

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 2014

ST NICHOLAS' HOSPICE (SUFFOLK)

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ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2014

TRUSTEES AND ADVISERS

Board of Trustees

The Revd Canon R Norburn MBE ³	President
Mr A. Williams CBE	Chairman
Mr D. Barclay ^{1 5 6}	Honorary Treasurer
Mrs S. Hayter ^{2 3}	Vice Chair (appointed 17 October 2013)
Mr P. Marchant ^{1 5 6}	
Mrs B. Martineau ⁴	
Dr. E. Wallace ³	
Mrs M. Miles ²	
Mr N. Gambier ^{1 6}	Resigned 1 October 2013
Revd Canon M. Vernon	Appointed 14 May 2013
Ms L. Macklin ^{2 6}	Appointed 14 May 2013
Mr M. Leith ^{2 3}	Appointed 14 May 2013
Mr I. Morgan ^{4 6}	Appointed 20 February 2014

Secretary and registered/principal office

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

Chief Executive

Barbara Gale

Senior Management

Kevin Clements – Fundraising and Marketing Director
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, 20/21 Cornhill BSE IP33 1DY

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 Committee member

⁴ Fundraising and Marketing Committee member ⁵ Director of St Nicholas Hospice Trading Ltd ⁶ Retail Committee member

ST NICHOLAS HOSPICE (SUFFOLK)

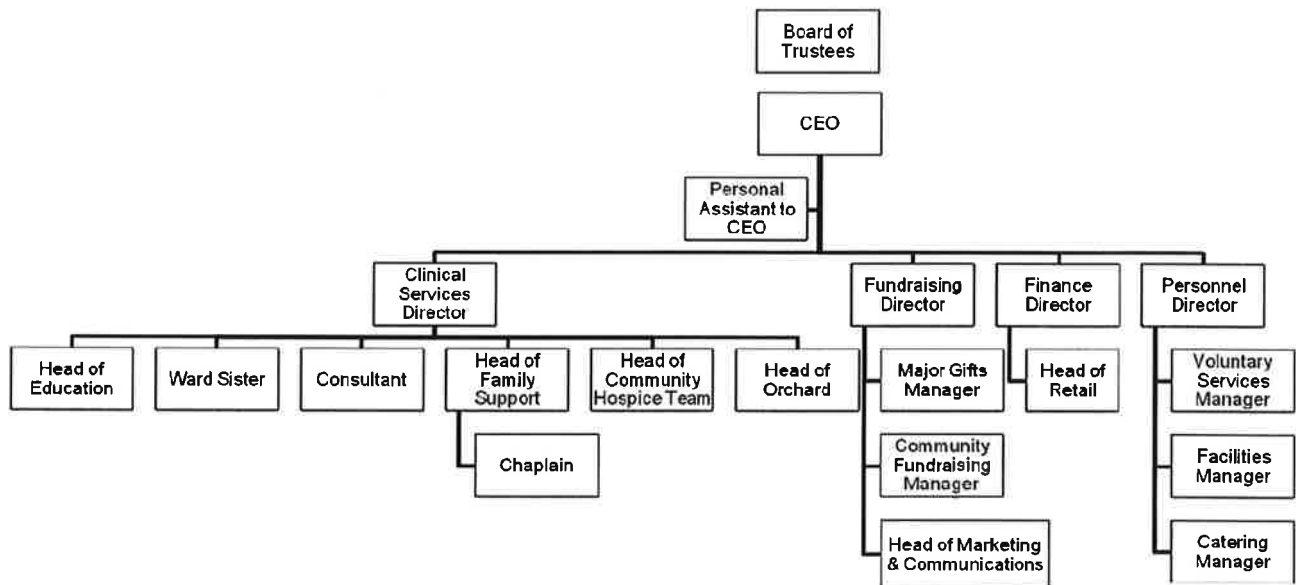
Trustees report for the year ended 31 March 2014

Trustees' Report

The Board of Trustees present their annual report on the affairs of the charitable company, together with the financial statements and independent auditor's report for the year ended 31 March 2014. This report will be sent to the Department of Health as the organisation's Quality Report in compliance with the Health Act 2009.

Structure, governance and management

Organisational structure



Management and decision-making

The Charity is a company limited by guarantee and is governed, under its memorandum and articles of association, through a 57 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.

Register of members

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

Our workforce and management structure

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 Vice Chairman at least twice a month.

On 31 March 2014 the Charity employed 151 staff – including 13 fixed term employees (this equates to 122.5 full time equivalents), over half of whom were part-time and 647 formal volunteers.

Structure, governance and management (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 Committee, Personnel Committee, Fundraising and Marketing Committee and 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. 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. The committee reviews the:
 - Charity's investment strategy and monitors investment performance
 - Audited financial statements of the Charity and recommends them to the Board
 - Reports from the external auditors and monitors management actions to implement recommendations made in reports from the auditors.
2. **The Clinical Committee** oversees all clinical matters with particular reference to clinical standards and the review of clinical complaints. The meetings are attended by the Chief Executive, the Clinical Services Director and the Consultant in Palliative Medicine.
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, and the Personnel Director. The Fundraising and Marketing Director, Finance Director and the Clinical Services Director attend as requested.
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.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2014

Structure, governance and management (continued)

Trustee recruitment and induction

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

The Board Chairman and Committee Chairs oversee the process of succession planning, recruitment and induction of Trustees and recruitment of Association Members serving on the Board Committees and will also meet with all prospective Trustees. Their work will include an ongoing skills audit and looking at different methods of recruitment.

As part of their induction, Trustees are given access to the secure area of the Hospice website which hosts 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 service 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

The Board of Trustees is made up of between no less than 7 and no more than 12 Trustees.

In accordance with the Charity's Articles of Association, which state that a third of the Board of Trustees retire by rotation, the following Trustees, being eligible, have been invited to offer themselves for re-election at the next annual general meeting:

Revd Canon R. Norburn MBE
Mrs B. Martineau

Mr A. Williams CBE
Mr P. 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.

Risk and internal control

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

Trustees 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.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2014

Structure, governance and management (continued)

Risk and internal control (continued)

The system of financial controls designed to mitigate risk include a three 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.

Risk management

This year the Hospice continued to focus on continually trying to improve its health and safety across the whole organisation and used the support of a health and safety consultant.

	2013 - 2014	2012-2013
Incidents reported	200	182
Incidents where a person was harmed	80	101

Whilst the number of incidents reported has increased the number of incidents that involved harm has decreased. Not all of the incidents are related to physical harm, some are related to emotional distress. As many of the patients on the ward are frail, yet striving to maintain independence, falls can at times be a risk. The Hospice has falls guidance to improve care for patients. There were no reportable infection incidents during the year.

Complaints

All complaints or comments about the service provided are taken very seriously by the Hospice. Complaints are dealt with in line with the Complaints Policy and are fully investigated. All complaints are reported to the Board of Trustees. Of the 14 complaints received this year 3 resulted in a major investigation. This is an increase from last year when we only received 5 complaints. The increasing number of complaints may be indicative that staff are willing to hear and listen to complainants when things do not go as planned. Two complaints are still ongoing as they are related to treatment given by another organisation. Actions following complaints included staff training and amending some procedures.

All other complaints were dealt with by either the member of staff at the time or their manager. All complaints are tabled at every Board of Trustees meeting.

Charitable Activities

The Charity's purposes as set out in the objectives 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.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2014

Charitable Activities (continued)

Ensuring the Charity's work delivers its' objectives

The Charity reviews its 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 the objectives and activities remained focused on the stated purposes.

Trustees 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 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, care assistants, a chaplain, occupational therapists, physiotherapists, complementary therapists, social workers, counsellors and a psychological therapist.

To deliver its objectives the hospice provides:

- Direct care and support to patients families and the bereaved via an open referral system and practical support in the home
- Palliative care and bereavement advice, information and informal support to lay and professional people in the community
- Palliative care and bereavement education to lay and professional people in the community

Care is given to patients in:

- The local community, whether in their own homes or in other settings – including care homes, community hospitals, prisons or those with no home
- At the Hospice building in Sylvan Ward (Inpatient Unit) or in The Orchard Centre (Day Care and in clinics).

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2014

Charitable Activities (continued)

Direct services include:

- The Community Hospice Service – multi-disciplinary extending from Consultant in Palliative Medicine, nurse specialists and psychologist to the Hospice Neighbours volunteer service
- In patient care on Sylvan Ward – up to 12 beds available for symptom management, respite and care in the last days of life
- The Orchard Centre offering outpatient clinics, groups and programmes of care tailored to individuals' needs
- St Nicholas Hospice Care also provides 'drop-in' sessions and web-based chat-room services when referral is not needed
- Bereavement Support for adults including counselling, group work, peer support and Thanksgiving and Remembrance Services
- 'Nicky's Way' bereavement support for children, their parents/guardians whatever the cause of bereavement
- 24/7 end of life and palliative care information and advice - for professionals, patients and families.

To support and enable the local community the Hospice also provides:

- A 24 hour telephone advice line
- Hospice Neighbours volunteer service
- 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 the Hospice's service?

