

Annual Report and Financial Statements

Year ended 31 March 2016



St Nicholas
Hospice Care

A Registered Charity No. 287773

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 2016

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Trustees' Report for the year ended 31 March 2016



Trustees and Advisors

Board of Trustees

The Revd Canon R Norburn MBE ³

Mr A. Williams CBE

Mr C. Simpson ¹

Mr D. Barclay ^{1 5 6}

Mrs S. Hayter ³

Mr P. Marchant ^{1 5 6}

Mrs B. Martineau ⁴

Dr. E. Wallace ³

Mrs M. Miles ²

Revd Canon M. Vernon

Ms L. Macklin ^{2 6}

Mr M. Leith ^{2 3}

Mr I. Morgan ^{4 6}

Mrs A. Langdon ²

Life President

Chairman, resigned 30 November 2015

Appointed Chairman 30 November 2015

Honorary Treasurer

Vice Chair

Appointed 1 February 2016

Secretary and registered/principal office

Rachel Spencer, Macmillan Way, Hardwick Lane, Bury St Edmunds, Suffolk, IP33 2QY

Chief Executive

Barbara Gale

Senior Management

Kevin Clements – Fundraising and Marketing Director

Jane Doughty – Human Resources Director and Deputy Chief Executive

Debra Garside – Clinical Services Director

Rachel Spencer – Finance Director

Auditors

RSM UK Audit LLP (formerly 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, Bury St Edmunds 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 and Investment 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

Trustees' Report (incorporating Strategic Report)

The Board of Trustees present their annual report on the affairs of the charitable company, together with the financial statements for the year ended 31 March 2016.

Background

St Nicholas Hospice Care is a local charity providing help, advice and support to people in West Suffolk and Thetford in the final chapters of their life, people who are living with long-term and life-threatening illnesses. Our services are not just for patients, but for their family and friends too. They include everything from specialist medical care to bereavement support and practical help. We also liaise with other services which may be able to help and offer a variety of education to local professionals and carers.

St Nicholas Hospice Care has been supporting the people of West Suffolk and Thetford since 1984, delivering care to people in their own homes as well as in outpatient sessions, day therapy and on our inpatient ward. Every year we support around 1,000 individual people, their relatives and friends.

Our vision

"For everyone to have the very best experiences in the final chapters of their life"

Our Values

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

Our purpose

- Benefit people who are suffering in the final chapters of life
- Benefit the families of those who are affected, during illness and bereavement
- Enhance the role of the local community in supporting those facing the final chapters of their life

Charitable Activities

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

The Charity reviews its objectives and activities annually, identifying achievements and outcomes.

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.

Hospice Services

The clinical services are delivered by a clinical team led by a Clinical Services Director and the Senior Consultants in Palliative Medicine. The Clinical Services Director is also the Registered Manager, Clinical Information Governance Lead and Accountable Officer (for Controlled Drugs). One of the Consultants in Palliative Medicine is the Caldicott Guardian.

We have developed a flexible skill mix of people, ranging from experienced palliative care clinicians, therapists and carers to our broad mix of volunteers who provide support to all our services and organisational functions. This enables us to focus on proactive care planning and management, which aids effective patient centred decision making.

85% of the people the Hospice is in contact with are at home; they range from the quite stable, right through to the very ill.

The Hospice provides the following services to the local community:

1. Direct care and support to patients families and the bereaved via an open referral system.
2. Palliative care and bereavement advice, information and informal support to lay and professional people in the community.
3. Palliative care and bereavement education to lay and professional people in the community.

Our services and care are delivered in a variety of settings including the main building in Bury St Edmunds, which includes a 12 bedded inpatient and day unit, the Burton Centre in Haverhill and other community settings.

In addition to all our clinical care that we deliver directly to patients and their families, we also work through education, partnership and outreach providing support to as many people as possible in the most cost effective way.

Clinical care

Our aim is to improve access to specialist clinical care. We provide:

- 24-hour, seven days a week advice line.
- A First Contact service to ensure people access the right support for them at the right time.
- A skilled work force that works flexibly across all settings.

Clinical care is the direct care provided by our specialist clinical staff, in a variety of locations. In line with national guidance we are developing a service that ensures specialist hospice support is available to people wherever they are whether at home, in a care home, in hospital or with no home.

Education

Our aim is to educate our local community about caring and supporting people at the end of life and in bereavement. Our work includes:

- Providing expert advice to health care professionals.
- Training junior doctors, nurses and allied healthcare professionals who then go on to work elsewhere in Suffolk.
- Running training sessions in the community.
- Connecting other services to coordinate with each other to reduce waste and duplication.
- Working alongside staff from other organisations, which maximises individuals time and training opportunities without taking them away from the work place.
- Increasing staff confidence and competence in the delivery of end of life care in all community settings.
- Training to help carers support individual choice and control.

Community partnership

Our aim is to help more people to be able to access end-of-life care and advice in their own homes and communities. Our work includes:

- Outreach partnerships that foster reciprocal working relationships, particularly with other voluntary organisations.
- Collaborative working with Primary Care Services and Social Care Services to avoid duplication/waste of resources.
- Lessening impact on acute services, hospital and hospice inpatient services, which reduces emergency and planned admissions.
- Providing the right information at the right time to support continuity of care and reduced duplication of effort.
- Coordinating other services to reduce resource waste through travel and any associated costs.
- Supporting the individual to access funding streams and services by working in partnership with other healthcare professions (e.g. carers service respite budgets).

Outreach

Our aim is to provide more information advice and support to people in their own communities. Our work includes:

- Crisis prevention and supporting individuals in the local community by advising other healthcare professionals, through appropriate admission management and proactive care planning.
- Building confidence in the wider community that positively impacts on the emotional health and wellbeing of individuals, families and carers.
- Developing a relationship with individuals and carers, which enables us to decrease isolation and have the opportunity to divert a crisis, lessening the impact on other healthcare settings.
- Supporting individual choice and control.

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 270,000 (240,000 in West Suffolk and 30,000 in South Norfolk). Whenever 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 supports patients/people from young adulthood onwards, who have agreed to Hospice contact.

We encourage self-referral or contact from family or friends on behalf of people. We actively encourage people and their families to contact the Hospice early in an illness so we can help them 'live well' and maintain their independence.

Families, carers or significant friends can access the services in their own right, when they are affected by the person's illness or death.

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.

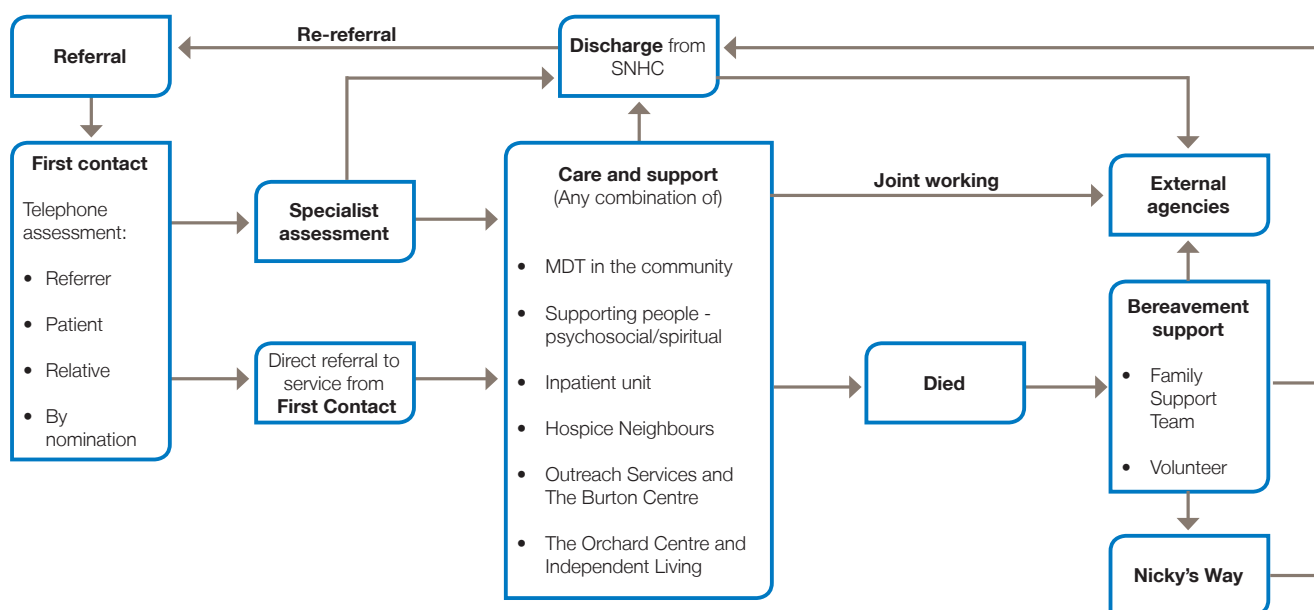
Additionally, the Hospice works with teenagers, young people, and their families. Hospice staff collaborate with East Anglia's Children's Hospice to meet the needs of young people in transition from children's hospice to adult services, in order to promote continuity.

How do we respond to requests for help and meet demand?

Our 'First Contact' service assesses new referrals within 24 hours; providing prompt, sensitive assessment of need. Walk-in, un-booked, open access is via informal group sessions or by immediate deployment of a staff member from the Reception Desk.

Care & Support Pathway

The following flow diagram provides an overview of our care and support pathway:



Integral to all that we do

24 Hour advice for professionals, patients, families and carers, advice in relation to medical, nursing, emotional, spiritual, psychosocial, and bereavement issues.

Education provided to external agencies and communities in addition to staff and volunteers working at the hospice.

Volunteers working in a variety of different roles at the Hospice and in the local communities to care and support individuals, families and carers.

