

Thames hospice

ANNUAL REPORT AND ACCOUNTS

for the year ended 31 March 2016

Registered Company No: 5316964

Registered Charity No. 1108298



**The Queen's Award
for Voluntary Service**

The MBE for volunteer groups

THAMES HOSPICE
ANNUAL REPORT
for the year ended 31 March 2016

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The Trustees are pleased to present their annual report together with the Financial Statements for the year ended 31 March 2016, which are also prepared to meet the requirements for a Directors' Report and Accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association and Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014.

THAMES HOSPICE

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Who we are

Thames Hospice is the local charity supporting people living with life limiting illness in East Berkshire and South Buckinghamshire.

A holistic approach

We provide expert nursing and medical care, with emotional and practical support for adults who have illnesses from which they are not expected to recover. Our care and support extends to family, friends and carers. We also offer a wide range of therapies to support our patients' physical, psychological, social and spiritual needs.

Always here

Our vital services are free of charge for all those who access them, and are available wherever they are needed: in our Hospice, at our Community Therapy Unit and in our patients' homes, 365 days a year.

Expert care

Our highly qualified team of nurses, therapists, doctors and consultants, assisted by healthcare assistants, provide expert nursing and medical care to our patients.

Our services are free

All our services are free to our patients and their families, friends and carers. We are grateful for the generous support of our fundraisers and donors who help us to generate around 80% of the over £7 million we need to run our Hospice each year. We receive approximately 20% of our income from the NHS.



Our Vision

Quality of life to the end of life for everyone

Our Mission

To provide and support the best palliative and end of life care to our community, giving dignity and comfort to those facing life limiting illnesses.

Our Values

Compassion	We treat everyone with kindness and compassion, providing a secure and caring environment.
Excellence	We are committed to delivering and demonstrating excellence and quality in everything we do.
Collaboration	We recognise the best quality of care is achieved when we work as a team, leveraging the skills and experience of individuals as well as our healthcare and community partners.
Integrity	We always act with integrity and strive to demonstrate the highest ethical standards of behaviour.
Respect	We believe in treating everyone with dignity and respect.
Ambition	Our desire and determination to succeed in meeting the growing needs of our local community.
Commitment	We are dedicated to providing the best palliative and end of life care to all who need us now and in the future.

Introduction by our Chief Executive

Thames Hospice has an excellent reputation as the leading provider of palliative and end of life care in East Berkshire/South Buckinghamshire and 2015/16 has seen us develop our services for patients, their families and loved ones even further to ensure that we continue to deliver the high quality care that our community has rightly come to expect from us.

It has been an exceptionally busy year as we have focussed on a number of key areas which will support our growth ambitions into the future. At the beginning of the year we had a number of Senior Management Team vacancies and I'm delighted to report that we now have a fully staffed team who are ready to take the organisation forward.

We have reviewed and rewritten our strategy with a new Vision, Mission and Values all of which will underpin our future plans and support us on our expansion journey.

From a care and services perspective, this year has seen the development of an integrated community team with our partners in Berkshire Healthcare Foundation Trust and a clarification of future need. As such, our Board have supported an expansion programme which incorporates 28 beds (from 17) and planning for this has been the focus of our future plans. It is however imperative that we consider all services together in meeting the needs of our community as more care will require more support from our fundraising teams, support services, shops and donors as well as our counselling and therapy services.

Our shops rely heavily on volunteers to deliver much needed support and there has been a great deal of work in this area in 2015/16. With support from the John Lewis Partnership via their Golden Jubilee Trust programme, we have been loaned the services of one of their employees to focus on a retail volunteering project. There are currently over 350 volunteers in our shops but we know we need to increase this number and this project has helped us to focus on how.

Finally, I am delighted to report that we have finished the year in a strong financial position and would like to thank the Board of Trustees, our staff and volunteers for all their support in delivering this achievement and a successful year!



Debbie Raven, Chief Executive

Strategic Report

Why we are here

Our strategic aims:

- To be the leaders of palliative and end of life care in our community, providing a patient centred, seamless service focussed on quality and equity
- To be the charity of choice in our local community, generating income and raising awareness to deliver our mission.
- To ensure the financial viability and sustainability of the charity so that we can continue to deliver our mission.
- To lead the design and delivery of sustainable organisational resource planning to support our mission.



Public Benefit

The trustees have complied with the duty in the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission. Thames Hospice exists for the public benefit for the advancement of health and to provide relief of those in need by reason of ill health. The charity's objects are

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the relief of sickness, in particular of those persons suffering from cancer or other life-limiting illness and the support of carers, families, friends and dependents during and after such illness, in such ways as the charity sees fit.

Ensuring our work delivers our aims

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives they have set. We review our aims, objectives and activities throughout the year and at the end of each year. Our aims and objectives are set out in the Strategic Operating Plan, and progress is reported through the relevant sub-committees to the Board on a quarterly basis.

These regular reviews look at the success of each activity and the benefits they have brought to the group of people we are set up to help. These reviews also help us to ensure that our aims, objectives and activities remain focused on our stated purpose.

How our work delivers public benefit

Our main objectives for the year and those we have helped are described below. All of our charitable activities focus on the relief of sickness, pain and suffering, in particular those suffering from advanced cancer or other life-limiting illness, along with the support of carers, families, friends and dependents during and after such illness. All of these charitable activities deliver public benefit, and all services provided to patients and their families are provided free of charge at the point of delivery.

Referrals are accepted from a variety of sources and places in our services are allocated according to clinical need. Care is currently delivered in the following ways:

- 17 bedded In Patient Unit at Thames Hospice, Pine Lodge, Windsor.
- Community Therapy Unit (formerly the Day Support Unit) at Paul Bevan House in Ascot.
- 24/7 Hospice at Home team covering the East Berkshire and South Buckinghamshire areas.
- Counselling Service at Pine Lodge and Paul Bevan House.
- Lymphoedema Service, mainly for those with secondary disease due to cancer living within East Berkshire and South Buckinghamshire. The service is based at Thames Hospice, Windsor site, but also offers outpatient services at Paul Bevan House.
- Complementary Therapy service, including outpatient services, operating at Pine Lodge and Paul Bevan House for patients, their families and carers.
- Physiotherapy and Occupational Therapy services, including outpatient services, operating across East Berkshire and South Buckinghamshire.
- Psychological and spiritual support operating across both sites.

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Impact statement

As mentioned in the Chief Executive's introduction, Thames Hospice is about to embark on an expansion programme that will enable us to provide our services to a greater number in our community. We know that the demand for our services is rising and our plans to expand are motivated by the desire to meet that demand and to improve the services that we provide. The public benefit of Thames Hospice is clearly evident in the numbers of people we help and the feedback we have from both patients and their loved ones. To increase and improve these services will impact upon the local community in a very positive way and the improved funding of those services will secure this position.

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Key achievements in 2015/16

The priorities for 2015/16 were determined by reference to the final year of our Three Year Strategy agreed by the Board of Trustees in November 2012. The Board and Senior Management Team were focussed on a set of objectives derived from the strategy:

- To be the preferred provider of specialist palliative care services to East Berkshire and South Buckinghamshire.
- To add value to the local communities we serve, providing care and support to adults towards the end of their lives which statutory services cannot provide.
- To value, support and utilise the talents of our staff and volunteers, empowering them to help us deliver our vision and mission.
- Sustainability – to continue to be a successful local charity for the next 25 years.