The Hospice's 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 accepted, if it is their choice to use St Nicholas Hospice (Suffolk) as a provider of services.

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

There is an open referral system for people who need hospice care, support and advice who are:

- Facing diagnosis of a progressive, life-shortening disease, disability or other reasons which indicate earlier than expected death
- In the last phase of their life
- Bereaved.

The Hospice sees people who may have unresolved, unmet needs that may include any or all of the following:

- Physical, psychosocial or spiritual distress
- Need help with difficult decisions, planning, or conversations about managing end of life care
- Need practical support or companionship at home
- Need for information about end of life or bereavement.

ST NICHOLAS HOSPICE (SUFFOLK)

Trustees report for the year ended 31 March 2014

Charitable Activities (continued)

There is no minimum age; if staff have expertise which is not available within other organisations and the patient / client seeks hospice intervention we will consider becoming involved.

Families, carers or significant friends may be referred where they are affected by the patient's illness and are experiencing sustained distress or in bereavement

Bereaved children living in the geographical area (aged 5 – 18) can be referred to Nicky's Way (the bereavement programme for children and young people) regardless of their cause of bereavement.

The Hospice works with teenagers, young people, and their families. Hospice staff collaborate with East Anglia's Children's Hospice to meet the needs of young people in transition from children's hospice to adult services, in order to promote continuity.

How do we meet demand?

The First Contact Team assesses new referrals; referrals are responded to by a senior practitioner within 24 hours, Monday to Friday. The team provide prompt, sensitive assessment of need. Out of hours requests for support are handled by the 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. Walk-in, un-booked, open access is via informal group sessions.

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. The population of West Suffolk is projected to increase by 16-28 per cent by 2031. The largest increase in population may be among the over 65s (49 per cent growth) and the over 85s (90 per cent growth) within the next 10 years.

By 2033 the incidence of cancer will increase by 57 per cent and the number of people with dementia by 108 per cent. Hence, more people will encounter life shortening disease with resultant demand on hospice, health and social care services.

To meet the growing future demand the Hospice's strategy is to redeploy resources to prepare for this developing demographic trend. The CEO and Directors have prepared a plan (that was taken to the staff in May 2014 in the form of a consultation) that describes proposed reorganisation and refocus to meet the growing needs of the local community.

ST NICHOLAS HOSPICE (SUFFOLK)

Strategic report for the year ended 31 March 2014

The Trustees present their Strategic Report for the Year ended 31 March 2014, containing a review of achievements and performance, a financial review, plans for future periods and the principle risks that they consider the charity faces.

Review of 2013/14

In 2013 we said we would:	By March 2014 we had:
Open our first community centre in Haverhill	<ul style="list-style-type: none">• Taken over the Burton Centre in Haverhill from Suffolk County Council• Used funding from Department of Health and reserves to undertake refurbishment which opened on 31 May 2014.
Train staff and volunteers to be able to work in all settings	<ul style="list-style-type: none">• Planned for nursing staff to have one month secondments, supported by mentors, between April and October 2014
Improve internal IT systems and put in place an electronic patient healthcare record system that enables the Hospice to share data with other healthcare providers	<ul style="list-style-type: none">• Established N3 connection to the NHS following evidencing compliance with NG Toolkit• Started to implement SystemOne, a Suffolk-wide patient electronic record system, which completed in June 2014.
Build a management and support infrastructure to support service delivery	<ul style="list-style-type: none">• Developed a new clinical management structure following consultation with staff, reinforcing principle that clinical leadership is fundamental to line management• Started recruitment for new Heads of Community Partnership and Nursing.

ST NICHOLAS HOSPICE (SUFFOLK)

Strategic report for the year ended 31 March 2014

Review of 2013/14 (continued)

In 2013 we said we would:	By March 2014 we had:
Support and develop our local community to be able to care for people at the end of life	<ul style="list-style-type: none">● Increased teaching for care agencies as well as care homes● Increased capacity in Hospice Neighbours● Further developed the Stephen Project in developing skills and understanding across services working with people facing homelessness and adopted primarily an educational focus for service users and employees from other organisations.
Plan for an out of hours service that will include a collaborative service with West Suffolk Hospital	<ul style="list-style-type: none">● Not achieved this project because of an inability to recruit to the project lead● Reached agreement with commissioners, who funded the project, to use the funding to increase Medical Consultant hours and nursing time.
Agree a plan for developing our income streams to meet the reduction in Big Lottery Funding in 2015 and future demands	<ul style="list-style-type: none">● Recruited a Donor Development Officer who is overseeing a catchment wide appeal for Summer 2014● Continued with lottery canvassing, members up to 8,000● Invested in legacy marketing, including radio and newspaper advertising, leaflet re-design● Secured £500,000 to be paid over 10 years from a major donor● Grown our biggest annual event, Girls Night Out to over 1,000 participants, raising over £100,000.
Implement a clear internal and external marketing strategy to communicate our new vision and strategy	<ul style="list-style-type: none">● Put in place an internal strategy during the change management process which included regular communication in a variety of media and face-to-face● Drawn up a plan for external communication. A launch of clinical services will happen in October 2014, promoting the fact that we can help more people in their own homes.

ST NICHOLAS HOSPICE (SUFFOLK)

Strategic report for the year ended 31 March 2014

Review of 2013/14 (continued)

Staff Consultation about new strategy

To meet growing demand in the future an extensive consultation was held with staff regarding the following:

- Developing a strategy that was community focused
- Reorganising the clinical structure to deliver flexibility and a better skills mix for patients and families in whichever setting they were cared for
- Altering nursing staff contracts to ensure they can work both in community and on the in-patient unit.

The consultation took the form of one to one meetings, staff briefings, meetings with the CEO and Directors. Over 120 pieces of feedback were received and the original plan was revised. This second plan was then consulted on again which generated minor amendments. The final plan was approved by the Board of Trustees in November 2013 and implementation began in December 2013.

Our people

We conducted our own staff survey using an on line survey portal called Survey Monkey and based on the Health and Safety Management Standards Indicator Tool. A 76% response rate was achieved.

Results of the staff survey showed significantly positive responses in areas related to role, control, support, and relationships. Within the areas of demand and change some staff felt that they had to work very fast and there were indications that some staff felt uncertain about how changes would work out in practice, and did not feel they were always consulted about the changes.

The results were shared with Staff Forum Representatives as well as being published in staff areas for all staff and volunteers to access.

The Staff Forum continues to be an important meeting for staff to feed in their thoughts and concerns, the forum is chaired by the CEO or a Director. During the last twelve months the frequency of meetings increased to accommodate the consultations taking place on changes within the clinical settings.

This year we were pleased to be able to offer a pay award of 1.5 per cent in October 2013. We also implemented the principles of the "living wage" for our lower paid staff which lifted our minimum payment for any member of staff to £7.45 per hour.

Staff turnover was 16 per cent (a 6.2 increase on the 2012/13 figure of 9.8 per cent). However underlying voluntary turnover trended at 12%. (this excludes retirements and dismissals). This is in comparison with the June 2013 national median labour turnover of 15.2 per cent within the voluntary /not for profit sector (CIPD Resourcing and Talent Planning report 2013).

Following the retirement of our previous Palliative Medical Consultant in January 2013 we were pleased to welcome Dr Sarah Mollart as our new Consultant in Palliative Medicine in September 2013.

Following the approval of the new strategy to develop our community services we commenced internal and external recruitment processes for the new roles of Head of Nursing and Head of Community Partnerships in December 2013. We were able to offer Head of Nursing to Debra Garside however the first round of recruitment for the Head of Community Partnerships was unsuccessful and we will commence the second round in June 2014.

ST NICHOLAS HOSPICE (SUFFOLK)

Strategic report for the year ended 31 March 2014

Review of 2013/14 (continued)

Professional Development

We were able to support a significant increase in Continuous Professional Development (CPD) activity from 193 CPD days in 2012/13 to 808 in 2013/14. The reasons for this are detailed below.

**Our staff and volunteers received 936 days
of development and training**

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

- Chief Executive continued with a PhD in Palliative Care that would focus on research with volunteers
- Finance Director commenced a MA in Hospice Leadership
- Chaplain completed a MSc in Palliative Care that focused on the impact of Hospice Neighbours on patients
- Two Senior Care Assistants commenced foundation degrees in Healthcare Practice (End of Life)
- Dr Catherine Proot, Psychological Specialist, was awarded the first Jane Rutherford Bursary to undertake advanced studies in clinical supervision
- 10 Hospice Care Assistants took part in the East of England End of Life Care Education Programme, completing a series of e-learning and classroom based sessions to develop their skills in End of Life Practice
- 8 senior clinicians attended the Oxford Advanced Pain and Symptom Management two day course.

Management Development

In Autumn 2011 we commenced a programme of leadership and change management development with our current managers facilitated by Dr Simon Western. This work has continued during 2013-14 and the focus of our work with Dr Western has been supporting us to implement our strategic aim of widening access and reaching out to our community.

