

# Annual Report and Financial Statements

Year ended 31 March 2017



*because  
you matter*

**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 2017

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# *Trustees' Report for the year ended 31 March 2017*



## Trustees and Advisors

### Board of Trustees

The Revd Canon R Norburn MBE <sup>3</sup>  
Mr C.Simpson <sup>1 5</sup>

Mrs S. Hayter <sup>3</sup>  
Mr D. Barclay <sup>1 5</sup>  
Mrs A. Langdon <sup>2</sup>  
Mr M. Leith <sup>2 3</sup>  
Mr P. Marchant <sup>4 5</sup>

Mrs L. Macklin <sup>1</sup>  
Mrs B. Martineau <sup>4</sup>  
Mrs M. Miles <sup>2</sup>  
Mr I. Morgan <sup>4</sup>  
Revd Canon M. Vernon  
Dr. E. Wallace <sup>3</sup>

Life President  
Chairman, appointed Honorary Treasurer  
31 December 2016  
Vice Chair  
Honorary Treasurer resigned 29 September 2016  
Appointed 1 February 2016

Resigned 9 December 2016  
Resigned 29 September 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, left 26 May 2017  
Georgina Bissell – Fundraising and Marketing Director, appointed 18 July 2017  
Jane Doughty – Human Resources Director  
Debra Garside – Clinical Services Director  
Rachel Spencer – Finance Director

### Auditors

RSM 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** HR Committee member   **3** Clinical Committee member  
**4** Income Generation Committee member   **5** Director of St Nicholas Hospice Trading Limited

## Trustees' Report (incorporating Strategic Report)

The Board of Trustees present their annual report on the affairs of the charitable group and company, together with the financial statements for the year ended 31 March 2017.

### Background

Since 1984 St Nicholas Hospice Care has been supporting the people of West Suffolk and Thetford. By caring for and supporting those experiencing long-term or life-threatening conditions, death, dying and bereavement, we strive to ensure everyone has the very best experiences in the final chapters of their lives.

By focusing on the individual's needs we care for people in their homes, the community, and at the Hospice. Our support and services include everything from specialist medical care to bereavement support and practical help.

Every year we support more than 1,000 people, along with their relatives and friends, as well as educating 2,800 people in our community about palliative care and bereavement. This year we consulted with staff and volunteers and reviewed our values which are described below:

### Our vision

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

### Our Values

**Compassion** *(What you can expect from our people)*

Care with warmth, kindness and honesty

**Listen** *(How we treat people)*

What's important to you will be understood and not judged

**Team spirit** *(How we work together)*

Working together takes respect, friendship, trust and a touch of laughter

**Learn** *(How we influence/lead/develop)*

Knowledge and skills should be shared generously

**Resilience** *(Our attitude towards change and the future)*

Courage to move and grow with life's changes

### Charitable Activities

The Charity reviews its objectives and activities annually, identifying achievements and outcomes to ensure our activities relate to the aims and objectives set.

### Hospice Services

Our services are provided free of charge to patients and their loved ones, however some educational sessions do require payment.

The clinical services are delivered by a multi-disciplinary team led by the 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), in addition one of the Consultants in Palliative Medicine is the Caldicott Guardian.

To ensure high quality care and support, which meet the needs of the whole person, the charity is proud to have developed a team of experienced people who offer and share a wealth of knowledge and expertise. This includes employed staff such as palliative care clinicians, therapists and carers, whose roles are complemented by our broad mix of volunteers who provide support to all our services and organisational functions, working across all disciplines and settings.

Working together as part of a flexible team enables us to focus on proactive care planning and management, which aids effective patient-centred decision making.

Services are delivered in a variety of settings including the hospice building in Bury St Edmunds, which includes a 12 bedded in-patient and day unit, our outreach hub in Haverhill (the Burton Centre) and other community settings across West Suffolk and Thetford.

In line with national guidance we operate a service which ensures specialist hospice support is available to people wherever they are; whether at home, in a care home, in hospital or with no home.

Our services include:

- Direct clinical care and support to patients, families and the bereaved comprising of:
  - Community based clinicians,
  - A 24-hour, seven days a week advice line giving advice, information and informal support to lay and professional people,
  - An in-patient unit,
  - Consultant sessions at West Suffolk Hospital Foundation Trust,
  - Orchard Centre and Independent Living, and
  - Bereavement support for children, young people and adults.
- Outreach activities, often in partnership with other organisations, which enable people to access support and advice in their own communities, including:
  - Local services – drop-in sessions in local towns and villages,
  - Hospice Neighbours, and
  - Community initiatives and partnerships.
- Education and training for people, families and professionals about caring and supporting people at the end of life and in bereavement, including:
  - Training for carers in nursing homes, and
  - Training for hospital clinicians.

We have an open referral system and our services are there to support anyone who needs us, from the point of diagnosis onwards, not just at end of life. Some 85 per cent of the people the Hospice is in contact with are at home; they range from the quite stable, right through to the final stages of life. We also support those who have been bereaved.

## Who does the Hospice help and support?

St Nicholas Hospice Care services are available to people living within West Suffolk or the Thetford area (South Norfolk).

This catchment area includes a population of approximately 270,000 (240,000 in West Suffolk and 30,000 in Thetford).

Whenever possible, people outside this geographical area are accepted if it is their choice to receive care and services from us.

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

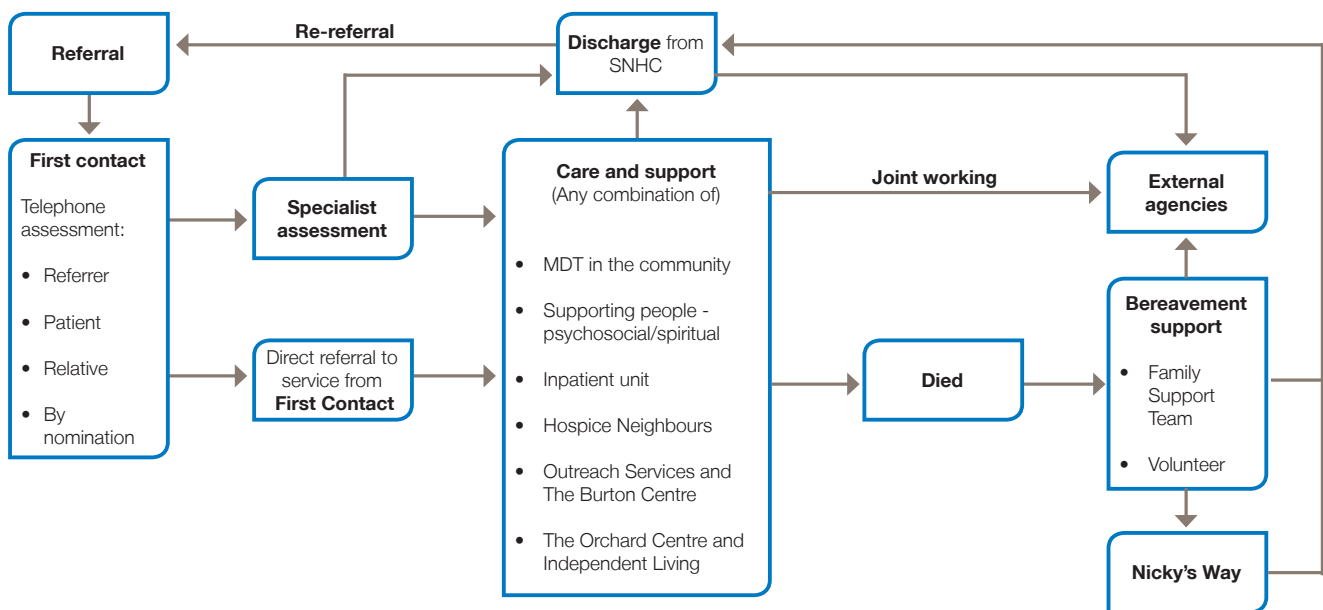
Although our care is focused on the individual with the illness, we support a variety of people:

- Our patients: We care for those in the final chapters of their life experiencing active, progressive and advanced illnesses. Our support focuses on their quality of life, providing relief from pain and other distressing symptoms.
- Families and carers: We support loved ones who are affected during illness and bereavement, this includes support for bereaved children and young people through our Nicky's Way programme.
- The community: We strive to enhance their role, ability and confidence to support each other facing death and bereavement. We also work with other members of the healthcare community, encouraging learning through the sharing of knowledge and expertise.
- Additionally, the charity works with teenagers, young people, and their families. We 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 and sensitive assessment of need. In addition our services can also be accessed in a more informal way. People can attend our variety of drop-in sessions, both at the Hospice's main site in Hardwick Lane and in the community, and anyone who visits the Hospice needing further information, help or support is greeted by knowledgeable staff and volunteers who are able to signpost to further support.

The flow diagram below 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 2016/17

In 2016 we said we would:	By March 2017 we had:
<p><b>Develop a more cost effective model of hospice care by engaging with users, staff, volunteers and stakeholders and pilot new models of care and support.</b></p>	<p>Extended our Open House and drop-in provision to new towns and villages. This has proved to be a very cost effective way of making services more accessible and creating local community support groups.</p> <p>Reviewed potential options for developing our services, leading to our 'Listen, Learn, Adapt' project which commenced in April 2017.</p>
<p><b>Facilitate the creation of compassionate networks of support for individuals and communities by:</b></p> <ul style="list-style-type: none"> <li>• <b>Increasing the number of care/support partnerships in outlying towns in West Suffolk and South Norfolk.</b></li> <li>• <b>Developing and increasing the numbers of trained volunteers to support people in the community.</b></li> </ul>	<p>Invested further resources into our Hospice Neighbours service to ensure it continues to go from strength to strength.</p> <p>Piloted and grown local initiatives such as 'Grave Talk' which focus on demystifying death, dying and bereavement. Increased the number of outreach drop-ins happening in our community.</p>
<p><b>Increase the confidence of people in the local community enabling them to comfortably support those at end of life care and bereaved by developing and delivering an education programme for local professionals and the public.</b></p>	<p>Extended our education activity for care homes and other local professionals, with over 2,800 delegates trained during the year, as well as increasing our presence in schools.</p>
<p><b>Develop our people to be equipped for future developments through:</b></p> <ul style="list-style-type: none"> <li>• <b>Using innovative problem solving groups.</b></li> <li>• <b>Continuing with leadership training.</b></li> <li>• <b>Developing staff confidence to be able to train and influence others.</b></li> </ul>	<p>Continued to equip our people with leadership and innovative problem solving skills and line management skills, as well as developing reflective practice to support staff wellbeing.</p>
<p><b>Improve efficiencies in all support systems by reviewing current processes, and developing a plan to improve activities by investing in technology where appropriate.</b></p>	<p>Reviewed our current IT systems and infrastructure for effectiveness and explored options for using better technology with our existing systems where suitable.</p> <p>Upgraded basic infrastructure such as servers and the installation of better broadband to enable future developments.</p>

In 2016 we said we would:	By March 2017 we had:
<b>Increase income from retail, events and In Memory by agreeing a plan to invest and grow these income streams.</b>	Grown income further from flagship events such as Girls Night Out and introduced new events.  Invested additional resources in e-Commerce and House Clearances.  Reviewed shop performance and opened a new shop in Newmarket.
<b>Ensure internal and external understanding of our services now and in the future by implementing a communications plan and increasing our use of social media.</b>	Agreed a plan to communicate about our project Listen Learn Adapt internally and externally.
<b>Deliver easy to use public information about end-of-life care and bereavement.</b>	Improved information leaflets and information on our website.