Review of 2015/16

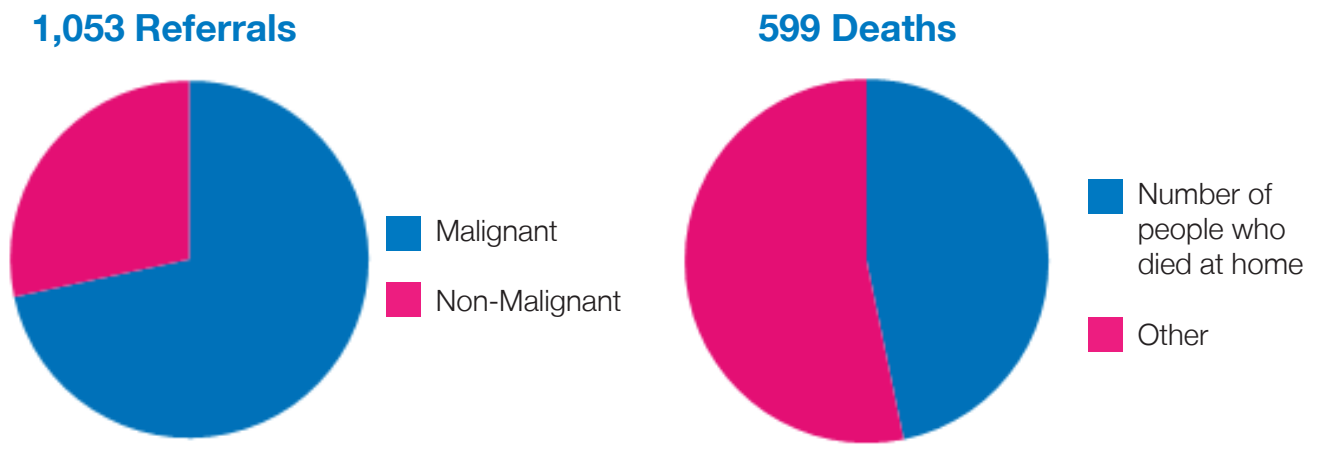
In 2015 we said we would:	By March 2016 we had:
Develop and increase our income to match expenditure	<p>Improved retail net income by 22% through our shops, including the opening of a new shop in Long Melford and development of our e-commerce and house clearance operations.</p> <p>Continued to grow our major events income, including Girls Night Out, resulting in a 29% net increase on 2014/15.</p> <p>Developed relationships with local solicitor firms to build on legacy income awareness.</p> <p>Continued the use of door to door canvassing to maintain lottery income.</p>
Ensure our workforce is equipped and structured to meet the growing needs of our community	<p>Five Health Care Assistants are undertaking Apprenticeships supported by West Suffolk College.</p> <p>Supported advanced nurse practitioner to become a non-medical prescriber.</p> <p>Worked with the Ideas Centre to develop creative solutions to the challenges we face.</p> <p>Worked with the Management Centre to enhance the leadership skills of our managers across the organisation.</p>
Enhance our community and out of hours support to patients and their families	<p>Piloted weekday evening cover by specialist nurses.</p> <p>Established a Hospice Support team to increase numbers of Senior Nurses, Registered Nurses and Health Care Assistants working alongside Specialist Nurses and Doctors in the community.</p>
Establish and develop our partnership and outreach activity across our community	<p>Piloted day services in Thetford.</p> <p>Established daily 'drop-in' sessions at The Burton Centre in Haverhill.</p> <p>Established successful groups at the Burton Centre in Haverhill that included a dance group for people with disability.</p>
Establish the new clinical management structure and integrated, flexible working	<p>Appointed two senior clinical managers.</p> <p>Introduced a new role of Family Therapist.</p> <p>Changed to the way Specialist Nurses work to free up time to focus on education and influencing external practice.</p> <p>Newly established Hospice Support Team has enabled integrated working with day services, independent living and family support teams and more staff working flexibly across the ward and community.</p>

In 2015 we said we would:	By March 2016 we had:
Establish closer working relationships with West Suffolk Hospital Foundation Trust (WSHFT)	<p>Recruited a second Consultant to work across both organisations, sharing knowledge and learning to improve the experience and services for our community.</p> <p>Worked closely to develop mutually beneficial new posts in education both at the WSH and Hospice.</p> <p>Held monthly joint multidisciplinary meetings.</p> <p>Link practitioners worked closely with key individuals at WSHFT to share good practice.</p>
Further develop learning opportunities to increase the confidence of others when caring for the dying and bereaved	<p>Training for junior doctors on good discharge summaries.</p> <p>Joint education program for carers.</p> <p>Teaching sessions for all doctors at Trust Post Graduate Medical Education.</p> <p>Increased the numbers of care home and care agency staff accessing training and support.</p> <p>Developed 'Grave Talk' for people to talk about death and dying in a cafe atmosphere.</p> <p>Work with local school to train staff to support bereaved children.</p>

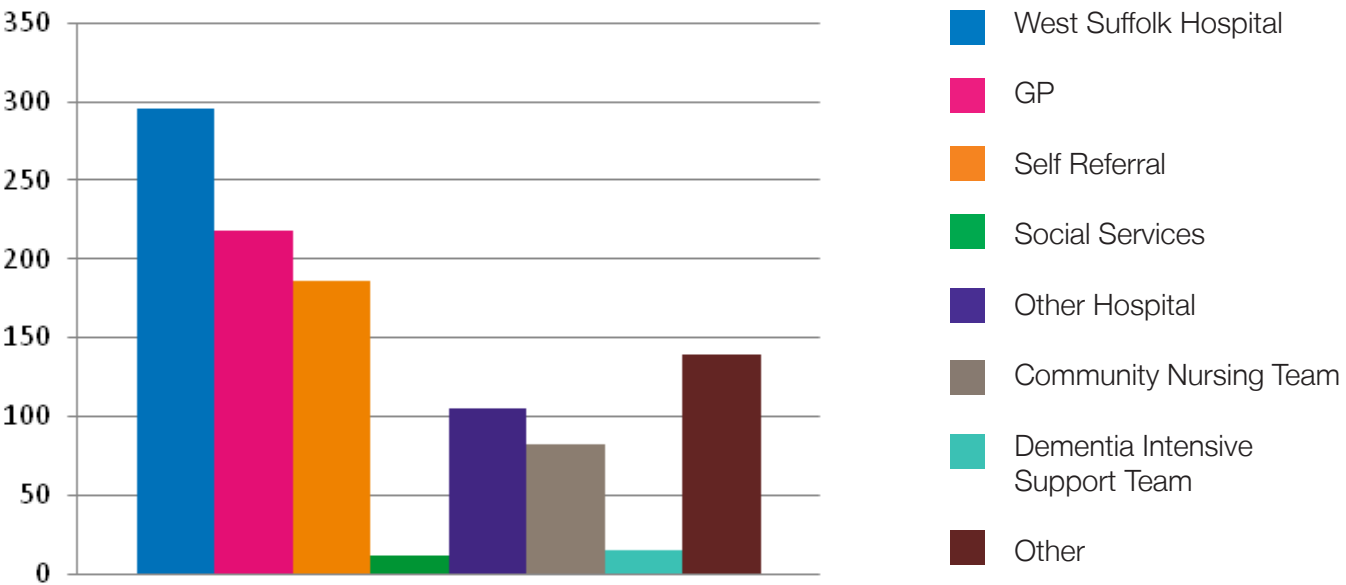
Clinical Service Activity

Referrals and Deaths

In the last financial year we had 1,053 referrals and supported 599 deaths. On average 90% of referrals are from West Suffolk.



Referrals by Source



Multi-disciplinary support in the Community

We have a 7 day service providing support and advice with managing symptoms, preparing and planning, and emotional and practical support, including crises and admission prevention. In the last year we doubled the number of people receiving a home visit from a clinician in Q4 compared to Q1. The changes to our skill mix have enabled us to support many more people on the telephone as well as provide more face to face and telephone contact with other health and social care professionals.

Supporting people during illness and bereavement

We provide emotional, psychological and practical support as well as signposting to adults and children through one to one sessions, groups and activities, including the award winning Nicky’s Way support programme for children. We provide face to face and telephone support to discuss the range of services available and assist family members and patients with the emotional and psychological impact of life limiting illness, death and the grief process.

In the last financial year we delivered bereavement support to **494** adults and children across our community:

- We ran **581** 1:1 bereavement support sessions
- We were in 1:1 contact with **489** people altogether
- **450** people participated in a bereavement support group
- We delivered **369** visits to people in the community

Inpatient Unit and 24/7 advice line

Sylvan Ward is a **12 bedded short-stay unit**, people are admitted to Sylvan Ward to:

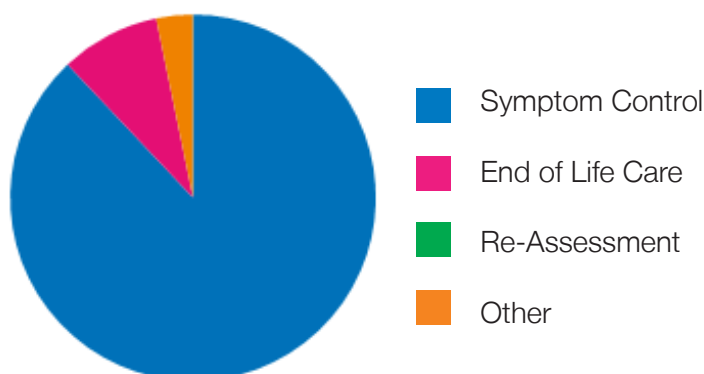
- manage symptoms that are particularly complex and have been difficult to control at home
- help people adapt to changes so they can go back home
- provide care at the end of life when it is not possible to die at home.

24 hour high quality nursing and medical care is supported by psychological and emotional support, complementary therapies, physiotherapy and occupational therapy. Volunteers work alongside staff to provide care and support and a hospitality service which includes mealtime support and meet and greet reception support.

In the last financial year we had **216** admissions (including re-admissions) with 10% of admissions happening out of hours.

Of the patients we cared for, **74** were discharged and **121** died on the ward.

216 Admissions to Sylvan Ward



24/7 Advice Line

Supported by nursing and medical staff the 24/7 telephone response for patients families and carers and the wider NHS community. The majority of our out of hours calls from patients and families as well as health professionals are in the early evening. The availability of a Hospice Specialist Nurse in the evening has proved beneficial to this service.

This service proves invaluable to **families and carers** of patients who have been discharged and may require follow up advice and support to continue care in normal place of residence and can prevent unnecessary admission.

The service is also a valuable resource to **care home staff**, who are encouraged to use the service. The care home education programme links participants to this service and it is anticipated that closer working relationships will see an increase in calls from care homes which could in turn **prevent admission to hospital**.

Joint working with West Suffolk Hospital Foundation Trust

The charity part funds a consultant post at the West Suffolk Hospital Foundation Trust (WSHFT) which enables greater integration of the two services, reducing duplication and providing greater continuity of care. There are now **two medical consultants** in post, each working across **both St Nicholas Hospice Care and West Suffolk Hospital Foundation Trust**, totalling 1.8 full time equivalents (18 sessions). This ensures **5 day a week** cover across each site and on call support out of hours.

Both organisations benefit from sharing best practice, education services and developing new protocols that enable individuals to work confidently across both sites.

Outreach services and the Burton Centre

Developing a more outreach focussed approach **increases our reach**, whilst ensuring access to a range of hospice services in the local community and providing individuals with **greater choice**.

We are developing more outreach services in schools and communities across West Suffolk. Our outreach centre in Haverhill, **The Burton Centre**, provides a varied programme of drop in activities and clinical support, including:

- Drop in
- 1:1 therapy
- Clinical outpatients
- Cafe
- Wellbeing groups

Our local presence in Haverhill has helped us build stronger relationships with partner agencies - the number of partner agencies using the facility has increased by **18%**, these include:

- Marginalised and Vulnerable Adults Team,
- Headway UK,
- Suffolk Age UK,
- Suffolk Police,
- Haverhill District Council,
- Out of Hours First Aid.

Working in partnership with other experts such as the Alzheimer's Society and Suffolk Carers we share knowledge and expertise to maximise resources and availability of services. We also work with local schools to train staff to support bereaved children and are currently running a 6 week teen group in a secondary school.

The Orchard Centre and Independent Living

In recognising **each person's situation is different**, the Orchard Centre offers treatment options and a range of supportive and social activities **focussed on living well**. This includes **24 sessions per week for a 6 weekly** personalised programme, weekly open house drop in sessions and numerous individual and group activities.

In total, last financial year:

- **731** people attended our 'Drop In' service.
- **517** came to the Hospice for Pre-Booked Clinical Appointments.
- **285** people attended our Day Care groups.

Hospice Rehabilitation Professionals

Our Physiotherapist, Occupational Therapist, Rehabilitation Assistants and Complementary Therapist provide one to one and group therapy to help people achieve their goals.

In the last financial year we delivered:

- **1,212** 1:1 therapy sessions at the Hospice.
- **589** visits to people in the community.
- **529** complementary therapy sessions.

Clinical Volunteers

The **100 volunteers** that support the clinical team are integral to our work here at the Hospice, in Outreach and in the wider community, to assist individuals in everyday life, providing practical support and dealing with bereavement.

Hospice Neighbours is a community-based and volunteer-led service that provides **practical support and companionship** to people and their families. The service recently won the Queens' Award for Voluntary Service.

