

Company number: 01511841
Charity Number: 280919

St Helena Hospice Limited

Report and financial statements
For the year ended 31 March 2017

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For the year ended 31 March 2017

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St Helena Hospice Limited

Reference and administrative information

For the year ended 31 March 2017

Company number 01511841

Charity number 280919

Registered office and operational address Myland Hall, Barncroft Close, Highwoods, Colchester, Essex, CO4 9JU

Country of registration England

Country of incorporation United Kingdom

President Bishop Roger Morris

Vice Presidents Peter Glossop
Dr Elizabeth Hall MBE
Christopher Pertwee DL

Trustees Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Prof Peter Vergo	Chairman, Chair of Remuneration Committee
John Hawkins	Vice Chairman, Chair of Corporate Governance and Risk Committee
Roger Sirman	Treasurer, Chair of Finance Committee
Ken Aldred	Chair of Patient and Family Services Committee
Andrew Dickerson	Chair of Income and Communications Committee
Mary Northrop	Chair of Education and Research Committee
Dr Joshua Arkley	
Clive Bull	
David Cresswell	
Tracey Dickens	
Dr Sarah Maan	Appointed August 2016
Dr David Milne	
Gerry Mordaunt	
Ken Rolls	Appointed March 2017
Ellen Sample	
Peggy Sparke	
Andrew Wassell	

Key management personnel	Mark Jarman-Howe	Chief Executive
	Dr Karen Chumbley	Clinical Director
	Ray Wilson	Director of Patient and Family Services
	Sarah Green	Director of Income and Communications
	Hayley Joshua	Director of Human Resources
	Brian Bolt	Finance Director

St Helena Hospice Limited

Reference and administrative Information

For the year ended 31 March 2017

Bankers	NatWest 25 High Street, Colchester, Essex, CO1 1DG
Solicitors	Birkett Long LLP, 1 Amphora Place, Sheepen Road, Colchester Essex, CO3 3WG Fisher Jones Greenwood LLP, Charter Court, Newcomen Way, Colchester, Essex, CO4 9YA
Auditor	Sayer Vincent LLP Chartered Accountants and Statutory Auditor Invicta House 108-114 Golden Lane LONDON EC1Y 0TL
Website	www.sthelenahospice.org.uk

The trustees present their report and the audited financial statements for the year ended 31 March 2017.

Reference and administrative information set out on pages 1 and 2 form part of this report. The financial statements comply with current statutory requirements, the memorandum and articles of association and the Statement of Recommended Practice – Accounting and Reporting by Charities: SORP applicable to charities preparing their accounts in accordance with FRS 102.

Objectives and activities

Purposes and aims

The trustees review the aims, objectives and activities of the charity each year. This report looks at what the charity has achieved and the outcomes of its work in the reporting period. The trustees report the success of each key activity and the benefits the charity has brought to those groups of people that it is set up to help. The review also helps the trustees ensure the charity's aims, objectives and activities remained focused on its stated purposes.

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning its future activities. In particular, the trustees consider how planned activities will contribute to the aims and objectives that have been set.

The purposes of the charity as set out in our articles of association (2015) are "to promote the relief of illness and suffering in such ways as the Company from time to time thinks fit in the County of Essex and adjacent areas and in particular (but without prejudice to the generality whether geographical or otherwise of such object):

- (a) By establishing, maintaining and conducting residential, inpatient, outpatient, outreach and community based care for any persons of either sex (without regard to race or creed or sexual orientation) who are suffering (at any age) from any chronic or terminal illness or from any disability or disease attributable to old age or from any other physical or mental infirmity, disability or disease.
- (b) By conducting or promoting or encouraging research into the care and treatment of persons suffering from any such illness, disability, disease or infirmity as aforesaid and by providing for the dissemination of the results of such research.
- (c) By promoting and encouraging or assisting in the teaching or training of any health or social care professionals or other persons engaged in any branch of medicine, surgery, nursing or allied services, or social or personal care, and in the teaching or training of students in any branch of medicine, surgery, nursing or allied services, or social or personal care.
- (d) By providing or assisting or encouraging spiritual help and guidance for any persons under our care.

- (e) By promoting and providing family support and bereavement care services for those affected by illness, suffering and death.
- (f) Through community engagement, volunteering, and generating its own resources and funding to ensure that it retains its independence in setting and pursuing its priorities and fulfilling its objects."

The statement of purpose for the charity is:

Helping local people with an incurable illness to live well and die with dignity and choice.

The organisational values of the charity are to:

- Be passionate about hospice care
- Value conversations
- Show appreciation for all
- Respect
- Work together

The charity provides a wide range of expert care and support for people with a life-limiting incurable illness from the point of diagnosis and regardless of condition. It also supports families, including children, both pre and post-bereavement. All services are free for users and available for eligible people living in Colchester, Tendring and the Colne Valley area of Mid Essex.

The charity had a three-year joint commissioning arrangement with NHS North East Essex Clinical Commissioning Group (CCG) which relates to the period of its strategic plan. This agreement involved the hospice acting as lead provider for end of life care within the local community and as part of this the hospice commissions and coordinates care provided by Marie Curie, The J's Hospice and most local GP practices. The lead provider role has taken the form of the charity making grants from within its overall NHS funding to Marie Curie, The J's Hospice and to local GP practices signed up to the service level agreement for the My Care Choices Register through a local grant to primary care.

The charity takes a joint leadership role regarding providing education and training, setting local standards and Key Performance Indicators for the local health and care system with the CCG.

Hospice service delivery is organised around the 24/7 SinglePoint palliative care coordination centre. SinglePoint is a one-stop point of referral into all hospice services and also provides telephone advice and support for patients, their families and professionals. SinglePoint coordinates end of life care services across local providers including GPs, district nursing, the acute hospital, out of hours' services and the ambulance service. The service includes a 24/7 rapid response nurse visiting service for patients in the community. Overseen by SinglePoint is the My Care Choices register, a means of capturing and sharing the wishes of people in the last year of life.

The charity has a large community nursing team of specialist and registered nurses that manage a caseload of patients in the local community in their home or care home. Personal care and support for those in the last weeks of life is provided by the Hospice at Home service.

A 15-bedded inpatient unit provides specialist palliative care, end of life care and a limited amount of planned respite care. The hospice has two Therapies and Wellbeing centres – one in Colchester, co-located with the inpatient unit, and one at the hospice's Tendring Centre in Clacton. Both centres offer a mix of outpatient, group and day care for both patients and families.

In addition to these services, the charity has a large complementary therapy team, a rehabilitation team, chaplaincy team and a bereavement service accessible to all and not just those previously known to the hospice. Most hospice teams will see patients and families in the community, as outpatients, or as inpatients depending on their needs.

The specialist palliative care medical team of the hospice works in an integrated way with the hospital palliative care service and provides an on call service.

To positively influence the quality of care provided by its own staff and other providers the hospice has a well-developed education centre. It provides academic education in partnership with Anglia Ruskin University as well as offering a range of short and day courses, and delivering commissioned bespoke education packages to other providers in the region.

In order to provide and grow its services the charity works with NHS Commissioners to maximise recurrent general funding and specific funding. The charity receives an annual grant from the CCG as part of its joint commissioning agreements and this equates to about a third of the total cost of its charitable activities.

