827
Non-UK fixed interest securities	167,760	167,883
Non-UK listed equities and unit trusts	1,221,771	1,032,757
Cash held as investment	523,144	160,398
Cost at 31 March 2012	<u>5,522,677</u>	<u>3,309,649</u>

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2012 (*Continued*)

14 Investments (Charity)

	2012 £	2011 £
Market value		
At 1 April 2011	3,543,438	3,110,675
Additions	2,137,710	979,816
Share Transfers In	111,319	-
Disposals	(428,154)	(761,553)
Gains (Losses)	9,515	179,500
Investment in subsidiary company	-	35,000
	<u>5,373,828</u>	<u>3,543,438</u>
Cash held as investment	523,144	160,397
At 31 March 2012	<u>5,896,972</u>	<u>3,703,835</u>
<i>Market value can be analysed as follows:</i>		
UK fixed interest securities	463,754	415,763
UK listed equities and unit trusts	3,407,049	1,711,943
Non UK fixed interest securities	180,226	173,732
Non-UK listed equities and unit trusts	1,287,799	1,207,000
Investment in subsidiary company	35,000	35,000
Cash held as investment	523,144	160,397
	<u>5,896,972</u>	<u>3,703,835</u>
<i>The historical cost of investments can be analysed as follows:</i>		
UK fixed interest securities	405,086	364,784
UK listed equities and unit trusts	3,299,220	1,583,827
Non-UK fixed interest securities	167,760	167,883
Non-UK listed equities and unit trusts	1,127,467	1,032,757
Cash held as investment	523,144	160,398
Investment in subsidiary company	35,000	35,000
Cost at 31 March 2012	<u>5,557,677</u>	<u>3,344,649</u>

Concentration of investments

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

	2012 Market value £	%	2011 Market value £	%
Standard Life Wealth SIA fund	502,852	9.4	-	-
Fidelity	-	-	218,283	6.2
Capita	229,910	4.3	218,709	6.2
M&G	202,117	3.8	200,581	5.7
Artemis Fund Managers	266,836	5.0	187,882	5.4

ST NICHOLAS HOSPICE (SUFFOLK)Notes forming part of the financial statements for the year ended 31 March 2012 (*Continued*)

15	Stocks (Group)	2012	2011
		£	£
	Bought in goods for resale	6,027	3,551
16	Debtors	2012	2011
		£	£
	Group		
	Trade debtors	10,347	1,889
	Other debtors	932	-
	VAT	6,059	5,779
	Prepayments and accrued income	171,475	80,218
		188,813	87,886
	Charity		
	Trade debtors	9,822	610
	Other debtors	932	-
	VAT	6,730	5,638
	Prepayments and accrued income	171,475	80,218
		188,959	86,466
	Amounts due in greater than one year:		
	Loan due from subsidiary undertaking	12,000	12,000
		200,959	98,466

The loan due from the subsidiary undertaking is secured by a fixed charge over goodwill and a floating charge over all other assets of the company. Interest is charged at 2.5%. The balance will be paid in full on 16 November 2013.

ST NICHOLAS HOSPICE (SUFFOLK)Notes forming part of the financial statements for the year ended 31 March 2012 (*Continued*)**17 Creditors: amounts falling due within one year**

	2012 £	2011 £
Group		
Expense creditors	70,160	70,960
Other taxes and social security costs	71,712	63,420
Other creditors	27,025	23,907
Accruals	209,505	198,715
Deferred income – lottery (see below)	72,874	78,843
Deferred income – other	1,265,897	1,140,306
	<u>1,717,173</u>	<u>1,576,151</u>
Charity		
Expense creditors	69,938	70,699
Due to subsidiary company	7,786	12,979
Other taxes and social security costs	71,712	63,420
Other creditors	27,025	23,907
Accruals	204,291	195,757
Deferred income - lottery (see below)	72,874	78,843
Deferred income – other	1,265,897	1,140,306
	<u>1,719,523</u>	<u>1,585,911</u>

Deferred income – other relates to the NHS grant income £1,135k received in advance for 2012/13 (2011 £1,135k) and income for fundraising events that take place after the year end.