We have around **150** volunteer Hospice Neighbours who get involved with a variety of things. This can include picking up prescriptions, taking the dog for a walk, light shopping and gardening or simply providing company to a patient or their carer. The work is directed by what the person needs, rather than prescribing a particular way of doing things.

In the last financial year we delivered **4,118** visits to people through our Hospice Neighbour volunteers.

Education

Our Education Team are committed to **spreading skills and expertise** in both specialist and non specialist subjects in palliative and end of life care.

In 2015/16 we trained **1,902** people, delivered **193** training courses on **22** different subjects to a range of organisations and worked with **65** different care homes in the last twelve months.

Training delivered included:

- Workplace learning.
- Classroom based learning.
- On line learning.
- Monthly Community Palliative Care Network for care home and domiciliary care staff.
- Clinical placements.

Example course subjects include:

- Difficult conversations - communication skills.
- Advance Care Planning.
- Palliative Care Emergencies.
- Symptom Management.
- Pain in Older People, including those with Dementia.
- End of Life Care.
- Admissions to hospital at end of life: Falls, Infections, dysphagia and aspirations.
- Grief and bereavement.
- Syringe pumps.

Clinical Quality Assurance

We appointed the new role of Quality Assurance and Service Development Lead with the remit to oversee clinical quality. This role will work closely with the Clinical Services Director to ensure that quality and service improvement is part of everyone's role.

Reported Incidents/Events

There were no serious incidents to report. Significant work to improve recruitment and retention of nursing staff has had a positive impact compared to the previous year. Nurses are now working flexibly across all areas and have all completed leadership development training.

We continue to be part of the Hospice UK Benchmarking for medication, pressure ulcer and falls incidents. We had lower than average incidents resulting in harm. Our staff report a higher number of near miss medication incidents which we believe reflects our intent to review and learn from the smallest of problems.

We have changed our process for incident investigation which is now led by link nurses with a specific remit for falls, pressure ulcers and medication. This has led to a number of changes in practice and training reviews and has increased awareness amongst staff of the areas of risk.

Care Quality Commission (CQC)

On 19 and 20 April 2016 we received an unannounced Care Quality Commission Inspection and were delighted to be judged as 'Outstanding' by the Inspectors.

Patient Safety

We have two groups which meet quarterly to ensure we regularly review practice and share learning from incidents and complaints.

1. The Patient Safety and Quality Care Committee, whose purpose is to:
 - create an annual quality assurance programme to include:
 - Clinical audit.
 - Clinical guidelines.
 - Clinical risk assessment.
 - Incident monitoring.
 - provide oversight/monitoring of clinical quality processes,
 - identify trends and concerns relating to non medical clinical incidents and recommend, appropriate action to address these,
 - create a timetable and process to critically appraise the need for individual clinical guidelines,
 - develop processes that promote Quality Assurance at individual clinician level.
2. The Medicine Management Committee focuses on all medicine issues including:
 - medicines incident analysis,
 - staff competency,
 - service developments e.g. nurse prescribing and patient self administration,
 - risk assessments,
 - policy and guideline review,
 - medical gases and blood transfusion practice.

Twice a year the Chief Pharmacist from West Suffolk Hospital Foundation Trust attends to offer scrutiny and advice to ensure the highest standards of controlled drugs medicine management.

To inform the management of medicines the Accountable Officer (AO) attends the regional AO Local Intelligence Network meetings; incidents involving controlled drugs are discussed with the committee.

User involvement

The User Advisory Group (UAG) met four times during the year and remains well attended with a mix of longer established and new 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 which is valued by UAG members. We are actively trying to involve people with experience of dementia in the group.

Members have discussed usage of beds on the ward, car parking, commented on research proposals and information for patients and commented on the strategy and new ideas for service developments. The Chair of our UAG was interviewed by the CQC inspector at our recent inspection.

Service Developments

Review of community support

We have changed our skill mix to reduce the number of high cost specialists and now include more support workers working in the community. Our team consists of:

- Consultant and Hospice Doctors
- Advanced and Specialist Practitioners, including:
 - Nurses
 - Social Workers
 - Physiotherapists
 - Family Therapists
 - Family Support Workers
 - Occupational Therapists
- Health Care Assistants,
- Rehabilitation Assistants,
- Volunteer practitioners.

We have reviewed our approach to attendance at Gold Standards Framework (GSFs) meetings and we now ensure feedback from all teams is provided to the staff member attending. Previously the Specialist Nurse was assumed to be the only person involved from the Hospice; we now encourage other members of the team to attend GSFs where possible. We support a significant number of people who are not yet known to the Hospice by advising at GSFs.

We work jointly with the Early Intervention Team particularly through our evening Specialist Nurse and attendance from the hospice education team to share practice, offer training and expert knowledge.

Review of family support team

We reviewed the support needs of our community and increased the spiritual support with a full time Chaplain and introduced a Family Therapist and Creative Therapist bereavement co-ordinators. Staff have their own specialist areas but also work with a share of the team's generic caseload. The role of a systemic family therapist in the team is boosting a hospice wide focus on the needs of families and carers, strengthening a whole family approach. The skill mix now includes:

- A Social Worker,
- A Family Therapist,
- A Creative Therapist,
- Bereavement Service Coordinators / Counsellors,
- A Family Support Intake Practitioner,
- A Chaplaincy Support Service,
- Volunteers including:
 - Family Support Volunteers including adult and children's bereavement and Family Support Assistants, Chaplaincy, Hospice Neighbours.

Education

We have introduced monthly peer support meetings to connect organisations, share experiences and embed practice development following our training sessions for care home and care agency staff. These open meetings welcome anyone working in the community with people in the last chapters of their life.

We also have a programme of integrated training delivery between health and social care organisations e.g. Suffolk GP Federation, Suffolk County Council, Suffolk Family Carers and Age UK.

Outreach

During the year, we have worked jointly with the Thetford Voluntary Service through shared visits, which has successfully highlighted new referrals that the Outreach service and Orchard Centre can support.

Strong links continue to develop with the local **Dementia Team** in Thetford which has led to our Rehab Assistant attending the monthly meetings offering support to both individuals and their carers.

Via our Breathing Space Group we are in the early stages of developing a working partnership with 'Upbeat' to improve support for **people living with heart failure**. Links are developing via the 'Breathe Easy' groups in Sudbury and Bury St Edmunds to improve the support for patients with **chronic lung conditions**.

People who use the Burton Centre have the opportunity to access support from the Hospice team closer to home without the added stress of a journey to Bury St Edmunds. The support model has developed as a drop in approach and the development of groups and activities is led by what people who use the centre tell us they want. The most popular activities are the dance group, men's group and open house.

The cafe is a friendly space open to the public. It provides a 'Hospice presence' where people can choose to come and find out more about the support available to them. Our staff and volunteers are available to provide appropriate advice and support.

Rehabilitative Palliative Care Approach on Sylvan Ward

Alongside 'traditional' symptom management and high quality nursing care we have introduced a number of **creative living and rehabilitative palliative care initiatives**. This includes a 'Daily Wish List' for patients and creative activities which can act as a pleasurable diversion or distraction for a patient or offer them a meaningful way to spend their time whilst on the ward. The HCAs engage in a range of distraction techniques such as hand massage, so that they can support patients through difficult periods particularly end of life.

Link Practitioner Development

We have focussed attention on the development of link practitioner roles. These roles are given to staff who are additionally trained in specific areas. They link with other professionals and use external resources to ensure best practice is followed. Link practitioners are responsible for sharing good practice, training, incident investigation, audit and risk assessment in their specific area. Staff are given regular 'link days' to undertake their role. Link roles include: nutrition, falls prevention, medicines management, understanding dementia, neurological conditions and diabetes.

The falls link practitioners have made a real impact upon the safety of people using the service.

The role of the dementia link practitioner ensures the on-going development of the staff group to prepare for more people who live with dementia that are expected to access this hospice services.

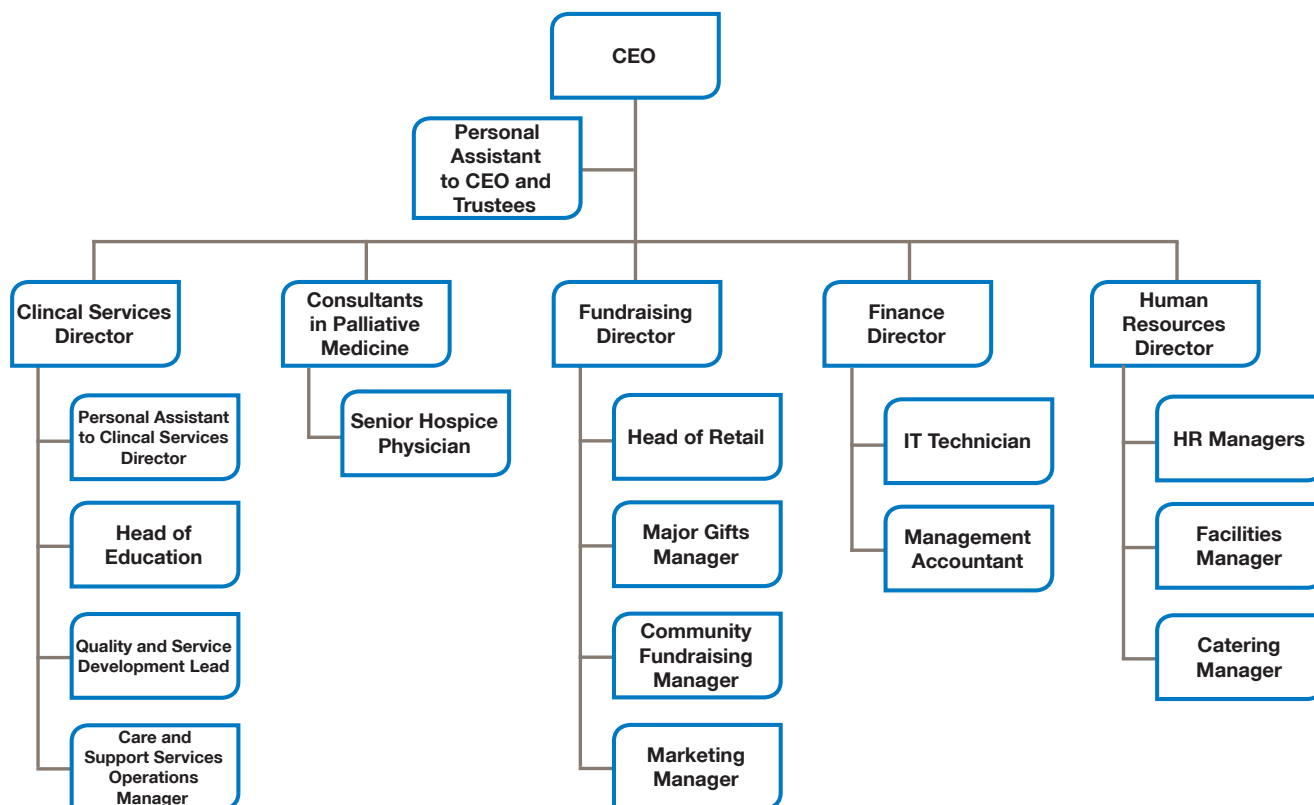
We have a weekly **clinical journal club** and weekly **clinical 'mini-bite'** training sessions occur with a variety of topics on a rolling programme often delivered by external speakers.

Post Graduate Research

As part of her PhD the Chief Executive Officer will complete her research in 2016 on the experiences of community hospice volunteers visiting people at home.

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 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 Consultants and the Clinical Services, Fundraising and Marketing, Finance, and Human Resources Directors. The Directorate meets regularly with the Operational Managers' 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 2016 the Charity employed 157 staff, over half of whom were part-time (equating to 130.1 full time equivalents), and 693 formal volunteers.

