

The St Peter and St James Charitable Trust
Annual Report and Consolidated Financial Statements

Year ended 31 March 2017

Charity number 1056114
Company number 3204919

The St Peter and St James Charitable Trust
Annual Report and Consolidated Financial Statements
Year ended 31 March 2017

Contents	Page
Legal and administrative information	1 - 2
Annual Report of Trustees (including Strategic Report)	3 - 10
Report of the auditors	11 - 12
Consolidated statement of financial activities	13
Consolidated balance sheets	14
Statement of cash flows	15
Notes to the accounts	16 - 32

The St Peter and St James Charitable Trust
Annual Report and Consolidated Financial Statements
Year ended 31 March 2017

Legal and administrative information

Nature of Governing Instrument

The St Peter and St James Charitable Trust (the Charity) is a registered charitable company limited by guarantee. It was incorporated on 29th May 1996 under the Companies Act 1985 and is governed in accordance with its Memorandum and Articles of Association (amended by Special Resolutions dated 26th October 2001, 15th September 2004, and 18th September 2013). The Charity also operates under the name of St Peter and St James Hospice and Continuing Care Centre.

Company Registration Number 3204919

Charity Registration Number 1056114

Honorary President

Dame Vera Lynn DBE

Patrons

The Viscount Brentford

Sir Edward Cazalet

Katie Derham

Anne Billson

Edward Fox OBE

Edna Sugarman

Trustees

Keith Banbury OBE Chairman

Dr Nick Barrie (appointed 29/03/2017)

Kate Birrell (appointed 29/03/2017)

Peter Boyse MBE (resigned 05/10/2016)

Julie Burgess (appointed 24/05/2017)

Andrew Cook (appointed 20/07/16)

Harriet Creamer

David Crudge

Tim Hancock

Jo July

Steve Minter (resigned 05/10/2016)

Deirdre Prower

Dr Martin Toynbee (resigned 06/06/2016)

Trudy Wood (resigned 05/10/2016)

Chief Executive

Colin Burgess, MA (resigned 30 April 2017)

Barbara Williams (appointed 1 June 2017)

Heads of Department

Head of Business and Operations

Lead Consultant in Palliative Medicine

Head of Nursing and Clinical Care

Head of Fundraising

Head of Finance

Head of Wellbeing Services

Head of Retail

Caroline Harding, BSc (Hons) Tech.IOSH

Dr Charles Skinner, MBChB MRCP

Anne Jackson, RGN BA (Hons)

Giles Witcomb, BSc (Hons))

Jody Sharp, BS ACA

Melanie Lockett, BA (Hons) Snr Accr BACP

Therese Wilson

The St Peter and St James Charitable Trust
Annual Report and Consolidated Financial Statements
Year ended 31 March 2017

Registered Office

The St Peter and St James Charitable Trust
North Common Road, North Chailey, Lewes, East Sussex, BN8 4ED

Auditors

Keymer Haslam & Co
Chartered Accountants
4/6 Church Road, Burgess Hill, West Sussex, RH15 9AE

Bankers

Barclays Bank Plc
77 South Road, Haywards Heath, West Sussex RH16 4LB

Solicitors

Adams & Remers
Trinity House, School Hill, Lewes, East Sussex, BN7 2NN

Investment Managers

Rathbones
1 Northgate, Chichester, West Sussex, PO19 1AT

The St Peter and St James Charitable Trust

Annual Report and Consolidated Financial Statements

Year ended 31 March 2017

Introduction

The Trustees, who are also Directors of the Charity for the purposes of the Companies Act, present their Annual Report comprising their Strategic Report together with the Financial Statements of the Group for the year ended 31 March 2017.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the document 'Accounting and Reporting by Charities: Statement of Recommended Practice' (SORP), 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).

Strategic Report

The Strategic Report aims to provide:

- ❖ context for the related Financial Statements;
- ❖ an analysis of the charity's past performance; and
- ❖ insight into the charity's main objectives and strategies, the principal risks it faces and how these risks might affect future prospects.

Structure, Governance and Management

The St Peter and St James Charitable Trust (the "Charity") is a Company limited by guarantee, not having a share capital. Charitable purposes are set out under Objectives and Activities below. It is governed by a Board of Trustees within the Memorandum and Articles of Association dated 19 April 1996 as amended by Special Resolutions dated 26 October 2001, 15 September 2004 and 18 September 2013.

St Peter and St James Hospice Shops Ltd ("Shops") is a wholly owned subsidiary of the Charity whose main purpose is to sell goods to raise funds for the Charity. All profits are donated to the Charity.

The Friends of St Peter and St James ("Friends") is a registered charity, whose objects are to relieve the patients of the Hospice who are sick, convalescent, disabled, handicapped or infirm and generally to support the charitable work of the Hospice to whom the Friends of St Peter and St James are ultimately responsible.

The totality of the three entities above is for the purpose of this report referred to as the "Group".

The Charity is administered by a Board of Trustees that meets regularly throughout the year. The Chief Executive is appointed by the Trustees to manage the executive operation of the Charity with the support of the Heads of Department. To facilitate effective operations, the Chief Executive holds delegated authority for day-to-day management of the Charity. The Head of Business and Operations deputises for the Chief Executive.

The Trust Board is supported by six Committees, which each report to the full Board, namely Finance; Quality & Safety; Business & Operations; Fundraising & Marketing; Retail; and Board Development. Membership of the Committees includes both Trustees and Managers. The Board Development Committee ("BDC") is responsible for the recruitment, induction and training of Trustees. The BDC uses a skills and experience audit and gap analysis to determine the ideal qualities required to fill any vacancy arising thereby ensuring the Board and its Committees contain the requisite skills and experience to function effectively. Trustee vacancies are advertised on the Charity's website and prospective Trustees are shortlisted for interview by the BDC. Subject to a successful interview, a recommendation is made to the Board who then take the decision whether to appoint. Prospective Trustees are invited to a Board meeting as observers prior to the appointment decision.

Following appointment, Trustees are provided with governance documentation, current operational reports and are offered a structured induction programme. One third of the Board of Trustees is required to retire by rotation at each AGM. New Trustees appointed by the Board are subject to formal appointment at the next AGM.

The St Peter and St James Charitable Trust

Annual Report and Consolidated Financial Statements

Year ended 31 March 2017

There are seven departments within the Charity each managed by a Head of Department. Head of Department salaries are determined using an independent salary survey, developed by a leading salary comparison company, in association with Hospice UK.

Collaboration and coordination are key to the patient experience and the Charity strives to maintain good working relationships with local GPs, Clinical Commissioning Groups, local authorities, other healthcare providers, and charities, including other Hospices.

Public Benefit

The Charity provides benefit to the public by the free provision of Specialist Palliative Care through an eight bedded in-patient unit. In addition it provides specialist support and advice to over 200 people in their own homes at any one time through a team of Clinical Nurse Specialists, a wellbeing day centre at the Hospice, and through a team providing specialist psychosocial and spiritual care for individuals and those important to them. The funding and delivery of these services is the Charity's primary objective as described in the Memorandum and Articles of Association. Access to these services is open to all people from the Charity's catchment areas (primarily in and around Lewes and Mid Sussex) who are assessed as having Specialist Palliative Care needs, together with their families and carers.

In addition to these hospice services, the Charity provides longer-term in-patient palliative or respite care for people with life-limiting, progressive illnesses, in its 15 bedded Continuing Care Unit. Whilst there is a charge made for some of these services, the Charity supports those individuals in applying for funding from the NHS or other sources. These individuals and those important to them also benefit significantly from the additional charitable provision of specialist medical, psychosocial and spiritual care in accordance with the Charity's objects.