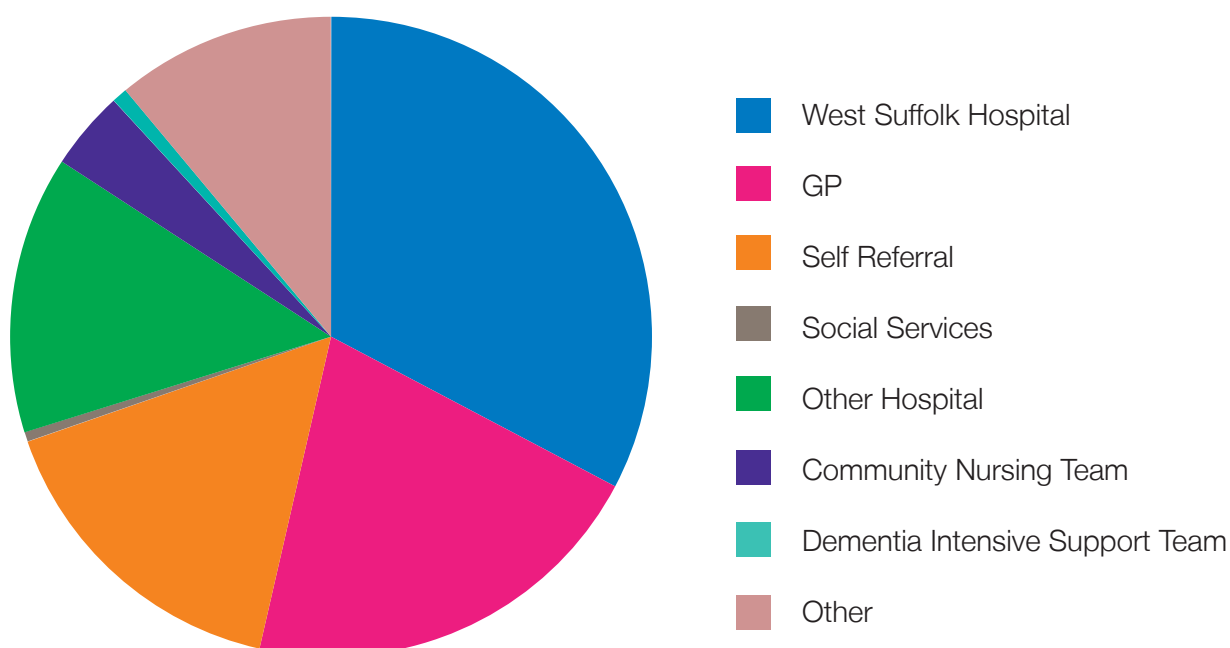
## Clinical Service Activity

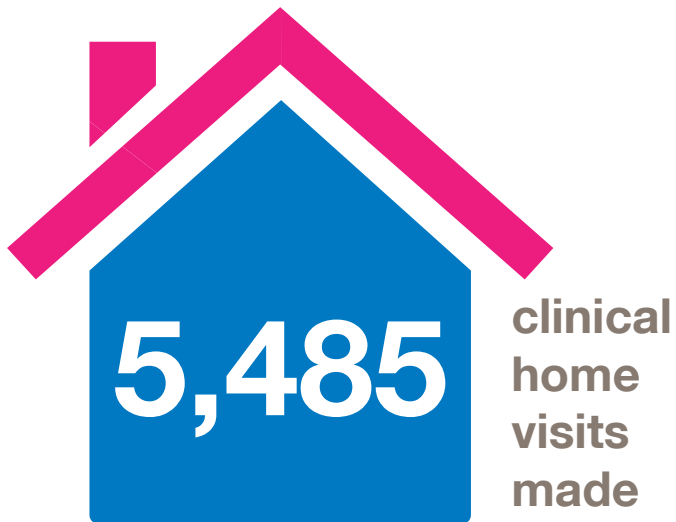
### 1) Key information

#### Referrals and Deaths

In the last financial year we had 1,030 referrals and supported 1,684 people, and 675 deaths. On average 90 per cent of referrals are from the West Suffolk area.

#### Referrals by source 2016-17





### Volunteers

The 100 volunteers that support the clinical team are integral to caring for people at the Hospice's Hardwick Lane site and supporting those who use our outreach and community services. Our volunteers assist individuals in everyday life, by providing practical care and support for those dealing with bereavement.

## 2) Direct clinical care

### 2.1 Community

Our Community Nursing Team comprises of 23 staff ranging from hospice care assistants to advanced Clinical nurse specialists all who are supported by our Palliative Care Consultants. We provide a seven day community service to those in West Suffolk and part of South Norfolk and provide 24/7 telephone support and advice line.

Our hospice care assistant team provide personal care and emotional support to patients in crisis, they assist with ambulance transfers, provide respite sits for those whose relatives need a few hours space and provide education to carers on what to expect when a loved one is approaching end of life. We have developed the Senior Hospice Care Assistants who have an assigned patient caseload in addition to supporting their colleagues.

Our Registered Nurses and Clinical Nurse Specialists (CNS) provide expert medical support to patients in their homes (including care and nursing homes) either face to face or through telephone consultations and via Day Therapy held within the hospice building. They work alongside GPs, hospital consultants and District Nurses to ensure seamless care in the community and they accept referrals based on need rather than diagnosis. They provide support and advice regarding symptom management, preparing and planning for end-of-life, as well as emotional and practical support, (which includes crises and admission prevention). An 'out of hours' CNS provides support until 10pm, 3 days per week. This role entails seeing patients in crisis and providing support to outside 'out of hours' agencies.

Referrals into the service are usually received from health care professionals and/or patients/family members and are triaged by a CNS from our First Contact service. Information is gathered, patients are promptly contacted and if appropriate offered a home visit or referral to Day therapy. An initial home visit lasts approximately one – two hours in which the nurse makes a full assessment of patients' physical, psychological, social and spiritual needs. The nursing team work well with other members of the multi-disciplinary team and cross refer their patients if needed to our Independent Living Team, Chaplaincy or Family Support service. All urgent patient referrals are seen within 2 working days and non urgent are seen within 10 working days.

### 2.2 24/7 Advice line

Supported by nursing and medical staff our advice line provides a 24/7 telephone response service for patients, families, 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.

Taking around 2,000 calls during the year, this service has proven to be invaluable to the families and carers of those patients who have been discharged but may require follow up advice and support to continue care in their normal place of residence.

As well as helping to prevent unnecessary admission to the Hospice, the service is also a crucial resource to care home staff as part of our care home Wheel of Support. By linking participants of our care home education programme to this service we can build closer relationships which could in turn prevent admission to hospital.

### 2.3 In-patient unit

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.



In the last financial year 242 people were admitted to the ward (including re-admissions). Of the patients we cared for, 129 were discharged and 113 died on the ward.

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

Through this holistic approach, we aim to care for the whole person, promoting all aspects of their wellbeing. For example, staff recently identified the wish of one gentleman for close encounters with wild birds. Staff took the initiative to contact the Suffolk Owl Sanctuary who helped make a visit to our ward possible. This led to further inpatients embracing this unique experience.

We constantly seek new ways of improving our services and during the year, we trialled an **Admission and Discharge Coordinator** position for Sylvan Ward.



Suffolk Owl Sanctuary visiting a patient on Sylvan Ward

This new role positively influenced the timeliness of admissions to the in-patient unit and also slightly increased admissions. The role has clearly enhanced collaborative working with continuing health care, nursing homes and West Suffolk Hospital and increased our opportunity to understand the wider issues. The role has also released nurses from this function, giving them more time to devote to patients. Following this successful trial period the charity will continue to fund this role in 2017/18.

## 2.4 The Orchard Centre and Independent Living

In recognising that 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 a six week personalised programme, weekly Open House drop-in sessions and numerous individual and group activities.

In total, during the last financial year:

- 825 people attended our drop-in services,
- We delivered 1,038 pre-booked clinical appointments at the hospice,
- 324 people attended our day care groups.

We offer a broad range of professional support through our Independent Living Team that consists of physiotherapists, an occupational therapist, rehabilitation assistants and a complementary therapist. They all provide one-to-one and group therapy to help people achieve their goals, and this support can make a significant difference to how people and their families they cope with their illness.

An example of this is the story of a 47-year-old lady who did not particularly want to engage with Motor Neurone Disease services or other medical professionals. The lady accessed physiotherapy and acupuncture for pain relief and problem solving with the Hospice and, when attending Independent Living the lady was introduced to a Healthcare Assistant who has an interest in art.

Through this connection, the lady subsequently agreed to Hospice support and the Healthcare Assistant was able to do some invaluable work producing items, guided by the patient, for the patient's family. This in turn helped her to come to terms with the fact she was dying and say goodbye.

By taking this more sensitive and person-focussed approach the Independent Living Team were able to support the patient and allowed her to be cared for in the ways she wanted and die where she wanted to be. When staff attended her funeral they were sought out by family members and friends who offered their heartfelt thanks.

As well as numerous visits to people in their own homes, in the last financial year the Independent Living Team delivered:

- 1,038 one-to-one therapy sessions at the Hospice, and
- 796 complementary therapy sessions.

## 2.5 Supporting people during illness and bereavement

We provide emotional, psychological and practical support to people and their families. We offer signposting to adults and children and offer one-to-one sessions, groups and activities, including Nicky's Way, which is our bereavement support programme for children and young people.

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:

- One-to-one bereavement support care to 216 adults and children across our community,
- Ran 573 one-to-one bereavement support sessions, and
- 495 visits to people in the community.

Each month an average of 27 people participated in a bereavement support group(s).

For the first time the Nicky's Way Team has been able to target schools directly this year, reaping the benefits of the previous year's preparation and working with a cross section of staff and pupils, individually and with groups. In some cases this has resulted in us targeting a particular area, like Haverhill, while in other cases we have responded to a single event, as in the case of a tragic accidental death of a young pupil in a school near Bury St Edmunds.



The Beach room – a haven for children and a counselling space for adults

This new working relationship has had some unexpected benefits within our own building, notably the decoration by pupils involved in National Citizenship Service of our 'Beach' room, designed for direct work with children and counselling.

Following our increased presence in schools, the numbers of children referred to Nicky's Way have shown a significant increase over last year, rising 44 per cent from 72 children supported in 2015/16 to 104 this financial year.

## 3) Outreach activity and partnership working

### 3.1 Local services

To increase our reach into our local communities we have developed a more outreach focussed approach, giving people access to a range of hospice services in their local community and providing individuals with greater choice. These services are available at our Hospice hub in Haverhill as well as offering drop in services across multiple locations across West Suffolk and Thetford.

Our Haverhill Hub has taken on the organisation and delivery of the Alzheimer's Society Dementia Support Group following the Society losing their contract for delivering dementia services in Suffolk.

We also work with a number of local community organisations such as

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

### 3.2 Hospice Neighbours

Hospice Neighbours is an innovative service that empowers people in communities to care for those in the final chapters of their lives. Over the last year, local volunteers have continued to be recruited and trained making 3,000 visits in their local communities. The time and companionship given by Hospice Neighbours has helped counteract both isolation and emotional distress which can arise from the challenge of living with or supporting someone with a long-term or life-threatening condition.