Volunteering

Volunteering activity during 2013 continued to grow with the planning for the opening of our first outreach centre in Haverhill, an additional shop in Bury St Edmunds, a change of premises for another Bury St Edmunds Shop and an increase of volunteers in our Hospice Neighbours service. By the end of the year 705 volunteer roles were being fulfilled.

This is an increase in our numbers of volunteers by 14%, an increase of recruitment on last year of 7%. We now have 647 volunteers fulfilling 701 volunteer roles. The biggest increase in volunteering has again been Hospice Neighbours. Some volunteers undertake more than one role.

**253 in retail
147 in clinical services
136 in Hospice Neighbours
153 in fundraising and support services
12 as Trustees**

Our volunteers provide an average 5,323 hours of support a month

Of our 647 volunteers, 58 have more than one role and of those 58, 4 volunteers fulfil 3 volunteer roles. Volunteering within our retail division has increased with the addition of new shops and premises and the impending opening of an outreach centre in Haverhill. Volunteers provide support across clinical, fundraising and support services such as personnel, finance and facilities.

ST NICHOLAS HOSPICE (SUFFOLK)

Strategic report for the year ended 31 March 2014

Review of 2013/14 (continued)

Marketing

Positive media coverage was consistently high, with an average of 69 stories each month in the local press. This has included a monthly column written by the CEO which focused on the issues surrounding end of life care in our community. We have also achieved several radio appearances to discuss end-of-life care issues and continual funding needs, along with TV appearances for fundraising related topics.

Social media

We have steadily increased our Twitter and Facebook followers and used these platforms alongside YouTube to promote many aspects of the hospice's work to a wider audience. Video clips and other visual stimuli have been integral to the team's success.

Facebook 'likes': 3,759 (across all three Facebook pages: Main page; Girls Night Out; Accumulator). This is an increase of 1,811 over the last year.

Twitter followers: 2,306 compared to 1,732 at the end of March 2013. This is an increase of 574.

Clinical Service Activity

This year we received 887 referrals which is similar to 885 last year. 85 per cent of people referred to clinical services had cancer. It is our intention to provide services beyond cancer care and further work to meet the needs of marginalised groups particularly end of life care for homeless people and people with dementia.

The average length of time under the care of the hospice decreased from 117 days to 103 days.

We promoted the concept of Hospice Keyworker to ensure patients knew who their 'go-to' person was at the Hospice; and an audit identified that 82 per cent of people had a keyworker.

Our strategy to increase our influence in the community and with people early in their disease 'journey' has proved successful especially through our day care activity. Our aim is to help people live their lives, feel good about themselves, maintain function, overcome problems, find hope, and adapt to challenging situations.

Day Care has provided:

844 attendances at day care
564 attendances in groups
541 attendances at drop in

We promoted person to person support through group work such as the writing group, the 'Knit and Natter' for women and 'Boys Own' groups for men. Group sessions increased provision from 158 attendances (2012/13) to 564 this year; a 257 per cent increase.

'Drop in' was piloted in 2011 to facilitate people accessing our services without a medical referral. From 128 attendances in 2011/12 this valuable service has grown to support to 541 attendances in this past year.

ST NICHOLAS HOSPICE (SUFFOLK)

Strategic report for the year ended 31 March 2014

Review of 2013/14 (continued)

Clinical Service Activity (continued)

Support at time of death for people in their usual place of residence (home or care home) has remained relatively stable. Over the year 51 per cent of all deaths happened at home/in care home. Deaths on our ward decreased to 96 (16 per cent of all deaths) in line with our reduction in bed availability due to medical staffing shortage which once resolved was followed by shortage of registered nurses. Both issues have since been resolved.

Community Hospice Service

This year we significantly increased the contribution by skilled volunteers with the overall 10 per cent increase in home visits being achieved by increased volunteer activity.

Hospice Neighbours made 2,037 home visits
Bereavement volunteers made 901 home visits

Hospice Neighbours, the community volunteering services continued to grow and make a significant impact, rising to a peak of 869 visits in the last quarter of 2013/14. Over the year 2,037 home visits were made compared to 1,520 last year.

Our Chaplain's research as part of his MSc explored the way patients experienced Hospice Neighbours. All respondents noted, spontaneously, the value of friendship. Friendship has never been identified as a service outcome previously; this surprising finding will inform our future objectives.

Bereavement activity by volunteers also grew to 901 home visits a 15 per cent increase on last year.

Out of hours activity

The work undertaken outside of office hours is mainly advice on 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. We provided:

982 phone calls to professionals
946 phone calls to families
299 visits

Sylvan Ward (In Patient Unit)

The average length of stay of 8.3 days is a slight increase on the average of 7 days last year; occupancy of 72 per cent is a continued decrease from 76 per cent last year and 83 per cent in 2011/12. This remains within the norm for UK hospices. We:

Admitted 190 people
Supported 96 people who died
Discharged 80 people back into the community

ST NICHOLAS HOSPICE (SUFFOLK)

Strategic report for the year ended 31 March 2014

Review of 2013/14 (continued)

Clinical Service Activity (continued)

Bereavement Support

Adult bereavement support : Adult relatives of patients known to the hospice are supported by a variety of groups including walking, home maintenance and cookery and on a one-to-one basis. We also piloted a successful car maintenance group; this is quite a specialised session and will be repeated once sufficient demand is established. Person to person support has increased through the group work.

We are pleased that some groups have become independent of the Hospice, transforming to friendship groups resulting in group holidays and regular meetings at restaurants. This exemplifies our strategic vision to facilitate communities supporting communities.

We provided:

<p style="text-align: center;">1,428 episodes of bereaved adults being supported through a variety of means ranging from remembrance services to groups to counselling</p>

A working group has been established to explore how we can support young adults that can be 'hard-to-reach'.

We facilitated the second Bereavement Forum for other bereavement organisations in West Suffolk. We have been involved in the Steering Group to develop coordinated bereavement services for Suffolk; the goal being for the Hospice, CRUSE and Macmillan Cancer Support to collaborate to improve services.

Nicky's Way Programme and support to children within families

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

<p style="text-align: center;">30 children attended Nicky's Way 137 children supported but not attending programmes 22 adults were supported during the programme</p>
--

External education

This year we delivered training sessions to the following:

Working with local schools and Suffolk County Council: grief and bereavement in children

- End of life care training to Marie Curie
- Bereavement Training to Cruse
- G.P. Practices: End of life Care - Symptom Control
- Supported placements to doctors on GP VTS scheme, medical students, nursing students, social work and counselling students
- Community Palliative Care Network meetings
- Local Prison Service
- Suffolk Health Watch
- Joint Agency Housing Committee
- End of life care training to Pastoral Support Network
- HOPE Programme
- Work Experience students
- Gold Standard Framework teaching to G.P.s
- End of life care training programme to care homes
- End of life care training programme to domiciliary care agencies.

ST NICHOLAS HOSPICE (SUFFOLK)

Strategic report for the year ended 31 March 2014

Review of 2013/14 (continued)

Clinical Service Activity (continued)

Education for Care Homes and Care Agencies

<p>31 sessions were delivered to 134 care home staff across 14 care homes</p> <p>412 sessions were delivered to 222 care agency staff across 11 domiciliary care agencies</p>

- Training of care home and domiciliary care agency staff has raised confidence levels to enable carers to deliver improved end of life care to those people who wish to remain in their usual place of residence.
- Care staff stated they are now confident and felt empowered to proactively initiate discussions with clients/families about end of life care to establish future priorities and preferences and to assist other healthcare professionals to record them.
- The project highlighted the need for clarification of the domiciliary carer role when attending an expected death, including care after death.
- A new Community Palliative Care Network has subsequently been established to provide ongoing support for community staff providing end of life care

User involvement

The User Advisory Group (UAG) is very well attended, with a mix of longer established and newer members. 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. The new independent facilitator has increased comment from members at each meeting which has been very well received. Representation has been integral to the Service Review.

ST NICHOLAS HOSPICE (SUFFOLK)

Strategic report for the year ended 31 March 2014

Review of 2013/14 (continued)

Clinical Quality Assurance

Quality and safety is given a high profile by staff and Trustees. All strive for the provision of services which are subject to consistent and meticulous quality assessment and review with specific reference to patient safety, clinical effectiveness, education and training of clinical staff and patient and family experiences.

Following the publication of the Francis Report in 2013 the Trustees have reviewed the governance arrangements in their Committees with specific reference to engagement, gaining insight, accountability and managing risks.

Unannounced Trustee visit

As part of our annual review of the quality of patient and family services two Trustees made an unannounced visit to the ward in March 2014. They used an observation tool that covered patient respect and involvement, meeting patient needs, making informed choices, hygiene and equipment cleaning, records and medicines management, staff interactions and incident reporting.

The Trustees witnessed that staff were respectful of patients needs, explaining what they were going to do and giving them time to make choices. One patient said the "nurses were wonderful" and that the "care was excellent", another said the "nurses were magnificent". Patients commented that they were able to raise concerns with the staff.

Staff themselves raised concerns about leadership on the ward and communication about changes and how it was communicated to volunteers. Following this visit ward nurse leadership was revised and more communication with ward staff was put in place.

Unannounced inspection visits

The Care Quality Commission made an unannounced inspection in December 2013 and delivered a glowing report with no remedial actions required.