Deferred Income – lottery

	2012 £	2011 £
Balance as at 1 st April	78,843	74,594
Additional amounts of income deferred	72,874	78,843
Amount released to incoming resources	<u>(78,843)</u>	<u>(74,594)</u>
Balance as at 31 st March	<u>72,874</u>	<u>78,843</u>

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 2012 (Continued)

18 Analysis of group net assets between funds

	Tangible fixed assets £	Investments £	Net current Assets £	2012 Total £	2011 Total £
Unrestricted funds					
General fund	157,673	5,371,732	1,119,583	6,648,988	5,799,054
Designated funds:					
Building fund	2,218,355	-	-	2,218,355	2,277,641
Hospice Community Service fund	-	458,240	-	458,240	622,910
	<u>2,376,028</u>	<u>5,829,972</u>	<u>1,119,583</u>	<u>9,325,583</u>	<u>8,699,605</u>
Restricted fund					
IPU ward refurbishment. Garden, Orchard and Bradbury Green refurbishments.	255,770	-	-	255,770	287,495
Hospice Neighbours project.	107,687	-	-	107,687	118,388
Big Lottery Fund Grants: Hospice at Home. Hospice at Home IT project.	4,398	-	5,639	10,037	77,528
Dementia Training. Community Hospice Team.	-	-	4,405	4,405	1,817
Beds.	9,820	-	-	9,820	-
Baths.	-	-	5,414	5,414	6,204
Van for retail operation.	-	-	-	-	4,118
Clinical Equipment.	7,110	-	-	7,110	10,646
Patient Choice Research.	20,339	-	-	20,339	-
Early Assessment Clinics.	-	-	-	-	5,353
Homelessness project.	-	-	-	-	5,028
Orchard Day Therapy.	-	-	944	944	1,253
Miscellaneous non clinical equipment.	368	-	-	368	480
Miscellaneous clinical expenditure.	-	-	2,500	2,500	-
Other expenditure.	746	-	-	746	-
	<u>421,099</u>	<u>-</u>	<u>19,151</u>	<u>440,250</u>	<u>519,139</u>
Endowment fund	-	32,000	-	32,000	32,000
	<u>2,797,127</u>	<u>5,861,972</u>	<u>1,138,734</u>	<u>9,797,833</u>	<u>9,250,744</u>

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2012 (Continued)

18 Analysis of charity net assets between funds

	Tangible fixed assets £	Investments £	Net current Assets £	2012 Total £	2011 Total £
Unrestricted funds					
General fund	157,673	5,406,732	1,098,468	6,662,873	5,827,974
Designated funds:					
Building fund.	2,218,355	-	-	2,218,355	2,277,641
Hospice Community Service Fund.	-	458,240	-	458,240	622,910
	<u>2,376,028</u>	<u>5,864,972</u>	<u>1,098,468</u>	<u>9,339,468</u>	<u>8,728,525</u>
Restricted fund					
IPU ward refurbishment. Garden, Orchard and Bradbury Green refurbishments.	255,770	-	-	255,770	287,495
Hospice Neighbours project.	4,398	-	5,639	10,037	77,528
Big Lottery Fund Grants: Hospice at Home.	-	-	4,405	4,405	1,817
Hospice at Home IT project.	9,820	-	-	9,820	-
Dementia Training. Community Hospice Team.	-	-	5,414	5,414	6,204
Beds.	7,110	-	-	7,110	4,118
Baths.	20,339	-	-	20,339	10,646
Van for retail operation.	-	-	-	-	-
Clinical Equipment.	14,861	-	-	14,861	5,353
Patient Choice Research.	-	-	944	944	5,028
Early Assessment Clinics.	-	-	-	-	1,253
Homelessness project.	368	-	-	368	480
Orchard Day Therapy.	-	-	2,500	2,500	-
Miscellaneous non clinical equipment.	746	-	-	746	-
Miscellaneous clinical expenditure.	-	-	56	56	481
Other expenditure.	-	-	193	193	197
	<u>421,099</u>	<u>32,000</u>	<u>19,151</u>	<u>440,250</u>	<u>519,139</u>
Endowment fund	-	-	-	32,000	32,000
	<u>2,797,127</u>	<u>5,896,972</u>	<u>1,117,619</u>	<u>9,811,718</u>	<u>9,279,664</u>

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2012 (*Continued*)

19 Group unrestricted funds

	Balance at 1 April 2011 £	Incoming Resources £	Resources Used £	Investment Gains £	Transfers £	Balance at 31 March 2012 £
General fund	5,799,054	5,007,546	(4,331,797)	9,515	164,670	6,648,988
Designated funds						
Building fund	2,277,641	-	(59,286)	-	-	2,218,355
Hospice Community Service Fund	622,910	-	-	-	(164,670)	458,240
	<u>8,699,605</u>	<u>5,007,546</u>	<u>(4,391,083)</u>	<u>9,515</u>	<u>-</u>	<u>9,325,583</u>

Charity unrestricted funds

	Balance at 1 April 2011 £	Incoming Resources £	Resources Used £	Investment Gains £	Transfers £	Balance at 31 March 2012 £
General fund	5,827,974	4,959,002	(4,298,288)	9,515	164,670	6,662,873
Designated funds						
Building fund	2,277,641	-	(59,286)	-	-	2,218,355
Hospice Community Service Fund	622,910	-	-	-	(164,670)	458,240
	<u>8,728,525</u>	<u>4,959,002</u>	<u>(4,357,574)</u>	<u>9,515</u>	<u>-</u>	<u>9,339,468</u>

General fund

Transfers of £164,670 into the General fund relate to restricted funding received in 2011/12 for Hospice at Home from The Big Lottery Fund.