With a core aim of creating compassionate communities in our local neighbourhoods Hospice Neighbours have to be caring, empathetic, resourceful and practically minded. They are in a unique position to get things done, forging friendships which naturally blossom to include family members and often continue long after bereavement. The following story sums up what difference a Hospice Neighbour can make.

Two years ago Hospice Neighbour Kym Jackson first visited Deborah and Mark Taylor at their Thetford home following a suggestion from Mrs Taylor's Multiple Sclerosis Nurse that she might benefit from the support of a Hospice Neighbour. Kym now visits Deborah and Mark every week and as well as chatting and enjoying each other's company either over a coffee or a pub lunch, she is also able to happily help out with otherwise difficult tasks such as ironing & light gardening.



Deborah and Mark Taylor, from Thetford, with their St Nicholas Hospice Care Neighbour, Kym Jackson.

Mrs Taylor explained: "Within half an hour it was like we had known her forever. We had her in fits of laughter straight away...I class Kym as my best friend now. We just laugh so much and we have so much in common. We just clicked straight away."

Kym said: "In essence being a Hospice Neighbour is about being a good neighbour, offering support to those in the community who need it."

Feedback from caregivers has also repeated that Hospice Neighbours have allowed much-needed respite allowing them to find the 'me time' they need.

*"..She has made me feel that I am still alive ... and that I can still take part in life.. Neighbour visits have provided carers with a breather to recuperate from the demands of care."* Quote from family member.

Hospice Neighbours have also continued to build connections with the local community and everyday life outside by providing a bridge with mainstream society and an element of normality.

*"..I didn't know what was going on outside... the local paper only reports on incidents... it doesn't hold a conversation with you...I couldn't even walk into town but she'd come with me... we'd go for a cup of tea...so she helped me get back into mainstream society."* Quote from patient.

Being a Hospice Neighbour is also fulfilling for the volunteers involved:

*"The role fits perfectly into my life; I find it helps keep things in perspective. Hospice Neighbours brings the role of "neighbour" back to how it used to be - close communities who look after each other and are there for one another in a time of need."*

*"I personally gain a lot from being involved in Hospice Neighbours and have met so many amazing people. I truly believe the idea of being able to provide support and companionship - a cup of tea and a friendly chat - for people suffering from chronic illness or nearing end of life, in their own home, is something really special and I'm very proud to be involved in such an organisation."* Quote from Hospice Neighbour.

### **3.3 Community initiatives**

We have also worked to help communities be more aware of death and bereavement so that people can call on local networks for support.

An example of some of this work is Gravetalk, which is an initiative to encourage people to think and talk together about life, death, society, funerals and grief.

Gravetalk has been well received with 297 people attending in 2016/17, raising awareness of death, dying and bereavement.

At one session five people attended who then ran two further groups of 30 each who in turn then delivered two more sessions. We also recruited a volunteer from one session.

### **3.4 Working in partnership**

Working collaboratively with Clinical Commissioning Groups (CCGs) and other stakeholders to improve end-of-life care in West Suffolk is a key element of our strategy.

Examples of such working include:

#### **Partnership agreement with Healthwatch Suffolk**

This year we agreed to work more closely with Healthwatch Suffolk. This mutually beneficial relationship will enable us to strengthen the voice of people in Suffolk concerning health and social care by:

- Gathering and sharing the views and lived experience of people using our services,
- Enabling a broad cross section of people to get involved in engagement activities,
- Making full use of available shared opportunities to allow the voice of the service users to be heard at the right level by the appropriate bodies,
- Supporting the development of a network of user-led organisations in Suffolk, and
- Promoting and raising awareness of relevant initiatives and projects of the partner organisation.



## **Membership of Bury Town Connect**

This enables a small group of healthcare providers and commissioners to drive the implementation of local integration of health and care provision in line with the five key elements of the Connect offer:

1. Integrated neighbourhood teams
2. Specialist interventions - The work of single point of access
3. Reactive care
4. Community resilience
5. Linked but driven through separate forums

This joint working opportunity has enhanced the focus of the inclusion of palliative and end-of-life care services, particularly in relation to the training of professionals with regard to 'My Care Wishes' awareness, and St Nicholas Hospice Care is included in the Bury Town Connect Service Directory.

## **Joint working with West Suffolk Hospital Foundation Trust**

The charity part funds Consultant in Palliative Medicine sessions 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 Consultants in Palliative Medicine 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 five 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.

This year has seen an increase in the number of face-to-face sessions the consultants have with patients. This year it has grown from 49 in quarter one to 138 in quarter four.

## 4) Education

The Education Department has extended its range of training topics to a wider variety of groups; including organisations such as Racing Welfare, National Farmers Union, dementia support groups, funeral directors and solicitors.

Subjects covered during informative sessions include:

- How to support someone with a chronic respiratory disease at home,
- Loss, grief and bereavement in the work setting, and
- Future planning.

Following the training delegates reported:

*"I feel more confident when talking to people and know where to seek further advice and information."  
"I have a better understanding when raising the subject of dying."*

The number of clinical students has increased in respect of student doctors increasing their palliative care and hospice contact time. We are now having final place nursing students on placement which we anticipate will support future RN recruitment.

### 4.1 Care home training

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 2016/17 we increased our staffing by two and trained 2,829 people, delivered 150 training courses on 22 different subjects to a range of organisations. The team has also worked with 50 different care homes in the past twelve months.

We are working with the CCG's Care Home Lead to support care homes in West Suffolk to be more confident in caring for residents with end-of-life care needs. Part of this work includes working with a cluster of ten care homes to reduce inappropriate admissions to hospital at end of life.

We have trained 67 per cent of the care homes in our area in 2016/17. We have also trained 15 care homes outside of West Suffolk.

- 2015/16: 456 care staff were trained
- 2016/17: 511 care staff were trained

Training delivered included:

- Workplace learning,
- Classroom based learning,
- Online learning,
- Monthly Community Palliative Care Network for care home and domiciliary care staff, and
- 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, and
- Syringe pumps.

## Care Home Wheel of Support

Our care home wheel of support includes each care home having a Hospice care home link worker who will visit the care home monthly and act as a conduit between the care home and the Hospice. This link role will enable the care home to keep connected with all the hospice services, through advice, support and information.



## 4.2 Chaplaincy training

In 2017 for the first time, we hosted a student chaplain on placement and ran a two week pilot project in conjunction with West Suffolk Hospital of six curates from healthcare chaplaincy teams on a two week placement.

Dear Sharon

*This is just a very quick note to express my heartfelt gratitude for all your time and effort towards the pilot project for curates over the last fortnight. I'm about to send out feedback forms to them, but it's clear from my conversations with them on Sunday and Friday last week that they all found the experience useful, moving and rewarding. I think that the course went really well, and taught us a great deal for the future.*

God bless,

Tim The Revd Tim Jones, Diocesan Director of Ordinands & New Ministries

## **Clinical quality assurance**

### **Reported incidents/events**

There were no serious incidents to report during the year. Significant work to improve recruitment and retention of nursing staff has had a positive impact compared to the previous year. Many 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 of risk areas amongst staff.

### **Patient safety**

We have two groups which meet quarterly to ensure we regularly review clinical 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 and 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, and
  - 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, and
  - 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; where 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 of Trustees 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.

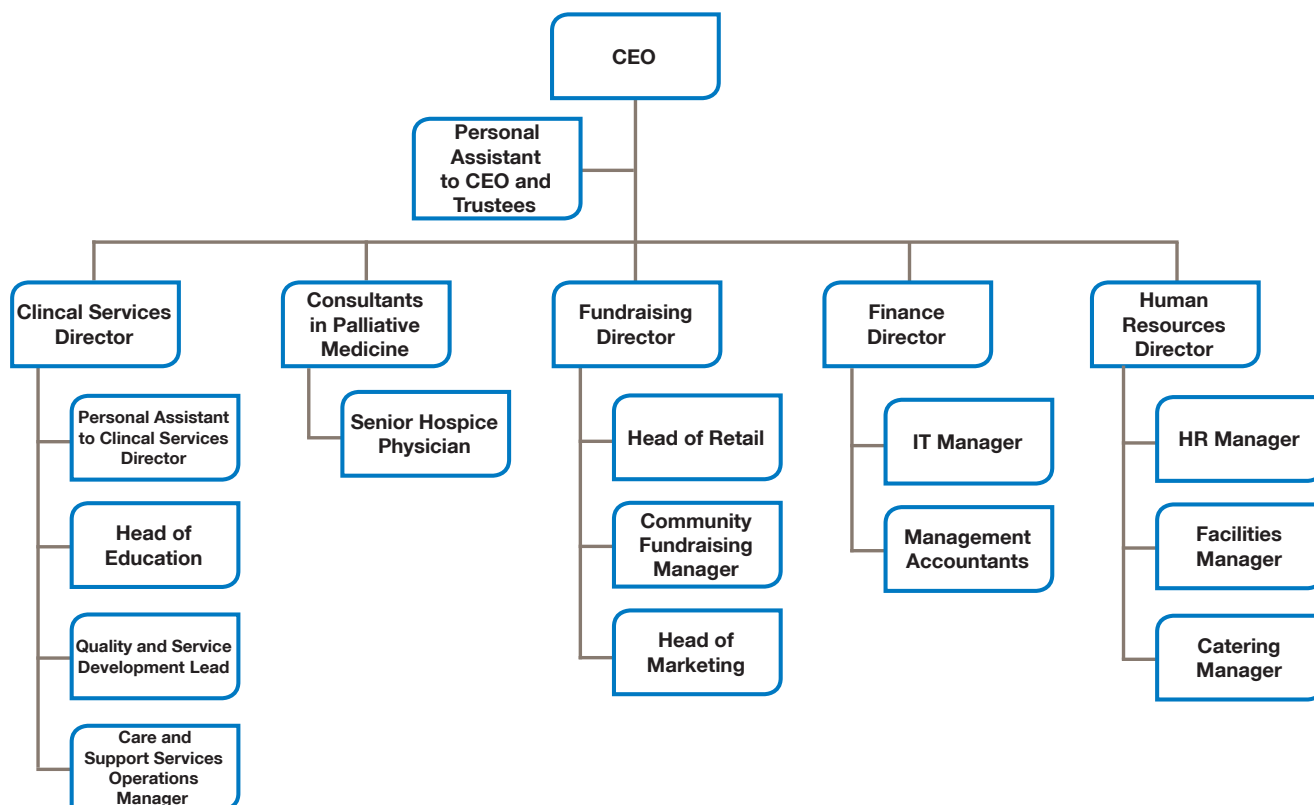
Developments have seen the recruitment of people with experience of dementia to the group. Members have discussed usage of beds on the ward, car parking, commented on research proposals and information for patients and commented on the strategy and new ideas for service developments.

Members are also involved in our Listen, Learn, Adapt process as part of the project's Engagement Group.



## 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 from the community. The Association in turn appoints and monitors the performance of the Trustees. It delegates the effective Governance of the Charity to the Board of Trustees and receives reports at least once per annum. The full Board of Trustees meets ten 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, Finance, Fundraising and Marketing, 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 2017 the Charity employed 170 staff, many of whom were part-time (equating to 127 full time equivalents), and 624 formal volunteers.