Patient Safety

Five committees (details below) report quarterly to the Clinical Committee, which is a sub-committee of the Board of Trustees.

The **Clinical Incident Analysis Committee** ensures remedial action is implemented following incidents or near misses. There were no Serious Incidents within the organisation in the year under review.

The **Infection Prevention Committee** ensures compliance with legislation. There were no reportable infections in the year under review. Focus on hand hygiene auditing and training increased success rates to 100 per cent each audit by end of year.

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

The **Medicine Management Committee** supports best practice and legislation inclusive of controlled drug procedures. To inform the management of medicines 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.

ST NICHOLAS HOSPICE (SUFFOLK)

Strategic report for the year ended 31 March 2014

Review of 2013/14 (continued)

Clinical Quality Assurance

The Quality and Audit Committee supports systematic reflection on practice and ensuring findings and recommendations are integrated into practice. Detailed validated audit tools were used for:

- controlled drugs compliance
- medicine management
- infection control
- medical gases
- environmental cleanliness.

No significant issues were reported in the year.

The use of a once a year satisfaction survey with feedback from patients and families has been replaced by the use of a validated tool (SKIPP) which is patient specific and focussed on the impact hospice services have made to the individuals symptoms and problems. We will introduce a 'real-time' feedback next year. The annual review of bereaved service users discovered they prioritised 'a listening ear', compassion and understanding, and emotional support as the top three aspects of value.

Medical Staff's practice The Consultant in Palliative Medicine, as Responsible Officer, formalised links with an external Responsible Officer to strengthen further our systems for medical revalidation.

Staff Education, Training and Research

The Training Officer was appointed in May 2013 and the Head of Development and Learning in February 2014.

A review of mandatory statutory training took place. 'Team Training Plans' have been created offering a blended approach to training including: coaching, e-learning and self-directed learning with programmes tailored to respective departments requirements. We are moving away from predominantly 'one off' classroom based learning to more dynamic ongoing learning in the work place, thus facilitating more team based training.

In-house communication skills training days are being rolled out to all staff (includes volunteers).

A preceptorship programme has been created for newly qualified nurses. A cohort of postgraduate medical students have attended the hospice for one morning a week to support their learning outcomes. We continue to offer placements to support final year nursing students. Furthermore the hospice has supported placement for counselling, social work and physiotherapy students.

A clinical journal club takes place each week as part of a 'lunch and learn' programme, Once a week clinical 'mini-bite' training sessions occur with a variety of topics on a rolling programme often delivered by external speakers.

The hospice is participating in a national study to research the compatibility of drugs in syringe pumps.

ST NICHOLAS HOSPICE (SUFFOLK)

Strategic report for the year ended 31 March 2014

Review of 2013/14 (continued)

Investments

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

The Hospice investment policy is:

- To achieve acceptable returns on listed equities and unit trusts, fixed interest securities and cash with equities not exceeding 75 per cent 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.

Financial review

The group outcome for the year was positive with a surplus of £427k which compares with a surplus of £1,389k for the year before. The principal reasons for this reduction were:

- 2013/14 increase in the value of investment assets was £127k compared to £540k in 2012/13 reflecting the fact that 2012/13 was a year of recovery for the investment markets.
- Income from generated funds only rose by 2% underpinned by £299k of capital grant from NHS England to develop an Outreach Centre in Haverhill.
- The cost of generating funds increased by 16%
- Costs associated with charitable activities rose by 11%

Capital expenditure during the year amounted to £468k and included the refurbishment of a building in Haverhill to develop an Outreach Centre, replacement mattresses for the In-Patient Unit, new shop openings, and replacement and additional IT equipment for the implementation of an electronic patient record system.

Income

Income in 2013/14 at £5,856k was up 1% on the previous year.

Voluntary income after taking out the impact of the NHS project related and NHS England capital grant has decreased by 10% year on year. The principal contributor to this was legacies which at £913k were down by 21%

Other significant movements within voluntary income were:

- Donations from Trusts and Statutory bodies (including the first of a further two years of Big Lottery Funding) at £462k were up 30%
- General donations at £269k and In Memoriam were down by 9% and 15% respectively reflecting a downturn in individual giving.

Events and groups income increased year on year by 8% - Girls' Night Out and the events run by the Special Events Committee were key to this achievement.

ST NICHOLAS HOSPICE (SUFFOLK)

Strategic report for the year ended 31 March 2014

Review of 2013/14 (continued)

Financial review (continued)

Lottery and draw income improved year on year by 4%. This was due to lottery income which grew by 7% following an increase in the average number of players as a result of canvassing campaigns which added 1,000 members over the 12 month period.

Retail income grew by 8%:

- Revenue growth was predominantly from recycling income (77%) new goods and house clearances (47%) and ladies clothing (10%).
- Exceptional growth performances were achieved in the Haverhill 48% (continued strong performance) and Newmarket furniture shop 57% (new premises).
- The Bury St Edmunds retail centre moved to the Barton Road Retail Park and a separate donations centre was opened on the outskirts of the town. Despite the move revenues increased by 15%.

Trading Subsidiary (St Nicholas Hospice Trading Limited) income shown of £52k relates to the sale of bought in goods, house clearances and corporate sponsorship activity.

Investment income fell as a result of lower interest earned from bank deposits following the transfer of a further £750k into the investment portfolio at the beginning of 2013/14 and the continued downward trend in interest rates.

Income from charitable activities, comprising principally NHS funding reduced by 2% although the main grant remained at the same level that it has done for the last 4 years. For further comment on the future of NHS funding please refer to the later section 'Going Concern'.

Expenditure

Total resources expended at £5,535k represents an increase of £623k (13%) against the previous year. The increase was largely due to:

- Moving to a new retail centre, setting up a new donations centre and associated running costs plus a trial of a second furniture delivery and collection van.
- Investment in additional clinical staff to enable community working training.
- Project costs associated with the development of an outreach centre in Haverhill.
- Project costs associated with the implementation of the new electronic patient record system (SystemOne).
- The recruitment of a Major Gifts Manager

A general pay increase of 1.5% awarded to staff.**St Nicholas Hospice Trading Limited**

Income of £103k relates to the sale of bought in goods, house clearance income, sponsorship monies and donor procurement charges made to the Charity for the recruitment of donors who gift aid. For the year under review £48k of gift aid is due to be reclaimed by the Charity as a result of this donor recruitment.

After expenditure of £103k (which includes charges for its share of shop, management and event costs and a donation to the Charity of £15k) the company incurred a loss of £477.

At the end of the year shareholders funds stood at £ 41k (2013: £41k).

ST NICHOLAS HOSPICE (SUFFOLK)

Strategic report for the year ended 31 March 2014

Review of 2013/14 (continued)

Financial review (continued)

Cash at bank

During April 2014 a further £750k was transferred into longer term investments. The Charity has benefited from a positive financial performance which has meant that the three major development projects (increased community focus, Haverhill Outreach Centre and the electronic patient record system) have not significantly impacted on the level of cash at bank.

Reserves

Total reserves at the end of the year amounted to £11.6m of which £0.8m were restricted. Of the unrestricted reserves £2.1m 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.

In February 2013 the Trustees reviewed the level of free undesignated reserves taking account of current economic uncertainty and the on-going need for working capital for the day-to-day activities of the charity. The Trustees also took into consideration the risks associated with the Charity's key income streams and the future needs of the Community that the Hospice serves. As a consequence the Trustees are currently of the opinion that free reserves, excluding designated funds, should ideally represent approximately 1 year of total running costs. This ensures that the organisation can continue to support beneficiaries in periods of financial downturn, but also enables funds to be set aside for future Hospice services and revenue generating projects. The actual and predicted level of reserves are compared throughout the year to one year's running costs when considering new projects.

Free undesignated reserves at 31 March 2014 stood at £7.4m which exceeds the target of 1 year of total running costs, but takes into account a predicted deficit in 2014/15 due to transition costs in relation to moving the Hospice towards a greater community focus and the final costs associated with the implementation of the electronic patient record system.

In 2010/11 The Trustees designated the 'Hospice Community Services Fund' to 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. In accordance with this in December 2012 it was agreed that the fund should be used to underpin three years annual running costs for the establishment of a pilot Hospice Community centre in Haverhill, the capital redevelopment costs of which have been part funded by NHS England. In 2012/13 it was decided that a further £600k should be added to the fund in order to provide 'pump prime' funding for future outreach projects.

In 2012/13 the Trustees also designated the 'Income Generation Projects Fund' to be used for investment in income generating projects to fund future growth in services. During the year under review £75k was spent on opening new shops

The attributed income (£735) from the Earl of Euston 2009 Fund was used in furtherance of the objects of the Hospice.