Board of Trustees Committees

During the year, the Board has continued to operate 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 the majority of Trustees including the Chair serves on at least one Sub Committee. The meetings are attended by the Chief Executive and relevant Director, other Directors attend when requested.

The Committees review directorate KPIs, monitor risk, incidents, complaints, health and safety and manager's recommendations for developments. 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 their annual fee. The meetings are attended by the Chief Executive, and the Finance Director.

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 palliative care standards and medicines management. The meetings are attended by the Chief Executive, the Clinical Services Director and the Consultant in Palliative Medicine.
3. **The Personnel Committee** examines and reviews issues affecting our staff and volunteers and make recommendations to the Board on these matters. The meetings are attended by the Chief Executive and the Human Resources Director.
4. **The Remuneration Committee** was formed during the year to take over responsibility from the Personnel Committee for reviewing pay and remuneration matters, and making recommendations to the Board accordingly. The committee is made up of the Chair Persons of each of the other committees and the Chairman of the Board.
5. **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.
6. **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, Fundraising and Marketing Director, and Head of Retail. Two trustee members are also Directors of St Nicholas Hospice Trading Limited (the charity's trading subsidiary).

Since year end, the Fundraising & Marketing Committee and the Retail Committee have been amalgamated into a single **Income Generation Committee**.

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.

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 receive 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 (excluding the Life President).

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:

Mr Malcolm Leith

Ms Loreen Macklin

Rev Cannon Matthew Vernon

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.

The system of financial controls designed to mitigate risk include a strategic plan, an 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. A new three year plan is being developed to support our future plans, as set out in the "Plans for Future Periods" section.

The main risks for the Charity continue to be meeting the growing demand from our local population and developing sufficient and develop income to meet increasing costs.

Demand

Demographic reports show that increases to the age of the local population and the incidence of serious illnesses will be significant in the coming years. The Charity is planning for this now through developing new ways of reaching and serving our local communities. Please see 'Plans for Future periods' on page 25 for more information.

Income Generation

Like most organisations, St Nicholas Hospice Care is not immune to economic conditions and factors such as the uncertainty that exists following the UK's decision to leave the European Union could affect the value of our investments, donations and grant funding from the NHS and other bodies. The charity is in a strong financial position having ensured sufficient reserves have been set aside to mitigate such threats to our income. The income portfolio is diverse and we constantly seek new opportunities to improve income or find new sources of income.

In addition to the above, the Hospice continues to focus on continually trying to improve its health and safety across the whole organisation. This has resulted in a continued reduction in both the number of reported incidents and the number of incidents where a person was harmed year on year for the last three years.

	2015-2016	2014-2015
Incidents reported	169	185
Incidents where a person was harmed	46	65

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.

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 seen by the Chief Executive and reported to the Board of Trustees.

Of the 30 complaints received this year, 6 related to clinical services, 13 to retail, 2 to fundraising and 9 were general. 7 resulted in a major investigation.

Learning outcomes and further actions included apologies for mistakes made, enhanced training and advice for volunteers and meeting with GP practice to enhance communication.

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

External Recognition

National and Local Awards

The success of our strategy continues to be recognised when in 2015 Hospice Neighbours won the Queen's Award for Voluntary Service, following on from the Queen's Award previously won for the development of the Nicky's Way initiative.

The huge contribution our volunteers make has also been recognised externally through one of our volunteers, being awarded the League of Mercy medal.

Feedback from NHS Commissioner:

"We are fortunate within West Suffolk to have a Hospice that provides a wide variety of excellent services aimed at supporting the local community. Hospices are experts in providing high quality, holistic specialist palliative care services to patients and their families and carers irrespective of diagnosis. The SNHC has shifted its focus to provide the majority of its care now in the community setting, using a multidisciplinary team approach of staff and volunteers who are dedicated to palliative and end of life care. In addition they act as an expert resource in the field of bereavement for the local community.

"The St Nicholas Hospice Care model assumes that the primary healthcare team and care home colleagues will remain actively involved in end of life care and will act as case managers; ensure patient and family choice is paramount; provide a partnership model which is both advisory and participatory and offer a service that is available 24 hours a day 7 days a week, 52 weeks a year.

As an organisation, that is expertly led, they are innovative, compassionate, highly skilled and have an truly integrated approach to the delivery of EoL care."

Dawn Barrick-Cook, Transformation Lead – Cancer / End of life / Urgent Care / SDM, West Suffolk Clinical Commissioning Group

Extract from CQC Inspection (Overall Summary):

"St Nicholas Hospice is an outstanding service. It is truly focussed on the individual needs of people that they support, giving people support at the time they need it in a way and place that best suits them and their family. People spoke overwhelmingly of the positive support, guidance and healthcare interventions they had received. People were full of praise of the staff in terms of their kindness, compassion and knowledge about end of life matters. People viewed the healthcare clinicians as expert in their knowledge.

"People spoke of a service that was tailor-made for them and their families saying that staff truly went the extra mile to offer understanding, empathy and choices that were based upon information and keeping people informed and involved. Informed consent was embodied into all work that was undertaken at the hospice. The various departments within this hospice worked well together so that people had a seamless experience of moving from one department to another as the need arose.

"Staff were motivated and keen to convey to inspectors their pride in the service they worked at. Staff were involved, listened to and empowered with training and support to offer excellent end of life healthcare and support.

"Management were inclusive and promoted a culture of excellence. They listened to people and involved them in the running and development of the service. They actively sought out people's views and used criticism as an opportunity to improve and develop the service. There was a kindness and warmth about the management team that made them approachable to everyone and people knew them by their first names and told us they were visible, approachable and solved matters raised. Governance of the service was of a high standard that was benchmarked against similar services and communication was very good. The board of governors and others who needed oversight were appropriately informed of how the hospice operated.

"The measures of quality in place showed that people were right to have the confidence in this local hospice."

Our people

The Staff Forum met 8 times during the year. It continues to be an important meeting for staff to feed in their thoughts and concerns, the forum is chaired by the CEO or the Deputy CEO. The importance of this forum for consultation and feedback is underlined by the attendance of a Trustee at each meeting.

Pay - this year we were pleased to be able to offer a pay award of one per cent in October 2015. We again implemented the principles of the “living wage” for our lower paid staff which lifted our minimum payment for any member of staff to £7.93 per hour.

Staff turnover was 27% (a 50% increase on the 2014/15 figure of 18.5 %). Voluntary turnover trended down at 6.9% from 9.9% in 2014/15 (this includes death in service, end of contract, ill health, retirement, personal reasons and relocation). Non voluntary / preventable turnover was 5.3% from 8.6% in 2014/15.

Professional Development

Our staff and volunteers received 709 days of development and training.

We were able to support 247 days of Continuous Professional Development (CPD) activity and 80 days of management development training during 2015/16. Examples of CPD activity are detailed below.

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

- Chief Executive - a PhD in Palliative Care - research with volunteers
- Finance Director - MA in Hospice Leadership
- Senior Nurse - MSc Advanced Practice & non-medical prescribing
- Two Healthcare Assistant - Foundation Degree in Healthcare Practice
- Specialist Nurse - BSc Palliative Care (self funded, but given time)
- Registered Nurse - BSc Palliative Care (self funded)
- Chaplain & Spiritual Care Coordinator – ILM in Leadership & Management Level 5 (self funded, but given time)
- HR Administrator – CIPD Intermediate Level 5 Diploma (self funded, but given time)
- Fundraising Officer – IoF Certificate in Fundraising
- PR Officer – CIPR Diploma (funded from Jane Rutherford Bursary)
- Marketing Manager – Diploma in Digital Marketing

Management Development

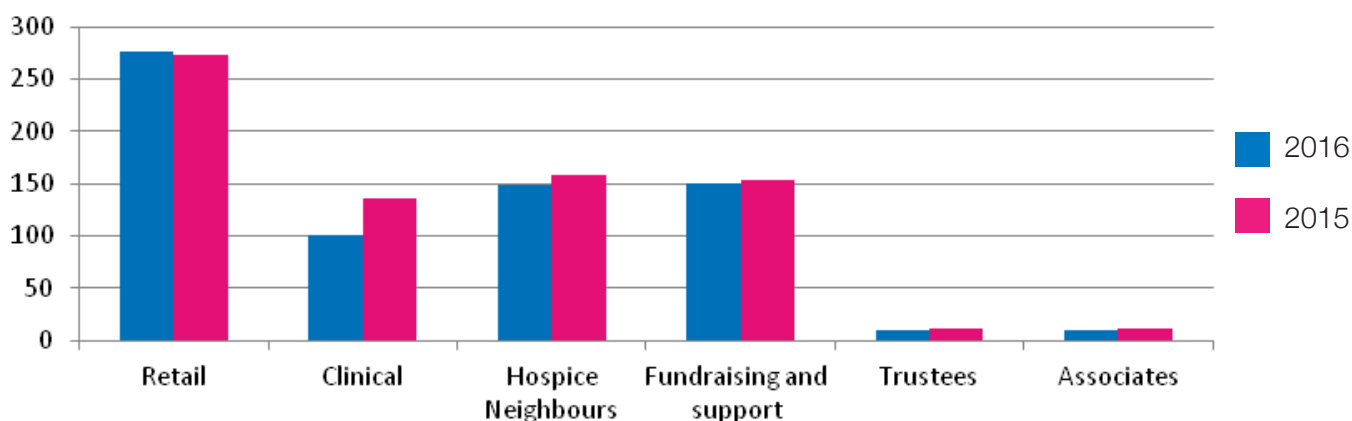
We have continued the leadership development programme for all leaders across the Hospice, with thirty-six staff members attending two sessions of development training that focused on change, culture and leadership. We have also worked with an external facilitator from the ‘Ideas Centre’ to focus on devolved problem solving and ownership.

Volunteering

Our volunteers provide an average 5,920 hours of support a month.

Volunteering numbers have contracted this year across all areas except our retail activity, with 693 volunteer roles in the charity at the end of the year (746 in 2015), although the average hours given has remained very close (5,920 hours on average per month compared to 5,925 last year). Ensuring we keep recruiting volunteers to absorb attrition is very important as we rely so heavily on the contribution of our volunteers in delivering our services to the local community. The breakdown of volunteer roles in the Hospice is as follows:

Volunteers by activity



Marketing

The launch of a new website was prioritised in the 2015-16 Operational Plan. The development began in December 2015 with Cambridge based Studio 24 Ltd. The new website went live in May 2016.

Press coverage continued to be a strong source of brand awareness. There were 847 stories mentioning the Hospice in local papers across our West Suffolk and Thetford catchment area.

The use of email marketing to contact donors was extended to promoting education courses to health and social care professionals. The channel has helped create demand and enabled the Education team to increase the number of courses it offers.

Email donor database size: 4,336

Facebook 'likes': 6,219 (across all three Facebook pages: Main page; Girls Night Out; Accumulator)

Twitter followers: 3,314

Financial review

The group outcome for the year was a deficit of £199k which compares with a surplus of £555k for the year before. This outcome was in line with our plans and expectations for the year as we sought to invest in further service developments; however income from retail was lower than planned. The reduction in the value of investments of £214k compared to a gain on investments in 2015 of £756k is the most significant factor impacting the out-turn for the year.

Capital expenditure during the year amounted to £146k and included maintenance of the Hospice building and fittings, the completion of a new garden at the Burton Centre (outreach centre in Haverhill), a further shop opening, and additional IT equipment for the retail shops and the Hospice.

Income

Income in 2015/16 at £6,235k was up 5% on the previous year (£5,959k).