### Board of Trustees Committees

During the year, the Board has continued to operate four committees with specific terms of reference and functions delegated by the Board and with a Trustee as Chairman appointed by the Board - Clinical Committee, Finance and Investment Committee, Human Resources Committee, and the Income Generation Committee. These committees include co-opted members with relevant experience from the Association and the majority of Trustees, serve on at least one subcommittee.

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 managers recommendations for developments. The Chair of each committee reports back to the Board about matters discussed at each meeting.

- 1. The Clinical Committee** oversees all clinical matters with particular reference to palliative care and clinical standards and medicines management. It monitors performance and quality. The meetings are attended by the Chief Executive, the Clinical Services Director and the Consultants in Palliative Medicine.
- 2. The Finance and Investment Committee** oversees all financial aspects of the Charity's activities. It reviews the budget and monitors performance against it. It also considers the appointment, resignation or dismissal of the external auditors and approves their annual fee. The 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, and
  - Reports from the external auditors and monitors management actions to implement recommendations made in reports from the auditors.
- 3. The Human Resources Committee** reviews and monitors remuneration and employment policy and recommends to the Board of Trustees the annual employee percentage salary increase. The meetings are attended by the Chief Executive and the Human Resources Director. Remuneration of key management personnel is considered by the Chairs of each sub-committee and the Chairman of the Board.
- 4. The Income Generation Committee** oversees the retail, 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. Two trustee members are also Directors of St Nicholas Hospice Trading Limited (the charity's trading subsidiary).

The Board of Trustees fulfils their key role and function in overseeing and directing the affairs of the Charity, ensuring that it is well run and delivering the charitable outcomes for which it was established. The above committees are part of that process. 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 annual general meeting (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 seven and no more than 12 Trustees (excluding the Life President).

During the year, the following Trustees resigned:

Mr David Barclay  
Ms Loreen Macklin  
Mrs Brigid Martineau

In addition, since the year end, Mr Paul Marchant and Dr Elizabeth Wallace have also decided to resign as Trustees of the charity at the 2017 Annual General Meeting. All of these have given many years of support to the Charity and their input and expertise has been much valued.

Recruitment has been underway for new Trustees and Associates and a number of suitable candidates have applied. Appointments will be formalised at the Annual General Meeting on 28 September 2017.

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 Charles Simpson  
Mrs Susan Hayter  
Mr Ian Morgan

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, and
- 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 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.

The Charity is currently undertaking a strategic review of our services and delivery models to ensure we continue to serve our local communities in the best possible way.

The Charity's main purpose is to provide specialist clinical and non-clinical support for people who are dying and those who support them and the bereaved.

This is a highly regulated and complex environment from a clinical perspective and also because we are a charity.

These operational risks are managed through the Charity's policies, staff training and development, and governance arrangements. Strategically, the main risks for the Charity continue to be meeting the growing demand from our local population and developing sufficient income to meet increasing costs.

## Demand

The need for our services is already greater than we can meet, despite increasing the resources available.

The growing pressures on other charitable and government bodies coupled with funding means that demand on our services has increased during the year as we are called upon to fill the growing gaps in the care system. We anticipate this will continue to increase due to demographic changes and continuing pressure on public services.

We know that we cannot recruit sufficient additional resources to meet this demand due to pressures on our own financial position and therefore we need to develop services which are flexible, scalable and affordable, yet also make a difference to all the people that need us.

The Trustees have therefore decided to use some funds from reserves to explore this further and develop a more sustainable model of care which enables us to support everyone that needs us now and in the future.

## Income generation

The current economic climate continues to be uncertain, with macro-economic risks affecting our investment portfolio and inflation, and also domestic policy affecting grant funding from the NHS and other bodies. There is also a risk that donations from the local community and corporate donors will weaken in such conditions. We also face a significant risk to cash flow, due to the funding cuts and timing difference between legacy income recognition and the cash receipt of those monies. Cash levels have continued to decrease during the financial year by £941k (£460k in 2016).

In mitigation, the Trustees have ensured the Charity remains in a strong financial position by maintaining sufficient reserves. The income portfolio is diverse and we constantly seek new opportunities to improve income or find new sources of income, as shown in our growth of income from our House Clearance Service.

## Complaints and incidents

All incidents, 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.

	2016/17	2015/16
<b>Incidents reported</b>	173	169
<b>Incidents that included harmed to a person or the organisation</b>	47	46

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.

Of the 24 complaints received this year, ten related to clinical services, five to retail, three to fundraising, five were general and one was Data Protection. Five complaints resulted in a major investigation.

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.



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

## External recognition

### Promoting cornea donation

We were given a 'Highly Commended' for our work in promoting cornea donation at the prestigious British Medical Journal Healthcare Awards.

In 2015 we began routinely letting all eligible Sylvan ward patients know that it was their option to donate their corneas, should they wish. Around half of our patients are eligible. We found that lots of patients and families were very keen, and have gone on to donate. To date, more than 40 patients have donated their corneas (averaging about 25 people a year, compared to none previously), which would have made a big difference to the lives of 80 people. Our patients and families have found this very comforting.



St Nicholas Hospice Care staff at the British Medical Journal Healthcare Awards

One family said *"It's wonderful to think that someone out there is seeing the world through Dad's eyes."*

#### Feedback from NHS commissioner:

"We continue to work closely with our local Hospice within Suffolk, with whom we have developed a good working relationship. They continue to provide a wide variety of excellent services aimed at supporting the specific needs of our local community. The delivery of high quality, holistic specialist palliative care services to patients, their families and carers, by highly qualified and skilled individuals, irrespective of diagnosis remains a key priority for St Nicholas Hospice Care. As an organisation, they continue to develop and expand on their community focus to provide the majority of patient care closer to the patient, 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 west of Suffolk.

"St Nicholas Hospice Care are currently embarking on a 'Service Design' programme, supported by an independent company; realising the need to look at current practice and an opportunity to 'do things differently'. This was primarily due to the financial constraints placed upon them by the CCG during financial turnaround last year, which as an organisation they embraced in a very positive manner and have hence started this piece of work in order to understand how they can continue to deliver a quality service within a reduced financial envelope. What we have assurance of though is that the Hospice's expert team will remain actively involved in end-of-life care; ensure patient and family choice is paramount; providing a partnership model which is both advisory and participatory and offer a service that is available 24 hours a day seven 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 end-of-life care."

#### Dawn Barrick-Cooke

Senior Clinical Transformation Lead - Cancer/End of Life/Connect, West Suffolk Clinical Commissioning Group

## Our people

### Recruitment

Recruitment formed a significant part of our focus for the first half of 2016/17 with 41 new starters in the first two quarters. The delay between resignation and appointment in the previous year also explains some of the activity, however growth in the Retail Department where our house clearance and e-commerce income streams have significantly increased, required more resource(s) to cope with the workload.

The increasing requirement on financial reporting and governance following high profile failures in the charity sector also led us to increase our capacity within the Finance and Support Service Teams.

Following a long campaign over several months we were also able to finally fill the two major clinical roles in our clinical leadership team. These are to prove pivotal to our ability to lead our clinical teams through the Listen, Learn, Adapt project during 2017/18.

Average headcount figures for 2016/17 were 170 compared to 157 in 2015/16. The full-time equivalent figures (FTE) for the same periods are 138 (2016/17) and 127 (2015/17). This represents an 11.5 per cent increase in FTE.

Employee costs have grown by £306,096 (7 per cent increase from 2015/16).

### Remuneration and Benefits

Pay awards made during the year equated to £93,717 or 2 per cent of total costs with all staff receiving a 1 per cent general award in October 2016.

Some 47 members of staff were in the NHS pension scheme (principally clinical staff), 26 staff in the Aegon Group Personal Pension Plan and 99 staff in the auto-enrolment compliant scheme also provided by Aegon. The employer's contributions vary from 14.38 per cent for those in the NHS scheme, 7 per cent for those in the Group Personal Pensions Scheme and 5 per cent for those in the auto-enrolment scheme.

The Department of Health undertook a consultation process regarding a proposal to place an administration levy on NHS Employers and those offering NHS Pensions under Directions Body status. Despite protestations the proposal is to go ahead and a 0.08 per cent of pension costs administration levy will be applied by NHS Pensions from April 2017

### Volunteering

At the end of 2016/17 we had 624 registered volunteers, representing a drop compared to last year. However there continues to be a vast number of ad hoc voluntary support from people that help at major fundraising events such as Girls Night Out, Paws in the Park etc.

Department	Number of Volunteers as at March 2017	Number of Volunteers as at March 2016
Clinical	104	100
Hospice Neighbours	126	148
Fundraising and Support	131	150
Trustees	8	9
Associates	10	10
Retail	245	276
Total	624	693

On average 6,205 hours per month of volunteer support were provided across all departments which at minimum living wage rate (£7.50) would equate to £46,537 per month or £558,450 per year. Volunteers therefore provide a significant level of support and sustainability to the hospice service.

## Communication

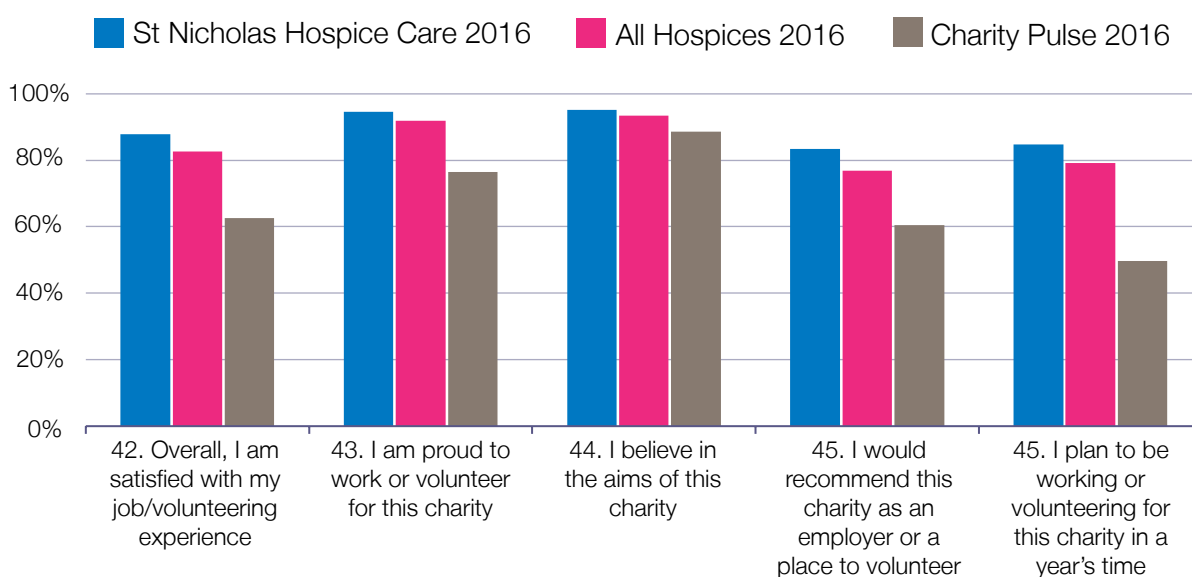
The clarification and redefinition of our vision in early 2016 to “to ensure everyone has the best experience in the final chapters of their lives” was the precursor to the re-definition of our organisational values in the latter part of 2016/17. These will be central to the way in which we will measure our behaviours during and after the Listen, Learn, Adapt project.