In line with advice from its umbrella body, Hospice UK, the Charity has developed a strategy that takes into account the areas of work without which the primary objectives would not be possible. For example, the delivery of quality care is dependent on financial sustainability and robust governance. The Board of Trustees agree a three year Strategy based upon the Charity's Mission and Vision, under three broad Strategic Aims. The Strategy informs an annual Business Plan and Budget, progress against which is monitored through quarterly review by Committees.

In setting objectives for the year and planning activities, the Trustees have considered the Charity Commission's guidance on public benefit and fee charging. It is considered that there is no harm or detriment to others as a result of the provision of the services and that the beneficiaries are fully appropriate to the charity.

The Charity's Mission and Vision statements are:

Mission

We will support you and those important to you to live well towards the end of life by giving compassion, hope and quality care.

Vision

We want to make a positive difference to the experience of everybody in our community who faces death or bereavement by offering choice and support through our expert care, knowledge and understanding.

Objects and Activities

As detailed in the Memorandum and Articles of Association the objects of the Charity are:

- ❖ To maintain St Peter and St James Hospice and Continuing Care Centre as a Registered Nursing Home at Wivelsfield to provide nursing and palliative care for the sick, physically handicapped and terminally ill on a non-profit making basis, both in the Hospice and Continuing Care Centre, and in the community.
- ❖ In recognition of its origin as the Donkey Club, to contribute to the aid and succour of needy donkeys on its own premises or elsewhere.
- ❖ To promote such other charitable objectives as the Charity shall from time to time in General Meetings determine.

The St Peter and St James Charitable Trust
Annual Report and Consolidated Financial Statements
Year ended 31 March 2017

The first object was the principal activity of the Charity during the year and this was achieved through the provision of its hospice and continuing healthcare services. The contribution made by all staff members and by over 400 volunteers was vital in the achievement of this objective.

Key achievements and significant activities

The charity has identified the following three strategic aims that provide the framework for business plan objectives:

- ❖ To provide high-quality, effective clinical services and support towards, at and after the end of life
- ❖ To generate sustainable funding and maximise resources to provide our services for as long as we are needed
- ❖ To operate a well-governed, efficient business and support and develop the staff and volunteers who work for us

Of the specific objectives identified within the previous year, priority was given to risk management, enhancing safety and to reducing the operating deficit, reflecting the need for organisational agility during a year of financial challenge and forthcoming regulatory change.

Significant progress and achievements were made within those areas. Most notably, a Medicines Management Working Group was established; the full suite of medicines management policies and procedures were reviewed and revised; pharmacist-designed training in medicines management, audit and competency assessment was introduced; daily audit was implemented and error analysis improved.

Actions identified under the theme of 'Safe' during the cyclical self-assessment for the organisation were used to inform improvement activity. The Health and Safety Working Group was fully implemented, with clinical and non-clinical representation. Members of the group undertook comprehensive Institution of Occupational Safety and Health (IOSH) training to support them in their roles and risk assessment formats were revised and improved.

Budgeted expenditure was significantly reduced within the reporting period and initial plans developed to explore income diversification. Preparations were made to manage risk from the introduction of new fundraising and data protection legislation.

With the retirement of the Chief Executive at the end of April 2017, the remaining original objectives still considered to be priority were rolled forward to 2017/18 to allow the in-coming Chief Executive (from 1 June 2017) the opportunity to review and refresh the business plan for the remainder of the year. Priority objectives for 2017/18 will be produced in Quarter 2 to support transition to a new business plan for 2018/19.

These are expected to include:

- ❖ Continue to identify areas and opportunities for improvement of service users' experience
- ❖ Use data to understand better the needs of individuals, their carers and families
- ❖ Continue to undertake clinical self-assessment
- ❖ Review and potentially develop the Retail operation
- ❖ Establish a plan to achieve a break-even budget
- ❖ Agree the future scope and scale of our long term in-patient provision
- ❖ Improve internal communications

The St Peter and St James Charitable Trust

Annual Report and Consolidated Financial Statements

Year ended 31 March 2017

The Charity is regulated by the Care Quality Commission who last undertook an unannounced comprehensive inspection in December 2014, on the basis of which the Charity was given an overall rating of 'Good'. Full details of the Inspection Report are available on the Charity's website.

Risk Management

The Charity is responsible for understanding and managing all risks that may prevent it from achieving its business objectives or cause harm to the organisation or individuals.

The Charity has an approach to risk management based upon best practice from the National Patient Safety Agency (NPSA), Institute of Risk Management and the Charity Commission. The approach is proportionate to the organisation and establishes a framework for identifying, addressing and periodically monitoring risk and the root causes of risk. Trustees and Heads of Department have undertaken internal risk management training to facilitate understanding of risk assessment, root cause analysis and risk appetite.

There are three directorate Registers, namely, Clinical (Quality & Safety), Finance, and Business & Operations, mirroring the Charity's organisational and strategic framework. The Registers provide a structure for managing and monitoring those risks associated with the particular nature of each area. The Registers use a standard matrix to score and prioritise risk according to likelihood of occurrence and potential impact. The most significant risks from these Registers inform a Corporate Risk Register.

Directorate Risk Registers are reviewed, at a minimum, quarterly, by management Task Groups; scrutinised, at a minimum, quarterly, by Board sub committees (Quality & Safety, Finance and Business & Operations) who report to the full Board. The Board reviews the corporate risk register highlighting the most significant organisational risks at each meeting to be assured that risk is being properly managed and mitigated appropriately.

Key Risks and Uncertainties

The principal risk that the Charity currently faces is a potential reduction in income and disproportionate expenditure.

Significant risks and mitigating actions are further detailed in the Charity's Corporate Risk Register.

Volunteers

The Charity is fortunate to have over 430 volunteers who gift their time to support the objectives of the Charity. Most volunteers add value in terms of the quality of care provided. There are also volunteers upon whom operational elements of the organisation rely. Shops particularly rely upon volunteers to sort donations and act as retail assistants.

Fundraising

Vacancies within the fundraising team presented challenges during the year. Despite these challenges, fundraised income including gift aid achieved growth of 13.6%. Grants from trusts, foundations, grant giving bodies and legacy income reduced, as set out below. The total income (excluding legacies) achieved was approximately the same as last year's income of £1.4m.

The St Peter and St James Charitable Trust
Annual Report and Consolidated Financial Statements
Year ended 31 March 2017

Financial Review

Total income of the Group was £3.6m in 2016/17 compared to £3.9m in 2015/16. Notable changes to Group income in 2016/17 compared to the previous year were:-

- ❖ A 20% increase in NHS Clinical Commissioning Group Grants to £535,000 (prior year £445,000)
- ❖ A 57% decrease in legacy income to £202,000 (prior year £472,000) due in part to a delay in receipt of a notified £131,000 legacy which had been budgeted as income in the year
- ❖ A 51% decrease in grants from trusts, foundations and grant giving bodies to £149,000 (prior year £304,000)
- ❖ A 25% decrease in Continuing Care income to £343,000 (prior year £458,000) largely due to lower occupancy
- ❖ A decrease in other income largely due to an isolated sale of a small parcel of land in the previous year (£29,000)

The principal source of income was donations raised through fundraising and legacies. Income for 2016/17 was generated through the efforts of our committed fundraising team and the generosity of supporters, without which the Charity's charitable activities would not have been achievable.