Building fund

This is a designated fund representing the construction cost of the original building to 31 March 2012 less depreciation charged thereon, together with funds transferred from the original foundation fund. During 2009/10 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 Community Service Fund (formerly Hospice at Home fund)

The Hospice at Home fund was originally set up to support a new service delivering care in people's homes. The designated fund has been reduced by grants received for this service. The Trustees have reviewed the fund and agreed that it should now be designated the Hospice Community Service Fund and be used for all services that are designed to support people in the local community during illness and bereavement. This fund will therefore support the development of a more open access hospice whilst long term funding is sought.

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2012 (Continued)

20 Restricted funds

	Balance at 1 April 2011 £	Incoming Resources £	Resources Used £	Balance at 31 March 2012 £
In Patient Unit refurbishment Garden, Orchard and Bradbury Green refurbishments.	287,495	-	(31,725)	255,770
Hospice Neighbours project	118,388	-	(10,701)	107,687
Big Lottery Fund Grant- Hospice at Home.	77,528	5,640	(73,131)	10,037
Dementia Training	1,817	164,670	(162,082)	4,405
Community Hospice Team	6,204	-	(790)	5,414
Nicky's Way	4,118	39,211	(43,329)	-
Senior Hospice Physician	-	8,001	(8,001)	-
Mildenhall retail shop	-	7,500	(7,500)	-
Beds for Sylvan Ward	-	11,325	(11,325)	-
Baths for Sylvan Ward	10,646	-	(3,536)	7,110
Van for retail operation	-	20,645	(306)	20,339
Clinical Equipment	5,353	-	(5,353)	-
Big Lottery Fund Grant – Hospice at Home IT project.	5,028	10,885	(1,052)	14,861
Patient Choice research	-	12,000	(2,180)	9,820
Early assessment clinics	1,253	-	(309)	944
Bereavement and Carers Groups	480	-	(480)	-
Homelessness project	-	1,000	(1,000)	-
Orchard Day Therapy	-	5,331	(4,963)	368
Miscellaneous non clinical equipment.	-	3,190	(690)	2,500
Miscellaneous clinical expenditure.	481	520	(255)	746
Other expenditure	197	-	(141)	56
	151	240	(198)	193
	<u>519,139</u>	<u>290,158</u>	<u>(369,047)</u>	<u>440,250</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 12).

The Garden, Orchard and Bradbury Green Refurbishment fund is specifically for the purpose of the refurbishment of those areas and includes funding from previous years including a capital grant from the Department of Health to deliver tangible physical improvements enhancing care provision to the garden, Chapel, Bradbury Green and Orchard Day Therapy areas. This funding has now been fully expended and is either represented within leasehold land and buildings and equipment (note 12) or revenue expenditure relating to garden works, which has been proportionately allocated against patient areas that benefit from the works undertaken.

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2012 (*Continued*)

20 Restricted funds (*Continued*)

The Hospice Neighbours Project fund relates to specific capital and revenue funding to develop a volunteer scheme to provide practical support to people in their own homes. The C Charitable Trust contributed £5,000 and the Cambridgeshire Community Foundation Grant (Cheffins Community Fund and Ridgeons Community Fund) contributed £640 towards this project.

The Big Lottery Fund Grant - Hospice at Home relates to specific revenue funding received during the year from the Big Lottery, which represents the second year of a two year funding agreement in support of the Hospice at Home Service.

The Dementia Training fund relates to a grant received in respect of training which was largely delivered in 2010-11 by the Education department. The unspent funds relate to activity to be undertaken by an external body that will follow up on the training delivered.

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

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 Senior Hospice Physician fund relates to specific revenue funding received and expended in the year to support the salary of a Senior Hospice Physician

The Mildenhall Retail Shop fund relates to specific funding received and expended to support the running costs of the Mildenhall Retail Shop.

The Beds fund relates to specific funding received and fully expended for the purchase of electric beds for the Hospice. Those beds that have already been purchased are represented within furniture and equipment (note 12).

The Baths fund relates to specific funding received and fully expended on two replacement baths for Sylvan Ward.

The Van for Retail operation fund 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 was disposed of in the year under review (note 12).