Specific objectives for the year included:

- Continue to provide the highest quality palliative care services to our communities and reach out to our generalist colleagues, supporting them in the delivery of end of life and palliative care within our funding capability.
- Achieve £1,081k net contribution via our fundraising and retail functions, excluding legacy income.
- Implement higher professional standards in all areas of the organisation than ever before.
- Grow our reputation for excellence with all audiences and influencers.
- Manage our resources with efficiency and effectiveness.
- Continue to develop and reward our staff and volunteers, renewing pride and confidence in all that we represent.
- Produce the blueprint for Project Twenty5 (PT5), ensuring we meet the needs of our community.
- Review our fundraising strategy in tandem with PT5, ensuring we have a sustainable financial plan to meet the needs of our community.
- Develop and launch a new five year strategy, (2016-2021).

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What have we achieved?

This year has been a successful one for Thames Hospice with the charity continuing to deliver exceptional clinical services to the community and maintaining the high occupancy rate of the previous year. Feedback has been consistently positive and complimentary from patients and their families, demonstrating our ability to deliver our gold standard of care in challenging circumstances.

Some of our key achievements during 2015/16 were:

- We maintained a consistent level of occupancy in our In Patient Unit of 84%, maintaining the same level as last year, receiving 367 (2015: 404) patients into our In Patient Unit.
- We treated 102 patients in their own homes through our Hospice at Home team, providing 1,484 hours of care; and we helped 562 patients through our other clinical services providing a total of 2,451 treatments and sessions for lymphoedema treatment, complementary therapies and counselling.
- During the year we received 247 formal accolades and no formal complaints.
- We made considerable progress on our expansion plans through our Project 25 Committee which will continue throughout 2016/17.
- We developed our new Five Year Strategy and alongside that a new Fundraising Strategy to underpin our income targets.
- Despite narrowly missing the target for Fundraising and Retail (achieved £1,047k net contribution rather than £1081k) we achieved a great financial result for the charity, generating a small surplus pre unrealised investment losses. See the Financial Review on page 10.
- We set up a new Staff Forum to ensure the views of our staff were represented across the organisation, continued our comprehensive training and development programme for both staff and volunteers and developed a new volunteer recruitment strategy .

Key objectives in 2016/17

2016/17 sees the launch of our new Five Year Strategy. The Board of Trustees and the Senior Management Team have agreed the Vision, Mission and Values on Page 3 and the Strategic Aims on Page 5.

Using our Five Year Strategy (2016 to 2021), we have compiled an Operating Plan for the coming year. Each department sets out objectives and targets to achieve during the year which align with the new Strategy. This Plan is reviewed quarterly by the relevant committee and by the Board. Some key targets and challenges for the coming year, in line with the four new strategic aims on page 5 are:

- To advance plans for our expansion to a 28 bed hospice with combined Community Palliative Care Scheme and complementary therapies.
- Develop and action a recruitment and retention plan for nursing staff; this has been identified as a major challenge for all healthcare organisations.

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- Optimise fundraising income whilst remaining confident of retaining excellent fundraising governance.
- Develop and implement the initial phases of our capital appeal to help fund our expansion plans.
- Expand our number of retail units by at least another two, ensuring we can recruit the required volunteers to help staff the shops.
- Maintain financial stability, effective governance and appropriate risk management.
- Further develop our future financial plans including the planned expansion in conjunction with reserves, investment and cash management.
- Carry out staff and volunteer surveys to encourage feedback and recommend and monitor progress on changes as appropriate.
- Continue the development of resource planning with respect to staff and volunteers to ensure we can maintain the required levels of personnel to support our continued expansion plans.

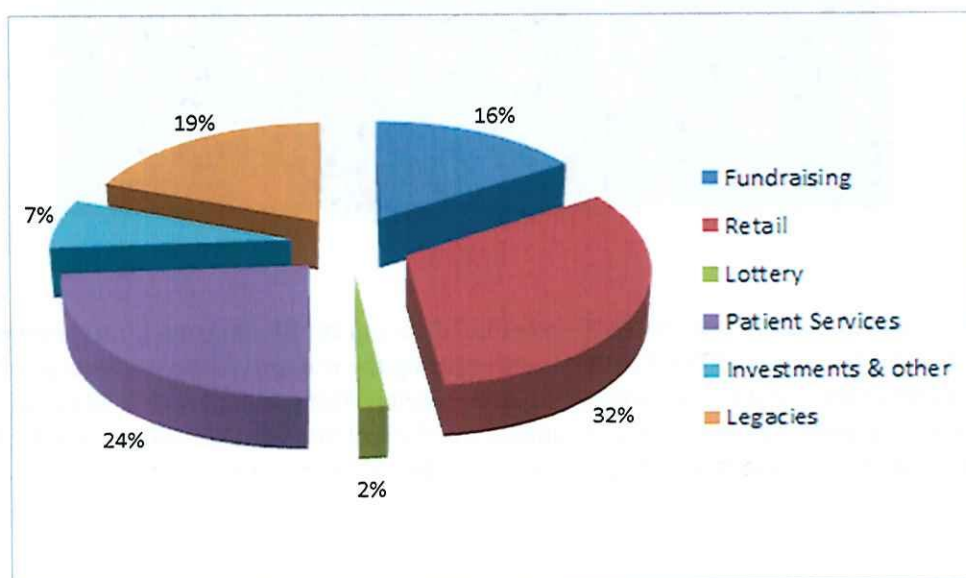
Key risk areas have been identified through our risk management process (see Page 18) and they fall broadly into three categories:

- Reputational risk which could relate to our PT5 expansion plans being unpopular or to areas such as fundraising governance which is being closely monitored by the trustees. Increased local awareness and openness about our plans will also mitigate this risk.
- Inability to meet rising demand which might relate, for example, to recruitment and retention of staff and volunteers, both of which are being reviewed and future plans put in place.
- Income generation risk; this is always a risk for the charity as we receive only a fifth of our income from the NHS. Plans such as the new Fundraising Strategy, retail expansion and our increased collaborative working with our CCGs will mitigate this risk.

Financial Review

Review of the year 2015/16

Thames Hospice generates income from a variety of sources from core grants, donations, legacies and sales of donated goods. The split of income for the year may be represented as follows:



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This year our Fundraising team raised a total of £1,060k excluding the lottery and legacy income (2015: £1,043). This was a great performance in a challenging year for fundraising. Individual and committed giving both saw decreases but these were mitigated by good results from trusts, major donors and fundraising groups. Events this year saw 343 registered for our annual Sunflower Walk and 604 in the Santa Dash plus a ball held by our Denham Fundraising Group. As always our local community raised much appreciated funds on our behalf through local events, collections and other activities. We are most grateful for our ambassadors and fundraisers for their continued support and commitment.

We started up our own local lottery towards the end of last year and during 2015/16 signed up a further 2,000 players so we finished the year with over 3,000 lines being played. The lottery will take another couple of years to break-even but hopefully will be a long term reliable source of income for the hospice.

Legacy income was very positive again this year, bringing in £1,255k after costs (2015: £2,976k). This is down on last year but is a little higher than our average income from this source. It is impossible to predict what we will receive in legacy income each year but it can be a substantial proportion of our annual income, constituting 19% of the total for 2015/16. We are indebted to our supporters for their generosity and for remembering us in their wills.