During 2016/17 the HR and marketing leads increased their focus on internal communications and a Senior Internal Communications Group was established to support and “ensure internal and external understanding of our services now and in the future”.

The internal staff forum continues to play an important part of our communication with our people, and is an important conduit for informing our communications plan for internal and external audiences. Social media increasingly forms a significant part of all communications.

During 2016 we again surveyed staff and volunteers using a Hospice UK endorsed survey company, called Birdsong Charity Consulting. Some 132 staff and 155 volunteers responded to the survey. Volunteer response was slightly down on the previous year.

The survey reviewed seven areas of people management practices and compared overall results with other hospices and the wider charity sector. In our overall results St Nicholas Hospice Care benchmarked higher than other hospices and the wider charity sector.



Specific areas that were identified for continued focus were pay, performance management and communication. The perception of pay (un)fairness was common across the two benchmarked groups and marked an area for further development and communication. It was also felt that poor performance could be managed better.

## Development of staff

The demographic predictions in the nursing profession in conjunction with the age profile of St. Nicholas Hospice Care's own nurses was identified as a potential risk for us at the end of 2015.

During the early part of 2016 we accessed funding to support three nurses in undertaking a post graduate degree level Palliative Care module(s) from September 2016. All three successfully passed.

To develop our people to be equipped for future developments a group of 11 people worked with the Ideas Centre group during 2016 to develop facilitation skills in creativity and innovation seeking techniques. This work has been the precursor to our Listen, Learn, Adapt project that commenced in April 2017.

Management and leadership skills training also continued in 2016/17 with the Management Centre – a management consultancy working internationally to transform the performance of ethical organisations – charities, public bodies and cultural organisations.

During January and February Family Support staff trained a group of colleagues from different teams including Community Nursing, Hospice Neighbours, Fundraising, Chaplaincy, the adult Bereavement Team and Administration in the art of facilitating small reflective practice groups throughout the Hospice. Aimed at improving staff resilience, this fresh venture comprised five sessions and incorporated teaching from Cambridge Supervision Training on 'second-hand shock'. The model taught was based on a reflective cycle, often used in nursing and counselling training, incorporating elements of clinical

supervision and differing from previous hospice approaches by reaching out to staff from teams other than clinical.

Trained staff are now in the process of being deployed across different teams to support others by offering small groups in which their colleagues can learn from their work experiences, foster their professional development and contribute to mutual support within the Hospice.



## Fundraising and retail

Community fundraising has had a particularly successful year, with a growth in our mass participation event Girls Night Out, and the development of other key events such as Battle of the Knights and Paws in the Park which continue to be great additions to our calendar. The fundraising team have worked closely with our clinical colleagues this year, and the Community team created their first 'Bed Push' event to raise funds for the Hospice. Legacies have also ended the year over target after some initial concerns about the pipeline earlier in the year, and the new legacy marketing campaign has been positively received.

House clearances have been particularly successful in retail, with donated stock from clearances generating £99k of income. The Long Melford store boutique is a great addition to our shops and has performed consistently over target. Our Newmarket shop has moved premises to a new position on the High Street, which has given the store more prominence and the refit has also helped increase footfall.

## Marketing

The Marketing team has played a key role in ensuring successful start to new service and fundraising initiatives whilst maintaining growth of established events. Two new fundraising events benefited from creative and cost effective marketing campaigns. Paws in the Park was attended by more than 1,500 people and a new obstacle race challenge event Battle of the Knights raised £12,000 which is considered successful for events in their first year.

The team's regular coverage of patient stories attending Open House has helped spread awareness of the Hospice's outreach work.

The new website has seen a 50% increase in traffic across the year, this trend continues to grow as we develop the use of digital advertising platforms such as paid for Facebook ads and Google Adwords. We see more than 30,000 visits from search engine advertising, an increase of more than 900% year-on-year.

## Financial Review

Overall, the Charity returned a surplus of £212k compared to a deficit of £199k in 2015/16. However, more than £500k of this position comes due to investment gains and without these the Charity would have recorded a deficit. This reflects the challenging environment we operate in, with growth in donations and income from fundraising activities, trading and our lottery offset by cuts in grants, NHS funding and the increasing costs of delivering our existing services.

## Income

Income has increased by £71k from £6.235m to £6.306m (1 per cent).

Income from charitable activities has reduced from £1.377m in 2016/17 to £1.322m this financial year. This is due to reductions in NHS grant funding and further cuts of £162k rising to £236k per year are due as the local CCG strives to return to a balanced budget. However, we remain committed to working in partnership with our local CCG to continue to provide our services and reduce the overall burden on the NHS. We have a new five-year contract in place from 1 April 2017 with our main partner, the West Suffolk CCG.

The Charity has maintained strong income from donations, as well as achieving record numbers and income from events such as Girls Night Out which this year saw over 2,000 ladies participate, bringing in £280k for the Charity. Whilst legacy bequests form a large proportion of income, they are volatile and challenging to predict by nature. Although this key source of income remained strong overall, our position at the end of the third quarter was very poor. Had it not been for a number of unexpected large bequests made during quarter four, the charity would have returned a deficit for the financial year. In addition, the delays between notification of a bequest and the actual receipt of income can stretch from months into years. Therefore, whilst the income is required to be recognised in these accounts, cash flow is under considerable pressure and the charity has been forced to draw down on investments during the year to maintain working capital.

During the year, the Trustees approved further investment in our trading activities. Following successful trial periods, additional resources have been invested in e-Commerce and our House Clearance Services. This has already had a positive impact on net income and we anticipate further growth in 2017/18. We have also scrutinised the return from our shops, resulting in the closure of our Thetford shop which was suffering from poor sales following changes to the town centre layout. We also opened a new shop in Newmarket using a similar format to our shop in Long Melford, which performed well since opening in October 2015. Since the end of the year, we have been granted permission to open a shop in the Burton Centre, our outreach hub in Haverhill. This will enable us to consolidate our presence in Haverhill whilst making savings by closing our two existing shops in the town.

## Expenditure

Expenditure has increased by £377k from £6.221m to £6.598m (6 per cent).



Expenditure on charitable activities has increased by around 3.7 per cent, reflecting the fact that the service has operated with close to a full complement of staff for much of the year. This has enabled us to reach more people and try new delivery methods, such as setting up Open House in smaller, more rural settings.

Expenditure on trading activities has increased, reflecting the investment made in e-Commerce and House Clearance Services. We anticipate this increase in cost base will lead to higher returns in future years.

### **St Nicholas Hospice Trading Limited**

Income of £283k 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 a decrease in total funds from £69k to £54k. All profits are gifted to the Charity.

### **Investments**

Despite the overall increase in income recognised during the year, cash levels have fallen. The main contributor to this is delays in receiving legacy income as most of the income we have been advised of has yet to be received. This has led to the need to liquidise some investments during the year and further cash is likely to be required in 2017/18 until this income is received.

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 £12.212m (2016: 11.969m) of which £0.3m (2015: £0.5m) were restricted. The charity also benefits from the Earl of Euston 2009 Endowment Fund of £45k. The attributed income (£1,017) 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 unrestricted funds, excluding designated funds, should ideally represent approximately one year of total running costs. Current undesignated unrestricted funds of £6.062m



represent 92 per cent 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, no additional funds, other than planned transfer to the new building and maintenance fund have been designated as the Trustees deem the current designations to be sufficient to support development of our services and income streams.

These comprise the following funds:

1. Building Fund.
2. New Building and Maintenance Fund.
3. IT Systems Fund.
4. Service Development Fund.
5. Income Generation Project Fund.

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 was set up in 2015/16 to plan for any future relocation of the West Suffolk Foundation Trust Hospital. As 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 likely we would need to build a new hospice elsewhere. To ensure prudent management of the charity's funds for this future requirement the Trustees designated £2m from reserves during the 2015-16 financial year, and have opted to add a further £250k this year.

The Service Development Fund, which was originally set up as the 'Hospice Community Services Fund' in December 2012 has been drawn down during the year to support the development work for the Listen, Learn, Adapt project and will continue to be used to support this project over the coming year - £944k remains.

The 'Income Generation Projects Fund' was also used during the year for investment in e-Commerce and House Clearances - £420k remains.

The IT Systems Fund has been used to support pilot work on improving the reporting functionality of our patient records system and will be further utilised over the coming years to update our IT equipment, premises and to support the development of new service delivery models and improve efficiency of processes - £395k remains.

## Plans for future periods

Our core objective to ensure everyone has the best experience in the final chapters of their lives drives us to focus not just on improving what we do now, but also on making sure we are able to meet future needs.

Changes in illness, demography and medicine mean 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.

By 2033 the incidence of **cancer** will increase by **57 per cent** and the number of people with dementia will have increased by **108 per cent**. 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 during and after this time.

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 we have operated in a deficit financial position for the year, and face a £900k budgeted deficit in 2017/18. 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, whilst also facing funding cuts from the NHS.

All these factors mean we need to consider a new approach which not only meets demand but remains affordable in the long-term.

To ensure we really understand what people need now and will need in the future we need to hear directly from people, their families and those that support them so we can ensure our services meet their needs.

The Trustees consider this to be a priority for the Charity to ensure it continues to provide the right support, care and clinical expertise for the community we serve, whilst remaining financially viable for as long as there is a need for the Charity.

Therefore, this work will be a major focus for the forthcoming year and beyond, and through our Listen, Learn, Adapt project we will evaluate our current services and develop new services where they are needed.

We anticipate that this will build on our experience with our current services and the partnerships we have, as well as looking for innovative solutions to support communities in caring for people with long-term or life-threatening conditions, as well as their carers and those coming to terms with bereavement.

We will continue to deliver our current services alongside this project, including:

- Collaborating with other palliative care and bereavement providers to provide a more cohesive integrated clinical service
- Increasing the amount of training and support given to care homes
- Enhancing our outreach drop in activity
- Increasing the number of 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.

We will also continue looking for ways to improve our income generation and working capital management 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 frontline services.

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

In 2017 we will:	We will do this through:
<b>Develop an innovative, scalable model of hospice care which is capable of supporting more people and communities but is financially sustainable.</b>	Engaging with users, staff, volunteers and stakeholders to understand current and future need. Working with a service design expert we will develop and pilot new models of care and support and create a hospice service which is fit for the future.
<b>Facilitate the creation of compassionate networks of support for individuals and communities.</b>	Increasing the number of care/support partnerships in outlying towns in West Suffolk and South Norfolk. Developing and increasing the numbers of trained volunteers to support people in the community.
<b>Increase confidence in people in the local community to be able to support those with end-of-life care and bereavement.</b>	Developing and delivering an education programme for local professionals and the public.