The majority of hospice income is generated through voluntary and charitable means including:

- Fundraising through community events, challenges, appeals, corporate and major donors and individual giving.
- Retailing through a network of 16 charity shops and via the trading subsidiary's activities.
- Operating the Your Hospice Lottery, a partnership lottery model that involves working with 9 other hospices from across the country.
- Submitting bids for specific funding from charitable trusts, the Department of Health and other funders.
- Building support with the local community to fund specific services.
- Gifts in wills

The charity also generates income from its investment portfolio and temporary surplus cash balances.

Wherever possible the charity seeks to work collaboratively with other hospices and has shared service arrangements with a neighbouring hospice for HR and Finance services. The hospice is a partner in the Hospice Quality Partnership and procures via available national frameworks organised by this venture or alternatively will conduct tenders for local services. Support services and management structures and arrangements are kept under regular review and have evolved as the hospice's strategy has developed.

The charity does not currently use social investment as a material part of its charitable or investment activities.

During the year 158 people began volunteering for the charity, at the year-end there were 1200 volunteers and 67 event volunteers giving their time free. Volunteers support all aspects of the charity from delivering care and support (i.e. complementary therapists, bereavement visitors and hosts/hostesses), enhancing business support services (i.e. maintenance roles, receptionists and gardeners) and supporting income generation (i.e. event marshals, retail volunteers and ambassadors). The significant contribution given by volunteers over the last year has been estimated to equate to 56 full-time staff at the national average salary.

Strategic report

The charity had a three year Strategic Plan covering the period 2014/15 to 2016/17. The three key strategic aims within the plan were to:

1. Meet the specialist palliative care needs of all patients and their families at any stage of their illness regardless of diagnosis.
2. Meet all palliative and end of life care needs of patients identified as being in the last 12 months of life and support their families.
3. Promote open attitudes in our community toward death and dying, and provide bereavement support to all that need it.

In order to deliver these aims the charity has:

- Worked collaboratively with other local health and social care providers to deliver personalised care for patients and families based on their needs.
- Continuously improved its services to ensure they deliver quality, flexibility and cost effectiveness.
- Worked and acted in a way that makes a positive contribution to our local community.

The charity's strategic thinking has been very influenced by the work of the Commission into the Future of Hospice Care led by Hospice UK. The detail of the current strategic plan is structured

around the five steps outlined within the Commission's recommendations for how hospices can ensure their care is fit for the future, these are:

1. Prepare for significant change in the context of palliative and end of life care.
2. Strengthen understanding of the contribution of hospice care.
3. Establish hospice care as a solution to future challenges in palliative and end of life care.
4. Strengthen the connection between hospices and their local health and social care systems and their local communities.
5. Strengthen the leadership of hospice care.

The full strategic plan can be accessed via the charity website:

<http://www.sthelenahospice.org.uk/about-us/reports/strategic-plan.aspx>

Adopting the above strategic objectives has required the charity shifting its mind set to one of proactively identifying unmet need within that segment of the local population with palliative and end of life care needs and developing solutions to address that need rather than just concentrating on those people referred into its services. To support this approach the hospice has recognised the need to increase its capacity and capabilities, to invest from its reserves to pump-prime service development and expansion, and to generate new income to ensure its delivery is sustainable. The hospice has not only invested in new services therefore but has also invested in support services, income generation and leadership development of its managers. In doing so, the hospice is mindful of the need to maintain a high proportion of its income going directly toward its charitable activities whilst recognising that a period of significant change and growth requires adequate investment during the transition period to be safe and sustainable.

The charity has also had to significantly develop and extend its collaborative working with a range of partners and stakeholders recognising the increasing complexity of the environment in which it operates. The hospice works closely with local NHS commissioners and providers, with the local authorities, and local and national voluntary organisations. It is an active member of Hospice UK, the sector body for independent hospices in the UK. The charity is a partner in the Hospice Quality Partnership, a social enterprise wholly owned by the hospices it serves and with the aim of maximising value and ensuring high quality care for patients and families.

Achievements and performance, and beneficiaries of our services

The charity's main activities and whom it tries to help are described below. All its charitable activities focus on specialist palliative and end of life care for adults with an incurable illness and their families and are undertaken to further St Helena Hospice's charitable purposes for the public benefit.

The current strategic plan (2014/15 to 2016/17) for the charity came to an end in March 2017. The plan was clearly focused on reducing unmet need and increasing coordination of care. The approach outlined in the plan has delivered notable successes in a number of areas:

- Establishment of the 24/7 SinglePoint service, which has been universally welcomed by patients and families locally and won national recognition.
- A unique 3-year joint commissioning partnership with NHS North East Essex Clinical Commissioning Group (CCG) enabling more influence over priorities and standards across the local health system.
- The development of the My Care Choices register which is recognised as one of the most successful Electronic Palliative Care Coordination Systems (EPaCCS) and which has moved North East Essex from average to top 10% performance in achieving preferred place of care in the country.
- Extension of the bereavement service to accept referrals from all within the locality.
- An increase of £2.8m in gross income generated in 2016/17 compared to 2013/14.

The performance data used in this section is from internal reports generated from the SystmOne IT system, which is used to collect hospice patient data.

		2014/15	2015/16	2016/17
Overall	Total accepted new referrals	1753	2192	2828
	Total people seen on average each month	855	985	1018
Inpatient care	Number of inpatient beds	15	15	15
	Number of admissions	322	387	365
	Bed occupancy	79%	89%	91%
Hospice at Home	Total patients	416	452	393
	Total home visits	8956	8993	9393
	Deaths in patient's preferred place of care	91%	91%	93%
Community nursing	Total patients	1414	1574	1726
	Total face to face appointments	6090	6543	6771
SinglePoint	Total cases	-	-	15724
My Care Choices Register	Total on register at year-end	1559	2121	2369
	Deaths in patient's preferred place of care (1 st choice)	55%	58%	56%
Therapies and Wellbeing Groups	Total patients	228	383	435
	Total group contacts	2188	6104	5761
	Total accepted new referrals	656	642	881

The continuing increase in new service users (patients and family members/carers) reflects the hospice's success in progressing its strategic objectives. The overall increase in the numbers of people being supported is particularly notable in community, therapies and wellbeing, and bereavement services.

Work with local GPs and other providers, notably the local hospital, has supported year on year growth in the number of local people given the opportunity to record their wishes on the My Care Choices register.

There was a change in recording of SinglePoint activity in 2016/17 to properly separate out clinical contacts from general enquiries. This is why prior year activity is not available in the above table.

Feedback from service users is very important to the charity and an annual survey is conducted. Results of the last survey indicated that 95% of people rated their care as good or excellent. The charity also now uses iWantGreatCare as a way of gathering rolling feedback both online and via paper forms available on all hospice sites. During 2016/17 the hospice received an average rating of 4.95 out of 5 stars.

Your Hospice Lottery performance for the year was ahead of budget. Return on investment was much higher than the sector average.

ROI as at March 2017	Charity sector ROI
2.81	1.91

Fundraising performance was slightly below budget but an improvement on 2015/16. Return on investment was slightly below the sector average.

ROI March 2017	Charity sector ROI
3.06	3.16

Retail performance was marginally ahead of budget and a significant improvement on 2015/16. One additional shop opened during the reporting period (Frinton) and another relocated premises (Halstead). Return on investment was marginally better than sector average.

ROI as at end of March 2017	Charity sector ROI
1.40	1.35

Financial review

The financial results have supported the expanding service agenda. Total spend was £12,907k against total income of £12,459k, creating a net deficit before investment gains of £448k. This was composed of an unrestricted operational deficit of £265k and a draw down of restricted funds of

£183k. The unrestricted deficit is part of the three year budget plan, which incorporated deficits (funded from reserves) to allow expansion of new services but with a return to balance from 2017/8. The restricted draw down represents spend against resources received for specific purposes, and is consistent with the policy of spending such resources as soon as practicable.