Income from grants, donations and legacies after taking out the impact of the NHS project related and NHS England capital grant income has increased by 13% on the last financial year. Once again, the principal contributor to this was legacies, which at £1,477k were up by 45%. Donations from Trusts at £184k were down 54% on the prior year (£402k), due to the cessation of two years of Big Lottery Funding.

Events and groups income was lower than in 2015, mainly due to not running the Memorial Cycle Ride (a joint fundraising event with the Haberden Trust). Other events performed strongly, especially Girls' Night Out which increased by 21% from £154k to £187k.

Lottery and draw income remained close to previous years, reflecting the relatively stable position of this income stream.

Retail income continues to grow each year, with income of £1,160k for the year representing an increase of 14% on last year. This is attributable to:

- One new shop opened in Long Melford
- Growth in e-Commerce operations
- New income and increased items for sale arising from house clearance activity

Investment income fell by 2%, with a £8k improvement in fixed interest securities being offset by a drop in interest of £8k. Given the more challenging market conditions, this small change demonstrates the effectiveness of the balanced investment portfolio of the charity. However, the overall reduction in investment value for the year has had a significant impact, as outlined above.

Income from charitable activities, comprising principally NHS funding remained the same and the main grant remained at the same level that it has done for the last 5 years. For further comment on the future of NHS funding please refer to the later section 'Going Concern'.

Expenditure

Total resources expended at £6,221k represents an increase of £61k (1%) against the previous year. Whilst overall costs remain in line with the prior year, additional expenditure on community services, education and in patient care, have been offset by savings in day care, fundraising and investment management costs.

St Nicholas Hospice Trading Limited

Income of £181k relates to the sale of bought in goods, delivery charges in respect of furniture deliveries, house clearance income and donor procurement charges made to the Charity for the recruitment of donors who gift aid. For the year under review, this trading activity resulted in an increase of total funds from £44k to £69k. All profits are gifted to the charity.

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:

- Over the long term maintain and increase the real capital value of the investment funds in support of the target that general funds stand at 24 months of operating costs – taking account of any capital projects determined by the Board.
- Where relevant maintain and increase the real capital value over the period of anticipated expenditure for designated and restricted funds.
- Achieve returns from a diversified portfolio of equities, fixed interest securities and cash within a risk/reward profile agreed by the Finance and Investment Committee.

Where appropriate and within the investment objectives the Trustees will attempt to invest in ethical and socially responsible organisations.

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.

Reserves

Total reserves at the end of the year amounted to £11.97m (2015: £12.17m) of which £0.5m (2015: £0.7m) were restricted. The charity also benefits from the Earl of Euston 2009 Endowment Fund of £40k. The attributed income (£916) from this fund was used in furtherance of the objects of the Hospice.

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, as well as 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 remain of the opinion that free reserves, excluding designated funds, should ideally represent approximately 1 year of total running costs. Current undesignated free reserves represent 94% of the running costs for the year.

The agreed level of free reserves to be held is regularly reviewed to ensure it remains appropriate. 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.

As part of the Trustees' review this year, additional funds have been designated to support development of our services and income streams so that we can achieve our ambition for everyone to have the very best experiences in the final chapters of their life. Reserves have been allocated to the following funds:

- New Building and Maintenance Fund.
- Service Development.
- IT Investment.
- Income Generation Initiatives.

St Nicholas Hospice Care owns the hospice building and has a peppercorn lease with West Suffolk Hospital for the land. Currently within the accounts we hold a designated fund which represents the original cost of the building and the remainder of the original foundation fund, against which we offset the annual depreciation of the hospice building.

The New Building and Maintenance Fund is deemed necessary to plan for any future relocation of the West Suffolk Foundation Trust Hospital because the existing structure will not be fit for purpose within the next 15 years, and the Hospital is considering whether to rebuild on the existing site, or move to a new location altogether. Because the work of the charity is so closely linked with Hospital, we need to plan now for the potential impact of any such move as it is possible we would need to build a new hospice elsewhere. To ensure prudent management of the charity's funds for this future requirement the Trustees have designated £2m from reserves for the 2015-16 financial year, with a further £0.5m per year as financial results allow.

In addition, the current building is likely to need further investment over its lifetime, such as new boiler at c.£70k, and redevelopment of parking and office accommodation to accommodate the growing numbers of staff and activities. It is proposed that this fund is used to cover these investment costs, subject to normal capital expenditure approval.

The 'Hospice Community Services Fund' that was set up in December 2012 has been further increased by £0.16m to £1m and will be used to pilot new ways of working to enable us to reach more people in different ways, including outreach, virtual support and more locally-based services.

The 'Income Generation Projects Fund' to be used for investment in income generating projects to fund future growth in services to be further increased by £0.1m to £0.46m for specific income supporting projects.

A new Infrastructure fund has been established to invest in updates to our IT equipment, premises and to support the development of new service delivery models and improve efficiency of processes. This fund value is £0.4m.

Plans for Future Periods

Changes in illness, demography and medicine mean that the need for palliative care support is likely to increase sharply in the future and we will start to see an increase in the number of deaths and those needing hospice support.

By 2033 the incidence of cancer will increase by 57% and the number of people with dementia will have increased by 108%.

National data also indicates that the number of healthcare professionals available will reduce.

Families and communities will therefore play an increasingly important role in caring for people at the end of their lives and we want to support them as they face those difficult challenges.

Like many other healthcare providers we are facing a growing challenge to meet demand and balance our costs with our income. To provide the same level of service and care in 2016-17 we face a £500k budgeted deficit. In addition we face challenges in Suffolk in that we have limited access to a skilled workforce and we may also have reached a ceiling of fundraising income.

Therefore we plan to work with our partners to develop a more cost effective model of palliative care; enabling us to do more for the people of our community. The Trustees are fully supportive of investing further, utilising reserves where it is sensible and appropriate to do so, to maximise opportunities to work in partnership with other providers and to reach more people. There are opportunities that include:

- Exploring more cost effective options at providing palliative care across the catchment area.
- Closer working with West Suffolk Foundation Trust to maximise specialist palliative care staff and resources.
- Collaborating with other palliative care and bereavement providers to provide a more cohesive integrated clinical service.
- Increasing the number of skilled volunteers available to support people in the community.
- Using our high profile and marketing expertise to raise public awareness and confidence in death and dying and improve appropriate care planning and wishes.
- Using technology to provide improved access to specialist palliative care advice.

We will also continue looking for ways to improve our income generation through new ideas and revenue streams. To complement this we also plan to invest in bringing processes and systems up to date to enable the charity to run more efficiently and return more of its funds to front line services for our beneficiaries.

In line with our strategy to reach more people our ambitions are to always deliver services that are needs led, innovative, contemporary, flexible and sustainable. Our ambitions are:

- 1. Care and support** - providing timely, expert palliative care to people wherever they are, whoever they are and however they choose.
- 2. Education** - to be the leading local source of learning about the end of life care and bereavement.
- 3. Partnership and influence** - to be a highly visible organisation, recognised for influencing palliative and end of life care, and working in partnership across our local community.
- 4. People** - Recruit, develop and retain top talent in all areas of the hospice.
- 5. Income** – Develop sustainable and diverse income streams.
- 6. Infrastructure** - Quality support services and facilities that enable a secure sustainable financially resilient hospice.
- 7. Marketing** - Position the Hospice as the community's most engaging charity and inspire advocacy in all areas of our work.

To deliver these ambitions in the next year our plan includes the following:

In 2016 we will:	We will do this through:
Develop a more cost effective model of hospice care.	Engaging with users, staff, volunteers and stakeholders and the piloting of new models of care and support. Integration with other service providers to cut out duplication of activity.
Facilitate the creation of compassionate networks of support for individuals and communities.	Increasing the number of care/support partnerships in outlying towns in West Suffolk & South Norfolk. Developing and increasing the numbers of trained volunteers to support people in the community.
Increase confidence in people in the local community to be able to support those at end of life care and bereaved.	Developing and delivering an education programme for local professionals and the public.
Develop our people to be equipped for future developments.	Using innovative problem solving groups. Continuing with leadership training. Developing staff confidence to be able to train and influence others.
Improve efficiencies in all support systems.	Reviewing current systems and processes and developing a plan to improve those systems and processes investing in technology where appropriate.
Increase income from retail, events and In Memory.	Agreeing a plan to invest and grow these income streams.
Ensure internal and external understanding of our services now and in the future.	Implementing a communications plan for internal and external audiences. Increasing the use of social media to support communications.
Deliver easy to use public information about end of life care and bereavement.	Developing more useful patient content online, e.g. breathlessness videos.

Going Concern

Like many other healthcare providers the Charity faces increasing demand for services but also rising costs and a tightening of income from grant giving bodies. The Trustees have considered the following areas specifically in their consideration of going concern:

Income

The charity has a diverse range of income generating activities including grants and donations, investment, fundraising, retail, event and lottery income. Whilst some of these income streams are inherently volatile, the Charity has policies in place to manage these risks including specific investment and reserves policies which are explained in the Trustees Report. The designation of funds to develop new income streams will add to this diversification and enable the Charity to continue serving our local population.

Grant Funding

The charity also receives a grant from West Suffolk Clinical Commissioning Group (WSCCG) through a four year funding agreement which runs until 31 March 2017. This grant equates to approximately 21% of income per year and is paid on a monthly basis. The financial pressures on NHS England have forced the WSCCG to review and make cuts across all commissioned services, however in recognition of the work the charity does and the value it delivers, the funding cuts applied to the charity have been less than the planned 20% from October 2016 onwards. The charity will receive a phased cut over the next 18 months to the full 20% cut for the 2018-19 financial year, as well as a new five year funding agreement when the current contract expires in 2017. This will mean a reduction of 1% total income in 2016-17, 3% in 2017-18 and 5% in 2018-19, based on planned income.

Reserves

At the end of the financial year 2015-16, the Charity has Unrestricted funds totalling £11.4m which exceeds the target of 1 year of total running costs in total, £5.9m of which have been designated, leaving the equivalent of approximately 94% of this years running costs as Unrestricted funds. This allows for investment in services, income generation and infrastructure to further the charity's aims and objectives as well as providing funds to mitigate against economic uncertainty.