The cost of providing charitable activities (excluding fundraising costs) was £3.1m (£3.1m 2015/16). 77% of these costs relate to salary costs.

The Charity benefited from a total contribution of £221,000 (prior year £257,000) from the subsidiary company, Shops, comprising a donation of £67,000 and an additional £154,000 generated under the Shops Donated Goods Gift Aid Scheme. These figures do not take into account the £18,000 of administrative support costs charged to Shops from the Charity in Group accounts.

The Group (the Charity, Shops, and Friends) capital expenditure was £55,000 (prior year £90,000) and included the replacement of essential plant equipment such as a new server and improvements to our Sanctuary and Day lounge, and the purchase of riser/recliner chairs, defibrillators, and other items.

The Group reported a deficit of £602,000 in 2016/17, after depreciation and before gains on investments (prior year £315,000). The deficit for the year before depreciation, of £432,000 (prior year £137,000) reflects a significant decrease in legacy income, grants and continuing care income during the year. The Board's objective to achieve a break-even budget within three years is under active review in the light of the unexpected reduction in income in 2016/17. A contingency plan is in place, to reduce the operational deficit in the event that growth in income cannot be achieved.

Investments

The Charity's key objective in relation to its investment portfolio is the protection of its investments in real terms.

The Board has appointed Rathbones as its investment adviser. The Charity has a full discretionary management agreement with Rathbones, based on achieving a balance of capital growth and income within a medium risk environment.

Given the nature of the service provided by the Charity and the evidence-based links between a number of serious health-conditions and tobacco, no direct investment shall be made in any company that produces tobacco products.

Performance

The Charity recorded a net gain on investments of £42,000 (prior year loss of £16,000). Markets remain volatile but have held up well due to the strength of USD versus GBP. This has caused a rise in asset prices as 75% of FTSE100 income derives from overseas. The Portfolio Total Return increased 13.18% after fees for the period. Our investment objective remains to have a balanced set of investments to provide protection against falls in the market.

The St Peter and St James Charitable Trust
Annual Report and Consolidated Financial Statements
Year ended 31 March 2017

Cash Deposit Policy

Other funds are held in short-term, interest-bearing cash accounts with major UK banks. Deposits in any one banking group are no greater than £350,000 and placed for no longer than twelve months. Term deposits are placed if cash flow projections show that the funds are temporarily surplus to operational requirements.

Reserves

Objectives

The Trustees' policy in respect of free reserves is that, in view of the ongoing increase in the scale of the Charity's activities and cost base, the minimum level of free reserves should be £1m with the objective to increase the minimum free reserves level to represent six months' full running costs. In addition, recognising the ongoing need for capital investment to replace and, where appropriate, enhance the Charity's assets, Trustees have created a separate reserve for this purpose, which is not part of free reserves.

The Trustees' objectives are:

- ❖ that free reserves should be held at a sum sufficient to avoid an unacceptable level of disruption to services in the event of an unexpected downturn in income; and
- ❖ to recognise the need for continuing investment to maintain the quality of the Charity's assets to an adequate standard

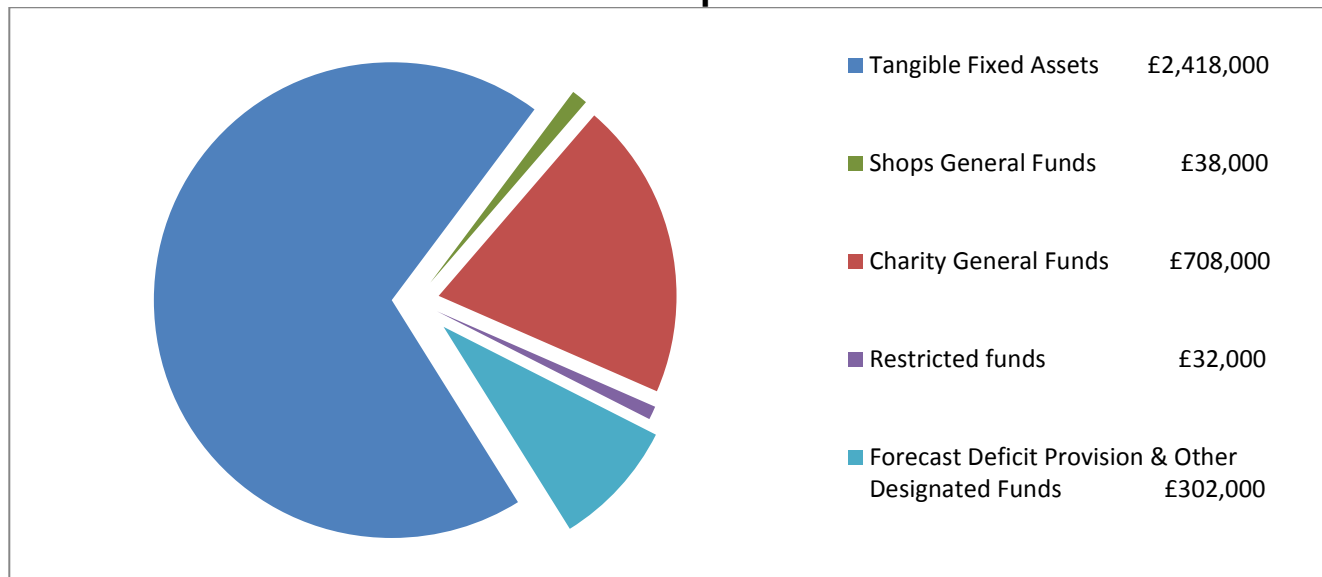
The Charity's free reserves decreased to £708,000 as at 31 March 2017 (after designating a provision of £288,000 for the 2017/18 forecast deficit), which is the equivalent of just over two and a half months' running costs (prior year £1.027m equivalent to just under three and a half months' running costs). Estimates of running costs are based on the operating budget for the following year.

The reported results for 2017/18 have demonstrated the potential vulnerability of the Charity to an unexpected reduction in legacy and other income. As a result the trust's free reserves are not currently within the parameters set out in the Reserves Policy. To mitigate further depletion of free reserves, budgeted expenditure has been significantly reduced within the reporting period and plans will be put in place to increase income and further reduce costs over the next three years with the objective of increasing free reserves in line with the Trustees' policy.

The total funds held at the end of the reporting period (31 March 2017) were £3.498m for the Group and £3.484m for the Charity. It should be noted that, of these funds, £2.42m largely represents the value of land and buildings used for the provision of the Charity's hospice services and is therefore not available to spend for operational purposes. The proportions between the Group's general, restricted and designated funds held at the end of the reporting period are illustrated below:

The St Peter and St James Charitable Trust
Annual Report and Consolidated Financial Statements
Year ended 31 March 2017

Total Funds of the Group at 31 March 2017



Tangible Fixed Assets are Designated Funds that can only be realised through disposal of those assets. The Forecast Deficit Provision Fund is a Designated Fund (£288,000) set aside to cover the forecast deficit budget for 2017/18.

Monitoring

The Reserves position is monitored by the Finance Committee, which reports to the Board.

Trustees' Responsibilities in Relation to the Financial Statements

The Trustees are responsible for preparing a Trustees' annual report and 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, the Group, and of the incoming resources and application of resources; including the income and expenditure, of the Group for that period. In preparing the 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 UK applicable 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 that the charity 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 Charity 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 Charity and the Group; hence 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.