Income came from a number of sources, the main ones being NHS (£3,412k), legacies (£1,925k), donations (£727k), fundraising (£837k), lottery (gross income of £2,465k, with a surplus of £1,045k), retail (gross income of £2,203k, with a surplus of £422k), from investments (£301k) and education (£152k).

Spend was on charitable activities (£8,971k) and on raising funds (£3,936k), the latter allowing the above trading surpluses to be achieved. Charitable activities spend included inpatients (£3,098k), community care (£3,448k), therapies and well-being (£1,822k) and education and research (£368k).

Unrealised investment gains of £395k were generated with a further £155k of realised gains following a transfer of £1m equity holdings into cash.

Investment holdings at year end are £6,655k, split between equities (55%), bonds (29%), and cash (15%), with the bonds and equities being held within charity specific funds. The general policy on reserves is to maintain a level between three and six months' unrestricted spend, thus creating a balance between sustainability and avoidance of keeping excessive levels which would be at the expense of service spend. The transfer of equities to cash was made in response to possible future cash requirements and to improve the overall balance of investment holdings.

Service plans and priorities for the next five years have been agreed by trustees as has the finance to so fund. Any contingency action will be effected through quarterly reviews of actual performance against plan. A draw down of reserves of £500k may be required to fund capital works, but other service expansion plans are predicated on recurring funding from new income streams.

In conclusion, financial policies and performance continue to support the service agenda. Regular reviews test achievement of forward plans so that reserves are held at levels which ensure financial sustainability but which maximise service spend.

Principal risks and uncertainties

The Trustees have a risk management strategy which comprises:

- maintaining Risk Registers for all parts of the organisation.
- regular reviews of the risks the Charity may face.
- establishment of systems and procedures to mitigate risks identified in the plan.
- maintaining adequate insurance cover.

The major risks identified and how they are managed are:

- Insufficient funding to run the Hospice.

The Hospice maintains and develops a diverse range of income sources to spread the risk of shortfalls of income and over dependency on any particular source. The two largest income streams are funding from the NHS under a contract and legacies which by their nature are unpredictable and volatile. The Hospice maintains a level of reserves to enable it to cope with short term changes in income levels.

- Not understanding the expectations and needs of our community.

The Hospice engages with a diverse range of community and provider groups to ensure that it is aware of need gaps and changes. It also regularly seeks the opinion of service users as to the effectiveness and quality of the services it delivers.

- Insufficient skilled staff.

The Hospice offers competitive pay and conditions to attract high quality staff who are then supported by an extensive staff training and development programme from the in-house Education Department. Regular staff surveys are undertaken to ensure that management are aware of staffing issues and are able to respond.

- Infrastructure not fit for purpose.

The Hospice makes sure all its premises are maintained to a high standard with a dedicated estates management team and a rolling maintenance programme. The safety and security of Hospice premises is monitored and managed by the estates team. The suitability of the Hospice's estate is regularly reviewed to ensure it is adequate and fit for purpose.

- Diminished quality of services provided.

The Hospice is regulated and monitored by the Care Quality Commission (CQC). The Clinical Governance Committee monitors clinical policies and practice. The Patient and Family Committee monitors medical and clinical activity.

- Damaged reputation.

The Trustee Board and management team work closely together in policy setting and monitoring to ensure that the hospice is working to the highest standards. The Corporate Governance and Risk Committee oversees risk management corporately while clinical risks are managed by the Clinical Governance Committee. There is dedicated specialist resource managing data security, health and safety and patient safety. The Income and Communications

Committee monitors fundraising practices in the light of recommendations made by charity sector fundraising practice reviews.

The grant agreement that the charity has with North East Essex has been extended to the end of March 2018. During 2017 the hospice will be aiming to negotiate a new long-term arrangement.

There are significant pressures on local NHS and social care funding which may impact on future funding opportunities. Demand for end of life care continues to grow with the actual number of deaths each year in North East Essex projected to grow year on year. A number of local NHS services including primary care and the acute hospital are struggling to maintain sufficient capacity to meet demand, and the hospital also faces significant performance, regulatory and financial challenges which impact on the care received by patients known to the hospice.

The charity is seeking to mitigate this uncertainty through active engagement with key stakeholders within the local health and social care system and by diversifying its revenue streams.

There has been no significant change in the risk profile of the charity.

Reserves policy and going concern

The charity needs financial resources to achieve its purposes and has to plan for the longer term to ensure continuity.

The Trustees regularly review the reserves policy and the level of reserves and have regard to the following:

- Forecasts of expenditure on the basis of planned activity and analysis of future needs.
- The reliability and volatility of income.
- Funds required for replacing assets.
- The need to cover contingencies and the ability to be able to respond to unexpected events or opportunities.

The policy is to maintain a capital fund and fair value fund equivalent to 3-6 months unrestricted operating expenditure. In addition, there are two further designated funds, the Fixed Assets Fund and the Leasehold Sites Dilapidation Fund, representing funds tied up in the net book value of fixed assets and funds set aside for potential dilapidation liabilities from property leases.

The Trustees have considered the financial position of the Charity, its investment portfolio, its reserves, as well as its cash flow and liquid resources and believe that the Charity is well placed to manage its business risks successfully.

There are no material uncertainties that may cast doubt on the Charity's ability to continue as a going concern; the Trustees therefore have a reasonable expectation that it has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Plans for the future

The current strategic plan (2014/15 to 2016/17) for the charity came to an end in March 2017. The process of developing a new strategic plan has been wide ranging and comprehensive, and developing the hospice values and statement of purpose were integral to this.

The following ambition statement will be used to guide hospice decision making and as the basis for external messaging for the next 5 years:

We want more local people to have dignity and choice at end of life

The following four strategic priorities will underpin this ambition:

1. Reaching out based on need regardless of diagnosis or circumstances.
2. Empowering people to plan ahead, share their choices and achieve their wishes.
3. Providing excellent personalised care to more people in hospice beds and the home.
4. Helping life go on in the face of dying, death and bereavement.

A commitment to more hospice beds is the most significant in terms of risk and funding of the proposed objectives within the plan. To achieve the ambition will be a significant financial challenge. To meet this the principles of emotional fundraising are embedded in the plan. In addition the following income generating priorities will be pursued:

- Continuing investment in fundraising, lottery and retail.
- Using hospice skills and experience for new profit making activities.
- Responding to individual funding models, including personal budgets and direct payments.
- Actively exploring commercial opportunities and proactive investments.

This will also be supported by more collaboration and cost saving with other hospices and charities.

Lessons learned from the last three years include:

- Reviews and reconfigurations of services have been necessary, but have been different to the former organisational culture.
- Significant time, effort and resources have been required to address infrastructure challenges, including the need for new information systems and reactive estates solutions.

- Stakeholder engagement and effective communication is necessary to manage change, and in some cases the level of reputational risk whilst eventually managed did become more of a concern than originally expected.
- As the size and complexity of the hospice has increased this has made it harder to get the balance right in the amount of information provided to trustees to enable them to provide appropriate governance and strategic oversight.

Structure, governance and management

The organisation is a charitable company limited by guarantee, incorporated on 11th August 1980 and registered as a charity on 22nd October 1980.