In 2017 we will:	We will do this through:
<b>Develop our people to be equipped for future developments.</b>	Using innovative problem solving groups. Continuing with leadership training. Developing staff confidence to be able to train and influence others.
<b>Improve efficiencies in all support systems.</b>	Reviewing our longer term IT strategy, and using work to evaluate current systems and processes to source improved systems which meet our requirements where appropriate.
<b>Increase income from retail, events and In Memory.</b>	Look for further opportunities to minimise costs and grow income further.
<b>Ensure internal and external understanding of our services now and in the future.</b>	Implementing a communications plan for internal and external audiences, including engagement with our Listen, Learn, Adapt activity. Increasing the use of social media to support communications.
<b>Deliver easy to use public information about end-of-life care and bereavement.</b>	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

### Fundraising

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 throughout this report. The ongoing use of designated funds to improve existing or develop new income streams will add to this diversification and enable the Charity to continue serving our local population.

### NHS grant funding

The financial pressures on NHS England have forced the West Suffolk Clinical Commissioning Group (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 reductions applied to the Charity have been phased from October 2016 for 18 months to the full 20 per cent cut for the 2018-19 financial year. This equated to a loss of funding in the year ended 31 March 2017 of £60k, a further reduction of £162k during the 2017/18 financial year and an ongoing annual loss in funding of £236k. However, the CCG has reiterated its support for the Charity and endorsed our future plans by committing to a new five – year funding agreement from 1 April 2017 with an annual value of £945k.

### Reserves

At the end of the financial year 2016-17, the Charity has unrestricted funds totalling £11.80m which exceeds the target of one year of total running costs in total, £5.78m of which have been designated, leaving the equivalent of approximately 92 per cent of this year's 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 2017/18 budget and the planned outcomes of Listen, Learn, Adapt. 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.

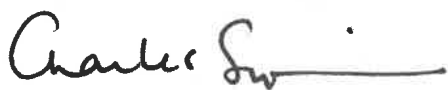
The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the UK governing the preparation and dissemination of financial statements and other information included in the annual report, may differ from 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** 28<sup>th</sup> September 2017



**Charles Simpson**

Chair

# *Independent Auditors Report*



## **Opinion on financial statements**

We have audited the financial statements of St Nicholas Hospice (Suffolk) (the ‘parent charitable company’) and its subsidiary (the ‘group’) for the year ended 31 March 2017 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”.

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 2017 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 requirements of the Companies

## 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 other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report and the incorporated Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Trustees' Report have been prepared in accordance with applicable legal requirements.

## Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Report and the incorporated Strategic Report.

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:

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

## Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' responsibilities set out on page 37 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.

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.



LARAGH JEANROY (Senior Statutory Auditor)

For and on behalf of RSM 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 2017*





# ST NICHOLAS HOSPICE (SUFFOLK)

Consolidated Statement of financial activities (incorporating the income and expenditure statement)  
for the year ended 31 March 2017

	Note	2017				2016			
		Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total £
<b>Income from :</b>									
<b>Grants, donations and legacies:</b>									
Donations		1,082,431	119,055	-	<b>1,201,486</b>	1,079,749	114,305	-	1,194,054
Legacies		1,285,854	-	-	<b>1,285,854</b>	1,476,503	-	-	1,476,503
Grants		4,350	-	-	<b>4,350</b>	-	13,000	-	13,000
		<b>2,372,635</b>	<b>119,055</b>	<b>-</b>	<b>2,491,690</b>	<b>2,556,252</b>	<b>127,305</b>	<b>-</b>	<b>2,683,557</b>
<b>Charitable activities</b>	2	1,322,268	-	-	<b>1,322,268</b>	1,376,640	-	-	1,376,640
<b>Other trading activities:</b>									
Shops		1,387,738	-	-	<b>1,387,738</b>	1,160,318	-	-	1,160,318
Lottery		494,365	-	-	<b>494,365</b>	485,500	-	-	485,500
Fundraising		367,389	-	-	<b>367,389</b>	310,797	-	-	310,797
<b>Other Income</b>	3	84,192	-	-	<b>84,192</b>	74,220	-	-	74,220
		<b>2,333,684</b>	<b>-</b>	<b>-</b>	<b>2,333,684</b>	<b>2,030,835</b>	<b>-</b>	<b>-</b>	<b>2,030,835</b>
<b>Investments</b>	4	157,520	-	1,017	<b>158,537</b>	143,152	-	916	144,068
<b>Total Income</b>		<b>6,186,107</b>	<b>119,055</b>	<b>1,017</b>	<b>6,306,179</b>	<b>6,106,879</b>	<b>127,305</b>	<b>916</b>	<b>6,235,100</b>
<b>Expenditure on:</b>									
<b>Raising funds</b>									
Raising grants, donations and legacies		(445,154)	-	-	<b>(445,154)</b>	(458,950)	-	-	(458,950)
Other trading activities		(1,868,253)	-	-	<b>(1,868,253)</b>	(1,641,513)	-	-	(1,641,513)
Investment management		(58,513)	-	-	<b>(58,513)</b>	(46,429)	-	-	(46,429)
		<b>(2,371,920)</b>	<b>-</b>	<b>-</b>	<b>(2,371,920)</b>	<b>(2,146,892)</b>	<b>-</b>	<b>-</b>	<b>(2,146,892)</b>
<b>Charitable activities</b>									
In patient care		(2,012,029)	(18,576)	(1,017)	<b>(2,031,622)</b>	(1,940,567)	(21,167)	(916)	(1,962,650)
Day care		(285,584)	(18,565)	-	<b>(304,149)</b>	(263,174)	(12,732)	-	(275,906)
Community services		(1,036,373)	(215,323)	-	<b>(1,251,696)</b>	(1,035,740)	(251,095)	-	(1,286,835)
Family support and bereavement		(416,158)	(15,203)	-	<b>(431,361)</b>	(366,677)	(23,421)	-	(390,098)
Education & research		(194,826)	(12,950)	-	<b>(207,776)</b>	(157,432)	(1,022)	-	(158,454)
		<b>(3,944,970)</b>	<b>(280,617)</b>	<b>(1,017)</b>	<b>(4,226,604)</b>	<b>(3,763,590)</b>	<b>(309,437)</b>	<b>(916)</b>	<b>(4,073,943)</b>
<b>Total expenditure</b>	5	<b>(6,316,890)</b>	<b>(280,617)</b>	<b>(1,017)</b>	<b>(6,598,524)</b>	<b>(5,910,482)</b>	<b>(309,437)</b>	<b>(916)</b>	<b>(6,220,835)</b>
Net gains / (losses) on investments	11	499,560	-	4,404	<b>503,964</b>	(213,155)	-	(609)	(213,764)
<b>Net movement in funds</b>	8	<b>368,777</b>	<b>(161,562)</b>	<b>4,404</b>	<b>211,619</b>	<b>(16,758)</b>	<b>(182,132)</b>	<b>(609)</b>	<b>(199,499)</b>
<b>Reconciliation of funds:</b>									
Total funds brought forward		11,440,335	488,421	40,402	<b>11,969,158</b>	11,457,093	670,553	41,011	12,168,657
<b>Total funds carried forward</b>		<b>11,809,112</b>	<b>326,859</b>	<b>44,806</b>	<b>12,180,777</b>	<b>11,440,335</b>	<b>488,421</b>	<b>40,402</b>	<b>11,969,158</b>

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



# *Balance Sheet as at 31 March 2017*

*Company registration number 1748046*



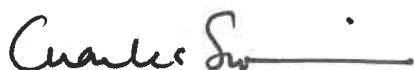
**ST NICHOLAS HOSPICE (SUFFOLK)**

Balance Sheet as at 31 March 2017

Company registration number 1748046

		Group		Charity	
	Note	2017	2016	2017	2016
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	10	2,565,853	2,728,097	2,565,853	2,728,097
Investments	11	8,316,352	8,013,668	8,351,352	8,048,668
		<b>10,882,205</b>	10,741,765	<b>10,917,205</b>	10,776,765
<b>Current assets</b>					
Stock		15,290	15,187		
Debtors	12	1,382,325	535,654	1,404,523	562,281
Cash at bank and in hand		359,363	1,255,527	312,284	1,199,766
		<b>1,756,978</b>	1,806,368	<b>1,716,807</b>	1,762,047
<b>Creditors: amounts falling due within one year</b>	13	<b>458,406</b>	578,975	<b>461,849</b>	590,354
<b>Net current assets</b>		<b>1,298,572</b>	1,227,393	<b>1,254,958</b>	1,171,693
<b>Net assets</b>		<b>12,180,777</b>	11,969,158	<b>12,172,163</b>	11,948,458
<b>The funds of the charity</b>					
Restricted income funds	14	326,859	488,421	326,859	488,421
Unrestricted funds:					
Designated fund	15	6,062,395	5,929,933	6,062,395	5,929,933
General fund	15	5,746,717	5,510,402	5,738,103	5,489,702
Endowment fund	16	44,806	40,402	44,806	40,402
<b>Total funds</b>	17	<b>12,180,777</b>	11,969,158	<b>12,172,163</b>	11,948,458

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

28<sup>th</sup> September 2017


Charles Simpson

Chairman

The notes on pages 45 to 59 form part of these financial statements.

# *Cash flow statement for the year ended 31 March 2017*



**ST NICHOLAS HOSPICE (SUFFOLK)**  
**Cash flow statement for the year ended 31 March 2017**

	Note	Group 2017 £	2016 £	Charity 2017 £	2016 £
<b>Cash flows from operating activities:</b>					
Net cash used in operating activities	20	<u>(1,088,667)</u>	<u>(151,817)</u>	<u>(1,079,985)</u>	<u>(164,177)</u>
<b>Cash flows from investing activities:</b>					
Dividends and interest from investments		156,099	138,901	156,099	138,901
Interest received		2,934	6,068	2,934	6,068
Proceeds from the sale of tangible fixed assets		1,000	250	1,000	250
Payments to acquire tangible fixed assets		(168,810)	(138,419)	(168,810)	(138,419)
Proceeds from the sale of investments		2,144,919	1,044,497	2,144,919	1,044,497
Purchase of investments		(1,988,479)	(1,359,034)	(1,988,479)	(1,359,034)
Net cash provided by / (used in) investing activities		<u>147,663</u>	<u>(307,737)</u>	<u>147,663</u>	<u>(307,737)</u>
<b>Change in cash and cash equivalents in the year</b>		<u><b>(941,004)</b></u>	<u><b>(459,554)</b></u>	<u><b>(932,322)</b></u>	<u><b>(471,914)</b></u>
Cash and cash equivalents at the beginning of the year		1,559,639	2,019,193	1,503,878	1,975,792
<b>Cash and cash equivalents at end of the year</b>	21	<u><b>618,635</b></u>	<u><b>1,559,639</b></u>	<u><b>571,556</b></u>	<u><b>1,503,878</b></u>



# *Notes forming part of the financial statements for the year ended 31 March 2017*





# ST NICHOLAS HOSPICE (SUFFOLK)

## Notes forming part of the financial statements for the year ended 31 March 2017

---

### 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 2017.

A separate Statement of Financial Activity (SOFA) is not presented because the Charity has taken advantage of the exemptions afforded by Section 408 of the Companies Act 2006 and paragraph 397 of the SORP. The gross income of the Charity in the year was £6,126k and the net movement in funds was a surplus of £224k.

#### *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 7 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% - 50% 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.

**ST NICHOLAS HOSPICE (SUFFOLK)**  
**Notes forming part of the financial statements for the year ended 31 March 2017**

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

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

*Impairment of fixed assets*

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

*Fund accounting*

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

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

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

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.

*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.