The Clinical Equipment fund relates to specific funding received for and fully expended on palliative care equipment. The equipment that has already been purchased is represented within furniture and equipment (note 12).

The Big Lottery Fund Grant – Hospice at Home IT project relates to specific capital funding received and fully expended from the Big Lottery to facilitate remote working by the Community Hospice team. The equipment that has been purchased is represented within furniture and equipment (note 12).

The Patient Choice 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 in 2009/10, the balance of which was fully expended in the current 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 'Bereavement and Carers Groups' fund relates to specific revenue funding for the development of group activities in support of bereaved persons and carers.

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2012 (*Continued*)

20 Restricted funds (continued)

The Homelessness Project fund relates to specific revenue funding committed from the Burdett Trust for Nursing in association with Help the Hospices for the project 'Widening access to palliative care for homeless people and those who support them'. The total funding committed to this 12 month project is £22,000.

The Orchard Day Therapy fund relates to specific revenue funding received for general running costs and for future re-decoration.

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

- the purchase and furnishing of a summer house for the Hospice. The money has been expended and is represented within furniture and equipment (note 12)
- the cost of a dolls house for Nicky's Way, the children's bereavement support service.
- Equipment for Nicky's Way

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

- Nurses uniforms – fully expended in this year
- Art therapy goods

The Other Expenditure fund includes the following specific revenue funding for:

- Staff welfare at Christmas.
- Garden products – fully expended in this year

21 Endowment funds

	Balance at 1 April 2011 £	Incoming Resources £	Resources used £	Transfers £	Balance at 31 March 2012 £
The Earl of Euston 2009 Fund	32,000	817	(817)	-	32,000

The income earned from the investment of the fund must be spent in accordance with the objects of the organisation.

The gain arising on the investment of the fund was immaterial (£168) and therefore no adjustment was made to the value of the fund at 31/3/2012.

22 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.

23 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 £50,280 (2011 - £47,766). Contributions outstanding at 31 March 2012 amounted to £3,883 (2011 - £3,960).

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 £125,043 (2011 - £122,850). Contributions outstanding at 31 March 2012 amounted to £10,464 (2011 - £10,051).

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2012 (*Continued*)

23 Pension costs (continued)

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%. New employee contribution rates ranging from 5% to 10.9% have been set by the NHS for the forthcoming year to 31 March 2013.

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.

24 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 2011 the Friends, as it then stood, was completely wound down and the bank account closed.

	2012 £	2011 £
Income	-	210
Expenditure	-	-
	<hr/>	<hr/>
Surplus	-	210
Donations to St Nicholas' Hospice (Suffolk)	-	(1,141)
	<hr/>	<hr/>
Deficit	-	(931)
Reserves brought forward	-	931
	<hr/>	<hr/>
Reserves carried forward	-	-

None of the charity trustees or connected persons received remuneration or reimbursement of expenses during the year (2011 - nil). Trustees' indemnity insurance amounting to £664 was paid for the year (2011 - £852).

Transactions with the subsidiary undertaking have not been disclosed in these financial statements in accordance with the exemption conferred by Financial Reporting Standard No 8 for wholly owned subsidiaries of companies whose consolidated financial statements are publicly available.

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2012 (*Continued*),

25 Financial commitments

As at 31 March 2012, the charitable company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		Other	
	2012	2011	2012	2011
	£	£	£	£
Operating leases which expire:				
Within one year	40,750	26,500	6,570	24,662
In one to two years	56,000	26,750	-	2,248
In two to five years	-	56,000	34,651	2,131
Over five years	65,160	45,160	2,055	-
	<u>161,910</u>	<u>154,410</u>	<u>43,276</u>	<u>29,041</u>

26 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 2012 the Charity had been notified of one reversionary legacy with an estimated value of £95k and three residuary legacies with an estimated value totalling £246k. None of these have been accrued as the conditions for recognition had not been met.

27 Capital commitments

Capital expenditure authorised and contracted, but not provided in the accounts amounts to £11,605 for garden furniture, a new specialist mattress for the in-patient unit, kitchen equipment and enhancements to the security system.

28 Contingent liabilities

Defined Pension Scheme

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 2012.

'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.

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2012 (*Continued*)

28 Contingent Liabilities (continued)

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.

In 2010 the Hospice received an indicative total liability of £11,200 based on the scheme deficit at 31st March 2009 which was £28m. This was fully provided for in the accounts for the year ended 31st March 2010. The second instalment of 10 annual payments of £1.1k was due on the 1st April 2012.

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

Group VAT registration

There is a contingent liability in respect of the Value Added Tax of certain group companies under a group registration. At the 31st March 2012 the maximum potential liability under the terms of the registration was £670 (2011 £nil).