**The St Peter and St James Charitable Trust
Annual Report and Consolidated Financial Statements
Year ended 31 March 2017**

Statement as to Disclosure to Auditors

In so far as the Trustees are aware at the time of approving the Trustees' annual report:

- there is no relevant information, being information needed by the auditors in connection with preparing their report, of which the Group's auditors are unaware, and
- the Trustees, having made enquiries of fellow Directors and the Group's auditors that they ought to have individually taken, have each taken all steps that he/she is obliged to take as Director in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Auditors

A resolution re-appointing Keymer Haslam & Co as auditors to the Charity will be proposed at the Annual General Meeting.

Acknowledgements

The Trustees extend their thanks to:-

- ❖ Colin Burgess, former Chief Executive, and Heads of Department for managing the operation during the year
- ❖ All members of staff for their hard work and dedication to the Charity
- ❖ All volunteers who gave of their skills and time so generously
- ❖ All Support Groups and the Friends of St Peter and St James who raised funds for the Charity during the year
- ❖ All the individuals, corporate bodies, Trusts, and media organisations too numerous to mention who have so generously helped and supported the Charity during the year

This report, and the Strategic Report included therein, was approved by the Board on 19th July 2017.

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K Banbury

Chairman

**The St Peter and St James Charitable Trust
Independent Auditor's Report
to the Trustees of The St Peter and St James Charitable Trust
Year ended 31 March 2017**

Independent Auditor's Report

We have audited the financial statements of St Peter and St James Charitable Trust for the year ended 31 March 2017 which comprise the Group Statement of Financial Activities, the Group and the Parent Charitable Company Balance Sheet, the Group and the Parent Charitable Company Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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 to the charitable company's trustees, as a body, in accordance with regulations made under section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and its trustees 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 and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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 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 charitable company'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 Annual Report of the Trustees 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 financial statements

In our opinion the financial statements:

- ❖ give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2017, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- ❖ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and;
- ❖ have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

**The St Peter and St James Charitable Trust
Independent Auditor's Report
to the Trustees of The St Peter and St James Charitable Trust
Year ended 31 March 2017**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Annual Report of the Trustees 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 Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- ❖ the parent charitable company 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 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.

.....
A Burgess ACA (Senior Statutory Auditor)

For and on behalf of
Keymer Haslam & Co
Chartered Accountants and Registered Auditors
4/6 Church Road
Burgess Hill
West Sussex
RH15 9AE

.....
Date

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2017

Consolidated statement of financial activities (incorporating a consolidated income and expenditure account) for the year ended 2017

		2017	2017	2017	2016
		Unrestricted	Restricted	Total Funds	Total Funds
	Note	£	£	£	£
Income:					
<i>Donations and legacies:</i>					
Donations	2	1,204,207	52,758	1,256,965	1,105,984
Legacies	3	202,205	-	202,205	472,498
Grants	4	548,651	137,559	686,210	755,854
Total donations and legacies		1,955,063	190,317	2,145,380	2,334,336
<i>Trading activities: Shops</i>	5	1,013,341	-	1,013,341	978,376
<i>Income from charitable activities</i>	6	353,620	93,513	447,133	544,197
<i>Investment income</i>	7	20,230	82	20,312	23,923
<i>Other income</i>	8	6,769	-	6,769	30,541
Total income		3,349,023	283,912	3,632,935	3,911,373
Expenditure:					
Shop costs	9	799,511	-	799,511	733,652
Fundraising Costs	9	371,007	-	371,007	400,592
Investment management costs	9	1,263	-	1,263	4,849
Costs of raising funds		1,171,781	-	1,171,781	1,139,093
Expenditure on charitable activities	9	2,751,841	311,766	3,063,607	3,087,410
Total expenditure	9	3,923,622	311,766	4,235,388	4,226,503
Net income for the year before gains and losses on investments		(574,599)	(27,854)	(602,453)	(315,130)
Net (losses)/gains on investments		41,907	-	41,907	(16,323)
Net income/(expenditure) for the year		(532,692)	(27,854)	(560,546)	(331,453)
Transfers between funds		32,458	(32,458)	-	-
Net movement in funds		(500,234)	(60,312)	(560,546)	(331,453)
<i>Reconciliation of funds:</i>					
Total funds brought forward		3,966,294	92,200	4,058,494	4,389,947
Total funds carried forward		3,466,060	31,888	3,497,948	4,058,494

All amounts relate to continuing activities of the group.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes to the accounts are shown on pages 16 to 32.

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2017

Consolidated balance sheets as at 31 March 2017

	Notes	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Fixed assets					
Tangible assets	15	2,418,282	2,540,014	2,356,632	2,479,998
Investments	16	436,807	386,633	526,807	476,633
		2,855,089	2,926,647	2,883,439	2,956,631
Current assets					
Stock		8,285	9,135	-	-
Debtors	17	165,824	222,178	178,222	206,074
Current asset investments		435,903	717,958	435,903	717,958
Cash at bank and in hand		221,812	334,556	157,664	241,296
		831,824	1,283,827	771,789	1,165,328
Liabilities					
<i>Creditors: amounts falling due within one year</i>	18	(188,965)	(151,980)	(171,051)	(136,324)
Net current assets		642,859	1,131,847	600,738	1,029,004
Total assets less current liabilities		3,497,948	4,058,494	3,484,177	3,985,635
Total net assets		3,497,948	4,058,494	3,484,177	3,985,635
The funds of the charity:					
Restricted income funds	20	31,888	92,200	31,888	33,822
Unrestricted funds					
Designated funds	21	2,719,816	2,899,677	2,744,300	2,925,257
General funds	21	746,244	1,066,617	707,989	1,026,556
Total unrestricted		3,466,060	3,966,294	3,452,289	3,951,813
Total funds	22	3,497,948	4,058,494	3,484,177	3,985,635

Approved by the trustees on 19 July 2017 and signed and authorised for issue on their behalf by:

.....
K Banbury

.....
TJP Hancock

The notes to the accounts are shown on pages 16 to 32.

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2017

Statement of cash flows and consolidated statement of cash flows as at 31 March 2017

	Notes	Group 2017 £	Group 2016 £	Charity 2017 £	Charity 2016 £
Cash flows from operating activities:					
Net cash provided by/(used in) operating activities	28	<u>(365,360)</u>	<u>(183,507)</u>	<u>(343,756)</u>	<u>(112,694)</u>
Cash flows from investing activities:					
Dividends, interest and rents from investments		20,312	23,923	20,222	23,639
Proceeds from the sale of property and equipment		13,350	34,955	-	34,955
Purchase of property, plant and equipment		(54,834)	(90,272)	(33,886)	(88,622)
Proceeds from sale of investments		103,580	89,396	103,580	89,396
Purchase of investments		(111,847)	(97,955)	(111,847)	(97,955)
Net cash provided by/(used in) investing activities		<u>(29,439)</u>	<u>(39,953)</u>	<u>(21,931)</u>	<u>(38,587)</u>
Change in cash and cash equivalents in the reporting period		<u>(394,799)</u>	<u>(223,460)</u>	<u>(365,687)</u>	<u>(151,281)</u>
Cash and cash equivalents at the beginning of the reporting period		1,052,514	1,275,974	959,254	1,110,535
Cash and cash equivalents at the end of the reporting period	29	<u>657,715</u>	<u>1,052,514</u>	<u>593,567</u>	<u>959,254</u>

The notes to the accounts are shown on pages 16 to 32.