The Trustees have considered the financial position of the Charity, in light of the above, the investment portfolio, the 2016/17 budget and forecasts to 2017/18 and accompanying cash flow forecasts. 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 and consider there to be no material uncertainties in making this judgement. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Statement of Trustees Responsibilities



Trustees' responsibilities in relation to the financial statements

The Trustees (who are also the directors for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

The law applicable to charities in England and Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing those financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP
- Make judgments and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees 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 was approved by the Trustees on

Charles Simpson

Chair

Independent Auditors Report



We have audited the group and parent charity financial statements of St Nicholas Hospice (Suffolk) ("the financial statements") for the year ended 31 March 2016 on pages 37 to 59. 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 33 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 2016 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 RSM UK AUDIT LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor

Chartered Accountants

Abbotsgate House

Hollow Road

Bury St Edmunds

Suffolk IP32 7FA

Consolidated Statement of financial activities

*(incorporating the income and
expenditure statement)*

*for the year ended
31 March 2016*



	Note	Unrestricted Funds	Restricted Funds	Endowment Funds	2016 Total	Unrestricted Funds	Restricted Funds	Endowment Funds	2015 Restated Total
		£	£	£	£	£	£	£	£
Income from :									
Grants, Donations and Legacies:									
Donations		1,079,749	114,305	-	1,194,054	945,063	402,270	-	1,347,333
Legacies		1,476,503	-	-	1,476,503	1,017,476	12	-	1,017,488
Grants		-	13,000	-	13,000	-	45,817	-	45,817
		2,556,252	127,305	-	2,683,557	1,962,539	448,099	-	2,410,638
Charitable activities	3	1,376,640	-	-	1,376,640	1,355,694	-	-	1,355,694
Other trading activities :									
Shops		1,160,318	-	-	1,160,318	1,020,926	-	-	1,020,926
Lottery		485,500	-	-	485,500	494,373	-	-	494,373
Fundraising		310,797	-	-	310,797	465,461	-	-	465,461
Other income	4	74,220	-	-	74,220	65,608	-	-	65,608
		2,030,835	-	-	2,030,835	2,046,368	-	-	2,046,368
Investment Income	5	143,152	-	916	144,068	145,695	-	848	146,543
Total Income		6,106,879	127,305	916	6,235,100	5,510,296	448,099	848	5,959,243
Expenditure on:									
Raising funds									
Raising grants, donations and legacies		(458,950)	-	-	(458,950)	(575,871)	-	-	(575,871)
Other trading activities		(1,641,513)	-	-	(1,641,513)	(1,496,757)	(500)	-	(1,497,257)
Investment management		(46,429)	-	-	(46,429)	(61,068)	-	-	(61,068)
		(2,146,892)	-	-	(2,146,892)	(2,133,696)	(500)	-	(2,134,196)
Charitable activities									
In patient care		(1,940,567)	(21,167)	(916)	(1,962,650)	(1,785,054)	(34,333)	(848)	(1,820,235)
Day Care		(263,174)	(12,732)	-	(275,906)	(264,621)	(145,445)	-	(410,066)
Community services		(1,035,740)	(251,095)	-	(1,286,835)	(902,286)	(323,005)	-	(1,225,291)
Family support and Bereavement		(366,677)	(23,421)	-	(390,098)	(417,576)	(25,926)	-	(443,502)
Education & research		(157,432)	(1,022)	-	(158,454)	(90,857)	(36,151)	-	(127,008)
		(3,763,590)	(309,437)	(916)	(4,073,943)	(3,460,394)	(564,860)	(848)	(4,026,102)
Total expenditure	6	(5,910,482)	(309,437)	(916)	(6,220,835)	(5,594,090)	(565,360)	(848)	(6,160,298)
Net (losses) / gains on investments		(213,155)	-	(609)	(213,764)	751,153	-	4,765	755,918
Net movement in funds		(16,758)	(182,132)	(609)	(199,499)	667,359	(117,261)	4,765	554,863
Reconciliation of funds:									
Total funds brought forward		11,457,093	670,553	41,011	12,168,657	10,789,734	787,814	36,246	11,613,794
Total funds carried forward		11,440,335	488,421	40,402	11,969,158	11,457,093	670,553	41,011	12,168,657

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

The restated figures for the financial year ended 31 March 2015 are shown under note 2 to the financial accounts.

Balance Sheet as at 31 March 2016

Company registration number 1748046



		Group		Charity	
	Note	2016 £	Restated 2015 £	2016 £	Restated 2015 £
Fixed assets					
Tangible assets	11	2,728,097	2,901,542	2,728,097	2,901,542
Investments	12	8,013,668	8,148,954	8,048,668	8,183,954
		10,741,765	11,050,496	10,776,765	11,085,496
Current assets					
Stock		15,187	12,678	-	-
Debtors	13	535,654	216,679	562,281	242,505
Cash at bank and in hand		1,255,527	1,479,022	1,199,766	1,435,621
		1,806,368	1,708,379	1,762,047	1,678,126
Creditors: amounts falling due within one year	14	578,975	590,218	590,354	587,568
Net current assets		1,227,393	1,118,161	1,171,693	1,090,558
Net assets		11,969,158	12,168,657	11,948,458	12,176,054
The funds of the charity					
Restricted income funds	15	488,421	670,553	488,421	670,553
Unrestricted funds:					
General fund	16	5,510,402	8,045,489	5,489,702	8,052,886
Designated fund	16	5,929,933	3,411,604	5,929,933	3,411,604
Endowment fund	17	40,402	41,011	40,402	41,011
Total funds	18	11,969,158	12,168,657	11,948,458	12,176,054

The restated figures for the financial year ended 31 March 2015 are shown under note 2 to the financial accounts.

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

Charles Simpson

Chairman

The notes on pages 43 to 59 form part of these financial statements.

Cash flow statement for the year ended 31 March 2016



	Note	Group 2016 £	2015 £	Charity 2016 £	2015 £
Cash flows from operating activities:					
Net cash (used in) / provided by operating activities	22	(151,817)	120,399	(164,177)	109,064
Cash flows from investing activities:					
Dividends and interest from investments		138,901	133,733	138,901	133,733
Interest received		6,068	12,510	6,068	12,510
Proceeds from the sale of tangible fixed assets		250	1,206	250	1,206
Payments to acquire tangible fixed assets		(138,419)	(203,406)	(138,419)	(203,406)
Proceeds from the sale of investments		1,044,497	2,332,261	1,044,497	2,332,261
Purchase of investments		(1,359,034)	(1,978,545)	(1,359,034)	(1,978,545)
Net cash (used in) / provided by investing activities		(307,737)	297,759	(307,737)	297,759
Change in cash and cash equivalents in the year		(459,554)	418,158	(471,914)	406,823
Cash and cash equivalents at the beginning of the year		2,019,193	1,601,035	1,975,792	1,568,969
Changes in cash and cash equivalents		(459,554)	418,158	(471,914)	406,823
Cash and cash equivalents at end of the year	23	1,559,639	2,019,193	1,503,878	1,975,792

Notes forming part of the financial statements for the year ended 31 March 2016



1 Accounting policies

Basis of preparation

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 applicable to charities preparing their accounts in accordance with FRS102 and the Charity SORP (FRS102).

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 2016.

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

The gross income of the Charity in the year was £6,147k and the net movement in funds was a deficit of £227K

Income

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

Income from NHS contracts and other grants is included on a receivable basis.

Legacies and donations 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 raising 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.
- Support costs are those costs incurred directly in support of expenditure on the objects of the charity and include project management carried out at the Hospice. Such costs have been allocated to activity cost categories on a headcount basis.

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

Volunteers

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in note 8 to the accounts and within the Trustees report.

Tangible fixed assets and depreciation

Fixed assets costing more than £500 are capitalised, with the exception of computer equipment which is capitalised where assets cost over £100 and capital project related expenditure all of which is capitalised irrespective of value.

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

Leasehold buildings	- remaining term of lease
Furniture and equipment	- 10% - 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.

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.

1 Accounting policies (*continued*)

Investments

In the Group Balance Sheet, Investments are stated at market value, less any provision for impairment. The statement of financial activity includes gains and losses arising on revaluation and disposals throughout the year.

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

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

Stocks

Stock of retail goods is included at the lower of cost and net realisable value. Donated items of stock for resale or distribution are not included in the financial statements until they are sold or distributed because the Trustees consider it impractical to be able to assess the amount of donated stocks as there are no systems in place which record these items until they are sold and undertaking a stock take would incur undue cost for the charity which far outweigh the benefits.

Pension costs

The 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.

A number of employees contribute to the NHS Superannuation scheme and certain other employees participate in personal pension plans. Whilst the NHS Superannuation scheme is a Defined Benefit Scheme, it is a multi-employer scheme for which the Charity's share of the underlying assets and liabilities cannot be identified; it is therefore accounted for as a Defined Contribution Scheme in accordance with FRS102. The Charity's contributions to these schemes are therefore charged to the statement of financial activity when due.

Operating leases

Rentals paid under operating leases are charged to the statement of financial activity over the period in which the cost is incurred.

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 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.

Debtors

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

Creditors

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

1 Accounting policies (*continued*)

Cash at Bank and in hand

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

Financial Instruments

The charity only has financial assets and financial liabilities of a kind that qualifies as a basic financial instrument. Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised costs using the effective interest method. Further details of financial instruments are shown in note 28.

2 Reconciliation to previous GAAP

Reconciliation of restatement of consolidated statement of financial activities at 31 March 2015

	Notes	As previously stated	2015 Effect of transition to FRS102 and other restatements	Restated under FRS 102
		£	£	£
Incoming from:				
Grants, donations and legacies				
Donations	i, ii, iii	1,146,713	200,620	1,347,333
Legacies		1,017,488	-	1,017,488
Grants		45,817	-	45,817
		<u>2,210,018</u>	<u>200,620</u>	<u>2,410,638</u>
Other trading activities				
Shops	ii, iii, iv	895,125	125,801	1,020,926
Fundraising	i	722,827	(257,366)	465,461
Lottery		494,373	-	494,373
Other income	v	73,058	(7,450)	65,608
Income from trading subsidiary	iv	69,055	(69,055)	-
		<u>2,254,438</u>	<u>(208,070)</u>	<u>2,046,368</u>
Investment income		146,543	-	146,543
Charitable activities				
In patient care	v	725,005	7,045	732,050
Day care		209,755		209,755
Community services		258,188		258,188
Family support and bereavement	v	150,585	405	150,990
Education and research		4,711		4,711
		<u>1,348,244</u>	<u>7,450</u>	<u>1,355,694</u>
Total Income		5,595,243	-	5,959,243
Expenditure on:				
Raising donations	vi	184,366	345,620	529,986
Raising legacies		45,885	-	45,885
Expenses of trading subsidiary	vii	33,481	(33,481)	-
	vi, viii	<u>263,732</u>	<u>312,139</u>	<u>575,871</u>
Other trading activities				
Cost of selling donated and bought in goods	vii, xii	1,035,808	78,122	1,113,930
Events, groups and promotional activities	vi	445,016	(305,796)	139,220
Lottery prizes and administration		275,487	(31,380)	244,107
	viii, xi, xiv	<u>1,756,311</u>	<u>(259,054)</u>	<u>1,497,257</u>
Investment management costs	viii, xiv	60,870	198	61,068
Total costs of raising funds		<u>2,080,913</u>	<u>53,283</u>	<u>2,134,196</u>
Charitable activities				
In patient care		1,850,979	(30,744)	1,820,235
Day Care	x, xiii	883,482	(473,416)	410,066
Community services	x, xiii	748,070	477,221	1,225,291
Family support and bereavement		439,776	3,726	443,502
Education and research		125,868	1,140	127,008
	xi, xii, xiv	<u>4,048,175</u>	<u>(22,073)</u>	<u>4,026,102</u>
Governance	viii	31,210	(31,210)	-
Total expenditure		6,160,298	-	6,160,298
Net incoming / (outgoing) resources		(201,055)	-	(201,055)
Unrealised gains on investments	ix	592,958	162,960	755,918
Realised gains on investments		162,960	(162,960)	-
Net movement in funds		<u>554,863</u>	<u>-</u>	<u>554,863</u>
Fund balance at 31 March 2014		11,613,794	-	11,613,794
Fund balance at 31 March 2015		<u>12,168,657</u>	<u>-</u>	<u>12,168,657</u>

FRS 102 required the group SOFA as at 31 March 2015 to be stated above

- i) Donations generated by 3rd party fundraising are required to be accounted for within donations, a review of income in the previous year has identified £257,366 of such income, which has been moved from Fundraising Income to Donations Income.
- ii) Gift aid income from the sale of goods on an agency basis is required to be accounted for under 'Income from Other Trading Activities'. £49,144 has therefore been moved from Donations to Income from Other Trading Activities – Shops.
- iii) Donations received in the shops are required to be accounted for under Income from Other Trading Activities, £7,602 has been moved from Donations to Income from Other Trading Activities – Shops.
- iv) Income from a trading subsidiary is required to be accounted for under 'Income from Other Trading Activities', £69,055 has therefore been moved from Income from Trading Subsidiary to Income from Other Trading Activities – Shops.
- v) Patient related income has been moved from Other Trading Activities – Other Income to Charitable Activities - In patient care and Family Support and Bereavement. This includes £7,450 income generated from crematorium fees and compensation income.
- vi) £342,453 costs of fundraising that are not related to specific events have moved from Other Trading Activities – Events, donations and other promotional activities to Expenditure on – Raising Donations.
- vii) £33,481 relating to expenses of trading subsidiary have moved from Expenditure on – Expenses of Trading Subsidiary to Other Trading Activities - Costs of selling donated and bought in goods.
- viii) Governance costs are to be included as a support cost and do not appear on the face of the SOFA £31,210 of Governance Costs have therefore been allocated across the service areas including Investment Management Costs.
- ix) Realised and unrealised investment gains are not required to be shown separately on the SOFA and therefore have been netted off in the restated 2015 figures.