Fundraising costs were down this year largely due to staff vacancies in the first half of the year, saving £69k (£290k vs £359k in 2015) and giving us a higher net contribution by over £50k before lottery and legacies.



Contributions to Thames Hospice from the NHS in terms of core grant funding and Continuing Health amounted to £1,484k in the year (2015: £1,461k) representing the majority of the Patient Services generated income which is 24% of the total income received by the charity. The remainder related to placement funding, training income and catering income. Costs of running our Patient and Family Services was £2,434k (2015: £2,501k), a decrease of £67K due largely to staff vacancies and excellent cost control.

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Income generated by our retail outlets in the year was £2,112k (2015: £1,960k; the figure in the 2015 accounts was £2,167k but this included some prior year sales being recognised). The 2015/16 figure therefore represents an increase of 8% due to increased sales overall and increased gift aid claimable.

Direct costs also rose in line with the increased retail activity (£1,586k vs £1,463k in 2015) but due to the excellent income performance, the gross contribution generated by the division increased by £9k after adjusting for the prior year sales in 2015. We have just opened a new shop in Gerrards Cross and hope to open another two in 2016/17.



Investment income for the year increased to £436k (2015: 343k). This reflects the increase in value of the holdings over recent years where surplus funds have been invested for the future and we are seeing the benefit through the income line. Realised losses on the sales of investments totalled £34k (2015: £12k) and unrealised losses accrued to the investment portfolio were £481k (2015: gain £506k), reflecting UK and world market instability and uncertainties. Investment management fees were in line with last year at £44k (2015: £46k).

At the year end the total funds of the charity stood at £19,230k (2015: £19,646k). Of this, Restricted funds totalled £103k (2015: £79k), Designated funds £10,100k (2015: £4,187k) and General funds £9,027k (2015: £15,380k). The funds are analysed further in Notes 17 and 18 to the accounts.

Reserves policy

Our aim is to achieve sustainable funding for Thames Hospice and to ensure that our reserves give sufficient resilience to allow for fluctuations in funding. It is recognised by the trustees that the charity may generate a surplus or deficit in any one year depending on the unpredictable nature of some funding streams and general economic conditions. The trustees have therefore determined to maintain a reserve position that would enable the charity to continue operations during deficit years, and in surplus years invest additional funds generated in our investment portfolio.

The charity determines its future reserve requirements by producing ten year projections of income and expenditure. The trustees have decided to set the level of reserves by reviewing these projections and ensuring that any potential deficit years would be covered by our free reserves. Free reserves are defined as our total reserve net of restricted funds, fixed assets and any reserves designated for specific purposes by the trustees. Surplus reserves generated are set aside for future projects of a capital or revenue nature. Such

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designations for future projects are agreed by the Board prior to the financial year end as required by the Statement of Recommended Practice.

The reserves policy is reviewed annually by the Finance and Investment Committee and any recommendations for change presented to the Board for approval. The Committee will review the sufficiency of free reserve at the year end and set out here the reserves figures for 2015/16.

The trustees have reviewed the policy in place for 2015/16 and have determined that it is fit for purpose and that reserves are adequate in accordance with the provisions of the policy. The large designation is for the expansion of the hospice and the services it provides which is known as Project Twenty Five or PT5. The financial projections for the project and for the next ten years have shown that we would need to ensure that we keep approximately £5 million in a free reserve to cover potential annual deficits caused by income fluctuation. This amount would ensure the sustainability of the charity as long as there are no major material variances to the forecast expenditure or changes to our major income streams. The reserves may be classified as follows:

	£m
Fixed assets	4.5
Designated reserve for PT5 capital project	10.1
Free reserves	<u>4.6</u>
Total reserves	<u>19.2</u>

The free reserve currently sits just below the target of £5 million due to the designation of £10 million for PT5. The trustees have approved this given it is close to target but would hope to replenish the reserve when possible.

Investment policy

We have continued to use Investec Wealth & Investment Limited as our investment manager in the course of the financial year, remunerated by us by management fee. Investec actively manage our portfolio in line with the investment policy set by the trustees and report back to the Board on a quarterly basis on the performance of the portfolio.

Main portfolio:

The investment policy is such that the main portfolio will be managed within a "moderate" risk and within pre-determined asset allocation ranges. Total investment in equities should never exceed 55%. No initial investment should exceed 7.5% of the total value of funds and the total sum of all equity holdings in excess of 5% must not equal or exceed 40% of the fund's value at any time. Trustees have prohibited direct investment in derivatives and any tobacco related investments.

At 31 March 2016 the policy, benchmark and actual asset allocation stood at:

	Policy	Benchmark	Actual
Fixed Interest	25-45%	34%	35.5%
UK Equities	30-50%	40%	39.6%
Overseas Equities	5-15%	10%	10.2%
Property	4-8%	6%	6.2%
Infrastructure	0-8%	5%	5.1%
Cash	0-20%	5%	3.4%

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The total return performance for the year was -1.1%, lower than benchmark -0.6%. This reflects a somewhat turbulent period for investments which is likely to continue to some degree due to market uncertainties. Net realised and unrealised losses on our investments in the year were £515k (2015: gain £494k) which has turned a small surplus into a deficit for the hospice but the investment performance is in line with UK and world markets. Investment income was £432k (2015: £333k) which has boosted results.

Bond portfolio:

The bond portfolio mix is restricted to fixed interest and cash as its purpose is to provide stable cash based funds from which we can draw down at short notice if required.

At 31 March 2016 the policy, benchmark and actual asset allocation stood at:

	Policy	Benchmark	Actual
Fixed Interest	80-90%	90%	85.4%
Cash	0-20%	10%	14.6%

Review of Thames Hospice Retail Limited

Thames Hospice Retail Limited is a wholly owned trading subsidiary of Thames Hospice.

During the financial year, the company concentrated on its role as agent for the sale of donated goods made under the HMRC gift aid scheme. A small quantity of new goods were also sold through the company. This year they mainly consisted of Christmas cards but we also introduced a small amount of carefully selected new goods in quarter four in some of the retail units.

The company's results for the 2015/16 financial year show a small loss of £1k. This means there will be no gift aided distribution to Thames Hospice for the year (2015: £2k). The directors are comfortable with the small loss which is due to Christmas card stock write offs. The Retail Company is still a going concern and the directors will keep under review the sales of and margin generated by the new goods being introduced.

Structure, governance & management

Group Structure

Governing Document

The charity is a Company Limited by Guarantee, registered in England. The Company was formerly known as Thames Hospicecare, with a change of name being approved by Companies House on 13 September 2013. The Company operates under a Memorandum and Articles, amendments to which were approved by the trustees on 4 September 2014.

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Group Structure

In 2005 the charity was formed following the merger of Thames Valley Hospice and the Paul Bevan Cancer Foundation. The merged charity, Thames Hospicecare, rebranded to become Thames Hospice in September 2013.

Thames Hospice Retail Limited

The issued share capital of this company is held by the charity. This company is used to process sales of new goods sold through the charity's retail outlets and to account for commission on gift aided goods donated to the charity for resale through the charity's retail outlets.

Thames Valley Hospice and Paul Bevan Cancer Foundation

These charities remain as "shell" charities in order that they may still legally receive legacies and other general donations. The trustees of both shell charities have resolved to make a grant of any monies they receive for Thames Valley Hospice and the Paul Bevan Cancer Foundation to the benefit of Thames Hospice.