The company was established under a memorandum of association which established the objects and powers of the charitable company and is governed under its articles of association.

All trustees give their time voluntarily and receive no benefits from the charity. Any expenses reclaimed from the charity are set out in note 9 to the accounts.

The Board of Trustees govern the charity through its committee structure and contributes to decisions regarding the appointment of senior staff, and those impacting on budgets and the allocation of resources. Trustees appoint from among their number a Chair, Vice Chair, Treasurer and Chairs of subcommittees. The Chair of the Board will serve a maximum of two three-year terms.

Current subcommittees are:

- Corporate Governance and Risk
- Education and Research
- Finance
- Income and Communications
- Patient and Family Services
- Remuneration

The general management of the charity is delegated through the Chief Executive to the senior management team as set out in an Instrument of Government. The senior management team for the charity for the reporting period are shown on page 1.

The charity currently has one active wholly owned subsidiary St Helena Hospice Trading Limited for the purposes of trading new goods and gift aid maximisation. The directors of the subsidiary

are the Chief Executive and Director of Income and Communications from within the charity senior management team.

Appointment of trustees

All trustees are elected or co-opted from members of the company by the Board. One third of all trustees of the charity are then subject to re-confirmation by members of company at each annual general meeting.

Trustee induction and training

All new trustees of the charity meet with the Chair of the Board and Chief Executive and have a tour of the hospice. Trustees have the opportunity to attend all subcommittees before agreeing which to become members of.

Trustees are provided with The Twenty-Minute Guide to being a Hospice Trustee and a St Helena Hospice Handbook for Trustees which includes: an induction checklist; principal responsibilities of trustees document; a list of the trustees of the charity at that point in time; details of the Board and committees meeting dates; the last annual report; the latest full annual accounts; the strategic plan; a breakdown of the management structure; and a complete schedule of the policies and procedure of the charity.

Related parties and relationships with other organisations

The charity is the sole adult hospice provider in North East Essex. During this reporting period it had partnership agreements with the Essex charity The J's Hospice and with the national charities Marie Curie and Macmillan Cancer Support that align strategic efforts around a common set of objectives to improve end of life care in the area the hospice serves. The hospice is the largest local charity in North East Essex and now the largest hospice in the East of England. It has been established for over 30 years and is very well supported by the local community.

The hospice is now the lead provider for end of life care in North East Essex. The End of Life Care Team previously managed by Anglian Community Enterprise (ACE), the local community services provider, transferred to the hospice with effect from 1st April 2016.

Remuneration policy for key management personnel

Pay and remuneration for roles within the senior management team is delegated by the Board to the Remuneration Committee which consists of the Chair, Vice Chair and Treasurer. Benchmarking

by an external agency is undertaken with reference to hospice, public, charity and private sectors. Agreed pay policy for senior employees is to aim for salaries and rewards within the range of lower to upper quartile for the relevant role.

Policy for employment of disabled persons

The charity is an equal opportunities employer and committed to a policy of treating all employees and job applicants equally. The aim is for a workforce that will be truly representative of all sections of society and each employee feels respected and able to give their best.

It is the policy of the charity to provide equality and fairness for all, and take all reasonable steps to employ and promote employees on the basis of their abilities and qualifications without regard to race, colour, nationality, ethnic or national origin, religion or belief, disability, trade union membership or non-membership, sex, pregnancy/maternity, gender reassignment, sexual orientation, married or civil partnership status, age, or being a part-time or fixed term worker. We oppose all forms of unlawful and unfair discrimination.

The charity strives to prevent unfair treatment by operating fair, objective and systematic procedures for:

- Good communications.
- Recruitment, selection, promotion, transfer and leaving.
- Managing individuals' performance, training, development and careers.
- Access to support system.
- Individual grievances, discipline.
- Ensuring the fair treatment and dignity of employees at work and making sure our workplaces are free from harassment, victimisation and bullying.

The charity is committed to creating a work environment free of harassment and bullying, where everyone is treated with dignity and respect.

Employee information

During the year 65 vacancies attracted 492 applications. As at 31st March 2017 there was 337 staff employed (150 full-time and 187 part-time) excluding bank and sessional employees.

Sickness absence, vacancy rates and turnover are monitored regularly and the charity continues to perform favourably with NHS and charity sector comparators. In 2016/17 the average sickness absence rate was 3.8% and the average turnover rate was 9.3%.

Job descriptions and salaries for all roles are externally evaluated and benchmarked to ensure that hospice pay policy is consistent and competitive. Pay policy is for salaries to be in the range between the lower and upper quartile for the relevant role. The hospice is in the process of aligning its annual leave entitlement with the NHS.

The impact of the withdrawal of government funding of bursaries for nursing students is likely to be detrimental to recruitment to the palliative care degree programme delivered by the hospice in the short to medium-term.

The charity has an employee forum with representatives from across the organisation chosen by employees. This enables the views of employees to be taken into account when making decisions which are likely to affect their interests. The charity has an Organisational Change Policy which sets out the consultation arrangements that are followed when proposals might impact on employment or terms and conditions.

Internal communications with employees include internal communication emails, regular team meetings, a quarterly Chief Executive briefing open to all employees and volunteers, and a quarterly newsletter. These ensure information is provided to employees on matters of concern to them including financial and operation performance, changes in the operating environment and new developments or activities.

Annual appraisals for all staff in the charity include organisational objectives to encourage individual employees to contribute to the overall charity performance and success.

Statement of responsibilities of the trustees

The trustees (who are also directors of St Helena Hospice for the purposes of company law) are responsible for preparing the trustees' annual report including the strategic report and the financial statements in accordance with applicable law and 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 company or group for that period. In preparing these 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 judgements and estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards and statements of recommended practice 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 that the charity will continue in operation

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 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware
- The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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.

Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up. The total number of such guarantees at 31st March 2017 was 120 (2016:120). The trustees are members of the charity but this entitles them only to voting rights. The trustees have no beneficial interest in the charity.

Auditor

Sayer Vincent LLP was appointed as the charitable company's auditor during the year and has expressed its willingness to continue in that capacity.

The trustees' annual report which includes the strategic report has been approved by the trustees on 16 August 2017 and signed on their behalf by

Peter Vergo
Chairman

Independent auditor's report

To the members of

St Helena Hospice Limited

Independent auditor's report to the members of St Helena Hospice

Opinion

We have audited the financial statements of St Helena Hospice (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2017 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the consolidated statement of cash flows and the 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2017 and of the group's and parent charitable company'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
- Have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report

To the members of

St Helena Hospice Limited

Other information

The trustees are responsible for the other information. The other information comprises the information included in the trustees' annual report, including the strategic report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the trustees' annual report, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements
- The trustees' annual report, including the strategic report, has 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 material misstatements in the trustees' annual report, including the strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and Charities Act 2011 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; or

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees (who are also the directors of the parent 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. 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.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one

Independent auditor's report

To the members of

St Helena Hospice Limited

resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Helen Elliott (Senior statutory auditor)

14 September 2017

for and on behalf of Sayer Vincent LLP, Statutory Auditor

Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

St Helena Hospice

Consolidated Statement of Financial Activities

(incorporating an income and expenditure account)