In addition, the following have been reallocated to reflect more appropriate classification of activity:

- x) Therapist staff costs including overheads of £235,206 have been correctly identified as relating to community services, the costs have therefore moved from Day care to Community Services and the figures have been restated.
- xi) Catering costs of £30,871 have been identified as other trading activities. The costs have therefore been moved from Charitable Activities to Other Trading Activities - Fundraising and the costs of these services have been restated.
- xii) Burton Centre catering costs of £21,447 have been correctly identified as other trading activities. The costs have moved from Charitable Activities to Other Trading Activities - Fundraising and the figures have been restated.
- xiii) Burton Centre costs have been correctly identified as relating to community services, £232,510 has been moved from Day care to Community services.
- xiv) Support costs have been reallocated in line with the restatement of cost in the notes above.

Reconciliation of restatement of consolidated balance sheet at 31 March 2015

	Notes	As previously stated	2015 Effect of transition to FRS102 and other restatements	Restated under FRS 102
		£	£	£
Fixed assets				
Tangible assets		2,901,542	-	2,901,542
investments		8,148,954	-	8,148,954
		11,050,496	-	11,050,496
Current assets				
Stock		12,678	-	12,678
Debtors		216,679	-	216,679
Cash at bank and in hand	i	1,473,128	5,894	1,479,022
		1,702,485	5,894	1,708,379
Liabilities				
Creditors: amounts falling due within one year	i	584,324	5,894	590,218
Net current assets		1,118,161	-	1,118,161
Total assets less current liabilities		12,168,657	-	12,168,657
Total net assets		12,168,657	-	12,168,657
Total funds of the charity:				
Restricted income funds		670,553	-	670,553
Designated funds		3,411,604	-	3,411,604
General funds		8,045,489	-	8,045,489
Endowment fund		41,011	-	41,011
Total unrestricted		11,498,104	-	11,498,104
Total funds		12,168,657	-	12,168,657

i) Within Net current assets, a balance of £5,894 was incorrectly classified as deferred income within creditors as at 31 March 2015. This has been reallocated to cash at bank and in hand.

3 Income from charitable activities

	2016 £	2015 £
In patient care	648,974	732,050
Daycare	90,540	209,755
Community services	430,359	258,188
Family support & bereavement	127,989	150,990
Education and research	78,778	4,711
	1,376,640	1,355,694

4 Other Income

	2016 £	2015 £
Catering Income	66,539	60,928
Other Income	7,681	4,680
	74,220	65,608

5 Investment Income

	2016 £	2015 £
Dividend – equities	117,523	120,817
Interest – fixed interest securities	21,378	12,916
Bank interest	5,167	12,810
	144,068	146,543

6 Analysis of expenditure

	Direct Costs	Support Costs (note 7)	2016 Total Costs	2015 Total Costs
	£	£	£	£
Costs of raising grants, donations and legacies	379,323	79,627	458,950	575,871
	379,323	79,627	458,950	575,871
Other trading activities				
Shop costs	992,318	162,845	1,155,163	1,113,930
Lottery costs	221,913	12,912	234,825	244,107
Events costs	136,812	45,104	181,916	139,220
Other income	62,118	7,491	69,609	-
	1,413,161	228,352	1,641,513	1,497,257
Investment management costs	46,429	-	46,429	61,068
	1,838,913	307,979	2,146,892	2,134,196
In patient care	1,508,406	454,244	1,962,650	1,820,235
Daycare	177,662	98,244	275,906	410,066
Community services	1,075,113	211,722	1,286,835	1,225,291
Family support & Bereavement	335,502	54,596	390,098	443,502
Education and research	126,612	31,842	158,454	127,008
	3,223,295	850,648	4,073,943	4,026,102
Total	5,062,208	1,158,627	6,220,835	6,160,298

7 Analysis of support costs

	Admin, Finance & IT	Human Resources	Maintenance and Domestics	Catering	Governance Costs	2016 Total	2015 Total
	£	£	£	£	£	£	£
Cost of raising grants, donations and legacies	42,890	21,859	8,011	-	6,867	79,627	70,452
Other trading activities	129,048	70,494	6,029	-	22,781	228,352	178,531
Investment management costs	-	-	-	-	-	-	198
	171,938	92,353	14,040	-	29,648	307,979	249,181
In patient care	127,919	80,442	95,506	123,513	26,864	454,244	374,100
Daycare	10,158	6,388	24,052	54,430	3,216	98,244	131,356
Community services	111,741	70,269	9,767	-	19,945	211,722	182,220
Family support & Bereavement	22,950	14,432	11,140	-	6,074	54,596	54,421
Education and research	13,544	8,517	7,489	-	2,292	31,842	19,827
Charitable services	286,312	180,048	147,954	177,943	58,391	850,648	761,924
Total	458,250	272,401	161,994	177,943	88,039	1,158,627	1,011,105

8 Employee Costs

	2016 £	2015 £
Wages and salaries	3,727,435	3,614,844
Social security costs	287,803	281,839
Pension costs	269,324	285,599
	4,284,562	4,182,282

The average monthly head count was 157 (2015 159) and analysis of the full-time equivalents in the year were:

	2016 Number	2015 Number
Direct charitable services	96	96
Fundraising services	45	48
Support services	16	15
	157	159

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

	2016 Actual Number	2015 Actual Number
£70,000-£79,999	1	2
£80,000-£89,999	-	1
£90,000-£99,999	1	-
Total	2	3

Pension costs relating to those staff earning over £60,000 totalled £24,703 in 2016 (2015 £27,127)

The Hospice considers that the key management personnel comprise of five of the senior management team – who are the Chief Executive and four other key directors, The total employees benefits of the key management personnel of the Hospice were £507,515 (2015 £347,765).

The Hospice had an average of 693 volunteers during the year (2015 746) who provided their services in the following areas:

	2016 Number	2015 Number
Retail	276	274
Clinical	100	136
Hospice Neighbours	148	159
Fundraising and support services	150	154
Trustees	9	12
Associates	10	11
	693	746

9 Net incoming resources

	2016 £	2015 £
Net incoming resources is stated after charging:		
Depreciation	319,100	277,842
Auditors remuneration		
-Statutory audit of charity and group	12,565	12,565
-Statutory audit of subsidiary	3,150	3,150
Profit on sale of fixed assets	(250)	(1,206)
Operating lease rentals	243,600	218,376

10 Taxation

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

11 Tangible fixed assets (Charity and Group)

	Long Leasehold Buildings £	Furniture and Equipment £	ICT Equipment £	Motor Vehicles £	Total £
Cost					
At 1 April 2015	3,782,301	1,193,422	234,125	20,694	5,230,542
Additions	87,009	45,479	13,167	-	145,655
Disposals	-	(14,440)	-	(7,699)	(22,139)
At 31 March 2016	3,869,310	1,224,461	247,292	12,995	5,354,058
Depreciation					
At 1 April 2015	1,196,445	1,004,001	116,690	11,864	2,329,000
Charge for the year	210,761	68,702	36,639	2,998	319,100
Disposals	-	(14,440)	-	(7,699)	(22,139)
At 31 March 2016	1,407,206	1,058,263	153,329	7,163	2,625,961
Net book value					
At 31 March 2016	2,462,104	166,198	93,963	5,832	2,728,097
At 31 March 2015	2,585,856	189,421	117,435	8,830	2,901,542

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.

12 Investments

A) Summary	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
As at start of the year	7,608,783	7,206,581	7,608,783	7,206,581
Additions	1,359,034	1,978,545	1,359,034	1,978,545
Disposals	(1,044,497)	(2,332,261)	(1,044,497)	(2,332,261)
Realised (losses)/gains	(38,275)	162,960	(38,275)	162,960
Unrealised (losses)/gains	(175,489)	592,958	(175,489)	592,958
	<u>7,709,556</u>	<u>7,608,783</u>	<u>7,709,556</u>	<u>7,608,783</u>
Cash held as part of the investment portfolio	304,112	540,171	304,112	540,171
Equity investment in subsidiary			35,000	35,000
	<u>8,013,668</u>	<u>8,148,954</u>	<u>8,048,668</u>	<u>8,183,954</u>
B) Analysis of investments			2016	2015
			£	£
Equities			5,700,930	5,747,075
Fixed interest securities			2,008,626	1,861,708
Cash held as part of the investment portfolio			304,112	540,171
Total group			<u>8,013,668</u>	<u>8,148,954</u>
Equity investment in subsidiary			<u>35,000</u>	<u>35,000</u>
Total charity			<u>8,048,668</u>	<u>8,183,954</u>

C) Trading subsidiary

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

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 2016 were £69,199 (2015: £44,104).

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 2016 and 31 March 2015 are show below:

	2016 £	2015 £
Income statement		
Turnover	180,739	139,828
Cost of sales	(25,361)	(29,025)
Gross profit	155,378	110,803
Operating expenses	(104,485)	(88,783)
Profit on ordinary activities before interest	50,893	22,020
Interest payable on concessionary loan to hospice	(625)	(625)
Net trading profit	50,268	21,395
Gift aid donated to hospice	(25,173)	(18,074)
Retained profits	25,095	3,321
Balance sheet		
Assets	99,955	77,612
Liabilities	(30,756)	(33,508)
Net assets	69,199	44,104
Represented by:		
Capital	35,006	35,006
Reserves	34,193	9,098
Net assets	69,199	44,104

13 Debtors

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Trade debtors	17,055	5,338	21,493	4,940
Taxation recoverable	73,284	9,006	74,906	10,231
Other debtors	6,497	2,058	2,064	2,058
Prepayments	107,051	150,277	107,051	105,280
Accrued income	331,767	50,000	331,767	94,996
	532,654	216,679	537,281	217,505
Amounts due greater than one year:				
Loan due from subsidiary undertakings	-	-	25,000	25,000
	535,654	216,679	562,281	242,505

A loan to the subsidiary undertaking to fund working capital was granted on 16 November 2013 secured by a fixed charge over goodwill and a floating charge over all its assets of the company. Interest is charged at 2.5%. The balance will be paid in full on 15 November 2018.

