

Reports and Consolidated Financial Statements

For the year ended 31 March 2016

St Christopher's

WEDNESDAY



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COMPANIES HOUSE

ST CHRISTOPHER'S HOSPICE

Contents

	<i>Page</i>
Reference and administrative information	1
Report of the Board of Trustees (including the Strategic Report)	3
Independent auditors' report to the Members	16
Consolidated statement of financial activities	18
Consolidated balance sheet	19
Balance sheet	20
Consolidated statement of cash flows	21
Notes to the financial statements	22

ST CHRISTOPHER'S HOSPICE

Reference and administrative information

Patron HRH Princess Alexandra, The Hon. Lady Ogilvy, GCVO

President Lord Ian McColl

Vice Presidents Dr Gillian Ford, CB
Miss Sheila Hancock, OBE
Dame Pauline Harris, DBE, DL
Mr Colin Russell
Mr John Rhodes
Mr Rodney Bennion, OBE
Dr Sam Klagsbrun
Dr Mary Baines
Ms Phillis Cunningham, CBE
Mrs Barbara Richardson
Mrs Ruth Saunders
Mr Jonathan Stone
Dr Catherine Dent

Board of Trustees	Mr Morgan Jones:		Chairman
	Mrs Jane Walters	1	Joint Vice Chairman
	Dr Tyrrell Evans	1	Joint Vice Chairman
	Mr Jonathan Houlton	2 3	Hon. Treasurer and Chairman of Audit Committee
	Mr Richard Raeburn	1 2 3	Chairman of Investment Committee
	Mr Richard Saunders	1 3	Chairman of Remuneration and Nominations Committee
	Mrs Gillian Baker		
	Mr Martin Davis		
	Mrs Barbara Noble		<i>Resigned from Audit Committee 15 June 2015</i>
	Mr Terrence Collis	2	<i>Appointed to Audit Committee 25 June 2015</i>
	Ms Joanna Donaldson		

Members of Board Committees

- 1 Remuneration and Nominations Committee
- 2 Audit Committee
- 3 Investment Committee

Joint Chief Executives Mrs Heather Richardson
Mr Shaun O'Leary

Company Secretary Mr Martin Belham

ST CHRISTOPHER'S HOSPICE

Reference and administrative information (continued)

Registered Office:	51-59 Lawrie Park Road Sydenham London SE26 6DZ
Bankers:	HSBC Bank plc 165 Fleet Street London EC4A 2DY
Solicitors:	Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH
Independent Auditors:	Mazars LLP Times House Throwley Way Sutton Surrey SM1 4JQ
Registered charity number:	210667
Company number:	681880
VAT registration number:	523 6139 61

ST CHRISTOPHER'S HOSPICE

Report of the Board of Trustees (incorporating the Strategic Report)

The Board presents the report and consolidated financial statements of St Christopher's for the year ended 31 March 2016. It describes what we have achieved and the outcomes of our work during this period.

The statements appear in the format required by the Statement of Recommended Practice for Accounting and Reporting by Charities, FRS 102, the new charity SORP which is effective from September 2015. The report and statements also comply with the Companies Act 1985 and 2006 as St Christopher's was incorporated by guarantee on 27th January 1961. St Christopher's has no share capital and is a registered charity. The guarantee of each member is limited to £1. The governing document is the Memorandum and Articles of Association of the company and members of the Board are the Directors of the company.

OBJECTIVES & ACTIVITIES

Objectives:

To promote the relief of suffering of persons with terminal illness and their families and carers.

Vision

A world in which all dying people and those close to them have access to the care and support they need, when and wherever they need it.

Mission

St Christopher's promotes and provides skilled and compassionate end of life care of the highest quality, working with and through our communities.