For the year ended 31 March 2017

2017				2016			
Notes	Unrestricted £	Restricted £	Total £	Unrestricted £	Restricted £	Total £	
Income from:							
Donations and legacies	2	2,592,561	58,928	2,651,489	3,278,696	70,707	3,349,403
Hospice Care Income	3	3,579,526	422,735	4,002,261	3,066,048	358,679	3,424,727
Other trading activities	4	5,489,139	15,398	5,504,537	4,951,670	48,751	5,000,421
Investment Income	5	300,174	580	300,754	290,149	580	290,729
Total income		11,961,400	497,641	12,459,041	11,586,563	478,717	12,065,280
Expenditure on:							
Raising funds	6	3,935,972	95	3,936,067	3,605,603	704	3,606,307
Hospice Care Expenditure	6	8,269,910	700,953	8,970,863	8,329,294	591,871	8,921,165
Total expenditure		12,205,882	701,048	12,906,930	11,934,897	592,575	12,527,472
Net expenditure before net gains on investments		(244,482)	(203,407)	(447,889)	(348,334)	(113,858)	(462,192)
Net realised gains on investments		155,453	-	155,453	14,884	-	14,884
Net unrealised gains/ (losses) on investments		394,671	-	394,671	(442,278)	-	(442,278)
Net income / (expenditure) for the year	9	305,642	(203,407)	102,235	(775,728)	(113,858)	(889,586)
Transfers between funds		(20,618)	20,618	-	2,296,456	(2,296,456)	-
Net movement in funds		285,024	(182,789)	102,235	1,520,728	(2,410,314)	(889,586)
Reconciliation of funds:							
Total funds brought forward		12,517,825	402,118	12,919,943	10,997,097	2,812,432	13,809,529
Total funds carried forward		12,802,849	219,329	13,022,178	12,517,825	402,118	12,919,943

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 19 to the financial statements.

St Helena Hospice

Balance sheet

Company no. 01511841

As at 31 March 2017

	Notes	GROUP 2017	GROUP 2016	CHARITY 2017	CHARITY 2016
Fixed assets:					
Tangible assets	13	5,259,664	5,390,575	5,259,664	5,390,575
Investments	14	6,655,320	6,105,196	6,655,322	6,105,199
		<u>11,914,984</u>	<u>11,495,771</u>	<u>11,914,986</u>	<u>11,495,774</u>
Current assets:					
Stock	15	9,344	6,567	-	-
Debtors	16	2,069,582	2,443,385	2,074,654	2,449,310
Cash at bank and in hand		679,393	334,378	678,893	334,378
		<u>2,758,319</u>	<u>2,784,330</u>	<u>2,753,547</u>	<u>2,783,688</u>
Liabilities:					
Creditors: amounts falling due within one year	17	(1,651,125)	(1,360,158)	(1,646,355)	(1,359,519)
Net current assets		<u>1,107,194</u>	<u>1,424,172</u>	<u>1,107,192</u>	<u>1,424,169</u>
Total net assets		<u>13,022,178</u>	<u>12,919,943</u>	<u>13,022,178</u>	<u>12,919,943</u>
The funds of the charity:	19a				
Restricted income funds		219,329	402,118	219,329	402,118
Unrestricted income funds:					
Designated funds		9,339,163	9,864,745	9,339,163	9,864,745
Fair value reserve		1,472,501	1,077,830	1,472,501	1,077,830
General funds		1,991,185	1,575,250	1,991,185	1,575,250
Total unrestricted funds		<u>12,802,849</u>	<u>12,517,825</u>	<u>12,802,849</u>	<u>12,517,825</u>
Total charity funds		<u>13,022,178</u>	<u>12,919,943</u>	<u>13,022,178</u>	<u>12,919,943</u>

Approved by the trustees on 16 August 2017 and signed on their behalf by

Peter Vergo
Chairman

Roger Sirman
Treasurer

St Helena Hospice

Statement of cash flows

For the year ended 31 March 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Net cash provided by / (used in) operating activities	20		159,207		(547,242)
Cash flows from investing activities:					
Dividends and interest		300,754		290,729	
Purchase of fixed assets		(114,946)		(95,705)	
Proceeds from sale of investments		1,000,000		215,433	
Purchase of cash investments		<u>(1,000,000)</u>		<u>(214,844)</u>	
Net cash provided by investing activities			<u>185,808</u>		<u>195,613</u>
Change in cash and cash equivalents in the year			345,015		(351,629)
Cash and cash equivalents at the beginning of the year			334,378		686,007
Cash and cash equivalents at the end of the year			<u>679,393</u>		<u>334,378</u>

St Helena Hospice

Notes to the financial statements

For the year ended 31 March 2017

1 Accounting policies

a) Statutory information

St Helena Hospice is a charitable company limited by guarantee and is incorporated in the United Kingdom. Registered Address - St Helena Hospice, Myland Hall, Barncroft Close, Colchester, Essex CO4 9JU. Charity Number : 280919

b) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

c) Public benefit entity

The charitable company meets the definition of a public benefit entity under FRS 102.

d) Going concern

The trustees consider that there are no material uncertainties about the charitable company's ability to continue as a going concern.

The trustees do not consider that there are any sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

e) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably. Donations are accounted for on a receivable basis.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Grants are recognised on an accruals basis in the year to which the grant relates.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Gifts donated for resale are included in income when they are sold.

Income from events is recognised when the event has taken place. Donations are accounted for on a receivable basis.

Deferred income includes amounts received in respect of work to be undertaken in the next financial year.

The Charity operates a gift aid scheme through its shops which enables gift aid to be claimed on the net sale proceeds of items that have been donated under the scheme. An estimate of income from gift aid is accrued at the point that donated items are sold.

Lottery income is accounted for in respect of those draws that have taken place in the year.

Trading income is recognised on point of sale for both donated and purchased goods.

Other income is accounted for on a full accruals basis when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

f) Donations of gifts, services and facilities

Donated gifts or services are recognised as income when the charity has control over the item or received the service, any conditions associated with the donation have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. A corresponding entry in the appropriate expenditure heading for the same amount is included. Donated fixed assets are similarly taken to income at the value to the charity with the other entry being capitalised in fixed assets. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised so refer to the trustees' annual report for more information about their contribution.

g) Interest income

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Dividend Income is recognised when the right to receive the payment has been established.

St Helena Hospice

Notes to the financial statements

For the year ended 31 March 2017

1 Accounting policies

h) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor, or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the trustees for particular purposes. The aim and use of each designated and restricted fund is set out in the notes to the accounts. (see note 19)

i) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds comprises:

- fundraising costs incurred in seeking donations, grants and legacies and their associated support costs.
- retail costs of costs of goods sold, shop costs, commercial trading and their associated support costs.
- lottery costs of prizes, royalty payments to partners, canvasser costs for recruitment and associated support costs.

Hospice Care Expenditure includes all costs relating to providing patient and family services including the Inpatient Unit, Medical Team, Community including Singlepoint and Hospice at Home, Therapies and Wellbeing Team and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

j) Grants payable

Grants payable are made to third parties in furtherance of the charity's objects. Single or multi-year grants are accounted for when either the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant without condition, or the recipient has a reasonable expectation that they will receive a grant and that any condition attaching to the grant is outside of the control of the charity.

Provisions for grants are made when the intention to make a grant has been communicated to the recipient but there is uncertainty about either the timing of the grant or the amount of grant payable.

k) Allocation of support costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which are an estimate, based on staff time, of the amount attributable to each activity.