14 Creditors: amounts falling due within one year

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	115,743	82,827	115,311	81,043
Due to subsidiary company	-	-	15,507	4,634
Taxation and social security	77,188	73,416	77,188	73,416
Other creditors	96,332	90,395	96,332	90,395
Accruals	186,126	232,589	182,430	227,089
Deferred income – Lottery	82,791	82,071	82,791	82,071
Deferred income - Other	20,795	28,920	20,795	28,920
	578,975	590,218	590,354	587,568

Deferred income reconciliation – Lottery

	Group		Charity	
	2016	2015	2016	2015
	£	£	£	£
Balance brought forward	82,071	74,842	82,071	74,842
Amounts released to income in the year	(82,071)	(74,842)	(82,071)	(74,842)
Amount deferred in the year	82,791	82,071	82,791	82,071
Balance carried forward	82,791	82,071	82,791	82,071

Deferred income reconciliation – Other

	£	£	£	£
Balance brought forward	28,920	99,233	28,920	99,233
Amounts released to income in the year	(28,920)	(99,233)	(28,920)	(99,233)
Amount deferred in the year	20,795	28,920	20,795	28,920
Balance carried forward	20,795	28,920	20,795	28,920

15 Restricted funds (Group and Charity)

	Balance at 31 March 2015	Incoming	Expenditure	Balance at 31 March 2016
	£	£	£	£
In patient care	211,654	3,911	(21,167)	194,398
Daycare	134,819	3,451	(12,732)	125,538
Community services	317,242	88,245	(251,095)	154,392
Family support and bereavement	226	23,421	(23,421)	226
Education and research	6,612	8,277	(1,022)	13,867
	670,553	127,305	(309,437)	488,421

In-Patient Care restricted funds incorporates;

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

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

The Baths fund specifically received and expended on two replacement baths for Sylvan Ward – these are represented within furniture and equipment (note 11).

The Sylvan Ward specifically received towards the revenue funding for the running cost of the in-patient unit.

Day Care restricted funds incorporates;

The Garden, Orchard, Bradbury Green and Family Room Refurbishment fund 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 small amount remaining in respect of the enhancements to the Family Room and is either represented within leasehold land and buildings and equipment (note 11) or revenue expenditure relating to garden works, which has been proportionately allocated against patient areas that benefit from the work undertaken.

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

The Orchard Day Care fund was specifically received revenue funding towards the running costs of the Orchard Day Centre, which supports patients in achieving independence.

Community services restricted funds incorporates;

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 Burton Centre Refurbishment fund relates to funding received in order to develop an Outreach Centre in Haverhill. The capital spent to date is represented within long leasehold and furniture and equipment.

The Burton Centre Garden – Big Lottery Fund Grant, relates to capital funding to redevelop the garden space for users of the Burton Centre.

The Burton Centre running costs fund relates to funding received and expended in the year towards the costs of operating the centre.

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 Big Lottery Fund Grant – 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 11).

The Homelessness Project fund relates to computer equipment purchased for the project 'Widening access to palliative care for homeless people and those who support them'.

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

- Fundraising.
- The gardens.
- The purchase of a book for the retail operation.
- Retail running costs.

Family Support and Bereavement restricted funds incorporates;

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

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

Education and Research restricted funds incorporates;

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

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 Education for Hospice Staff fund relates to grants received and expended during the year towards clinical courses.

16 Unrestricted funds

Charity

	Balance at 31 March 2015	Income	Expenditure	Investment gains/ (losses)	Transfers	Balance at 31 March 2016
	£	£	£	£	£	£
Designated funds						
Building fund	2,053,596	-	-	-	-	2,053,596
New building and maintenance fund	-	-	-	-	2,000,000	2,000,000
IT Systems reserves fund	-	-	-	-	400,000	400,000
Hospice community / service development fund	911,808	-	(57,846)	-	163,140	1,017,102
Income generation project fund	441,200	-	(81,965)	-	100,000	459,235
Education and palliative care fund	5,000	-	-	-	(5,000)	-
	3,411,604	-	(139,811)	-	2,658,140	5,929,933
General fund	8,052,886	6,080,330	(5,772,219)	(213,155)	(2,658,140)	5,489,702
	11,464,490	6,080,330	(5,912,030)	(213,155)	-	11,419,635

Group

	Balance at 31 March 2015	Income	Expenditure	Investment gains/ (losses)	Transfers	Balance at 31 March 2016
	£	£	£	£	£	£
Designated funds						
Building fund	2,053,596	-	-	-	-	2,053,596
New building and maintenance fund	-	-	-	-	2,000,000	2,000,000
IT Systems reserves fund	-	-	-	-	400,000	400,000
Hospice community / service development fund	911,808	-	(57,846)	-	163,140	1,017,102
Income generation project fund	441,200	-	(81,965)	-	100,000	459,235
Education and palliative care fund	5,000	-	-	-	(5,000)	-
	3,411,604	-	(139,811)	-	2,658,140	5,929,933
General fund	8,045,489	6,106,879	(5,770,671)	(213,155)	(2,658,140)	5,510,402
	11,457,093	6,106,879	(5,910,482)	(213,155)	-	11,440,335

Building fund

This is a designated fund representing the construction costs of the original building to 31 March 2016 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.

New building and maintenance fund

This is a new designated fund for the purposes maintaining and updating the existing Hospice building and allocating funds for future building requirements.

IT Systems reserves fund

The charity has a number of IT systems and hardware which will require replacing over the next twelve to twenty-four months. The trustees have designated funds for this and to develop greater reliance and functionality through new systems, in order to reduce duplication and manual data handling, whilst supporting the services we deliver now and in the future.

Hospice community / service development fund

During this year the board of trustees agreed to rename the 'Hospice Community Services Fund' to the 'Service Development Fund'. The existing (£5k) Education fund has been reassigned to this fund and further allocations made to increase the fund to £1m in total. The purpose of this fund is to develop and pilot new service delivery models across our entire service offering in all settings. This will enable us to achieve the charity's strategic vision.

Income Generation

The trustees have previously set aside funds for income generation through shops and growing lottery membership. The Trustees have agreed that a further £100k per annum be added to this to ensure the charity has the funds to develop new income streams and continue to diversify its portfolio in order to remain sustainable and resilient to economic challenges.

17 Endowment funds

	Balance at 1 April 2015 £	Income £	Expenditure £	Investment Losses £	Balance at 31 March 2016 £
The Earl of Euston 2009 Fund	41,011	916	(916)	(609)	40,402

The income earned from the investment of the fund, £916, must be spent in accordance with the objects of the organisation.

The loss arising on the investment of the fund was £609 and the value of the fund was decreased by this at 31 March 2016. The investment management charge attributable to the fund at £300 was immaterial and no adjustment has been made to the value of the fund.

18 Net assets by funds

Group	General Funds £	Restricted Funds £	Endowment Fund £	Total Funds £
Investments	7,973,266	-	40,402	8,013,668
Tangible fixed assets	2,281,620	446,477	-	2,728,097
Current assets	1,764,424	41,944	-	1,806,368
Creditors falling due less than one year	(578,975)	-	-	(578,975)
	11,440,335	488,421	40,402	11,969,158

Charity	General Funds £	Restricted Funds £	Endowment Fund £	Total Funds £
Investments	8,008,266	-	40,402	8,048,668
Tangible fixed assets	2,281,620	446,477	-	2,728,097
Current assets	1,720,103	41,944	-	1,762,047
Creditors falling due less than one year	(590,354)	-	-	(590,354)
	11,419,635	488,421	40,402	11,948,458

19 Related party transactions

None of the charity trustees or connected persons received remuneration for the year (2015 nil).

During the year £735 was paid for attendance and accommodation for a trustee to go to the Hospice UK annual conference (2015 nil).

Trustees indemnity insurance amounting to £737 was paid for the year (2015 £694).

One trustee and one connected person were St Nicholas Hospice Care Lottery subscribers, and in total paid £293 (2015 £360) in the year their winnings amounted to £40 (2015 £120).

During the year 10 trustees (2015 8) made donations totalling £2,427 (2015 £3,077).

Transactions with the subsidiary undertaking were:

	2016 £	2015 £
Sales made by the Trading company to the Charity	98,680	81,171
Balance at year end: Owed by the charity to the trading company	11,069	4,634
Loan made to the trading company from the charity	25,000	25,000

20 Contingent assets – legacy income

There were no contingent assets in the year.

21 Financial commitments

As at 31 March 2016, the charitable company had total commitments under non-cancellable operating leases as set out below:

	Land and buildings		Other	
	2016 £	2015 £	2016 £	2015 £
Operating leases which expire:				
No later than one year	202,318	16,750	51,027	8,491
Later than one year but not later than five	670,208	25,400	101,631	36,727
Later than five years	386,596	159,723	3,553	-
	<u>1,259,122</u>	<u>201,873</u>	<u>156,211</u>	<u>45,218</u>

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

	Group		Charity	
	2016 £	2015 £	2016 £	2015 £
Net income/(expenditure) for the year ended 31 March 2016	(199,499)	554,863	(227,594)	548,535
Adjusted for:				
Depreciation charges	319,100	277,842	319,100	277,842
Losses/ (gains) on investments	213,764	(755,918)	213,764	(755,918)
Dividends received from investments	(138,901)	(133,733)	(138,901)	(133,733)
Interest received	(5,167)	(12,810)	(5,167)	(12,810)
Loss / (profit) on the sale of fixed assets	(250)	(1,206)	(250)	(1,206)
(increase) / decrease in stocks	(2,509)	2,982	-	-
(Increase) / decrease in debtors	(319,877)	256,913	(320,678)	256,163
Increase / (decrease) in creditors	(18,478)	(68,534)	(4,451)	(69,809)
Net cash provided by / (used in) operating activities	(151,817)	120,399	(164,177)	109,064

23 Analysis of cash and cash equivalents

	2016	Group 2015	2016	Charity 2015
	£	£	£	£
Cash at bank and in hand	1,255,527	1,479,022	1,199,766	1,435,621
Cash held as part of the investment portfolio	304,112	540,171	304,112	540,171
	<u>1,559,639</u>	<u>2,019,193</u>	<u>1,503,878</u>	<u>1,975,792</u>

24 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.

25 Pension costs

A group personal pension plan is operated on behalf of certain employees. The assets are held separately from those of the charity in independently administered funds. The pension charge represents contributions payable by the charity to the plan at rates ranging from 5% to 7%. Contributions paid by the charitable company during the year amounted to £120,510 (2015 - £107,873). Employer contributions outstanding at 31 March 2016 amounted to £9,825 (2015 - £9,336) and were included within other creditors.

In addition, certain other employees previously employed by the National Health Service have, by arrangement, continued to be members of the NHS Pension Scheme, a multi-employer defined benefit scheme, whilst in the employment of St Nicholas' Hospice (Suffolk). Contributions paid by the charitable company during the year amounted to £148,814 (2015 - £133,043). Employer contributions outstanding at 31 March 2016 amounted to £11,541 (2015 - £11,268) and were included within other creditors.

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

Employers' contributions to the NHS pension scheme were made at the rate of 14.3% and employee contributions ranged from 5% to 14.5%. A new employer's contribution rate set by the NHS at 14.3% from 1 April 2015 to 31 March 2019. The employers' contribution rate in 2014-15 was 14%.

26 Material legacies

Legacy income is only included in incoming resources where receipt is probable and the amount can be measured reliably, or the legacy has been received. As at 31 March 2016 the Charity had been notified of one reversionary legacy with an estimated value of £100k (2015:£100k) and four residual legacies with an estimated value of £13k (2015: £140k). None have been accrued as the conditions for recognition had not been met.

27 Capital commitments

There was no capital expenditure authorised and contracted, but not provided for in the accounts for the year ended 31 March 2016 (2015: £45k).

28 Financial Instruments

The carrying amount of financial instruments at 31 March were:-

	Group		Company	
	2016	2015	2016	2015
Financial assets:				
Debt instruments measured at amortised cost	355,319	57,396	380,324	126,994
Equity instruments measured at cost less impairment	0	0	35,000	35,000
Instruments measured at fair value through profit and loss	7,709,556	7,608,783	7,709,556	7,608,783
Total	<u>8,064,875</u>	<u>7,666,179</u>	<u>8,124,880</u>	<u>7,770,777</u>
Financial liabilities:				
Measured at amortised cost	398,201	405,811	409,580	403,161