**ST NICHOLAS HOSPICE (SUFFOLK)**  
**Notes forming part of the financial statements for the year ended 31 March 2017**

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**1 Accounting policies (*continued*)**

*Creditors*

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

*Cash at Bank and in hand*

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

*Financial Instruments*

The charity only has financial assets and financial liabilities of a kind that 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.

**2 Income from charitable activities**

	2017	2016
	£	£
In patient care	664,530	648,974
Day care	90,421	90,540
Community services	369,892	430,359
Family support & bereavement	122,439	127,989
Education and research	74,986	78,778
	<u>1,322,268</u>	<u>1,376,640</u>

**3 Other income**

	2017	2016
	£	£
Catering income	74,534	66,539
Other income	9,658	7,681
	<u>84,192</u>	<u>74,220</u>

**4 Investment income**

	2017	2016
	£	£
Dividend – equities	129,167	117,523
Interest – fixed interest securities	26,932	21,378
Bank interest	2,438	5,167
	<u>158,537</u>	<u>144,068</u>

# ST NICHOLAS HOSPICE (SUFFOLK)

## Notes forming part of the financial statements for the year ended 31 March 2017

### 5 Analysis of expenditure

	Direct Costs £	Support Costs (note 6) £	2017 Total Costs £	2016 Total Costs £
Costs of raising grants, donations and legacies	374,658	70,496	<b>445,154</b>	458,950
	<u>374,658</u>	<u>70,496</u>	<u><b>445,154</b></u>	<u>458,950</u>
Other trading activities				
Shop costs	1,205,742	191,778	<b>1,397,520</b>	1,155,163
Lottery costs	234,401	13,140	<b>247,541</b>	234,825
Events costs	127,951	39,117	<b>167,068</b>	181,916
Other income	49,669	6,455	<b>56,124</b>	69,609
	<u>1,617,763</u>	<u>250,490</u>	<u><b>1,868,253</b></u>	<u>1,641,513</u>
Investment management costs	57,523	990	<b>58,513</b>	46,429
	<u><b>2,049,944</b></u>	<u><b>321,976</b></u>	<u><b>2,371,920</b></u>	<u><b>2,146,892</b></u>
In patient care	1,541,833	489,789	<b>2,031,622</b>	1,962,650
Day care	200,377	103,772	<b>304,149</b>	275,906
Community services	1,053,089	198,607	<b>1,251,696</b>	1,286,835
Family support & bereavement	359,794	71,567	<b>431,361</b>	390,098
Education and research	163,775	44,001	<b>207,776</b>	158,454
	<u>3,318,868</u>	<u>907,736</u>	<u><b>4,226,604</b></u>	<u>4,073,943</u>
<b>Total</b>	<u><b>5,368,812</b></u>	<u><b>1,229,712</b></u>	<u><b>6,598,524</b></u>	<u><b>6,220,835</b></u>

### 6 Analysis of support costs

	Admin, Finance & IT £	Human Resources £	Maintenance and Domestics £	Catering £	Governance Costs £	2017 Total £	2016 Total £
Cost of raising grants, donations and legacies	39,816	20,005	4,230	-	6,445	<b>70,496</b>	79,627
Other trading activities	155,568	64,735	6,345	-	24,832	<b>251,480</b>	228,352
Investment management costs	-	-	-	-	-	-	-
	<u><b>195,384</b></u>	<u><b>84,740</b></u>	<u><b>10,575</b></u>	<u>-</u>	<u><b>31,277</b></u>	<u><b>321,976</b></u>	<u>307,979</u>
In patient care	155,155	77,959	100,516	129,634	26,525	<b>489,789</b>	454,244
Day care	11,903	5,981	25,314	57,127	3,447	<b>103,772</b>	98,244
Community services	113,289	56,922	10,279	-	18,117	<b>198,607</b>	211,722
Family support & bereavement	35,710	17,943	11,724	-	6,190	<b>71,567</b>	54,596
Education and research	22,165	11,137	7,882	-	2,817	<b>44,001</b>	31,842
<b>Charitable services</b>	<u>338,222</u>	<u>169,942</u>	<u>155,715</u>	<u>186,761</u>	<u>57,096</u>	<u><b>907,736</b></u>	<u>850,648</u>
<b>Total</b>	<u><b>533,606</b></u>	<u><b>254,682</b></u>	<u><b>166,290</b></u>	<u><b>186,761</b></u>	<u><b>88,373</b></u>	<u><b>1,229,712</b></u>	<u>1,158,627</u>

### 7 Employee Costs

	2017 £	2016 £
Wages and salaries	<b>3,954,638</b>	3,727,435
Social security costs	<b>339,748</b>	287,803
Pension costs	<b>296,272</b>	269,324
	<u><b>4,590,658</b></u>	<u>4,284,562</u>

**ST NICHOLAS HOSPICE (SUFFOLK)**  
**Notes forming part of the financial statements for the year ended 31 March 2017**

The full time equivalent was 138 (2016 127) and analysis of the headcount in the year was:

	2017 Number	2016 Number
Direct charitable services	102	96
Fundraising services	49	45
Support services	19	16
	<b>170</b>	<b>157</b>

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

	2017 Actual Number	2016 Actual Number
£60,000-£69,999	2	-
£70,000-£79,999	-	1
£80,000-£89,999	1	-
£90,000-£99,999	1	1
<b>Total</b>	<b>4</b>	<b>2</b>

Pension costs relating to those staff earning over £60,000 totalled £48,807 in 2016 (2016 £24,703).

The Hospice considers that the key management personnel comprise of six of the senior management team – who are the Chief Executive and five other key directors, The total employee benefits of the key management personnel of the Hospice were £498,266 (2016 £507,515).

The Hospice had an average of 624 volunteers as at 31 March 2017 (2016 693) who provided their services in the following areas:

	2017 Number	2016 Number
Retail	245	276
Clinical	104	100
Hospice Neighbours	126	148
Fundraising and support services	131	150
Trustees	8	9
Associates	10	10
	<b>624</b>	<b>693</b>

**8 Net movement in funds**

	2017 £	2016 £
Net movement is stated after charging:		
Depreciation	318,880	319,100
Auditor's remuneration		
-Statutory audit of charity and group	12,900	12,565
-Statutory audit of subsidiary	3,200	3,150
Profit on sale of fixed assets	(2,577)	(250)
Operating lease rentals	268,383	243,600

**9 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.



**ST NICHOLAS HOSPICE (SUFFOLK)**  
**Notes forming part of the financial statements for the year ended 31 March 2017**

**10 Tangible fixed assets (Charity and Group)**

	<b>Long Leasehold Buildings £</b>	<b>Furniture and Equipment £</b>	<b>ICT Equipment £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>Cost</b>					
At 1 April 2016	3,869,310	1,224,461	247,292	12,995	<b>5,354,058</b>
Additions	57,853	17,964	23,866	60,530	<b>160,213</b>
Disposals	(752)	(2,322)	(1,297)	(2,995)	<b>(7,366)</b>
<b>At 31 March 2017</b>	<b>3,926,411</b>	<b>1,240,103</b>	<b>269,861</b>	<b>70,530</b>	<b>5,506,905</b>
<b>Depreciation</b>					
At 1 April 2016	1,407,206	1,058,263	153,329	7,163	<b>2,625,961</b>
Charge for the year	213,885	63,884	36,001	5,110	<b>318,880</b>
Disposals	(194)	(1,200)	(648)	(1,747)	<b>(3,789)</b>
<b>At 31 March 2017</b>	<b>1,620,897</b>	<b>1,120,947</b>	<b>188,682</b>	<b>10,526</b>	<b>2,941,052</b>
<b>Net book value At 31 March 2017</b>	<b>2,305,514</b>	<b>119,156</b>	<b>81,179</b>	<b>60,004</b>	<b>2,565,853</b>
<b>At 31 March 2016</b>	<b>2,462,104</b>	<b>166,198</b>	<b>93,963</b>	<b>5,832</b>	<b>2,728,097</b>

The long leasehold expenditure represents:

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

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

# ST NICHOLAS HOSPICE (SUFFOLK)

## Notes forming part of the financial statements for the year ended 31 March 2017

### 11 Investments

A) Summary	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
At start of the year	<b>7,709,556</b>	7,608,783	<b>7,709,556</b>	7,608,783
Additions	<b>1,988,479</b>	1,359,034	<b>1,988,479</b>	1,359,034
Disposals	<b>(2,144,919)</b>	(1,044,497)	<b>(2,144,919)</b>	(1,044,497)
Realised gains / (losses)	<b>277,506</b>	(38,275)	<b>277,506</b>	(38,275)
Unrealised gains / (losses)	<b>226,458</b>	(175,489)	<b>226,458</b>	(175,489)
	<b>8,057,080</b>	7,709,556	<b>8,057,080</b>	7,709,556
Cash held as part of the investment portfolio	<b>259,272</b>	304,112	<b>259,272</b>	304,112
Equity investment in subsidiary	<b>35,000</b>		<b>35,000</b>	
	<b>8,316,352</b>	8,013,668	<b>8,351,352</b>	8,048,668
B) Analysis of investments			<b>2017</b>	2016
			£	£
Equities			<b>5,807,044</b>	5,700,930
Fixed interest securities			<b>2,250,036</b>	2,008,626
Cash held as part of the investment portfolio			<b>259,272</b>	304,112
Total group			<b>8,316,352</b>	8,013,668
Equity investment in subsidiary			<b>35,000</b>	35,000
Total charity			<b>8,351,352</b>	8,048,668
C) Historical cost of investments			<b>2017</b>	2016
			£	£
Rathbones			<b>4,217,611</b>	4,188,927
Standard Life			<b>3,090,017</b>	2,947,443
			<b>7,307,628</b>	7,136,370

#### D) Trading subsidiary

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

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 2017 were £54,112 (2016: £69,199).

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

**ST NICHOLAS HOSPICE (SUFFOLK)**  
**Notes forming part of the financial statements for the year ended 31 March 2017**

The trading results for the year ended 31 March 2017 and 31 March 2016 are show below:

	2017 £	2016 £
Turnover	<b>282,855</b>	180,739
Cost of sales	<b>(99,998)</b>	(25,361)
Gross profit	<b>182,857</b>	155,378
Operating expenses	<b>(143,515)</b>	(104,485)
Profit on ordinary activities before interest	<b>39,342</b>	50,893
Interest payable on concessionary loan to hospice	<b>(625)</b>	(625)
Net trading profit	<b>38,717</b>	50,268
Assets	<b>95,554</b>	99,955
Liabilities	<b>(41,442)</b>	(30,756)
Net assets	<b>54,112</b>	69,199
Represented by:		
Capital	<b>35,006</b>	35,006
Reserves	<b>19,106</b>	34,193
Net assets	<b>54,112</b>	69,199

**12 Debtors**

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	<b>18,388</b>	17,055	<b>15,586</b>	21,493
Taxation recoverable	<b>40,756</b>	73,284	<b>40,756</b>	74,906
Other debtors	<b>2,524</b>	6,497	<b>2,524</b>	2,064
Prepayments	<b>117,614</b>	107,051	<b>117,614</b>	107,051
Accrued income	<b>1,203,043</b>	331,767	<b>1,203,043</b>	331,767
	<b>1,382,325</b>	535,654	<b>1,379,523</b>	537,281
<b>Amounts due greater than one year:</b>				
Loan due from subsidiary undertaking	-	-	<b>25,000</b>	25,000
	<b>1,382,325</b>	535,654	<b>1,404,523</b>	562,281

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.