Support and governance costs are re-allocated to each of the activities on the basis of staff costs.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

l) Tangible fixed assets

Items of equipment are capitalised where an individual cost is in excess of £1,000 or where the total cost exceeds this value when they form part of a capital investment project. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

Depreciation is provided at rates calculated to write down the cost of each asset. The useful lives are as follows:

Freehold land	Not depreciated
Freehold buildings	50 years
Leasehold improvements	The remaining lease term to a maximum of 10 years
Furniture, Green Energy and other equipment	10 years
Computer hardware and electrical equipment	3 years
Motor Vehicles	4 years

m) Listed investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses are shown as either realised or unrealised "Net gains/(losses) on investments" in the statement of financial activities. The charity does not acquire put options, derivatives or other complex financial instruments.

Investments in subsidiaries

Investments in subsidiaries are at cost.

St Helena Hospice

Notes to the financial statements

For the year ended 31 March 2017

1 Accounting policies

n) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

No amounts are included in the financial statements for services donated by volunteers or for the value of donated goods not yet sold.

o) 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.

p) Cash at bank and in hand

Cash at bank and cash in hand include cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions

Creditors and provisions 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 and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

Leased property dilapidations for continuing or held over leases are only provided for in the accounts where a legal obligation and liability exists within the lease and has been evaluated as reasonably likely to arise by a professional property surveyor. Where a property has been closed, vacated or notice has been given to the landlord to vacate the property full provision is made for the expected cost of building works, any remaining net book value of assets and any expected legal fees to be incurred in connection with the closure of the property.

r) Lottery Player Recruitment Campaign Costs

All costs associated with "pilot" or "sample" campaigns are fully written off when incurred.

Where major marketing campaigns are run by contracting external professional agents to recruit new lottery players the policy is to match these costs with the income by writing them off over 3 years on a straight line basis from the week in which they were incurred.

s) Financial instruments

With the exception of the listed investments described above the charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

t) Pensions

Employees can join a defined contribution pension scheme which is administered by Aviva. The charity contribution is restricted to the contributions disclosed in note 9. The charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

Staff transferring from the NHS may continue to contribute to the NHS scheme. The scheme is an unfunded defined benefit scheme but the hospice is unable to identify its share of the underlying assets and liabilities of the Plan on a consistent and reasonable basis and therefore, as permitted by FRS 102, it accounts for the Plan as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Financial Activities represents the hospice's contributions payable to the Plan in respect of the accounting period.

u) Taxation

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The trading subsidiary is liable to taxation, but there is no provision for corporation tax in the financial statements as advantage is taken of the gift aid scheme in donating all taxable profits to its charitable parent St Helena Hospice

St Helena Hospice

Notes to the financial statements

For the year ended 31 March 2017

	Unrestricted £	Restricted £	2017 Total £	Unrestricted £	Restricted £	2016 Total £
2 Income from donations and legacies						
Donations	668,873	57,914	726,787	589,406	70,707	660,113
Legacies	1,923,688	1,014	1,924,702	2,689,290	-	2,689,290
	2,592,561	58,928	2,651,489	3,278,696	70,707	3,349,403
3 Income from charitable activities						
3a Grants						
NHS Grants	3,195,698	216,000	3,411,698	2,795,097	216,000	3,011,097
Grants from other charities	10,500	204,022	214,522	5,697	142,679	148,376
Sub-total for Grants	3,206,198	420,022	3,626,220	2,800,794	358,679	3,159,473
3b Education						
Course fees/Education programmes	130,111	-	130,111	135,549	-	135,549
Hire of facilities	6,372	-	6,372	5,335	-	5,335
Catering	225	-	225	78	-	78
Other (Placement Fees)	15,450	-	15,450	15,515	-	15,515
Sub-total for Education Income	152,158	-	152,158	156,477	-	156,477
3c Other income from charitable activities						
Catering income from staff and visitors	42,065	-	42,065	46,126	-	46,126
Other	18,134	2,713	20,847	16,917	-	16,917
NHS Contract Income	12,439	-	12,439	-	-	-
Deanery Income	81,247	-	81,247	-	-	-
Letting Income	32,874	-	32,874	2,729	-	2,729
Green Energy	19,709	-	19,709	14,732	-	14,732
Support services provided to other charities	14,702	-	14,702	28,273	-	28,273
Sub-total for Other Income	221,170	2,713	223,883	108,777	-	108,777
Total income from charitable activities	3,579,526	422,735	4,002,261	3,066,048	358,679	3,424,727
4 Income from other trading activities						
Retail Income	2,202,800	-	2,202,800	1,980,924	-	1,980,924
Lottery Income	2,464,999	-	2,464,999	2,085,899	-	2,085,899
Fundraising and Marketing Income	821,340	15,398	836,738	884,847	48,751	933,598
	5,489,139	15,398	5,504,537	4,951,670	48,751	5,000,421
5 Income from investments						
UK listed investments	293,020	-	293,020	282,554	-	282,554
Bank Interest	7,154	580	7,734	7,595	580	8,175
	300,174	580	300,754	290,149	580	290,729

St Helena Hospice

Notes to the financial statements

For the year ended 31 March 2017

6 Analysis of expenditure

	Charitable activities						Governance costs	Support costs	2017 Total	2016 Total
	Raising funds	In Patient care	Community Care	Therapies and Wellbeing	Education and Research	Other Costs				
	£	£	£	£	£	£	£	£	£	£
Staff costs (Note 9)	1,523,372	2,280,526	2,533,040	1,257,917	303,709	-	40,019	826,566	8,765,149	8,474,507
Cost of Sales	81,300	8	-	-	-	-	-	2	81,310	64,352
Other costs	860,390	441,066	419,521	356,361	37,669	-	28,412	391,373	2,534,792	2,616,658
Prizes	135,760	-	-	-	-	-	-	-	135,760	131,000
Royalty payments to Partners	490,615	-	-	-	-	-	-	-	490,615	337,956
Player recruitment	450,542	-	-	-	-	-	-	-	450,542	338,672
Fundraising events and appeals	106,757	-	-	-	-	-	-	-	106,757	210,240
Supporter communication	27,653	-	-	-	-	-	-	-	27,653	23,960
Payments to GP Surgeries	-	-	80,000	-	-	-	-	-	80,000	97,800
Grants to other Charities	-	-	-	-	-	234,352	-	-	234,352	232,327
	3,678,389	2,721,600	3,032,561	1,614,278	341,378	234,352	68,431	1,217,941	12,906,930	12,527,472
Support costs	243,556	353,156	389,690	194,845	24,516	-	12,178	(1,217,941)	-	-
Governance costs	16,122	23,377	25,795	12,897	2,418	-	(80,609)	-	-	-
Total Expenditure 2017	3,936,067	3,098,133	3,448,046	1,822,020	368,312	234,352	-	-	12,906,930	
Total Expenditure 2016	3,606,307	3,089,394	3,490,931	1,698,084	410,429	232,327	-	-		12,527,472

Payments are made to other charities by means of a pass through Grant. The Main NHS Grant includes £50,000 (Prior Year £50,000) to J's Hospice and £166,000 (Prior Year £166,000) to Marie Curie, that is paid directly to these charities. In addition to the Grant element, further payments were made to J's Hospice for £16,635 (Prior Year £16,327) and Marie Curie for £1,717 (Prior Year £nil).

St Helena Hospice

Notes to the financial statements

For the year ended 31 March 2017

7 Investment in Subsidiary Companies

The Charity holds a £1 investment in one share representing 100% of the equity in St Helena Hospice Trading Limited, company registration number 07152341.