Values

Staff and volunteers working for St. Christopher's aspire to be:

- *pioneering and bold*
- *expert*
- *one team, working together*
- *empowering and compassionate*
- *of, and for, the community*
- *strong through partnerships*

Strategic priorities

Between 2015 and 2020, St Christopher's aims to:

- *reach more people*
- *drive innovation in new models of care*
- *improve the quality of care provided by St Christopher's and others*
- *empower the public around death, dying and loss*
- *ensure long term sustainability of the organisation*

INTRODUCTION AND CONTEXT

St Christopher's serves a diverse population of 1.5million people living in Lambeth, Southwark, Lewisham, Croydon and Bromley. In the course of the last year the hospice has provided high quality palliative and end of life care to over 6,000 people, including patients, their families, friends and carers.

ST CHRISTOPHER'S HOSPICE

Report of the Board of Trustees (incorporating the Strategic Report)

The organisation has a long and proud history. Set up in 1967 by Dame Cicely Saunders as the first hospice within the modern hospice movement, we have often been seen as a leader in the sector. Over the years we have been a pioneer of new services, different facilities and novel partnerships in our effort to meet emerging needs or gaps in provision. In addition, we have trained many influential people within palliative and end of life care and contributed to the evidence base of hospice care through research.

We continue to be both a pioneer and a leader locally, nationally and internationally. In addition we serve as a major provider of palliative and end of life care for the people in South East London. Over the last year, St Christopher's has cared for more people than ever before, and has further developed new and innovative services focused on care coordination and personal care delivery for people who wish to die at home. In addition St Christopher's continues to lead the design and delivery of vocational accredited training in end of life care for caregivers. Our research agenda is gaining pace and relationships with a variety of academic partners have been strengthened accordingly. Data describing the outcomes of the care that we provide offers interesting and positive results. The hospice has contributed to a number of national and international conferences and members of its staff continue to publish regularly in books and journals to promote new knowledge. We are pleased with the work of the hospice and its progress in the last 12 months, but we cannot afford to be complacent as we look to the future.

The external context in which St Christopher's operates is a rapidly changing one, characterised by mounting demand. There are growing numbers of people who need our help, as a result of the rising size of the population and the increasing longevity of many peoples' lives. Whilst many people will enjoy longer lives, they may also live with chronic and life threatening conditions for many of the latter years of their life. The availability of family members to care for them at this time is reducing – demanding input from professional services around the clock and in response to many and changing needs. Simultaneously, many professional services are struggling to recruit and retain the necessary numbers of skilled staff, resulting in gaps in provision and poor quality care. Despite major efforts on the part of Government and others to increase quality of end of life care in hospitals, at home and a variety of other contexts, significant dissatisfaction and concerns remain amongst the public about the experience of dying and loss. An Ombudsman's report in May 2015 entitled "Dying without Dignity" drew on cases from GP practices to hospitals, and identified six themes related to the poor experience of people who were dying or bereaved, including poor identification of people who were nearing the end of life, poor symptom control, communication and care planning and inadequate out of hours services. Purposefully, or otherwise, St Christopher's will often plug these gaps to ensure that people under its care die well and families, carers and others close to the patient are able to cope with bereavement.

Other challenging characteristics of the external environment include significant pressures on NHS funding for hospice care and a shrinking workforce from which to recruit senior and skilled staff. More positively, the hospice has enjoyed growing relationships with many other providers from the NHS and the voluntary sector who are keen to work together to improve palliative and end of life care in the area. New opportunities exist to work in a more integrated and collaborative way to plan, deliver and review services. The other key opportunity lies in the offer of more education and training, made available in a variety of media and program to continue to improve the skills of the workforce involved in palliative and end of life care across health and social care, locally, nationally and internationally. This, we believe, to be the single most significant way in which we can achieve the vision set for the organisation by Dame Cicely – a world in which all people who are dying and those close to them can have access to the support and care they need. St Christopher's plans to grasp that opportunity, including building a new education centre in the course of the next two or so years that will offer education and training to professionals, other caregivers, volunteers, the public, family carers and patients themselves, if they so wish.