THE ST PETER AND ST JAMES CHARITABLE TRUST FOR THE YEAR ENDED 31 MARCH 2017

Notes to the accounts

1 Accounting policies

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

a) Basis of preparation

The Trust meets the definition of a public benefit entity under FRS 102. 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) the Charities Act 2011, the Companies Act 2006, and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the Charity.

b) Going concern

The financial statements are prepared on a going concern basis. The Trustees believe that there are no material uncertainties about the Charity's ability to continue as a going concern. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

c) Legal status of the Charity

The Charity is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity.

d) Group financial statements

The financial statements consolidate the results of the Charity, its wholly owned subsidiary, St Peter and St James Hospice Shops Ltd and the Friends of St Peter and St James on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

e) Fund accounting

Unrestricted funds

Unrestricted funds, which have not been designated for other purposes, are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity.

THE ST PETER AND ST JAMES CHARITABLE TRUST FOR THE YEAR ENDED 31 MARCH 2017

Notes to the accounts

Designated funds

Designated funds are unrestricted funds of the Charity which the Trustees have decided at their discretion to set aside to use for a specific purpose. The aim and purpose of each designated fund is set out in the notes to the financial statements.

Restricted funds

Restricted funds are funds which are to be used in accordance with specific restriction imposed by donors or which have been raised by the Charity for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements. Where possible, the cost of administering such funds is charged against the specific fund.

Fixed Assets

Fixed assets purchased without further restrictions are transferred to unrestricted funds in the year of purchase.

f) Income recognition

All incoming resources are included in the SOFA when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Legacies receivable are included in the accounts when they satisfy the following three criteria:

Entitlement - control over the rights or other access to the economic benefit has passed to the Charity

Probable - it is more likely than not that the economic benefits associated with the transaction or gift will flow to the Charity

Measurement - the monetary value or amount of the income can be measured reliably and the costs incurred for the transaction and the costs to complete the transaction can also be measured reliably.

When donors impose conditions, which require a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

Residuary legacies

In relation to residuary gifts, as at the year end, the income recognition criteria above will be treated as satisfied if:

1. Notification or copy of the Will received;
2. Confirmation of the Grant of Probate;
3. Accounts received showing sufficient funds in the estate (either schedule of assets & liabilities or preferably estate accounts); and
4. Value of final gift confirmed.

Pecuniary legacies

The criteria for pecuniary legacies over £5,000 are the same as gifts of the same or greater value. Gifts below this level will be recorded by date of receipt.

Legacy Equalisation

Given that legacy income fluctuates significantly from year to year, the Trustees have agreed to establish a Legacy Equalisation Fund in order to safeguard hospice services against a decrease in legacy income in future years. Legacy funds identified as surplus and legacy income received after the year end that has been accrued into the accounts will be designated into this fund.

THE ST PETER AND ST JAMES CHARITABLE TRUST

FOR THE YEAR ENDED 31 MARCH 2017

Notes to the accounts

Gifts in Kind

Material gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Gifts donated for resale are included as income when they are sold. Donated facilities are included at the value to the Charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Donated services and facilities

Material donated professional services and donated facilities are recognised as income when the three criteria of Entitlement, Probability and Measurement above have been met. In accordance with the Charities SORP (FRS 102), non-professional volunteer time is not recognised in the accounts.

g) Expenditure and irrecoverable VAT

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

Costs of Raising Funds

Costs of raising funds comprises **fundraising costs** incurred in seeking donations, grants and legacies, and costs of fundraising activities; **shop costs** comprise costs of goods sold, commercial trading costs, and their associated support costs; and **investment management fees**. Fundraising costs do not include the costs of generating and reporting management information in respect of the charitable activities.

Expenditure on charitable activities

Expenditure on charitable activities includes the costs of providing specialist palliative care and support, community services, research and other educational activities undertaken to further the purposes of the Charity and their associated support costs.

Support Costs

Support costs are those that assist the work of the Charity but do not directly represent charitable activities - i.e. incurred directly in support of expenditure on the objects of the Charity. They include:

Administration costs - Includes the clinical database, clinical administration, general administration, IT, information governance, management and HR (includes employee and volunteer support and administration, staff and volunteer mandatory training costs plus clinical staff CPD).

Finance costs - Includes payroll and accounts

Governance costs - Those costs incurred in connection with compliance with constitutional and statutory requirements and strategic planning of the Charity.

Allocation

Support costs are allocated to each of the activities on one of the following bases: HR and volunteers' costs based on headcount and all other costs based on estimate of resource used.

Irrecoverable VAT

Irrecoverable VAT is not charged as a cost against the activity for which the expenditure was incurred, but is charged as a separate overhead.

THE ST PETER AND ST JAMES CHARITABLE TRUST FOR THE YEAR ENDED 31 MARCH 2017

Notes to the accounts

h) Volunteers

In accordance with FRS 102 and the Charities SORP (FRS), the economic contribution of non-professional volunteers is not recognised in the accounts. Further detail of their contribution is provided in the notes to these financial statements and in the Strategic Report.

i) Fixed assets

Assets costing more than £1,000 are capitalised at their historical cost when purchased. Costs include expenditure directly attributable to making the asset capable of operating as intended.

Depreciation is provided to write off the cost or revalued amount of all fixed assets on a reducing balance basis over their expected economic useful lives as follows:

Freehold land	Nil
Freehold property	5%
Fixtures, fittings and equipment	15% or 20%
Computer equipment	33 %
Motor vehicles	25%
Equipment (Shops)	25%

j) Investments

Fixed Asset Investments

Fixed Asset 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, except for the shares in the trading subsidiary which are carried at cost. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Current Asset Investments

Current asset investments are short term liquid investments, which are not required to cover day to day running costs. These comprise cash on deposit and cash equivalents held with other organisations other than our current bankers.

The Charity does not acquire derivatives or other complex financial instruments.

The main form of financial risk faced by the Charity in relation to investments is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

**THE ST PETER AND ST JAMES CHARITABLE TRUST
FOR THE YEAR ENDED 31 MARCH 2017**

Notes to the accounts

k) Stock

Stock of retail purchased goods is included at the lower of cost or net realisable value. Donated items of stock for resale are not included in the financial statements until they are sold because the Trustees consider it impractical. Stock is donated through a range of different outlets. To assess the amount of donated stock and undertake a coordinated stock take would incur undue cost for the Charity which would far outweigh the benefit.

l) Debtors

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

m) Cash at bank and in hand

Cash at bank and cash in hand comprises cash required for the daily running costs of the Charity. The majority of these funds are held with our current bankers and are available for immediate access.

n) Creditors

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

o) Financial instruments

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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

p) Pensions

The Charity contributes to the defined benefit scheme (NHS Superannuation) for eligible staff and operates a defined contribution scheme for other staff. The contributions to the schemes are recognised as an expense in the SOFA as they become payable.

The NHS scheme may be defined as a defined benefit multi-employer plan, however, the Charity does not have any share of the underlying assets or liabilities. The contributions are determined by the Government actuary, and there is no further obligation from the Charity other than the initial contributions due.

q) Operating leases

Operating leases are recognised over the period in which the cost is incurred.

r) Taxation

The Charity 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.

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2017

Notes to the accounts

2 Donations	2017	2016
	£	£
General Donations and Fundraising Events	1,132,340	997,195
Gift Aid	97,142	85,302
Other	27,483	23,487
	1,256,965	1,105,984

The income from donations was £1,256,965 (2016: £1,105,984) of which £1,204,207 was unrestricted (2016: £987,064) and £52,758 restricted (2016: £118,920).

3 Legacies

The income from legacies was £202,205 (2016: £472,498) of which £202,205 was unrestricted (2016: £472,498) and £nil restricted (2016: £nil).