ST NICHOLAS HOSPICE (SUFFOLK)

Strategic report for the year ended 31 March 2014

Review of 2013/14 (continued)

Plans for Future Periods

In line with our strategy to reach more people next year we will:

1. Develop and increase our income to meet loss of specific grants in future years
2. Develop our community partnership activity specifically working with marginalised groups
3. Increase our community and out of hours support to patients and their families
4. Establish and develop our outreach activity at The Burton Centre
5. Establish the new clinical management structure and integrated, flexible working
6. Fully implement an electronic patient record system
7. Launch the Hospice's new strategy to the wider community

Principal Risks and Uncertainties

The main risks for the Charity relate to the changes required to meet the growing demand from our local population as well as continuing to maintain and develop income streams to meet increasing costs.

The future of palliative care funding and agreements are still not agreed at a national level although West Suffolk Commissioners have indicated they wish to develop a 4 year grant agreement with the Charity.

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 2013. The grant agreement to 31 March 2014, to determine the terms of longer term funding, is in the final stages of negotiation. For the year 2014/15 the Hospice has received its funding allocation from West Suffolk CCG, which represents no change on the amount received in 2013/14.

The national review of how hospices and other palliative care providers are funded was completed in July 2011. Pilots across the U.K. have taken place to test the options, however no further information is available at this stage to advise of likely changes. The implementation of funding changes is targeted for at latest 2015. GP consortia have been established in Suffolk and Norfolk and the Hospice is now commissioned by these.

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 Strategic Report.

The Trustees have considered the financial position of the Charity, the investment portfolio, the level of free reserves and the 2014/15 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.

ST NICHOLAS HOSPICE (SUFFOLK)

Strategic report for the year ended 31 March 2014

Statement of Trustees' responsibilities

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

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

In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Statement as to disclosure of information to the Auditor

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 auditor is 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 auditor is aware of the information.

This Annual Report and Strategic Report was approved by the Trustees on 18 September 2014



Adrian Williams CBE
Chairman

ST NICHOLAS HOSPICE (SUFFOLK)

Independent auditor's 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 2014 on pages 25 to 49. 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 23 the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

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 2014 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and 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 charitable company 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 charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



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

25 September 2014

ST NICHOLAS HOSPICE (SUFFOLK)

Consolidated Statement of financial activities (incorporating the income and expenditure statement) for the year ended 31 March 2014

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	2014 Total £	2013 Total £
Incoming resources						
<i>Incoming resources from generated funds</i>						
Voluntary income:						
Donations, gifts, grants and capital grants	2	730,115	728,784	-	1,458,899	1,230,558
Legacies		849,671	62,926	-	912,597	1,161,220
Activities for generating funds:						
Sale of donated and other goods		847,401	-	-	847,401	784,411
Events, groups and promotional activities		544,221	8,531	-	552,752	510,519
Lottery and Draw subscriptions		483,901	-	-	483,901	463,890
Other income		65,518	-	-	65,518	62,276
Income of trading subsidiary		51,816	-	-	51,816	57,922
Investment income	4	134,769	-	735	135,504	143,544
<i>Incoming resources from charitable activities</i>						
Caring for in-patients	5	743,721	-	-	743,721	770,404
Caring for day patients		154,878	-	-	154,878	153,941
Caring for patients in their homes		311,106	-	-	311,106	301,892
Family support and bereavement counselling		132,448	-	-	132,448	134,091
Education, training and research into palliative care		5,840	-	-	5,840	13,742
Total incoming resources		5,055,405	800,241	735	5,856,381	5,788,410
Resources expended						
<i>Cost of generating funds</i>						
Cost of generating voluntary income:						
Donations and gifts		198,307	-	-	198,307	189,544
Legacies		45,091	-	-	45,091	44,226
Fundraising trading:						
Expenses of trading subsidiary		22,946	-	-	22,946	27,995
Cost of selling donated and bought-in goods		886,027	-	-	886,027	743,629
Events, groups and promotional activities		363,838	871	-	364,709	303,338
Lottery prizes and administration		250,179	-	-	250,179	219,135
Investment management costs		59,374	-	-	59,374	48,782
		1,825,762	871	-	1,826,633	1,576,649
<i>Charitable activities</i>						
Caring for in-patients		1,747,590	71,785	735	1,820,110	1,722,830
Caring for day patients		484,556	10,924	-	495,480	395,931
Caring for patients in their homes		456,022	402,722	-	858,744	776,455
Family support and bereavement counselling		358,506	19,152	-	377,658	344,876
Education, training and research into palliative care		88,699	35,203	-	123,902	65,260
		3,135,373	539,786	735	3,675,894	3,305,352
Governance costs	8	32,359	-	-	32,359	29,635
Total resources expended	6	4,993,494	540,657	735	5,534,886	4,911,636
Net incoming resources before other recognised gains and losses						
Realised (losses) /gains on investment assets	13	61,911 (21,190)	259,584 -	- (150)	321,495 (21,340)	876,774 (27,266)
Net incoming resources	9	40,721	259,584	(150)	300,155	849,508
Unrealised gains on investment assets	13	126,091	-	700	126,791	539,507
Net movement in funds		166,812	259,584	550	426,946	1,389,015
Reconciliation of funds						
Total funds brought forward		10,622,922	528,230	35,696	11,186,848	9,797,833
Total funds carried forward		10,789,734	787,814	36,246	11,613,794	11,186,848

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 2014

Company registration number 1748046

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	12	2,980,133	2,673,822
Investments	13	7,320,210	6,421,259
		<u>10,300,343</u>	<u>9,095,081</u>
Current assets			
Stocks	15	15,660	6,612
Debtors	16	473,291	192,497
Cash at bank and in hand		1,487,406	2,386,351
		<u>1,976,357</u>	<u>2,585,460</u>
Creditors: amounts falling due within one year	17	<u>662,906</u>	<u>493,693</u>
Net current assets		<u>1,313,451</u>	<u>2,091,767</u>
Net assets	18	<u>11,613,794</u>	<u>11,186,848</u>
The funds of the charity			
Unrestricted funds:			
General fund	19	7,439,152	7,104,424
Designated funds	19	3,350,582	3,518,498
Restricted fund	20	787,814	528,230
Endowment fund	21	36,246	35,696
Total charity funds	18	<u>11,613,794</u>	<u>11,186,848</u>

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



18 September 2014

Adrian Williams CBE

Chairman

The notes on pages 29 to 49 form part of these financial statements.

ST NICHOLAS HOSPICE (SUFFOLK)

Charity Balance Sheet as at 31 March 2014

Company registration number 1748046

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	12	2,980,133	2,673,822
Investments	14	7,355,210	6,456,259
		<u>10,335,343</u>	<u>9,130,081</u>
Current assets			
Debtors	16	498,367	204,262
Cash at bank and in hand		1,455,340	2,361,943
		<u>1,953,707</u>	<u>2,566,205</u>
Creditors: amounts falling due within one year	17	<u>661,532</u>	<u>493,194</u>
Net current assets		<u>1,292,175</u>	<u>2,073,011</u>
Net assets	18	<u>11,627,518</u>	<u>11,203,092</u>
The funds of the charity			
Unrestricted funds:			
General fund	19	7,452,876	7,120,668
Designated funds	19	3,350,582	3,518,498
Restricted fund	20	787,814	528,230
Endowment fund	21	36,246	35,696
Total charity funds	18	<u>11,627,518</u>	<u>11,203,092</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 18 September 2014



Adrian Williams CBE

Chairman

The notes on pages 29 to 49 form part of these financial statements.

ST NICHOLAS HOSPICE (SUFFOLK)

Consolidated cash flow statement for the year ended 31 March 2014

	Note	2014		2013	
		£	£	£	£
Net cash inflow/(outflow) from operating activities	A		204,287		(327,433)
Returns on investment and servicing of finance					
Bank interest received		28,680		42,036	
Investment income received		114,466		108,030	
			143,146		150,066
Capital expenditure					
Payments to acquire tangible fixed assets		(454,057)		(51,011)	
Receipts from sale of fixed assets		1,179		708	
			(452,878)		(50,303)
Financial investment					
Payments to acquire investments		(2,033,993)		(2,238,528)	
Receipts from sale of investments		1,120,156		1,902,304	
			(913,837)		(336,224)
Decrease in cash	B		(1,019,282)		(563,894)

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

	2014	2013
	£	£
Net incoming resources before transfers and gains	321,495	876,774
Investment Income	(135,504)	(143,544)
Assets granted by the NHS	-	(8,950)
Depreciation	154,583	171,388
Loss/(profit) on disposal of tangible fixed assets	6,194	(127)
(Increase) in stock	(9,048)	(585)
(Increase) in debtors	(288,432)	(9,538)
Increase/(Decrease) in creditors	154,999	(1,212,851)
Net cash inflow/(outflow) from operating activities	204,287	(327,433)

B Analysis of changes in cash

	At 1 April 2013	Cash flows	At 31 March 2014
	£	£	£
Cash at bank and in hand	2,386,351	(898,945)	1,487,406
Cash held as investment	233,966	(120,337)	113,629
	2,620,317	(1,019,282)	1,601,035

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2014

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' (SORP).

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 2014.

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 £5,831k and the net movement in funds was a surplus of £427k.