ST CHRISTOPHER'S HOSPICE

Report of the Board of Trustees (incorporating the Strategic Report)

OUR WORK

The hospice is focused on supporting people who are dying, their carers and the bereaved. We also work with members of the public interested to know more about death, dying or loss, for whom information and support may be helpful.

Its services are expert in nature, delivered by a broad multi-professional team of staff who are highly skilled and confident in supporting people who are dying or bereaved. Many of these have expert skills in palliative care, achieved through training and experience of working exclusively and extensively with people affected by terminal disease or bereavement. Their care is augmented by input from other professionals, including experts in pain management, mental health and rehabilitation. We are also supported by a large volunteer workforce, many of whom work directly with patients and families.

Our services span care, information and support, education, training and research.

They are delivered in a variety of settings including our two buildings in Sydenham and Orpington. However, the majority of people who receive care from St Christopher's are at home or in other community settings such as care homes. Our education centre, based on the site at Sydenham is the focus of much of our work to educate and train staff and volunteers, working for St Christopher's or elsewhere. However we will teach elsewhere, if this increases accessibility to training, or is a requirement of those funding the education.

The year in brief – key achievements

The last twelve months have continued to witness change at St Christopher's, as the new joint chief executives, Shaun O'Leary and Heather Richardson settle in their role and begin to implement the new five year strategic plan. We have seen the arrival of three directors – Mandy Piper-Killick, Director of Human Resources, Ruth Sheridan, Director for Supportive Care and Rob George, Medical Director and Head of Research. They join Martin Belham, Finance Director and Penny Hansford, Director of Nursing to form the new executive team.

It has been a year of growth for much of our work.

In the course of the last twelve months we accepted 3,426 patients for care, many of which have received more than one service provided by the hospice, reflective of their changing conditions. This represents a 7% increase against the same period last year and a 5% increase in the number of people referred to our service for the first time. We continue to work to redress inequalities in end of life care at a local level. We have seen more people with a condition other than cancer in the course of the last year, particularly through our coordination service in Bromley and had an increasing number of people referred with dementia. Our work to reflect the diversity of the population we serve is growing in momentum.

We have seen an increase in the number of patients cared for in the community. This is encouraging. We know that the majority of people would like to receive care, and die if possible in their home. By delivering more care in this context we can be confident that we are helping more people to achieve their wishes in this regard. Our range and reach of community based services continues to grow. This year witnessed a 67% increase in the number of hours of personal care delivered to people in Bromley and a 15% increase in the number of referrals to our coordination centre.

Despite a national shortage of frontline staff in health and social care, we have managed to continue to recruit to most of our vacant or new posts in order to maintain or develop services. In the course

ST CHRISTOPHER'S HOSPICE

Report of the Board of Trustees (incorporating the Strategic Report)

of 2015/16 we appointed 124 new staff and now employ a workforce comprising 530 staff and 1,200 volunteers. Our turnover in the period was 15.8%.

All this is only possible due to the continued support from our many donors and volunteers. During the course of the year we have seen a growth in income from our charity shops, and an exceptional level of legacy donations.

We have ambitious plans for the next few years including development of our education facilities. We believe that we are well placed financially to achieve these and will be strengthening our workforce in order that we are ready to grasp the opportunities that present themselves in the year ahead and beyond.

Care, information and support

Inpatient palliative care – provided in 48 beds on four wards, based on the Sydenham site. This care is delivered by a multi professional team including specialist doctors, nurses, allied health professionals and social workers.

Our performance during 2015/16

Over the year, 779 patients were admitted to the inpatient unit. Overall, the inpatient unit welcomed 870 admissions as some patients were admitted more than once.

Our average length of stay during this period was just under 16 days.

71% of those admitted to our wards died in this setting. The majority of the remainder (29%) were discharged home after the admission.

We aim to be flexible and responsive to requests for admission. 13% of all admissions took place out of normal office hours or at weekends.