4 Grants received	2017	2016
	£	£
NHS Clinical Commissioning Group Grants	534,911	444,549
Big Lottery Fund	29,120	57,667
Trust and Other Fundraising Grants	120,039	246,252
Other Grants	2,140	7,386
	686,210	755,854

Total income from grants received was £686,210 (2016: £755,854) of which £548,651 was unrestricted (2016: £542,385) and £137,559 restricted (2016: £213,469).

Included in general donations and grants received was £1,000 from Sussex Community Foundation, £600 from Haywards Heath Town Council, £250 from Burgess Hill Town Council, and £1,000 from Lewes Town Council.

Government Grants

Government grants received from NHS Clinical Commissioning Groups ("CCGs") were £534,911 (2016: £444,549), of which £494,127 was unrestricted (2016: £404,209) and £40,784 restricted (2016: £40,340). Restricted grants were for Specialist Palliative Care cover for weekends and Bank Holidays.

Included in Trust and Other Fundraising Grants were government grants from County Councils of £2,450 (2016: £28,010). Of this £200 (2016: £2,230) was unrestricted and £2,250 (2016: £25,780) was restricted to various appeals in direct relation to our objects.

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2017

Notes to the accounts

5 Trading Activities: Shops

	2017	2016
	£	£
Shop income from sale of donated goods and new goods	859,571	793,353
Income from Shops donated Goods Gift Aid Scheme		
- Sale of goods from Shops Donated Gift Aid Scheme	122,811	148,204
- Gift aid income from sale of goods on an agency basis	30,959	36,819
Total income from Trading Activities: Shops	1,013,341	978,376
Shops costs net of Charity administration fee	781,139	715,452
Trust support costs allocated to Shops	18,372	18,200
Total expenditure from shops	799,511	733,652
Net Profit arising from shops	213,830	244,724

All shop income in both the current and previous year relate to unrestricted funds.

	Government Funding	Other funding	2017	2016
	£	£	£	£
Continuing Care	257,685	85,310	342,995	457,796
Befriender Service	28,438	-	28,438	26,621
Education and Training	12,050	10,625	22,675	7,280
External Clinical Services	53,025	-	53,025	52,500
Total	351,198	95,935	447,133	544,197

The income from charitable activities was £447,133 (2016: £544,197) of which £353,620 was unrestricted (2016: £465,076) and £93,513 restricted (2016: £79,121).

Government funding

Continuing Care income includes government funding from CCGs of £257,685 (2016: £370,185) to cover residential inpatient care for patients, with individual funding agreed for each patient.

The Befriender Service is restricted funding provided by West Sussex County Council ("WSCC") and East Sussex County Council ("ESCC") and the aim of the service is to support carers of patients of the Charity and improve their wellbeing. The WSCC contract began on 1 April 2014 for a period of three years and has been renewed for another three years. The ESCC contract commenced on 1 Oct 2013 for a period of 3 years and has been renewed for another three and a half years.

Education and Training includes a government grant from Health Education England Kent Surrey Sussex ("HEEKSS") of £12,050 (2016: nil) for development of a needs assessment and staff end of life communication training. External Clinical Services funding from NHS Horsham & Mid-Sussex CCG of £53,025 (2016: £52,500) is restricted for the provision of palliative care consultant sessions at Princess Royal Hospital, Haywards Heath.

7 Investment income

	2017	2016
	£	£
Rental Income	1,427	2,155
Dividends - equities	11,115	12,104
Bank Interest	7,770	9,664
	20,312	23,923

Investment income received was £20,312 (2016: £23,923) of which £20,230 was unrestricted (2016: £23,643) and £82 restricted (2016: £280).

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2017

Notes to the accounts

8 Other Income

	2017	2016
	£	£
Profit on sale of land	-	29,234
Profit on sale of tangible fixed assets	6,769	1,307
	6,769	30,541

Other income in both the current and previous year relates to unrestricted funds.

9 Analysis of Expenditure

	Direct Costs	Support costs (note 10)	2017	2016
	£	£	£	£
Costs of Raising Funds				
Shop Costs	779,389	20,122	799,511	733,652
Fundraising Costs	336,159	34,848	371,007	400,592
Investment Management Costs	1,263	-	1,263	4,849
Total Cost of Raising funds	1,116,811	54,970	1,171,781	1,139,093
Charitable Activities				
Hospice	1,053,512	203,568	1,257,080	1,271,036
Community Care	434,324	51,119	485,443	478,928
Wellbeing	221,451	65,005	286,456	286,573
Continuing Care	839,244	125,719	964,963	991,193
External Clinical Services	58,635	11,030	69,665	59,680
Total Charitable Activities	2,607,166	456,441	3,063,607	3,087,410
Total	3,723,977	511,411	4,235,388	4,226,503

Of the total expenditure of £4,235,388 (2016: 4,226,503), all expenditure for raising funds of £1,171,781 (2016: £1,139,093) was unrestricted. Of charitable activities expenditure £3,063,607 (2016: £3,087,410); £311,766 (2016: £409,304) was restricted and £2,751,841 (2016: £2,678,106) was unrestricted.

	Administration	Finance	Governance costs	2017	2016
	£	£	£	£	£
Shop costs	12,372	3,000	4,750	20,122	21,958
Fundraising Costs	17,824	4,894	12,130	34,848	32,543
Cost of generating funds	30,196	7,894	16,880	54,970	54,501
Hospice	126,498	28,551	48,519	203,568	193,349
Community Care	28,030	4,894	18,195	51,119	49,910
Wellbeing	35,580	11,230	18,195	65,005	61,376
Continuing Care	68,830	32,630	24,259	125,719	118,714
External Clinical Services	10,880	150	0	11,030	1,900
Charitable services	269,818	77,455	109,168	456,441	425,249
Total	300,014	85,349	126,048	511,411	479,750
Prior year totals	271,178	85,747	122,825		479,750

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2017

Notes to the accounts

11 Governance costs	2017	2016
	£	£
Management	117,887	115,467
Audit and Accountancy Fees	4,750	4,850
Other Professional Fees	2,911	2,008
Other	500	500
	126,048	122,825

12 Analysis of staff costs and key management personnel	2017	2016
	£	£
Wages and salaries	2,764,037	2,815,418
Social security costs	221,080	208,357
Pension costs	181,754	183,275
	3,166,871	3,207,050

The Trustees were not paid and did not receive any other benefits from employment with the Hospice or its subsidiary in the year (2016: £nil). No Trustees were reimbursed expenses for travel and training during the year (2016: £nil). No Trustee received payment for professional or other services supplied to the Charity (2016: £nil).

The average monthly head count was 138 (2016: 140) and analysis of the staff employees in the year were:

	2017		2016	
	<i>Actual Number</i>	Full time equivalent	<i>Actual Number</i>	Full time equivalent
Direct charitable services	90	61	96	66
Fundraising	10	7	8	7
Shops	27	24	25	22
Support services	11	8	11	8
Total	138	100	140	103

Throughout the year we also had 29 (compared to 34 in 2016) bank staff available to provide support in the event of short notice absences.

The number of employees whose total employee benefits, excluding pension contributions were over £60,000, (classified within bands of £10,000) are as follows:

	2017	2016
£70,000-£79,999	1	1
£80,000-£89,999	2	2

Pension contributions relating to those staff earning over £60,000 totalled £34,209 in the current year (2016: £33,870).