Related and other connected parties

The charity is supported by its subsidiary retail company. Charitable Trusts, fundraising support groups and individuals also raise money for the Hospice via charity events, individual donations and legacies.

NHS – The charity has a close relationship with the NHS which provides essential funding towards the operating costs of the charity. In the financial year ended 31 March 2016 the NHS granted the charity £1,484k which represented 22% of its total incoming resources (2015: £1,461k represented 18% of income).

Specifically, the charity had an activity based Service Level agreement with NHS Buckinghamshire, a Continuing Healthcare agreement with East Berkshire and was also in receipt of a grant from NHS Berkshire, now split between three commissioning groups.

Thames Valley Hospice Charitable Trust (TVHCT) – This Trust exists to provide funds at its discretion, in support of Thames Hospice. The TVHCT did not share any trustees with Thames Hospice during the financial year.

Shell charities – Thames Valley Hospice and Paul Bevan Cancer Foundation – see above.

Governance

Recruitment and Appointment of Directors and Trustees of Thames Hospice

The directors of the Company also act as trustees of the Charity. Trustees are appointed for an initial period of 4 years, after which they may apply for re-election to serve a second period of 4 years. The second term of appointment may be extended for a further 12 months on an exceptional basis. The directors appoint a Chair from within their number, who can also serve two periods of 4 years with the option for an exceptional extension of 12 months.

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When a trustee retires every effort is made to replace him/her with a person of qualities and experience which will be relevant to the requirements of the charity. There is an open recruitment and selection process for all trustee vacancies which are advertised externally. Applications are reviewed by a Nominations Committee, comprising three trustees including the Chair of the Board, who consider and recommend applications to the Board. New trustees are then appointed by a majority decision of the Board. The Board of Trustees are detailed on page 42.

Trustee Induction and Training

Trustees undergo formal induction by spending time in the Hospice at the In Patient Unit, meeting individually with the Senior Management Team and attending meetings of the Committees of the Board. The Board identifies and meets the individual training and development needs of its trustees and has in place a framework for evaluating board performance. Trustees benefit from continual training as required, most recently attending a briefing on trustee responsibilities (based on CC3), interpreting accounts, investments and insurance.

Organisation

The Board of Trustees governs the charity and meets quarterly with the Chief Executive and Company Secretary in attendance. Other members of the Senior Management Team (SMT) are invited to join the Board on a rotational basis or if their input is required for a particular agenda item. The Board meets at least four times per year, but any trustee or the Company Secretary can call an extraordinary meeting by following due process.

Board meetings are informed by five sub-committees of the Board, each chaired by a trustee and whose membership comprises trustees and relevant members of the Senior Management Team. The Chief Executive attends all committee meetings. The sub-committees operating during the course of the year were: the Finance & Investment; Patient Care & Quality; HR, Income Generation & Marketing and Project Twenty Five Committees. An additional Committee, the Nominations Committee, is also convened from time to time during the year as required, to deal with trustee recruitment and the terms and conditions for the Chief Executive and other members of the Senior Management Team.

Management

The management of the charity is delegated to the Chief Executive and the SMT who meet weekly. The members of the SMT are detailed on page 43.

Key management personnel

The trustees consider the Board of Trustees and the Senior Management Team (SMT) as comprising the key management personnel of the charity in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration or expenses were paid in the year (2015: £nil). Details of related party transactions are disclosed in note 22 to the accounts.

Trustees are required to disclose all relevant interests and register them with the Head of Governance prior to each quarterly Board meeting where they are reviewed and noted. In accordance with the Thames Hospice Articles of Association, the remainder of the trustees are responsible for assessing whether a trustee's interest

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gives rise to a conflict of interest and whether that conflict may require their exclusion from voting on a subject although they may still be permitted to take part in the discussions.

The pay of the charity's SMT is agreed by the Nominations Committee. The pay of all other employees is reviewed by the SMT and annual pay awards approved by the Board of Trustees. Remuneration for new staff is benchmarked with similar roles and similar organisations by the HR Director and the remuneration for all posts kept under review in order to ensure the levels are fair and supportable.

Strategy and planning

An annual Operating Plan, in the wider context of our five year Strategic Plan, is prepared by the Chief Executive and SMT prior to the beginning of the financial year and is discussed and approved by the trustees, providing an opportunity for their strategic input. Performance against the agreed aims and objectives for the year is monitored quarterly by each governing Trustee Committee and by the full Board.

Fundraising

In response to the greater need for transparency and formal regulation, Thames Hospice has published its own Fundraising Promise. We take our responsibilities in this area seriously and strive at all times to meet best practice standards and to adhere to all voluntary codes of conduct, ensuring we communicate our policies and commitments and show that we are accountable to all.

We have, in the light of recent developments and media focus on fundraising governance, developed a set of metrics based on the Institute of Fundraising Code of Fundraising Practice. The metrics have two functions:

- To confirm Thames Hospice is compliant with the standards expected of fundraisers and
- To measure and report against specific elements of fundraising practice at Thames Hospice.

The trustees review these metrics at each quarterly Board meeting to ensure the hospice is carrying out all fundraising activities according to the Code, complying with the underlying principles of openness, honesty and respectfulness.

Our face to face lottery canvassers are also instructed according to the codes and we ensure that they are acting with respect to members of the public and safeguarding potentially vulnerable persons. Any complaints received are reviewed and acted upon by the Director of Fundraising and his team; they are also reviewed by the Board. A small number were received and were dealt with via this process.

Controls

Supporting the governance and management of Thames Hospice we have a comprehensive set of policies and procedures which are published and reviewed on a regular basis and controlled by our Head of Governance and Quality. Policy review is set at an appropriate number of years but will be overridden by changes in processes or external requirements which necessitate a change in policy. All staff are trained in information governance as part of their mandatory training which also includes health and safety and fire awareness. Each SMT member is responsible for the policies in their area and ensuring that all their staff and volunteers attend the correct training.

In addition to the suite of policies we have a series of management tools that we use to ensure control over the running of the hospice, including a comprehensive health and safety action plan, governance committee, incident and accident reporting, and our risk register.

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Risk Management

The charity uses a formal review process to analyse and manage the risks to which the charity is exposed in the course of its activities, both strategic and operational, through a risk register and embedding risk identification into the annual planning process.

All significant risks are identified, along with the likelihood of such risks occurring and the predicted level of impact, together with mitigation measures. These are reviewed quarterly by the Senior Management Team with key risks accelerated to the sub-committees of the Board and the Board itself.

We continually review risk management and governance within all areas to ensure that identified risks are addressed and the learning is continuous. New projects are also assessed specifically for the associated risk as project plans are made.

Complaints

Thames Hospice has a complaints policy published on our website. Any reports of unsatisfactory treatment or behaviour are taken extremely seriously and referred to our Head of Governance and Quality for further investigation and action. The exception to this is if the complaint is due to Fundraising and in this instance the complaint will be investigated first by the Director of Fundraising. The complaints policy is audited as part of our annual audit programme run by our Governance team.

Incidents and Accidents

All incidents and accidents are reported to our Head of Governance and Quality and reviewed monthly by the Incidents and Accidents review panel comprising of the Chief Executive, the Director of Patient and Family Services, the Director of Retail and the HR Director.

Associated actions are identified and monitored with reports going to the appropriate committees and Board.