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 2014 (*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 2014 (*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

	2014	2013
	£	£
Donations, gifts and capital grants		
General donations	269,379	297,043
Specific donations	7,875	13,952
Capital grants	299,161	30,000
Statutory specific grant	32,192	104,636
Statutory grants	-	3,800
Regular giving	75,574	72,058
In Memoriam	163,289	190,659
Collection boxes	21,785	20,839
Trusts	462,120	356,295
Industry/commerce	125,999	139,868
Membership subscriptions	1,525	1,408
	<u>1,458,899</u>	<u>1,230,558</u>

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2014 (*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 2014 were £40,783 (2013: £41,260).

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 2014 and 31 March 2013 are show below:

	2014 £	2013 £
Turnover	103,303	95,587
Cost of sales	19,062	23,660
Gross profit	84,241	71,927
Administrative expenses	69,267	59,940
Operating profit	14,974	11,987
Interest payable	435	300
Profit on ordinary activities	14,539	11,687
Amount gifted to St Nicholas Hospice (Suffolk)	(15,016)	(17,045)
Retained (loss) for the year	(477)	(5,358)

4 Investment income

	2014 £	2013 £
UK fixed interest securities	7,005	3,506
Non- UK fixed interest securities	3,010	3,177
Non-UK listed equities and unit trusts	27,038	23,405
UK listed equities and unit trusts	73,410	81,033
Interest on bank and building society deposits	25,041	32,423
	135,504	143,544

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2014 (*Continued*)

5 Incoming resources from charitable activities

	Grants £	Training income £	Training grants £	NHS Service contracts £	Sponsor -ship £	Total 2014 £	Total 2013 £
Caring for in-patients	20,700	-	-	723,021	-	743,721	770,404
Caring for day patients	-	-	-	154,878	-	154,878	153,941
Caring for patients in their homes	-	-	-	311,106	-	311,106	301,892
Family support and bereavement counselling	-	-	-	132,448	-	132,448	134,091
Education, training and research into palliative care	-	3,176	2,664	-	-	5,840	13,742
Total	20,700	3,176	2,664	1,321,453	-	1,347,993	1,374,070
2013	13,800	12,047	1,495	1,346,528	200	1,374,070	

In 2014 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 12 month agreement with Suffolk NHS commencing from 1st April 2012. Included in the amount received is £77k from South Norfolk CCG in respect of the delivery of services in the Thetford area. The amounts disclosed also include the drugs, gases, medical equipment 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 2014 (*Continued*)

6 Resources expended

	Staff Costs £	Other Costs £	Support costs £	Total 2014 £	Total 2013 £
Cost of generating voluntary income:					
Donations and gifts	127,357	40,767	30,183	198,307	189,544
Legacies	29,970	8,258	6,863	45,091	44,226
	<u>157,327</u>	<u>49,025</u>	<u>37,046</u>	<u>243,398</u>	<u>233,770</u>
Fundraising trading:					
Cost of selling donated and bought in goods	346,136	425,528	114,363	886,027	743,629
Events, groups and promotional activities	180,849	128,350	55,510	364,709	303,338
Expenses of trading subsidiary	-	22,946	-	22,946	27,995
Lottery prizes and administration	45,809	193,159	11,211	250,179	219,135
	<u>572,794</u>	<u>769,983</u>	<u>181,084</u>	<u>1,523,861</u>	<u>1,294,097</u>
Investment management costs	-	59,374	-	59,374	48,782
Charitable activities:					
Caring for in-patients	1,118,949	276,685	424,476	1,820,110	1,722,830
Caring for day patients	285,335	94,957	115,188	495,480	395,931
Caring for patients in their homes	640,653	83,750	134,341	858,744	776,455
Family Support and bereavement counselling	261,206	60,055	56,397	377,658	344,876
Education, training and research into palliative care	96,533	7,202	20,167	123,902	65,260
	<u>2,402,676</u>	<u>522,649</u>	<u>750,569</u>	<u>3,675,894</u>	<u>3,305,352</u>
Governance costs	-	14,937	17,422	32,359	29,635
Total resources expended	<u>3,132,797</u>	<u>1,415,968</u>	<u>986,121</u>	<u>5,534,886</u>	<u>4,911,636</u>

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2014 *(Continued)*

7 Support costs

	Admin, Finance and IT £	Personnel £	Maintenance £	Catering £	Total 2014 £	Total 2013 £
Cost of generating voluntary income:						
Donations and gifts	17,313	10,366	2,504	-	30,183	29,001
Legacies	3,937	2,357	569	-	6,863	6,767
	<u>21,250</u>	<u>12,723</u>	<u>3,073</u>	<u>-</u>	<u>37,046</u>	<u>35,768</u>
Fundraising and trading:						
Cost of selling donated and bought in goods	71,533	42,830	-	-	114,363	97,831
Events, groups and promotional activities	31,840	19,064	4,606	-	55,510	46,413
Lottery, prizes and administration	6,869	4,112	230	-	11,211	14,096
	<u>110,242</u>	<u>66,006</u>	<u>4,836</u>	<u>-</u>	<u>181,084</u>	<u>158,340</u>
Charitable activities:						
Caring for in-patients	121,884	72,976	79,577	150,039	424,476	402,014
Caring for day patients	35,784	21,425	20,469	37,510	115,188	102,027
Caring for patients in their homes	78,358	46,916	9,067	-	134,341	123,644
Family Support and bereavement counselling	29,004	17,365	10,028	-	56,397	51,693
Education, training and research into palliative care	11,797	7,063	1,307	-	20,167	10,027
	<u>276,827</u>	<u>165,745</u>	<u>120,448</u>	<u>187,549</u>	<u>750,569</u>	<u>689,405</u>
Governance costs	<u>17,422</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,422</u>	<u>15,414</u>
Total resources expended	<u>425,741</u>	<u>244,474</u>	<u>128,357</u>	<u>187,549</u>	<u>986,121</u>	<u>898,927</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

	2014 £	2013 £
Audit fees including VAT (for the Charity)	14,937	14,221
General management	17,422	15,414
	<u>32,359</u>	<u>29,635</u>

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2014 (*Continued*)

9 Net movement in funds

	2014 £	2013 £
This has been arrived at after charging:		
Depreciation	154,583	171,388
(Loss)/profit on disposals	(6,194)	127
Operating lease payments - land and buildings	154,260	154,196
- motor vehicles	42,882	39,892
- equipment	8,828	8,391
Auditors remuneration - Statutory audit of charity and group	12,200	11,850
- Statutory audit of subsidiary	3,050	2,950
	<u> </u>	<u> </u>

10 Staff costs

	2014 £	2013 £
Wages and salaries	3,358,594	3,021,851
Social security costs	265,917	243,712
Pension costs	198,152	178,951
	<u>3,822,663</u>	<u>3,444,514</u>

Staff costs include the cost of 'bank' staff (individuals who are employed as and when they are required by the charity) paid through the payroll. The recharged costs of a member of the medical team (Senior House Officer), who is paid by another organisation, amounting to £56,898 in 2014 (2013 - £35,203) are also included. A grant of £20,700 (2013 - £13,800) 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
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
	<u> </u>	<u> </u>

Employers pension contributions related to the above were £22,812 (2013 - £22,432).

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

	Number	Number
Hospice services	73	68
Fundraising and publicity	14	13
Shops	16	14
Lottery	1	2
Management and administration	11	9
	<u>115</u>	<u>106</u>

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2014 (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 2013	3,403,818	7,699	1,275,323	4,686,840
Additions	327,316	10,000	130,951	468,267
Disposals	(2,098)	-	(106,208)	(108,306)
At 31 March 2014	3,729,036	17,699	1,300,066	5,046,801
Depreciation				
At 1 April 2013	954,370	7,699	1,050,949	2,013,018
Charge for the year	68,577	1,500	84,506	154,583
Disposals	(280)	-	(100,653)	(100,933)
At 31 March 2014	1,022,667	9,199	1,034,802	2,066,668
Net book value				
At 31 March 2014	2,706,369	8,500	265,264	2,980,133
At 31 March 2013	2,449,448	-	224,374	2,673,822

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.
- The refurbishment of the In Patient Unit during 2008.
- Office reconfigurations in 2013.
- Improvements to the Orchard Day Centre on the Hospice site.
- Expenditure on new and existing shops.
- The development of an Outreach Centre at the Burton Centre in Haverhill

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 2014 (*Continued*)**13 Investments (Group)**

	2014 £	2013 £
Market value		
At 1 April 2013	6,187,293	5,338,828
Additions	2,033,993	2,238,528
Disposals	(1,120,156)	(1,902,304)
Gains	105,451	512,241
	<u>7,206,581</u>	<u>6,187,293</u>
Cash held as investment	113,629	233,966
At 31 March 2014	<u>7,320,210</u>	<u>6,421,259</u>
<i>Market value can be analysed as follows:</i>		
UK fixed interest securities	900,930	801,613
UK listed equities and unit trusts	2,743,307	2,457,441
Non-UK fixed interest securities	607,231	698,276
Non-UK listed equities and unit trusts	2,955,113	2,229,963
Cash held as investment	113,629	233,966
	<u>7,320,210</u>	<u>6,421,259</u>
<i>The historical cost of investments can be analysed as follows:</i>		
UK fixed interest securities	843,829	710,863
UK listed equities and unit trusts	2,487,021	2,242,025
Non-UK fixed interest securities	574,582	641,332
Non-UK listed equities and unit trusts	2,445,455	1,810,550
Cash held as investment	113,629	233,966
Cost at 31 March 2014	<u>6,464,516</u>	<u>5,638,736</u>