Pension Contributions

The Charity contributes to the NHS Superannuation scheme for eligible staff and operates a defined contribution scheme for other staff. The pension charge for the year represents contributions payable by the Charity to the schemes and amounted to £181,754 (2016: £181,830). At 31 March 2017 £26,952 was outstanding in respect of pension contributions (2016: £26,516).

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2017

Notes to the accounts

12 Analysis of staff costs and key management personnel - continued

Key Management Personnel

FRS 102 defines 'key management personnel as those persons having authority and responsibility for **planning, directing and controlling** the activities of the Charity, directly or indirectly, including those members of staff who are the senior management personnel to whom the Trustees have delegated significant authority or responsibility in the day-to-day running of the charity'. We have interpreted this to be the Trustees and the Chief Executive whose employee benefits for both the Charity and the Group were £81,147 in total (Prior year: £80,345).

Volunteers

The Group had approximately 430 volunteers during the year (Prior year: 400), of which 184 (Prior year: 161) worked in our retail operations and 246 (Prior year: 239) supported the charitable and administrative work of the Charity. We are extremely grateful for all their time and effort.

13 Net incoming resources

	2017	2016
	£	£
Net incoming resources is stated after charging:		
Depreciation	169,985	178,416
Auditors remuneration:		
- for audit services	4,750	4,150
- for accountancy services	-	700
Profit / (loss) on sale of fixed assets	6,769	30,541
Operating lease rentals	152,749	147,965
	<hr/> <hr/>	<hr/> <hr/>

14 Taxation

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

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2017

Notes to the accounts

15 Tangible fixed assets

<u>Group</u>	Freehold property	Fixtures and fittings	IT Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At start of year	3,311,125	835,690	116,186	107,483	4,370,484
Additions	7,495	17,280	14,059	16,000	54,834
Disposals	-	-	-	(15,600)	(15,600)
At end of year	3,318,620	852,970	130,245	107,883	4,409,718
Depreciation					
At start of year	1,054,257	591,789	103,253	81,171	1,830,470
Charge for the year	105,548	46,593	8,912	8,932	169,985
Disposals	-	-	-	(9,019)	(9,019)
At end of year	1,159,805	638,382	112,165	81,084	1,991,436
Net book value at the end of the year	2,158,815	214,588	18,080	26,799	2,418,282
<i>Net book value at the start of the year</i>	<i>2,256,868</i>	<i>243,901</i>	<i>12,933</i>	<i>26,312</i>	<i>2,540,014</i>
<u>Charity</u>	Freehold property	Fixtures and fittings	IT Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At start of year	3,250,988	800,564	116,186	64,683	4,232,421
Additions	7,495	12,332	14,059	-	33,886
Disposals	-	-	-	-	-
At end of year	3,258,483	812,896	130,245	64,683	4,266,307
Depreciation					
At start of year	1,027,248	570,053	103,253	51,869	1,752,423
Charge for the year	103,129	42,008	8,912	3,203	157,252
Disposals	-	-	-	-	-
At end of year	1,130,377	612,061	112,165	55,072	1,909,675
Net book value at the end of the year	2,128,106	200,835	18,080	9,611	2,356,632
<i>Net book value at the start of the year</i>	<i>2,223,740</i>	<i>230,511</i>	<i>12,933</i>	<i>12,814</i>	<i>2,479,998</i>

Freehold land and buildings includes freehold land of £180,000 that is not depreciated. The market value of the land has been valued by the directors at £345,000.

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2017

Notes to the accounts

16	2017	2016
a) Investments - Group and Charity	£	£
At start of the year	386,633	394,398
Additions	114,062	94,215
Disposals	(103,580)	(89,396)
Movement in cash	(2,215)	3,740
Unrealised Gains/(loss) on Revaluation	41,907	(16,324)
At end of the year	436,807	386,633
b) Analysis of investments		
Listed investments	431,824	379,435
Other investments	300	300
Cash held as part of the investment portfolio	4,683	6,898
Total group	436,807	386,633
Equity investment in subsidiary	90,000	90,000
Total charity	526,807	476,633

All investments are held in the UK

The historical cost of the listed and other investments is £369,149 (prior year: £354,903)

c) Trading subsidiary

The Charity owns a subsidiary, St Peter and St James Hospice Shops Limited (company number 3146736), whose main purpose is to sell goods to raise funds for the Charity and which pays all of its profits to the Charity under the gift aid scheme. The Charity holds 90,000 ordinary shares of £1 each in its wholly owned trading subsidiary company, St Peter and St James Hospice Shops Limited, which is incorporated in the United Kingdom. These are the only shares allotted, called up and fully paid. The activities and results of this company are summarised as follows:

<u>Income statement</u>	2017	2016
	£	£
Turnover	859,571	793,353
Cost of sales	(21,998)	(21,756)
Gross profit	837,573	771,597
Operating expenses	(770,744)	(699,696)
Profit on ordinary activities	66,829	71,901
Donation to hospice	(67,000)	(72,000)
Deficit for the financial year - the Retained profit for the year	(171)	(99)
Balance sheet		
Fixed Assets	61,650	60,016
Current Assets	115,365	89,232
Liabilities	(77,109)	(49,171)
Net assets	99,906	100,077
Represented by:		
Capital	90,000	90,000
Reserves	9,906	10,077
	99,906	100,077

An administration charge of £18,372 by the Charity has been removed from expenses in the consolidated accounts (2016: £6,000)

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2017

Notes to the accounts

17 Debtors

	Group 2017	Group 2016	Charity 2017	Charity 2016
	£	£	£	£
Trade debtors	76,730	47,996	76,730	46,904
Amount due from subsidiary	-	-	59,195	33,477
VAT recoverable	21,446	63,619	15,026	57,736
Other debtors and prepayments	67,648	110,563	27,271	67,957
	165,824	222,178	178,222	206,074

18 Creditors: amounts falling due within one year

	£	£	£	£
Trade creditors	51,855	31,182	43,306	24,934
Taxation and social security	56,254	57,447	49,998	51,361
Other creditors	27,013	26,999	26,870	27,037
Accruals and deferred income	53,843	36,352	50,877	32,992
	188,965	151,980	171,051	136,324

19 Operating Leases

	2017	2016
	£	£
The Trust has total commitments under operating leases as follows:	558,222	623,696

20 Restricted funds

	Balance at 1 April 2016	Income	Expenditure	Transfers	Balance at 31 March 2017
Charity	£	£	£	£	£
Restricted Revenue Fund	11,036	177,996	(177,549)	-	11,483
Community Nursing Fund	4,853	70,904	(75,757)	-	0
Restricted Capital Fund	17,933	34,930	-	(32,458)	20,405
Total Charity Restricted	33,822	283,830	(253,306)	(32,458)	31,888
Beacon View Revenue Fund	58,378	82	(58,460)	-	0
Total Group Restricted	92,200	283,912	(311,766)	(32,458)	31,888

Restricted Revenue Fund

The Restricted Revenue Fund represents monies given to the Charity for specific purposes for the purchase of small items and revenue expenditure.

The Restricted Revenue Fund includes funds for the Befriender Service, which represents monies received from East Sussex and West Sussex County Councils to support and improve the wellbeing of those caring for someone with a life limiting illness.

THE ST PETER AND ST JAMES CHARITABLE TRUST

YEAR ENDED 31 MARCH 2017

Notes to the accounts

The Restricted Revenue Fund also includes funds for External Clinical Services from our contract with NHS Horsham & Mid Sussex CCG to provide palliative care consultant sessions at our local hospital and services to train students in palliative care.