Environmental policy

Thames Hospice strives at all times to consider the environmental impact of what we do and minimise any negative effect that we might have. Staff have recycle bins located in offices and kitchens and they are encouraged to recycle wherever possible. Retail vans are routed to use the lowest mileage possible when collecting and delivering. Suppliers are expected to demonstrate similar principles.

Our staff and volunteers

We know that our most important and valuable resource is our people. Whether they are paid staff or volunteers we value their support and commitment equally and we recognise that without them Thames Hospice would not be the charity that it is. We support, manage, develop and utilise the talents of our staff and volunteers, so that they are empowered and committed to delivering our strategic aims.

HR objectives include comprehensive training and development programmes to deliver a variety of staff training, both clinical and non-clinical. We run a series of mandatory training such as health & safety and governance training but also offer training on areas such as stress at work, managing volunteers and building effective and respectful relationships at work. Delivery against our objectives is overseen by the HR Committee and reported to the Board.

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2016

We also provide a comprehensive communication programme for staff including a staff forum where they can provide feedback or ask questions through their representatives. We hold SMT roadshows where the SMT will brief staff on how we are performing and what to expect in the future; staff have the opportunity to raise queries and comment on the plans and results they are shown. Other forms of information sharing and discussion are staff newsletters, Schwartz sessions (multi disciplinary discussion groups), invitations to tea with SMT and tea with trustees.

Valuing our volunteers

The charity benefits from the support of over 500 volunteers who undertake a range of activities on behalf of Thames Hospice, including: working in our retail shops; driving patients to and from our day unit in Ascot; sorting our donated stock and staffing our reception desks. Qualified counsellors also volunteer in the Hospice itself, providing professional counselling support to patients and families.



As at 31 March 2016 we had 501 volunteers working in a variety of roles in the charity. To date we have presented 90 volunteers with long service certificates for 10, 20 or 30 years service and 110 volunteers with certificates for 5 years service. Our Head of Volunteering has responsibility for these awards and organises events such as our volunteer week tea event at Dorney Lake where we celebrate the importance of the work that our volunteers do.

We fully acknowledge the role of volunteers and how valuable they are to the charity. We estimate that they worked over 60,000 hours in the last year which would be equivalent to approximately £520k in staff costs. Their contribution to the charity is immense and we are most grateful to them for their hard work and commitment to Thames Hospice.

Diversity and equal opportunities

The Hospice is committed to an equal opportunities approach in everything it does. This means that we seek to ensure anyone connected with Thames Hospice, from patients and families to donors, supporters, volunteers and staff, are treated fairly and appropriately. All staff and volunteers undertake mandatory equality and diversity training to ensure that these principles are embedded in our culture.

THAMES HOSPICE

TRUSTEES' REPORT

for the year ended 31 March 2016

Statement of Trustees' Responsibilities

The trustees (who are also directors of Thames Hospice for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and group and of the incoming resources and application of resources, including the income and expenditure of the charitable group for that period. In preparing these financial statements the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and that enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement as to disclosure of information to the auditor

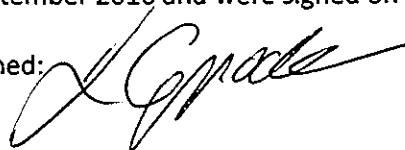
So far as the trustees are aware, there is no relevant audit information of which the charity's auditor is unaware, and each trustee has confirmed that they have taken all the steps they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Auditor

The auditor, Saffery Champness, Chartered Accountants was appointed during the year and has indicated their willingness to continue in office.

The Trustees' Report and incorporated Strategic Report were approved by the Board of Trustees on 8 September 2016 and were signed on its behalf by Ken Coppock, Trustee.

Signed:



Date: 08/09/16

THAMES HOSPICE

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES

for the year ended 31 March 2016

We have audited the financial statements of Thames Hospice for the year ended 31 March 2016 set out on pages 23 to 41. 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 Financial Reporting Standard 102.

This report is made solely to the company's members and the trustees, 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 company's members and trustees those matters we are required to state to them in an auditors' 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 company, the company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

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

We have been appointed as auditors under the Charities Act 2011 and the Companies Act 2006 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charity's affairs as at 31 March 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and

THAMES HOSPICE
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES
for the year ended 31 March 2016

-
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Opinion on other requirement of the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

- the parent charity has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



.....
Liz Hazell (Statutory Auditor)
For and on behalf of Saffery Champness

30 September 2016.

Saffery Champness
Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

THAMES HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating an income and expenditure account) for the year ended 31 March 2016

		Un- restricted Funds	Restricted Funds	Total 2016	Un- restricted Funds	Restricted Funds	Total 2015
	Note	£000	£000	£000	£000	£000	£000
Income from:							
Donations and legacies	2	4,182	98	4,280	5,734	179	5,913
Charitable activities	3	250		250	178	-	178
Other trading activities	4	1,622		1,622	1,745	-	1,745
Investment income	5	436		436	343	-	343
Other income		24		24	-	-	-
Total Income		6,514	98	6,612	8,000	179	8,179
Expenditure on:							
Raising funds	6	3,200	-	3,200	3,105	-	3,105
Charitable Activities	6	3,290	23	3,313	3,182	186	3,368
Total Expenditure		6,490	23	6,513	6,287	186	6,473
Net income/(expenditure) before investment (losses)/gains		24	75	99	1,713	(7)	1,706
Net (losses)/gains on investments		(515)	-	(515)	494	-	494
Net (expenditure)/income		(491)	75	(416)	2,207	(7)	2,200
Transfers between funds		51	(51)	-	-	-	-
Net Movement in Funds	9	(440)	24	(416)	2,207	(7)	2,200
Reconciliation of Funds:							
Total funds brought forward	17	19,567	79	19,646	17,360	86	17,446
Total funds carried forward		19,127	103	19,230	19,567	79	19,646

The Statement of Financial Activities includes all gains and losses in the year. All incoming resources and resources expended are derived from continuing activities. The notes on pages 26 to 41 form part of these financial statements.

THAMES HOSPICE
BALANCE SHEET
as at 31 March 2016

Registered Company No: 5316964

		Group	Charity	Group	Charity
	Note	2016	2016	2015	2015
		£000	£000	£000	£000
Fixed assets					
Tangible assets	12	4,539	4,539	4,699	4,699
Investments	13	12,603	12,603	10,848	10,848
		17,142	17,142	15,547	15,547
Current assets					
Stocks	14	3	-	3	-
Debtors	15	1,003	1,004	2,233	2,289
Cash at bank and in hand		1,646	1,645	2,260	2,205
		2,652	2,649	4,496	4,494
Creditors: amounts falling due within one year	16	(564)	(563)	(397)	(397)
Net current assets		2,088	2,086	4,099	4,097
Total assets less current liabilities		19,230	19,228	19,646	19,644
Net assets		19,230	19,228	19,646	19,644
Restricted funds					
Restricted funds	17	103	103	79	79
Unrestricted funds	17	19,127	19,125	19,567	19,565
Total Funds		19,230	19,228	19,646	19,644

The Financial Statements on pages 23 to 41 were approved and authorised for issue by the Board of Trustees on 8 September 2016 and were signed on its behalf by Ken Coppock, Trustee.