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2014 (*Continued*)

14 Investments (Charity)

	2014 £	2013 £
Market value		
At 1 April 2013	6,222,293	5,373,828
Additions	2,033,993	2,238,528
Disposals	(1,120,156)	(1,902,304)
Gains (Losses)	105,451	512,241
	<u>7,241,581</u>	<u>6,222,293</u>
 Cash held as investment	 113,629	 233,966
At 31 March 2014	<u>7,355,210</u>	<u>6,456,259</u>
<i>Market value can be analysed as follows:</i>		
UK fixed interest securities	900,930	801,613
UK listed equities and unit trusts	2,743,307	2,457,441
Non UK fixed interest securities	607,231	698,276
Non-UK listed equities and unit trusts	2,955,113	2,229,963
Investment in subsidiary company	35,000	35,000
Cash held as investment	113,629	233,966
	<u>7,355,210</u>	<u>6,456,259</u>
<i>The historical cost of investments can be analysed as follows:</i>		
UK fixed interest securities	843,829	710,863
UK listed equities and unit trusts	2,487,021	2,242,025
Non-UK fixed interest securities	574,582	641,332
Non-UK listed equities and unit trusts	2,445,455	1,810,550
Cash held as investment	113,629	233,966
Investment in subsidiary company	35,000	35,000
Cost at 31 March 2014	<u>6,499,516</u>	<u>5,673,736</u>

Concentration of investments

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

	2014		2013	
	Market value	%	Market value	%
	£		£	
Standard Life Wealth SIA fund	940,181	13.0	700,532	11.3

ST NICHOLAS HOSPICE (SUFFOLK)Notes forming part of the financial statements for the year ended 31 March 2014 (*Continued*)

15	Stocks (Group)	2014	2013
		£	£
	Bought in goods for resale	15,660	6,612
		<hr/>	<hr/>
16	Debtors	2014	2013
		£	£
	Group		
	Trade debtors	10,180	4,030
	Other debtors	256,456	817
	VAT	12,950	18,628
	Prepayments and accrued income	193,705	169,022
		<hr/>	<hr/>
		473,291	192,497
		<hr/>	<hr/>
	Charity		
	Trade debtors	10,180	4,030
	Other debtors	256,456	817
	VAT	13,026	18,393
	Prepayments and accrued income	193,705	169,022
	Loan due from subsidiary undertaking	-	12,000
		<hr/>	<hr/>
		473,367	204,262
		<hr/>	<hr/>
	Amounts due in greater than one year:		
	Loan due from subsidiary undertaking	25,000	-
		<hr/>	<hr/>
		498,367	204,262
		<hr/>	<hr/>

The loan due from the subsidiary undertaking was repaid in full in 2013. A new loan to fund working capital was granted on 16th November 2013 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 15th November 2018.

ST NICHOLAS HOSPICE (SUFFOLK)Notes forming part of the financial statements for the year ended 31 March 2014 (*Continued*)**17 Creditors: amounts falling due within one year**

	2014 £	2013 £
Group		
Expense creditors	101,119	111,242
Other taxes and social security costs	76,243	68,637
Other creditors	46,594	23,933
Accruals	265,625	179,598
Deferred income – lottery (see below)	74,092	71,506
Deferred income – other	99,233	38,777
	<u>662,906</u>	<u>493,693</u>
Charity		
Expense creditors	101,023	110,196
Due to subsidiary company	4,116	6,168
Other taxes and social security costs	76,243	68,637
Other creditors	46,594	23,933
Accruals	260,231	173,977
Deferred income - lottery (see below)	74,092	71,506
Deferred income – other	99,233	38,777
	<u>661,532</u>	<u>493,194</u>

Deferred income – ‘other’ in 2013/14 and 2012/13 relates to various grants received in advance and income received for fundraising events that take place after the year end.

Deferred Income – lottery

	2014 £	2013 £
Balance as at 1 st April	71,506	72,874
Additional amounts of income deferred	74,092	71,506
Amount released to incoming resources	(71,506)	(72,874)
Balance as at 31 st March	<u>74,092</u>	<u>71,506</u>

This relates to advance payments from lottery members for future lottery draws.

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2014 (*Continued*)

18 Analysis of group net assets between funds

	Tangible fixed assets	Investments	Net current Assets	2014 Total	2013 Total
	£	£	£	£	£
Unrestricted funds					
General fund	160,868	6,783,964	494,320	7,439,152	7,104,424
Designated funds:					
Building fund.	2,102,163	-	-	2,102,163	2,160,258
Hospice Community Service fund.	-	500,000	500,818	1,000,818	1,058,240
Income generation projects fund.	-	-	247,601	247,601	300,000
	<u>2,263,031</u>	<u>7,283,964</u>	<u>1,242,739</u>	<u>10,789,734</u>	<u>10,622,922</u>
Restricted fund					
IPU ward refurbishment. Garden, Orchard Bradbury Green and Family room refurbishments.	192,320	-	-	192,320	224,045
Hospice Neighbours project.	98,842	-	-	98,842	106,718
Burton Centre refurbishment	2,135	-	-	2,135	6,302
HOPE funding.	336,066	-	-	336,066	-
NHS Transformation Funding	-	-	7,584	7,584	8,411
Electronic Patient Record	-	-	62,732	62,732	77,926
Beds for Sylvan Ward	-	-	-	-	30,000
Baths for Sylvan Ward	27,540	-	-	27,540	4,858
Clinical Equipment	11,110	-	-	11,110	15,239
Hospice at Home IT project.	44,039	-	-	44,039	46,232
Access to work	4,214	-	-	4,214	7,617
Homelessness project.	400	-	-	400	-
Miscellaneous non clinical equipment.	210	-	-	210	289
Miscellaneous expenditure.	226	-	-	226	489
	-	-	396	396	104
	<u>717,102</u>	<u>-</u>	<u>70,712</u>	<u>787,814</u>	<u>528,230</u>
Endowment fund	-	36,246	-	36,246	35,696
	<u>2,980,133</u>	<u>7,320,210</u>	<u>1,313,451</u>	<u>11,613,794</u>	<u>11,186,848</u>

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2014 *(Continued)*

18 Analysis of charity net assets between funds

	Tangible fixed assets	Investments	Net current Assets	2014 Total	2013 Total
	£	£	£	£	£
Unrestricted funds					
General fund	160,868	6,818,964	473,044	7,452,876	7,120,668
Designated funds:					
Building fund.	2,102,163	-	-	2,102,163	2,160,258
Hospice Community Services Fund.	-	500,000	500,818	1,000,818	1,058,240
Income generation projects fund	-	-	247,601	247,601	300,000
	<u>2,263,031</u>	<u>7,318,964</u>	<u>1,221,463</u>	<u>10,803,458</u>	<u>10,639,166</u>
Restricted fund					
IPU ward refurbishment. Garden, Orchard Bradbury Green and Family room refurbishments.	192,320	-	-	192,320	224,045
Hospice Neighbours project.	98,842	-	-	98,842	106,718
Burton Centre refurbishment	2,135	-	-	2,135	6,302
HOPE funding.	336,066	-	-	336,066	-
NHS Transformation Funding	-	-	7,584	7,584	8,411
Electronic Patient Record	-	-	45,540	45,540	77,926
Beds for Sylvan Ward	-	-	-	-	30,000
Baths for Sylvan Ward	27,540	-	-	27,540	4,858
Clinical Equipment	11,110	-	-	11,110	15,239
Hospice at Home IT project.	44,039	-	-	44,039	46,232
Access to work	4,214	-	-	4,214	7,617
Homelessness project.	400	-	-	400	-
Miscellaneous non clinical equipment.	210	-	-	210	289
Miscellaneous expenditure.	226	-	-	226	489
	-	-	396	396	104
	<u>717,102</u>	<u>-</u>	<u>70,712</u>	<u>787,814</u>	<u>528,230</u>
Endowment fund	-	36,246	-	36,246	35,696
	<u>2,980,133</u>	<u>7,355,210</u>	<u>1,292,175</u>	<u>11,627,518</u>	<u>11,203,092</u>

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2014 (*Continued*)

19 Group unrestricted funds

	Balance at 1 April 2013 £	Incoming Resources £	Resources Used £	Investment Gains £	Transfers £	Balance at 31 March 2014 £
General fund	7,104,424	5,055,405	(4,825,578)	104,901	-	7,439,152
Designated funds						
Building fund	2,160,258	-	(58,095)	-	-	2,102,163
Hospice Community Services Fund	1,058,240	-	(57,422)	-	-	1,000,818
Income generation projects fund	300,000	-	(52,399)	-	-	247,601
	<u>10,622,922</u>	<u>5,055,405</u>	<u>(4,993,494)</u>	<u>104,901</u>	<u>-</u>	<u>10,789,734</u>

Charity unrestricted funds

	Balance at 1 April 2013 £	Incoming Resources £	Resources Used £	Investment Gains £	Transfers £	Balance at 31 March 2014 £
General fund	7,120,668	5,029,936	(4,802,629)	104,901	-	7,452,876
Designated funds						
Building fund	2,160,258	-	(58,095)	-	-	2,102,163
Hospice Community Service Fund	1,058,240	-	(57,422)	-	-	1,000,818
Income generation projects fund	300,000	-	(52,399)	-	-	247,601
	<u>10,639,166</u>	<u>5,029,936</u>	<u>(4,970,545)</u>	<u>104,901</u>	<u>-</u>	<u>10,803,458</u>

Building fund

This is a designated fund representing the construction cost of the original building to 31 March 2014 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 Services Fund

The Trustees have previously designated the Hospice Community Services Fund be used for all services that are intended to support people in the local community during illness and bereavement. In 2012/13 it was increased by £600k to provide 'pump prime' capital and revenue funding for future outreach projects.