Summary financial information for St. Helena Hospice Trading Limited

	2017 £	2,016 £
Profit and Loss Account for the year ended 31 March 2017		
Turnover	73,313	64,441
Cost of sales	(48,417)	(42,211)
Gross Profit	24,896	22,230
Selling and distribution costs	(16,467)	(4,492)
Administration and other expenses	(2,519)	(13,303)
Operating Profit	5,910	4,435
Gift Aid to St Helena Hospice	(5,910)	(4,435)
Taxation	-	-
Net Profit	-	-
Balance Sheet		
Stock	9,344	6,570
Current Assets	500	0
Inter company	(5,074)	(5,931)
Current liabilities	(4,769)	(638)
Net Assets	1	1
Capital and Reserves	1	1

The Charity also holds a £1 investment in one share representing 100% of the equity in Your Hospice Lottery Limited. This is a dormant company that has not commenced trading.

St Helena Hospice

Notes to the Consolidated Financial Statements

For the year ended 31 March 2017

	2017	2016
	£	£
8 Net Income / (expenditure) for the year		
This is stated after charging:		
Depreciation	245,857	361,450
Operating lease rentals:		
Property	386,479	372,905
Other	9,912	-
Auditors' remuneration (excluding VAT):		
Audit - St Helena Hospice	14,000	12,000
Audit - St Helena Hospice Trading	600	640

9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

Salaries and wages	7,248,102	7,032,179
Social security costs	643,334	569,273
Pension - Defined Contribution	415,311	418,152
Pension - Defined Benefit	402,199	365,289
Redundancy and termination payments	56,203	89,614
	8,765,149	8,474,507

The following number of employees received employee benefits (excluding employer pension costs and employer's national insurance) during the year between:

	2017	2016
	No.	No.
£60,000 - £69,999	2	-
£80,000 - £89,999	2	1

The Hospice considers that the key management personnel comprises the trustees and the senior management team. This management team are the Chief Executive and 6 other key directors (Prior Year - 7). The total employee benefits including employer's national insurance and pension contributions of the key management personnel of the Hospice were **£481,599** in the current year. (Prior Year: **£527,851**).

Trustees are not remunerated for the work they undertake fulfilling their Trustee duties for the charity. 1 Trustee, Clive Bull, has a separate contract of employment with the Hospice. He has received payments of **£23,651**. (Prior Year: **£7,529**) and **£7,412** of consultancy payments (Prior Year: **£5,775**).

During the year £nil expenses (Prior Year: **£139**) were paid to Trustees.

St Helena Hospice

Notes to the Consolidated Financial Statements

For the year ended 31 March 2017

10 Staff numbers

The number of employees (head count based on number of staff employed) at the year end was **336** (2016: **324**).

	2017		2016	
	Actual Number	FTE	Actual Number	FTE
Patient and Family Care	229	174	220	166
Education and Research	8	6	8	6
Income Generation	75	64	73	60
Support Services	24	22	23	21
	336	266	324	253

11 Related party transactions

Two Trustees (2016 - Two) are Partners of companies from which the Charity purchased services, full details are given below;

Tracey Dickens is a Partner of Birkett Long the Charity's Solicitors who charged the Charity a total of **£1,344** (Prior Year : **£5,405**) in fees for legal services during the year.

David Cresswell is a Partner of Ingleton Wood the company appointed by the Charity to perform professional survey, contract management and advice services for major building projects and property leases. Ingleton Wood charged the Charity **£6,320** (Prior Year: **£3,825**) during the year.

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

12 Taxation

The charitable company is exempt from corporation tax as all its income is charitable and is applied for charitable purposes.

St Helena Hospice

Notes to the Consolidated Financial Statements

For the year ended 31 March 2017

13 Tangible fixed assets - group and charity						
	Freehold property	Leasehold improvements	Equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At the start of the year	6,520,079	566,685	310,784	486,857	83,442	7,967,847
Additions in year	-	45,516	26,885	42,545	-	114,946
At the end of the year	6,520,079	612,201	337,669	529,402	83,442	8,082,793
Depreciation						
At the start of the year	1,753,246	202,366	296,185	249,987	75,488	2,577,272
Charge for the year	123,484	56,596	14,240	49,317	2,220	245,857
At the end of the year	1,876,730	258,962	310,425	299,304	77,708	2,823,129
Net book value						
At the end of the year	4,643,349	353,239	27,244	230,098	5,734	5,259,664
At the start of the year	4,766,833	364,319	14,599	236,870	7,954	5,390,575

Land with a value of £38,600 (Prior Year: £38,600) is included within freehold property and not depreciated.

All of the above assets are used for charitable purposes.

14 Investments

Listed Investments

	2017 £	2016 £
Fair value at the start of the year	6,105,186	6,533,169
Additions at cost	-	214,844
Disposal proceeds	(1,000,000)	(215,433)
Realised Gains	155,453	14,884
Net gain / (loss) on change in fair value	394,671	(442,278)
Total Listed Investments at the end of the year	5,655,310	6,105,186
Cash held pending reinvestment	1,000,000	-
Unlisted shares in UK registered companies	10	10
Total Investments at the end of the year	6,655,320	6,105,196

Other Investments comprise:

	2017 £	2016 £
Unlisted shares in Trading Subsidiary Company	1	1
Unlisted shares in Subsidiary Companies yet to trade	1	2
	2	3

Total Fixed Asset Investments - Charity

	6,655,322	6,105,199
Historic cost at the end of the year	5,182,819	5,027,366

During the year trustees diverted some of the portfolio to hold as cash investments, pending reinvestment into the portfolio.

St Helena Hospice

Notes to the Consolidated Financial Statements

For the year ended 31 March 2017

	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
15 Stock				
New and Branded Goods	<u>9,344</u>	<u>6,567</u>	-	-
16 Debtors				
Trade debtors	169,544	94,332	169,544	94,332
Other debtors	99	99	101	102
Amounts due from subsidiary company	-	-	5,074	5,931
Lottery player recruitment prepayment	716,105	599,397	716,105	599,396
Prepayments	250,545	149,554	250,541	149,546
Accrued income	80,667	68,473	80,667	68,473
Income Tax recoverable	2,640	23,390	2,640	23,390
Value Added Tax	56,828	50,651	56,828	50,651
Legacies	768,154	1,432,489	768,154	1,432,489
	<u>2,044,582</u>	<u>2,418,385</u>	<u>2,049,654</u>	<u>2,424,310</u>
Other Debtors due after one year	25,000	25,000	25,000	25,000
	<u>2,069,582</u>	<u>2,443,385</u>	<u>2,074,654</u>	<u>2,449,310</u>

An unsecured Loan of £25,000 was entered into with The Hospice Quality partnership dated 31 July 2015. The maturity date for this loan is 31 July 2020 and carries an Interest rate of 6%.

As at 31 March 2017 the Charity has been notified of 9 - £64,777 (2016 - 11 - £164,353) legacies which have not been included in debtors because the accounting policy conditions for recognition have not been met.

17 Creditors: amounts falling due within one year

Trade Creditors	263,943	256,763	263,943	256,763
Accruals	635,744	534,887	630,974	534,248
Deferred Income	512,833	288,203	512,833	288,203
Other Taxes and Social Security	220,595	262,295	220,595	262,295
Provision for liabilities and charges	18,010	18,010	18,010	18,010
	<u>1,651,125</u>	<u>1,360,158</u>	<u>1,646,355</u>	<u>1,359,519</u>

The deferred income relates to money received in advance. This includes a balance of £220,898 (2016 - £ 214,535) for future lottery draws. All of the deferred income brought forward was recorded as income during the year ended 31 March 2017.