Signed:



THAMES HOSPICE
CONSOLIDATED CASHFLOW STATEMENT
for the year ended 31 March 2016

		2016	2015
	Note	£000	£000
Net cash provided by continuing operating activities	19	1,437	71
Cashflows from Investing Activities:			
Investment income		436	343
Purchase of tangible fixed assets		(217)	(823)
Purchase of investments		(3,615)	(2,279)
Sale of investments		1,344	1,390
Net cash used in investing activities		(2,052)	(1,369)
Change in cash & cash equivalents in the year		(615)	(1,298)
Cash & cash equivalents at the beginning of the year		2,260	3,558
Change in cash & cash equivalents due to exchange rate movements		1	-
Cash & cash equivalents at the end of the year	20	1,646	2,260

THAMES HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

1 Accounting policies

Basis of preparation

The Financial Statements are prepared under the historical cost convention with the exception of investments which have been included at fair value.

The Financial Statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Thames Hospice meets the definition of a public benefit entity under FRS102.

The financial statements have been prepared on a going concern basis. There are no material uncertainties about the charity's ability to continue.

The group statement of financial activities (SOFA) and balance sheet consolidate the financial statements of the charity and its wholly owned subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate Statement of Financial Activities or Summary Income and Expenditure account are presented for the parent undertaking as provided by Section 408 of the Companies Act 2006.

Fund accounting

General funds are unrestricted funds that are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions or which have been raised by the charity for particular purposes.

Income

All incoming resources are included in the Statement of Financial Activities when the charity is entitled to the income, receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Donations and legacies income is received by way of grants, donations, legacies and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Legacies are recognised when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Entitlement is the earlier of the charity being notified of an impending distribution or the

THAMES HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

legacy being received. Where the conditions for recognition are not met, the charity maintains a legacy pipeline. However, as these are not readily quantifiable they are not disclosed in these accounts.

- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services by volunteers has not been included in these accounts.
- Goods donated for resale through the charity's shops are included as incoming resources within Other Trading Activities when they are sold.
- Investment income is included when receivable.

Expenditure

Expenditure is recognised on an accruals basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- Costs of raising funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shops.
- Charitable activities expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include audit fees.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly.
- The charity makes an accrual for outstanding holiday pay at the end of the financial year.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation. Depreciation of fixed assets is charged by annual instalments commencing in the year of acquisition at rates estimated to write off their cost less any residual value over their expected useful lives which are as follows:

- | | |
|--------------------------|-------------------|
| • Freehold property | 20-50 years |
| • Leasehold buildings | over lease period |
| • Leasehold improvements | over lease period |
| • Plant and machinery | 5-10 years |
| • Office equipment | 5 years |
| • Fixtures and fittings | 5 years |
| • Computer equipment | 3 years |
| • Motor vehicles | 4 years |

Assets in the course of construction are not depreciated. Assets costing less than £1,000 are written off in the Statement of Financial Activities in the period of acquisition.

Investments

Investments are stated at fair value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

THAMES HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

Stocks

Stocks of goods for resale are primarily donated goods to the charity and therefore have no value in the accounts until they are sold. Thames Hospice does not have a stock recording system for donated goods.

New goods purchased for resale by the company are valued at the lower of cost and net realisable value.

Pensions Costs

The Charity makes defined contribution payments into pension schemes on behalf of its employees. Contributions payable for the year are charged to the Statement of Financial Activities.

The Charity also participates in the NHS Superannuation Scheme, which provides benefits based upon final pensionable pay. The assets of the scheme are held separately from those of the Hospice and are independently administered. The fund is valued every 5 years by the Government Actuary, the rates of contribution payable being determined by the actuary. In the intervening years the actuary reviews the continuing appropriateness of the rates. Pension costs, which are not significant, are charged to the Hospice's Statement of Financial Activities in the period to which the salaries on which they are payable relate.

Operating leases

Rentals applicable to operating leases are charged in the Statement of Financial Activities over the period in which the cost is incurred.

2 Donations and Legacies

	Un- restricted Funds £000	Restricted Funds £000	2016 £000	Un- restricted Funds £000	Restricted Funds £000	2015 £000
Community fundraising and committed giving	574	-	574	553	-	553
Donations and appeals	1,011	98	1,109	843	119	962
Legacies	1,260	-	1,260	2,998	-	2,998
Core grant funding	1,337	-	1,337	1,340	60	1,400
	4,182	98	4,280	5,734	179	5,913

Legacies include amounts bequeathed to Thames Valley Hospice passed on to Thames Hospice with the approval of the respective trustees.

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

3 Income from Charitable Activities

	Unrestricted funds 2016 £000	Unrestricted funds 2015 £000
Education and training	63	12
External service provision	13	15
Continuing health	164	139
Catering	10	12
	250	178

4 Income from Other Trading Activities

	Unrestricted funds 2016 £000	Unrestricted funds 2015 £000
Events	106	116
Lottery income	113	32
Sales of donated goods	1,361	1,558
Fundraising trading	42	39
	1,622	1,745

5 Investment Income

	Unrestricted funds 2016 £000	Unrestricted funds 2015 £000
Income from investments	432	333
Bank interest receivable	4	10
	436	343

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

6 Costs of Raising Funds and Charitable Activities

	Staff related costs £000	Premises £000	Other £000	Total 2016 £000	Total 2015 restated £000
Costs of Raising Funds					
Direct costs	1,263	512	580	2,355	2,310
Central services support costs - Note 7	406	263	176	845	795
	1,669	775	756	3,200	3,105
Costs of Charitable Activities					
Direct costs	2,013	8	421	2,442	2,511
Central services support costs - Note 7	418	272	181	871	857
	2,431	280	602	3,313	3,368

7 Central Services Support Costs

Our Central services support costs comprise the following:

	Unrestricted funds 2016 £000	Unrestricted funds 2015 restated £000
Finance, including depreciation	646	617
Governance and Chief Executive costs	281	262
Information Technology	119	151
Human Resources	269	243
Support Services	401	379
	1,716	1,652

All costs are apportioned to either the costs of Raising Funds or Charitable Activities on the basis of the direct costs posted to each category. The result is shown in Note 6.

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

8 Employee information

The average number of persons employed by the group (including bank staff) during the period was as follows:-

	2016	2015
	No.	No.
Fundraising	12	11
Management and administration	19	17
Retail	49	40
Direct patient care	96	94
	176	162

The average full time equivalent numbers of persons employed by the group during the period was as follows:-

	2016	2015
	No.	No.
Fundraising	8	10
Management and administration	18	15
Retail	38	33
Direct patient care	57	57
	121	115

The aggregate payroll costs of these persons were as follows:-

	2016	2015
	£000	£000
Wages and salaries	3,439	3,267
Social security costs	279	267
Pension contributions (see note 22)	188	180
	3,906	3,714

Staff costs include "bank nurses", whom the Hospice views as an essential staff resource. Also included are redundancy and termination payments of £31k relating to five members of staff whose employment was terminated during the year.

The number of employees whose emoluments exceeded £60,000 was:

	2016	2015
	No.	No.
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	2	1

Pension contributions were made in respect of the above employees totalling £34k (2015: £31k).

THAMES HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

Our key management staff comprises our Board of Trustees, see page 42, and our Senior Management Team (SMT), see page 43. None of our trustees received any remuneration or expenses during the year (2015: nil). The aggregate staff costs of the SMT were £482k (2015: 483k) including national insurance and pension costs. Included in the SMT costs are some contractor costs relating to our Medical Director who is employed by Frimley Health Trust and temporary cover for our Finance Director during recruitment. These costs are included here but are outside the scope of the payroll costs disclosed above.