In December 2012 the Board agreed that this fund would be used to fund a pilot in Haverhill for a new community based Hospice outreach centre. The amount spent in 2013/14 is revenue expenditure relating to the project start up costs. Funding for a large proportion of the capital works needed to bring the chosen building up to the specification required has been secured from NHS England, The Garfield Weston Foundation and Suffolk County Council. In the absence of any other sources of funding, the Trustees have agreed to fund the remaining capital spend and three year's operating costs.

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2014 (Continued)

19 Group unrestricted funds (continued)

Income Generation Projects Fund

This fund was designated in 2012/13 to be used for investment in income generating projects such as additional retail shops and initiatives for growing lottery membership. The amount spent in 2013/14 represents the set up costs for the new Bury St Edmunds Retail Centre and the new Donations Centre.

20 Restricted funds

	Balance at 1 April 2013 £	Incoming Resources £	Resources Used £	Balance at 31 March 2014 £
In Patient Unit refurbishment. Garden, Orchard, Bradbury Green and Family room refurbishments.	224,045	-	(31,725)	192,320
Hospice Neighbours project. Burton centre refurbishment. Big Lottery Reaching Communities Fund Grant. HOPE funding.	6,302	35,128	(39,295)	2,135
Community Hospice Team. NHS Transformation Funding. Nicky's Way. Electronic Patient Record System.	-	336,066	-	336,066
Beds for Sylvan Ward. Baths for Sylvan Ward. Clinical Equipment. Big Lottery Fund Grant – Hospice at Home IT project. First Contact. Orchard day care. Access to work. Homelessness project. Miscellaneous non clinical equipment.	-	212,373	(212,373)	-
Miscellaneous expenditure.	8,411	-	(827)	7,584
	-	118,778	(118,778)	-
	77,926	17,192	(32,386)	62,732
	-	12,766	(12,766)	-
	30,000	15,000	(45,000)	-
	4,858	27,028	(4,346)	27,540
	15,239	-	(4,129)	11,110
	46,232	-	(2,193)	44,039
	7,617	-	(3,403)	4,214
	-	5,000	(5,000)	-
	-	2,100	(2,100)	-
	-	2,164	(1,764)	400
	289	15,000	(15,079)	210
	489	-	(263)	226
	104	1,646	(1,354)	396
	<u>528,230</u>	<u>800,241</u>	<u>(540,657)</u>	<u>787,814</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, Bradbury Green and Family Room 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 apart from the enhancements to the Family Room 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 2014 (*Continued*)

20 Restricted funds (*Continued*)

The Hospice Neighbours Project fund relates to revenue funding to maintain and grow a Volunteer scheme to provide practical support to people in their own homes.

The Big Lottery Reaching Communities Fund grant relates to specific revenue funding received to part fund our Community Hospice service.

The Burton Centre Refurbishment fund relates to funding received in order to develop an Outreach Centre in Haverhill. Included in the funding is £299k claimed out of £326k committed from NHS England, £25k from the Garfield Weston Foundation, £10k from Suffolk County Council and £2k from Suffolk Community Foundation. The capital spent to date is represented within long leasehold and furniture and equipment.

The HOPE course fund relates to revenue funding received for co-ordinating a course for cancer patients entitled 'Help Overcoming Problems Effectively'.

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 NHS Transformation Funding relates to specific revenue funding relating to care home partnership working and a project to develop joint working with the West Suffolk Hospital.

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 Electronic Patient Record System fund relates to specific funding given to part finance the implementation of SystmOne – the NHS electronic patient record system.

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

The Baths fund relates to specific funding received and expended on two replacement baths for Sylvan Ward – these are represented within furniture and equipment (note 12).

The Clinical Equipment fund relates to specific funding received for and partially expended on palliative care equipment. The equipment that has already been purchased is represented within furniture and equipment (note 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 First Contact fund relates to specific revenue funding towards the running cost of the First Contact Team who co-ordinate the Hospice's response to all service enquiries.

The Orchard Day Care fund relates to specific revenue funding towards the running costs of the Orchard Day Centre, which supports patients in achieving independence.

The Access to work fund relates to specific funding towards special IT equipment and training for individuals coping with Dyslexia. The IT equipment purchased is represented within furniture and equipment.

The Homelessness Project fund relates to specific revenue funding committed for a second year 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 Miscellaneous Non Clinical Equipment fund includes the following specific revenue funding for:

- The cost of a dolls house for Nicky's Way, the children's bereavement support service.
- Equipment for Nicky's Way.

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2014 (Continued)

20 Restricted funds (continued)

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

- Fundraising.
- The gardens.
- The In-patient Unit.
- Staff Christmas meal.
- Art therapy goods.
- The purchase of a book for the retail operation.

21 Endowment funds

	Balance at 1 April 2013 £	Incoming Resources £	Resources used £	Investment gain £	Balance at 31 March 2014 £
The Earl of Euston 2009 Fund	35,696	735	(735)	550	36,246

The income earned from the investment of the fund, £735, must be spent in accordance with the objects of the organisation.

The gain arising on the investment of the fund was £550 and the value of the fund was increased by this at 31 March 2014. The investment management charge attributable to the fund at £306 was immaterial and no adjustment has been made to the value of the fund.

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. Contributions paid by the charitable company during the year amounted to £62,415 (2013 - £54,127). Contributions outstanding at 31 March 2014 amounted to £5,733 (2013 - £4,519).

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 £122,664 (2013 - £120,607). Contributions outstanding at 31 March 2014 amounted to £10,877 (2013 - £9,293).

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 ranged from 5% to 13.3%. New employee contribution rates ranging from 5% to 14.5% have been set by the NHS for the forthcoming year to 31 March 2015.

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2014 (*Continued*)

24 Related party transactions

None of the charity trustees or connected persons received remuneration or reimbursement of expenses during the year (2013 - nil). Trustees' indemnity insurance amounting to £681 was paid for the year (2013 - £668).

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.

25 Financial commitments

As at 31 March 2014, the charitable company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Operating leases which expire:				
Within one year	16,750	67,750	35,150	4,576
In one to two years	9,000	5,000	2,016	27,505
In two to five years	26,400	17,400	14,711	17,880
Over five years	102,223	65,160	-	-
	<u>154,373</u>	<u>155,310</u>	<u>51,877</u>	<u>49,961</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 2014 the Charity had been notified of one reversionary legacy with an estimated value of £100k and three residual legacies with an estimated value of £251k. None 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 £28,876, £23,146 in respect of furniture, equipment and computers for the outreach centre in Haverhill and £5,730 in respect of the design and set up of a new on-line shop.

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.

"The 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.

The Plan closed to further accrual in January 2010 and following two Court hearings, for interpretation of the Plan rules, the entitlement of members has been definitively established. An actuarial valuation at 31 March 2009 revealed a significant deficit and a consequent recovery plan required the Company to contribute £1,074 for the three years commencing 1st April 2011 in respect of its share of the deficit.

ST NICHOLAS HOSPICE (SUFFOLK)

Notes forming part of the financial statements for the year ended 31 March 2014 (*Continued*)

28 Contingent liabilities

A further actuarial valuation, at 31 March 2013, shows that the overall deficit at that date is approximately £18.3 million. In line with the approach used for the 2009 valuation, the basis used to calculate the deficit was chosen to produce a level for the liabilities which was anticipated to be broadly in line with the cost of securing the Plan benefits with an insurer. A new Recovery Plan has now been issued which takes account of the 31 March 2013 actuarial valuation and subsequent changes in assets and liabilities up to the date of signing the valuation in June 2014.

Following the outcome of the Court case the Trustee of the Plan proposes to adjust each employer's liability in the new Recovery Plan to reflect the extent to which each employer has either underpaid or overpaid contributions during the course of the existing Recovery Plan. The Company will be required to pay £1,136 per annum for two years from 1st April 2014 and £955 per annum for two years from 1st April 2017 as its share of the deficit.

The next formal triennial actuarial valuation, which is due at 31 March 2015, may result in another revised Recovery Plan which in turn may change the amount the Company is required to contribute for its share of the deficit."

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 2014 the maximum potential liability under the terms of the registration was £75 (2013 £nil).