The provision for liabilities and charges relates to leased property dilapidations (Note 19).

18a Analysis of net assets between funds (current year)

	Unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	5,259,664	-	5,259,664
Fair Value Reserve	472,501	-	-	472,501
Investments	2,103,320	4,079,499	-	6,182,819
Net current assets	887,865	-	219,329	1,107,194
Net assets at 31 March 2017	<u>3,463,686</u>	<u>9,339,163</u>	<u>219,329</u>	<u>13,022,178</u>

St Helena Hospice

Notes to the Consolidated Financial Statements

For the year ended 31 March 2017

18b Analysis of net assets between funds (prior year)

	Unrestricted £	Designated £	Restricted £	Total funds £
Tangible fixed assets	-	5,390,575	-	5,390,575
Fair Value Reserve	1,077,830	-	-	1,077,830
Investments	553,196	4,474,170	-	5,027,366
Net current assets	1,022,054	-	402,118	1,424,172
Net assets at 31 March 2016	2,653,080	9,864,745	402,118	12,919,943

19a Movements in funds (current year)

	At 1 April 2016 £	Income & gains £	Expenditure & losses £	Transfers £	At 31 March 2017 £
Restricted funds:					
Educational Trust	115,971	580	-	(580)	115,971
Specific Donations	286,147	252,259	(485,048)	50,000	103,358
Marie Curie / J's Hospice	-	216,000	(216,000)	-	-
Fixed Assets	-	28,802	-	(28,802)	-
Total restricted funds	402,118	497,641	(701,048)	20,618	219,329
Unrestricted funds:					
Designated funds:					
Fixed Asset Fund	5,390,575	86,144	(245,857)	28,802	5,259,664
Leasehold Site Dilapidation Fund	52,000	-	-	-	52,000
Hospice Capital Fund	4,422,170	-	-	(394,671)	4,027,499
Total designated funds	9,864,745	86,144	(245,857)	(365,869)	9,339,163
Fair Value Reserve	1,077,830	394,671	-	-	1,472,501
General funds	1,575,250	12,030,709	(11,960,025)	345,251	1,991,185
Total unrestricted funds	12,517,825	12,511,524	(12,205,882)	(20,618)	12,802,849
Total funds	12,919,943	13,009,165	(12,906,930)	-	13,022,178

The narrative to explain the purpose of each fund is given at the foot of the note below.

St Helena Hospice

Notes to the Consolidated Financial Statements

For the year ended 31 March 2017

19b Movements in funds (prior year)

	At 1 April 2015	Income & gains	Expenditure & losses	Transfers	At 31 March 2016
	£	£	£	£	£
Restricted funds:					
Educational Trust	115,971	580	-	(580)	115,971
Specific Donations	243,308	196,378	(149,075)	(4,464)	286,147
Fixed Assets	2,275,653	15,759	-	(2,291,412)	-
Single Point Implementation 2013-15	177,500	-	(177,500)	-	-
J's Hospice	-	50,000	(50,000)	-	-
Marie Curie	-	216,000	(216,000)	-	-
Total restricted funds	2,812,432	478,717	(592,575)	(2,296,456)	402,118
Unrestricted funds:					
Designated funds:					
Fixed Asset Fund	3,365,737	-	(270,456)	2,295,294	5,390,575
Care Services Development Fund	407,203	-	(407,203)	-	-
Leasehold Site Dilapidation Fund	35,660	-	-	16,340	52,000
Hospice Capital Fund	3,874,947	-	-	547,223	4,422,170
Total designated funds	7,683,547	-	(677,659)	2,858,857	9,864,745
Fair Value Reserve	1,625,053	-	(442,278)	(104,945)	1,077,830
General funds	1,688,497	11,601,447	(11,257,238)	(457,456)	1,575,250
Total unrestricted funds	10,997,097	11,601,447	(12,377,175)	2,296,456	12,517,825
Total funds	13,809,529	12,080,164	(12,969,750)	-	12,919,943

Movement between funds

- (i) Educational Trust - interest received on funds, which has been transferred to Unrestricted Income.
- (ii) Specific Donations - movement of a prior year donation that had been allocated to restricted spend was not within the scope of the intended restriction.
- (iii) Fixed Assets - movement of non-maintaining fixed assets to designated fund. (see notes below on Fixed Assets).

Purposes of restricted funds

The **Educational Trust Fund** was set up in 2000 following the transfer of the capital and accumulated income by trustees of the discretionary trust established after the death of Hervey Benham for the advancement of the educational purposes of the Hospice. The Board of Trustees has decided for the time being to retain the original amount transferred of £115,971 and apply the income year on year for the stated purpose.

The **Specific Donations Funds** comprise accumulated amounts given for the purchase of specified items or other specific purposes. Incoming resources to the Specific Donations Funds include grants to fund specific services, expenditure relating to these services are identified to the individual funds.

The **SinglePoint Implementation 2013-15 Fund** represents funds received from the local NHS to implement the new 24/7 SinglePoint Service during 2013-14 and 2014-15. These funds were used by September 2015.

The **J's Hospice / Marie Curie** represents funding received from the CCG, managed by St Helena Hospice and passed to two organisations.

St Helena Hospice

Notes to the Consolidated Financial Statements

For the year ended 31 March 2017

Purposes of designated funds

The **Fixed Assets Fund** was established to assist in identifying those funds that are not free funds and it represents the net book value of tangible fixed assets. The Fund movements reflect the purchases, disposals and depreciation charges and adjustments of all unrestricted tangible fixed assets. Fixed Assets that have a non-maintaining restriction are moved to the designated fund on purchase.

The **Leasehold Sites Dilapidation Fund** was established for prudent risk management of potential dilapidation liabilities that may occur from the current use of leasehold properties for which no provision can be made in the Statement of Financial Activities. There was an no increase in the year (2016 - £16,340).

The **Hospice Capital Fund** was established in 1997 following a review of reserves policy by the Board of Trustees, with the intention of providing reserves equivalent to 3-6 months operating expenditure. The fund, which previously included the unrealised increase in the value of investments now held in a separate fund, has been reduced to £4.03m (2016-£4.42m). The total amount held in the Capital Fund and the Fair Value Reserve remains unchanged at £5.50m and represents 5.41 (2016 - 5.43) months of Unrestricted Total Resources Expended.

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

	2017 £	2016 £
Net income / (expenditure) for the reporting period (as per the statement of financial activities)	102,235	(889,586)
Depreciation charges	245,857	361,450
(Gains)/losses on investments	(550,124)	427,394
Dividends, interest and rent from investments	(7,734)	(8,175)
Investment Income	(293,020)	(282,554)
(Profit)/loss on the disposal of fixed assets	-	-
(Increase)/decrease in stocks	(2,777)	12,933
(Increase)/decrease in debtors	373,803	(264,352)
Increase in creditors	290,967	95,648
Net cash provided by / (used in) operating activities	159,207	(547,242)

21 Operating lease commitments

The charity's total future minimum lease payments under non-cancellable operating leases is as follows for each of the

	Property		Equipment	
	2017 £	2016 £	2017 £	2016 £
Less than one year	392,753	367,450	9,656	-
One to five years	1,350,650	627,600	17,620	-
Over five years	1,309,800	1,246,000	-	-
	3,053,203	2,241,050	27,276	-

22 Legal status of the charity

The charity is a company limited by guarantee and has no share capital. The liability of each member in the event of winding up is limited to £1.