Although the trustees receive no remuneration for their services, Thames Hospice does procure Trustee Indemnity insurance on their behalf. The premium paid in the year was £1,375 (2015: £1,331).

9 Net Movement in Funds

	Group	Charity	Group	Charity
	2016	2016	2015	2015
	£000	£000	£000	£000
Net (expenditure)/income is stated after charging:				
Depreciation	372	372	326	326
Auditor's remuneration:				
- As auditor	22	22	25	25
- Other services (VAT and corporation tax)	1	-	8	1
Operating lease charges:				
Land and buildings	377	377	363	363

10 Taxation

The Parent Company is a Registered Charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the Charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Thames Hospice Retail Limited is registered for VAT, and consequently all its income and expenditure is recorded net of VAT. Ordinarily, Thames Hospice Retail Limited gift aids all of its taxable profits to the charity, thereby resulting in no liability to corporation tax. For the year ended 31 March 2016 there was no profit chargeable to corporation tax within Thames Hospice Retail Limited therefore there was no tax charge for the year (2015: £nil).

THAMES HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

11 Net Result of Trading Subsidiary

The Charity owns the whole of the ordinary share capital, consisting of 2 ordinary shares of £1 each, of Thames Hospice Retail Limited (Company number 2100844) which acts as agent under the HMRC gift aid scheme for goods donated to and sold by the charity. It also bought and sold a limited range of Christmas cards and has just begun a trial of new goods in selected stores. Ordinarily, the subsidiary distributes any taxable profits under gift aid to the Charity each year. For the year ended 31 March 2016, it made a small loss and so the distribution to Thames Hospice under gift aid rules in the year is £nil (2015: £6k). Its trading results, as extracted from the audited Financial Statements, are summarised below:

	2016 £000	2015 £000
Turnover	491	355
Cost of sales	(28)	(31)
Gross profit	463	324
Administrative expenses	(464)	(318)
Operating (loss)/profit	(1)	6
Interest payable/receivable	-	-
(Loss)/Profit on ordinary activities before taxation	(1)	6
Tax on profit on ordinary activities – prior year tax rebate	1	-
Distributed to charity holding company	-	(6)
Retained in subsidiary	-	-

The assets and liabilities of the trading subsidiary were:

	2016 £000	2015 £000
Current assets	9	62
Creditors: amounts falling due within one year	(7)	(60)
Total net assets	2	2
Aggregate share capital and reserves	2	2

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

12 Tangible fixed assets

Group And Charity	Freehold property	Leasehold property	Plant & machinery	Office equipment	Fixtures & fittings	Computer equipment	Vehicles	Assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost									
1 April 2015	4,894	1,563	1,123	15	472	261	71	-	8,399
Additions	7	129	16	-	34	15	16	-	217
Write offs	-	(2)	-	-	(2)	-	-	(1)	(5)
Transfers	-	-	-	-	(13)	-	-	13	-
31 March 2016	4,901	1,690	1,139	15	491	276	87	12	8,611
Depreciation									
1 April 2015	1,172	957	956	15	368	177	55	-	3,700
Charge for the year	106	131	48	-	33	46	14	-	378
Write offs	-	(1)	-	-	(5)	-	-	-	(6)
31 March 2016	1,278	1,087	1,004	15	396	223	69	-	4,072
Net book value									
31 March 2016	3,623	603	135	-	95	53	18	12	4,539
31 March 2015	3,722	606	167	-	104	84	16	-	4,699

13 Investments

	Group 2016 £000	Charity 2016 £000	Group 2015 £000	Charity 2015 £000
Securities and cash	12,603	12,603	10,848	10,848
Investment in group undertaking (see Note 11)	-	0	-	0
	12,603	12,603	10,848	10,848

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

	2016	2015
Group and Charity securities and cash	£000	£000
Assets brought forward at 1 April	10,848	9,466
Additions at cost	3,750	2,331
Movement in cash	(57)	(53)
Disposals	(1,423)	(1,390)
Unrealised investment (losses)/gains	(481)	506
Realised (losses) on disposals	(34)	(12)
Market value at 31 March	12,603	10,848

Investments comprise:-

	2016	2015
Group and Charity	£000	£000
Fixed interest securities:-		
- UK	4,913	4,194
Managed funds and unit trusts:-		
- UK	7,457	6,364
Cash on deposit	233	290
Market value at 31 March	12,603	10,848

14 Stocks

	Group	Charity	Group	Charity
	2016	2016	2015	2015
	£000	£000	£000	£000
Stock held for resale	3	-	3	-

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

15 Debtors

	Group 2016 £000	Charity 2016 £000	Group 2015 £000	Charity 2015 £000
Amounts due from subsidiary undertaking	-	5	-	60
Other debtors	150	147	107	103
Prepayments and accrued income	853	852	2,126	2,126
	1,003	1,004	2,233	2,289

16 Creditors: amounts falling due within one year

	Group 2016 £000	Charity 2016 £000	Group 2015 £000	Charity 2015 £000
Trade creditors	168	168	115	115
Other taxation and social security	76	76	67	67
Accruals and deferred income	320	319	215	215
	564	563	397	397

Deferred income

Income is deferred to the extent that it relates to an event or activity that occurs in a subsequent accounting period.

	Group 2016 £000	Charity 2016 £000	Group 2015 £000	Charity 2015 £000
Brought forward	69	69	109	109
Deferred in the year	55	55	69	69
Released in the year	(69)	(69)	(109)	(109)
Carried forward at 1 April	55	55	69	69

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

17 Funds

At 31 March 2016, funds are analysed as follows:

Unrestricted funds	Group 2016 £000	Charity 2016 £000	Group 2015 £000	Charity 2015 £000
At 1 April	19,567	19,565	17,360	17,358
Net movement in funds	(440)	(440)	2,207	2,207
At 31 March	19,127	19,125	19,567	19,565

The trustees have designated £10,100k of the group unrestricted funds for the future purposes detailed below:

	At 1 April 2015 £000	Incoming Resources £000	Outgoing Resources £000	Transfers £000	At 31 March 2016 £000
Project Twenty Five (PT5) Fund, (formerly Strategic Development fund)	3,959	5,956	(25)	110	10,000
Repairs Contingency fund	128	-	-	(128)	-
Organisational development fund	38	-	(14)	(24)	-
Marketing	62	-	(4)	(58)	-
IT Development Fund	-	-	-	100	100
	4,187	5,956	(43)	-	10,100

This year the designated funds have been reviewed by the Finance and Investment Committee and the following decisions taken and approved by Board:

The Strategic Development fund has been renamed the Project Twenty Five (PT5) Fund and re-designated solely for use in developing and carrying out our plans for the expansion of the services provided by the hospice and, in particular, the provision of a 28 bed In Patient Unit, a larger community team and an improved community facility. The Board of Trustees and the Senior Management Team have reviewed and agreed this large designation.

The Repairs Contingency fund was designated for future unplanned major repairs to our premises and core equipment. This work is now considered to be normal budgeted spend or of a capital nature and no longer requires a designated fund.

THAMES HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

The Organisational Development fund was an amount set aside following the last staff survey to support staff, directors and trustees by providing training courses, team building and strategic planning days. It has been used effectively to develop many initiatives that are now considered to be business as usual and so the designated fund is no longer required.

The Marketing Fund was set up for the re-branding exercise that began two years ago. This work has now been completed and further work on our brand, our website and our collateral is now budgeted for in general operational costs.