Community Nursing Fund

The Community Nursing Fund represents one off restricted donations and ongoing grants to support our specialist Community Nurse team. Beginning in 2013/14 we have been in receipt of a three year grant from the Big Lottery Fund totalling £171,311. Of the Big Lottery Fund, £4,853 was brought forward from the previous year; £29,120 was received during the year; £33,973 was expended during the year; and no balance remained at the end of the year.

Restricted Capital Fund

The Restricted Capital Fund represents monies given for specific capital appeals.

Beacon View Revenue Fund

The Beacon View Revenue Fund was established from a legacy received by the Friends with the request that is to be used for the benefit of the Day Hospice, now renamed Beacon View Wellbeing Centre after the refurbishment.

21 Unrestricted funds	Balance at 1 April 2016	Income	Expenditure and gains	Transfers	Balance at 31 March 2017
	£	£	£	£	£
<i>Designated funds</i>					
Friends of St Peter and St James	4,404	4,989	(5,527)	-	3,866
Tangible Fixed Assets	2,540,014	-	-	(121,732)	2,418,282
Forecast Deficit Provision Fund	331,442	-	-	(43,774)	287,668
Legacy Equalisation Fund	13,817	-	-	(13,817)	0
Capital Replacement Fund	10,000	-	-	0	10,000
Total designated funds	2,899,677	4,989	(5,527)	(179,323)	2,719,816
 General fund Trust	 1,026,556	 2,506,461	 (3,038,444)	 213,416	 707,989
General fund Shops	40,061	837,573	(837,744)	(1,635)	38,255
Total General Fund	1,066,617	3,344,034	(3,876,188)	211,781	746,244
 Total Unrestricted funds	 3,966,294	 3,349,023	 (3,881,715)	 32,458	 3,466,060

Designated funds:

Unrestricted funds in the Friends of St Peter and St James have been set aside as designated funds in the Group accounts to meet the future needs for medical equipment and associated costs of the Charity.

The Tangible Fixed Asset Fund represents the net book value of the tangible fixed assets held by the Charity, which includes any building work-in-progress. Fixed assets are integral to the provision of charitable activities and therefore not readily available to spend (e.g. hospice buildings).

A sum equivalent to the forecast deficit in the 2017/18 budget has been designated in the Forecast Deficit Provision Fund. This is made up of a forecast revenue deficit of £156,138 and capital deficit of £131,530.

The Legacy Equalisation Fund represents legacy funds identified as surplus and legacy income received after the year end that has been accrued into the accounts. This fund was established in order to safeguard hospice services against a decrease in legacy income in future years.

Recognising the ongoing need for capital investment to replace and, where appropriate, enhance the Charity's assets, the Trustees have established the Capital Replacement Fund to set aside funds over the longer term.

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2017

Notes to the accounts

22 Net assets by funds

	General funds	Designated funds	Restricted funds	Total funds
	£	£	£	£
Investments	436,807	-	-	436,807
Tangible fixed assets	-	2,418,282	-	2,418,282
Current assets	464,402	301,534	65,888	831,824
Creditors falling due in less than one year	(154,965)	-	(34,000)	(188,965)
	746,244	2,719,816	31,888	3,497,948

23 Related party transactions

Donations received from related parties (defined as Trustees and key management personnel) totalled £2,461 (2016: £ 5,225)

The following transactions took place between the Charity and its wholly owned subsidiary, Shops:

- The transfer under gift aid of the trading profits of the Shops to the Charity of £67,000 (2016: £72,000)
- The transfer of an administration charge from Shops to the Charity of £18,372 (2016: £6,000)

Balances outstanding from the Shops to the Charity as at 31 March 2017 were £59,195 (2016: £33,477)

24 Contingent assets – legacy income

As well as the amount recognised in the financial statements, the Charity was also notified prior to the year-end of legacies currently in administration with an estimated probate value based on information available at the time of £360,000 (2016: £72,000)

25 Financial performance of the Charity

The consolidated statement of financial activities includes the results of the Hospice's wholly owned trading subsidiary St Peter and St James Hospice Shops Limited and the Friends of St Peter and St James. The summary performance of the Charity alone is as follows:

	2017 £	2016 £
Income	2,910,883	3,254,389
Total expenditure	3,412,341	3,530,694
Net surplus /(deficit)	(501,458)	(276,305)
Total funds brought forward	3,985,635	4,261,940
Total funds carried forward	3,484,177	3,985,635

Represented by:		
Restricted funds	31,888	33,822
Unrestricted funds	3,452,289	3,951,813
	3,484,177	3,985,635

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2017

Notes to the accounts

26 Finance performance of the Friends of St Peter and St James

The Friends of St Peter and St James is a registered charity, number 288522, whose objects are to relieve the patients of the Hospice who are sick, convalescent, disabled, handicapped or infirm and generally to support the charitable work of the Hospice to whom the Friends of St Peter and St James are ultimately responsible. A summary of the financial activities of the Friends of St Peter and St James is given below and these have been consolidated into the group accounts.

	Unrestricted	Restricted	2017	2016
	£	£	£	£
Income				
Donations and subscriptions	4,445	-	4,445	4,182
Gift Aid	536	-	536	532
Investment income	8	82	90	285
Total income	4,989	82	5,071	4,999
 Resources expended - charitable activities	 5,527	 58,460	 63,987	 60,048
Net movement in funds	(538)	(58,378)	(58,916)	(55,049)
Funds brought forward	4,404	58,378	62,782	117,831
Funds carried forward	3,866	0	3,866	62,782
 Current Assets				
Debtors	536	-	536	568
Cash at bank	3,330	-	3,330	62,214
Total net assets	3,866	0	3,866	62,782
 Funds of the Charity				
Unrestricted Funds	3,866	-	3,866	4,404
Restricted Funds	-	0	0	58,378
Total Funds	3,866	0	3,866	62,782

27 Contingent Liabilities

In July 2012 the Charity received £44,684 in relation to a complex estate distribution, for which the Charity has been required to give an indemnity to the executor of the estate should there be a counter-claim. The Trustees believe the likelihood of a claim being made to be remote and accordingly no provision is to be made in these accounts.

THE ST PETER AND ST JAMES CHARITABLE TRUST
YEAR ENDED 31 MARCH 2017

Notes to the accounts

28 Reconciliation of net income/(expenditure) to net cash flow from operating activities	Group	Group	Charity	Charity
	2017	2016	2017	2016
	£	£	£	£
Net income/(expenditure) for the reporting period	(560,546)	(331,453)	(501,458)	(276,305)
<i>Adjustments for:</i>				
Depreciation charges	169,985	178,416	157,252	166,765
(Increase)/decrease in stocks	850	(3,243)	-	-
(Increase)/decrease in debtors	56,354	31,205	27,852	29,823
Increase/(decrease) in creditors	36,985	(16,970)	34,727	8,201
Loss/(profit) on the sale of fixed assets	(6,769)	(33,863)	-	(33,863)
(Gains)/losses on investments	(41,907)	16,324	(41,907)	16,324
Dividends, interest and rents from investments	(20,312)	(23,923)	(20,222)	(23,639)
Net cash provided by/(used in) operating activities	(365,360)	(183,507)	(343,756)	(112,694)
29 Analysis of cash and cash equivalents	Group	Group	Charity	Charity
	2017	2016	2017	2016
	£	£	£	£
Cash at bank and in hand	221,812	334,556	157,664	241,296
Short term deposits	435,903	717,958	435,903	717,958
Total cash and cash equivalents	657,715	1,052,514	593,567	959,254