**ST NICHOLAS HOSPICE (SUFFOLK)**  
**Notes forming part of the financial statements for the year ended 31 March 2017**

**13 Creditors: amounts falling due within one year**

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	98,758	115,743	94,615	115,311
Due to subsidiary company	-	-	19,886	15,507
Taxation and social security	91,488	77,188	87,201	77,188
Other creditors	46,821	96,332	46,821	96,332
Accruals	121,946	186,126	117,550	182,430
Deferred income – Lottery	77,983	82,791	77,983	82,791
Deferred income - Other	21,410	20,795	17,793	20,795
	<b>458,406</b>	<b>578,975</b>	<b>461,849</b>	<b>590,354</b>

**Deferred income reconciliation – Lottery**

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Balance brought forward	82,791	82,071	82,791	82,071
Amounts released to income in the year	(82,791)	(82,071)	(82,791)	(82,071)
Amount deferred in the year	77,983	82,791	77,983	82,791
Balance carried forward	<b>77,983</b>	<b>82,791</b>	<b>77,983</b>	<b>82,791</b>

**Deferred income reconciliation – Other**

	£	£	£	£
Balance brought forward	20,795	28,920	20,795	28,920
Amounts released to income in the year	(20,795)	(28,920)	(20,795)	(28,920)
Amount deferred in the year	21,410	20,795	17,793	20,795
Balance carried forward	<b>21,410</b>	<b>20,795</b>	<b>17,793</b>	<b>20,795</b>

**14 Restricted funds (Group and Charity)**

	Balance at 31 March 2016	Income	Expenditure	Balance at 31 March 2017
	£	£	£	£
In patient care	194,398	7,353	(18,576)	<b>183,175</b>
Day care	125,538	13,673	(18,565)	<b>120,646</b>
Community services	154,392	79,851	(215,323)	<b>18,920</b>
Family support and bereavement	226	15,203	(15,203)	<b>226</b>
Education and research	13,867	2,975	(12,950)	<b>3,892</b>
	<b>488,421</b>	<b>119,055</b>	<b>(280,617)</b>	<b>326,859</b>

## **ST NICHOLAS HOSPICE (SUFFOLK)**

### **Notes forming part of the financial statements for the year ended 31 March 2017**

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#### **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 10).

*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 10).

*The Baths fund* specifically received and expended on two replacement baths for Sylvan Ward – these are represented within furniture and equipment (Note 10).

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

#### **Day Care Fund** 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 a small amount remaining in respect of the enhancements to the Family Room and is either represented within leasehold land and buildings and equipment (Note 10) 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 10).

*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 10).

*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.



**ST NICHOLAS HOSPICE (SUFFOLK)**  
**Notes forming part of the financial statements for the year ended 31 March 2017**

*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.

**15 Unrestricted funds**

**Charity**

	Balance at 31 March 2016	Income	Expenditure	Investment gains/ (losses)	Transfers	Balance at 31 March 2017
	£	£	£	£	£	£
<b>Designated funds</b>						
Building fund	2,053,596	-	-	-	-	<b>2,053,596</b>
New building and maintenance fund	2,000,000	-	-	-	250,000	<b>2,250,000</b>
IT Systems fund	400,000	-	(5,000)	-	-	<b>395,000</b>
Service development fund	1,017,102	-	(73,143)	-	-	<b>943,959</b>
Income generation project fund	459,235	-	(39,395)	-	-	<b>419,840</b>
	5,929,933	-	(117,538)	-	250,000	<b>6,062,395</b>
<b>General fund</b>	5,489,702	6,094,691	(6,095,850)	499,560	(250,000)	<b>5,738,103</b>
	11,419,635	6,094,691	(6,213,388)	499,560	-	<b>11,800,498</b>

**Group**

	Balance at 31 March 2016	Income	Expenditure	Investment gains/ (losses)	Transfers	Balance at 31 March 2017
	£	£	£	£	£	£
<b>Designated funds</b>						
Building fund	2,053,596	-	-	-	-	<b>2,053,596</b>
New building and maintenance fund	2,000,000	-	-	-	250,000	<b>2,250,000</b>
IT Systems fund	400,000	-	(5,000)	-	-	<b>395,000</b>
Service development fund	1,017,102	-	(73,143)	-	-	<b>943,959</b>
Income generation project fund	459,235	-	(39,395)	-	-	<b>419,840</b>
	5,929,933	-	(117,538)	-	250,000	<b>6,062,395</b>
<b>General fund</b>	5,510,402	6,186,107	(6,199,352)	499,560	(250,000)	<b>5,746,717</b>
	11,440,335	6,186,107	(6,316,890)	499,560	-	<b>11,809,112</b>

*Building fund*

This is a designated fund representing the construction costs of the original building to 31 March 2017 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 designated fund for the purposes maintaining and updating the existing Hospice building and allocating funds for future building requirements.

**ST NICHOLAS HOSPICE (SUFFOLK)**  
**Notes forming part of the financial statements for the year ended 31 March 2017**

*IT Systems 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.

*Service development fund*

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 fund*

The Trustees have set aside funds for income generation through shops and growing Lottery membership, as well as developing new income streams to continue to diversify the charity's portfolio in order to remain sustainable and resilient to economic challenges.

**16 Endowment funds**

	Balance at 1 April 2016 £	Income £	Expenditure £	Investment gains £	Balance at 31 March 2017 £
The Earl of Euston 2009 Fund	40,402	1,017	(1,017)	4,404	<b>44,806</b>

The income earned from the investment of the fund, £1,017, must be spent in accordance with the objects of the Charity.

The gain arising on the investment of the fund was £4,404 and the value of the fund was increased by this at 31 March 2017. The investment management charge attributable to the fund at £281 was immaterial and no adjustment has been made to the value of the fund.

**17 Net assets by funds**

Group	General Funds £	Restricted Funds £	Endowment Fund £	Total Funds £
Investments	8,271,546	-	44,806	8,316,352
Tangible fixed assets	2,238,994	326,859	-	2,565,853
Current assets	1,756,978	-	-	1,756,978
Creditors falling due within one year	(458,406)	-	-	(458,406)
	<u>11,809,112</u>	<u>326,859</u>	<u>44,806</u>	<u>12,180,777</u>

Charity	General Funds £	Restricted Funds £	Endowment Fund £	Total Funds £
Investments	8,306,546	-	44,806	8,351,352
Tangible fixed assets	2,238,994	326,859	-	2,565,853
Current assets	1,716,807	-	-	1,716,807
Creditors falling due within one year	(461,849)	-	-	(461,849)
	<u>11,800,498</u>	<u>326,859</u>	<u>44,806</u>	<u>12,172,163</u>

**ST NICHOLAS HOSPICE (SUFFOLK)**  
**Notes forming part of the financial statements for the year ended 31 March 2017**

**18 Related party transactions**

None of the charity trustees or connected persons received remuneration for the year (2016 nil).

Trustees indemnity insurance amounting to £761 was paid for the year (2016 £737).

No trustees were St Nicholas Hospice Care Lottery subscribers in the year. One trustee and connected person was a subscriber in 2016, and in total paid £293 in the year. Their winnings amounted to £40.

During the year 11 trustees (2016 10) made donations totalling £2,762 (2016 £2,427).

Transactions with the subsidiary undertaking were:

	2017 £	2016 £
Loan made to the trading company from the charity	25,000	25,000
Gift aid donation	53,804	25,173
Recharged costs to the Charity by the Trading company	250,395	80,002
Recharged income from the Charity to the Trading company	174,436	92,623
Recharged costs from the Trading company to the Charity	146,338	75,029

**19 Financial commitments**

As at 31 March 2017, the charitable company had annual commitments under non-cancellable operating leases as set out below:

	Land and buildings		Other	
	2017 £	2016 £	2017 £	2016 £
Operating leases which expire:				
Within one year	196,685	202,318	37,760	51,027
Later than one year but not later than five	593,409	670,208	44,478	101,631
Later than five years	238,322	386,596	-	3,553
	<u>1,028,416</u>	<u>1,259,122</u>	<u>82,238</u>	<u>156,211</u>

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

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
<b>Net income/(expenditure)</b>	<b>211,619</b>	<b>(199,499)</b>	<b>223,705</b>	<b>(227,594)</b>
<b>Adjusted for:</b>				
Depreciation charges	318,880	319,100	318,880	319,100
(Gains) / Losses on investments	(503,964)	213,764	(503,964)	213,764
Dividends received from investments	(155,603)	(138,901)	(155,603)	(138,901)
Interest received	(2,934)	(5,167)	(2,934)	(5,167)
Loss / (profit) on the sale of fixed assets	2,577	(250)	2,577	(250)
Increase in stocks	(103)	(2,509)	-	-
Increase in debtors	(847,159)	(319,877)	(842,732)	(320,678)
(Decrease) / increase in creditors	(111,980)	(18,478)	(119,914)	(4,451)
<b>Net cash provided by / (used in) operating activities</b>	<b>(1,088,667)</b>	<b>(151,817)</b>	<b>(1,079,985)</b>	<b>(164,177)</b>

**ST NICHOLAS HOSPICE (SUFFOLK)**  
**Notes forming part of the financial statements for the year ended 31 March 2017**

**21 Analysis of cash and cash equivalents**

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Cash at bank and in hand	359,363	1,255,527	312,284	1,199,766
Cash held as part of the investment portfolio	259,272	304,112	259,272	304,112
	<b>618,635</b>	<b>1,559,639</b>	<b>571,556</b>	<b>1,503,878</b>

**22 Members guarantee**

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

**23 Pension costs**

A group personal pension plan is operated on behalf of certain employees. The assets are held separately from those of the charity in independently administered funds. The pension charge represents contributions payable by the charity to the plan at rates ranging from 5% to 7%. Contributions paid by the charitable company during the year amounted to £130,529 (2016 - £120,510). Contributions outstanding at 31 March 2017 amounted to £17,955 (2016 - £9,825) 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 £165,743 (2016 - £148,814). Contributions outstanding at 31 March 2017 amounted to £25,020 (2016 - £11,541) 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% (2016-14%) and employee contributions ranged from 5% to 14.5%. A new employer's contribution rate has been set by the NHS at 14.38% for the forthcoming year to 31 March 2018. Employee contribution rates continue at 5% to 14.5% for the forthcoming year to 31 March 2018.

**24 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 2017 there were no additional notifications over and above those already recognised in the financial statements. In 2016, the Charity had been notified of one reversionary legacy with an estimated value of £100k and four residual legacies with an estimated value of £13k.

**25 Capital commitments**

There was no capital expenditure authorised and contracted, but not provided for in the accounts for the year ended 31 March 2017 (2016: £nil).

**26 Financial instruments**

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Financial assets:				
Debt instruments measured at amortised cost	1,223,955	355,319	1,246,153	380,324
Equity instruments measured at cost less impairment	-	-	35,000	35,000
Instruments measured at fair value through profit & loss	8,057,082	7,709,556	8,057,082	7,709,556
Total	<b>9,281,037</b>	<b>8,064,875</b>	<b>9,338,235</b>	<b>8,124,880</b>
Financial liabilities:				
Measured at amortised cost	267,525	398,201	278,872	409,580