The new IT Development Fund is set aside to fund the new IT strategy that is being progressed largely during 2016/17. We are going through a major overhaul of our IT systems with the help of our new IT partners, Riverlite. By the end of this process we hope to have systems that will enable greater efficiency and flexibility and are fit for the future.

These decisions have been effected by designating further funds out of the general fund and transferring funds from those no longer required.

Restricted funds – Group & Charity

	2016 £000	2015 £000
At 1 April	79	86
Net movement in funds	24	(7)
At 31 March	103	79

The net movement in restricted funds is analysed as follows:

	At 1 April 2015 £000	Incoming Resources £000	Outgoing Resources £000	Transfers £000	At 31 March 2016 £000
Patient Support Fund	15	-	-	-	15
Clinical Funds for equipment etc.	64	98	(23)	(51)	88
	79	98	(23)	(51)	103

The Patient Support Fund represents a donation made to support Day Support Unit patients. This will be used to help with patient transport costs.

The Clinical Funds represent donations for training, equipment and supplies. Much of this has been spent this year on capital equipment for the In Patient Unit and thus has been transferred to the general fund in order to account for this.

THAMES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2016

18 Analysis of Net Assets between Funds

	Unrestricted funds £000	Restricted funds £000	Total 2016 £000	Unrestricted funds £000	Restricted funds £000	Total 2015 £000
Fixed assets	17,142	-	17,142	15,547	-	15,547
Current assets	2,549	103	2,652	4,417	79	4,496
Creditors falling due within one year	(564)	-	(564)	(397)	-	(397)
	19,127	103	19,230	19,567	79	19,646

19 Reconciliation of Operating Profit to Net Cash provided by Continuing Operating Activities

	2016 £000	2015 £000
Net (expenditure)/income for the year	(416)	2,200
Depreciation on tangible fixed assets	372	326
Losses/(Gains) on investments	515	(494)
Investment income	(436)	(343)
Fixed asset write offs	5	-
(Profit)/loss on disposal of tangible fixed assets	-	2
(Increase)/Decrease in stock	-	(3)
Decrease/(Increase) in debtors	1,230	(1,381)
Increase/(Decrease) in creditors	167	(236)
Net cash provided by continuing operating activities	1,437	71

20 Analysis of Net funds

	As at 1 April 2015 £000	Cash flow £000	As at 31 March 2016 £000
Cash at bank and in hand	2,260	(614)	1,646

THAMES HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

21 Financial Commitments

At 31 March 2016, Thames Hospice had financial commitments under non-cancellable operating leases as follows:

	2016	2015
	Land and Buildings	Land and buildings
	£000	£000
Due within one year	349	379
Due within two to five years	500	812
Due in more than five years	103	77
Total financial commitments	952	1,268

22 Related Party Transactions

The trustees of Thames Hospice do not receive any remuneration and have not claimed any expenses during the year. During the year 6 trustees donated a total of £599 (2015: £392) to the charity.

Thames Hospice Retail Limited

The charity has a wholly owned trading subsidiary, Thames Hospice Retail Limited. During the year there have been intercompany transactions between the two entities: Charged by the charity to the subsidiary - charges per the trading agreement in place for use of name and 3% of turnover, a proportion of the running costs of the charity retail division and an overhead recharge. The total of these transactions was £474k (2015: £329k). Charged by the subsidiary to the charity - commission on gift aided sales and a donor procurement charge. These totalled £465k (2015: £316k). At the year end a balance of £5k was owed by the subsidiary to the charity (2015: £60k). See also Note 15.

Thames Valley Hospice

Thames Valley Hospice is a charity under the control of the Thames Hospice trustees. All the assets, liabilities and operations of the charity were transferred to Thames Hospice with an effective date of 1 April 2005. The sole objective of the charity is to receive legacy income and other donations from future benefactors who have specified Thames Valley Hospice as a beneficiary in their wills. All legacies received by the charity are passed on to Thames Hospice. In the year ended 31 March 2016, legacies totalling £84,439 (2015: £986) were received and passed on.

There have been no other related party transactions during the year.

23 Pension Commitments

The charity employees participate in two schemes:-

Defined Contribution Scheme

Thames Hospice participates in a defined contribution pension plan with Scottish Widows. The total pension cost for the period for the charity charged to the Statement of Financial Activities in respect of this scheme was £95k (2015: £83k).

THAMES HOSPICE

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2016

The NHS Superannuation Scheme

For qualifying Thames Hospice staff, participation in the NHS scheme provides benefits based upon final pensionable pay. However, the contributions paid by the charity in respect of the NHS Superannuation scheme are accounted for as if the scheme were a defined contribution scheme as the charity is unable to identify its share of the underlying assets and liabilities in the scheme.

The total pension cost for the period for the Thames Hospice was £93k (2015: £97k). The Government Actuary using the Projected Unit Method determines contributions charged to the Statement of Financial Activities.

The NHS Pension Scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies allowed under the direction of the Secretary of State in England and Wales. As a consequence it is not possible for Thames Hospice to identify its share of the assets and liabilities of the underlying scheme.

Accounting valuation:

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2016, is based on valuation data as 31 March 2015, updated to 31 March 2016 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

Full actuarial valuation:

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account their recent demographic experience), and to recommend contribution rates payable by employees and employers. The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

24 Capital commitments

The Charity had not entered into any commitments for capital expenditure as at 31 March 2016 (2015: £nil).

25 Controlling Party

No one party has control of the Charity and its subsidiary.

26 FRS 102 Transition

Thames Hospice has transitioned to FRS 102 with effect from 1 April 2014. There were no transition adjustments at that date and the only change to the result for 31 March 2015 has been in connection with layout and presentation changes required under the Charities SORP (FRS 102).

THAMES HOSPICE

ADMINISTRATIVE DETAILS

for the year ended 31 March 2016

Legal and Administrative Information

Charity Name:	Thames Hospice
Charity Registration Number:	1108298
Company Registration Number:	5316964
Registered and Principal Office:	Pine Lodge Hatch Lane Windsor SL4 3RW
Auditor:	Saffery Champness 71 Queen Victoria Street London EC4V 4BE
Bankers:	CAF Bank (Charities Aid Foundation) 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4TA
Investment Managers:	Investec Wealth & Investment Management Ltd 30 Gresham Street London EC2V 7QN

Our Board of Trustees:

Mr Martin Jervis (Chair)
Mr Christopher Aitken
Mrs Jacinta Ashworth
Mr Ken Coppock
Mr Robert Dwyer
Mr Richard Goss
Mr Jonathan Jones (Deputy Chair)
Mr Gareth Kaminski-Cook (until 29 December 2015)
Mr Stephen Moore
Ms Margaret Neal
Mr Craig Linton
Dr Neil Coleman (from 3 September 2015)

THAMES HOSPICE

ADMINISTRATIVE DETAILS

for the year ended 31 March 2016

Our Senior Management Team:

Mrs Debbie Raven
Ms Ruth Bartholomew
Mrs Jackie Geeson
Dr Cecily Wright
Ms Jacquie Batchford

Mrs Julie Rowley
Mr Neil Harman

Chief Executive
Finance Director & Company Secretary
Director of Human Resources
Medical Director
Director of Patient & Family Services (from 11 May 2015)
Director of Retail (from 18 May 2015)
Director of Fundraising (from 1 July 2015)



Thames hospice