Our occupancy levels over the year averages at 79%.

Outcome measurements related to the care that inpatients' received confirms that many benefit from an improvement in the symptoms they experience, particularly if they were admitted with moderate, severe or overwhelming symptoms. Our efforts to maintain patient wellbeing also appears to be successful. A high proportion of inpatients experienced no worsening of symptoms in the course of an admission, even where their condition was worsening.

Community based palliative care - delivered to people living at home in all five boroughs, including those in care homes. This care is multi professional in nature and delivered around the clock. Led by clinical nurse specialists who offer a variety of support and advice, it is provided through outpatient clinics run at the Sydenham and Bromley sites, and through home visits.

Our performance during 2015/16

A total of 2,057 patients were accepted for community based care during this year. They received care in a variety of settings – in outpatient clinics, at home or in their care homes. A total of 14,161 home visits were made to them over the full year including 620 visits out of normal office hours. These out of hours visits were augmented by over 6,981 phone call consultations with patients and families experiencing unexpected or changing problems. During the course of the year we have changed how we respond to requests for help overnight – drawing on our inpatient nurses, rather than asking our nurses based in the community to provide an overnight oncall service. This has been experienced as positive move on the part of nurses on the wards and in the community teams. No adverse change to the quality of service received by patients or families has been identified. Our work through outpatient clinics is growing. 692 people received care from the outpatient nursing team, which represents an increase of 6% when comparing against the same period last year.

ST CHRISTOPHER'S HOSPICE

Report of the Board of Trustees (incorporating the Strategic Report)

Personal care – 15, 30 or 60 minute visits are provided by skilled care workers, working alone or in pairs, who offer practical help and hands on care to people who are in the last year of life and living at home. Over the course of the last year, this service was commissioned for residents of Bromley and Croydon.

Our performance in 2015/16

We accepted 336 clients for personal care across both boroughs and have delivered a total of 59,274 hours of care to them. 71% of the 177 people who died under the service in the course of this year died at home.

Co-ordination services – available to people living in Bromley, who are deemed to be in the last year of their life and who wish to be cared for at home. The Coordination Service, led by nurses, helps identify these individuals at home or in hospital, assesses them, discusses and records their care preferences, then coordinates and delivers care accordingly. A key aim of this service is to enable people to die at home if this is their wish.

Our performance in 2015/16

Over the last year, the service has received approximately 38 referrals per month, making a total of 450 for the year. 398 patients were accepted for support by the Coordination Centre over the 12 month period. 86% of patients cared for during the course of this year had a primary diagnosis of a condition other than cancer and over half of all its patients were over 85 years. 80% of people who died whilst receiving support from the Co-ordination Centre, died at home.

In the course of the year we have reviewed how this service becomes more integrated into other provision offered by the hospice, so that patients have greater access to more care if required. We have also begun joint work between the community palliative care team and the Bromley Coordination Centre to improve the processes of receiving and triaging referrals, to ensure patients receive a timely response.

Well-Being services – delivered in the Anniversary Centre in Sydenham and the Caritas Centre in Orpington. These include creative, diversional and therapeutic activities, complementary therapies and access to gym sessions; all aimed to promote wellbeing and increased self-management

Our performance in 2015/16

254 patients (excluding those who attend outpatient clinics) have been accepted for care in the Anniversary and Caritas Centres. On average patients attend once a week for 4 months. The gym and complementary therapies are particularly important for them. 3,847 rehabilitation sessions were provided, delivered as individual or group sessions in the gym.

Bereavement services – for adults, families and children. St Christopher's Candle Project offers individual and group support, a national telephone advice line, consultancy and training for children and families experiencing bereavement. Adult bereavement services are available for family members of patients who die in the care of the hospice in all our boroughs; additional bereavement care is available in Bromley, commissioned by Bromley CCG for people bereaved in other settings.

ST CHRISTOPHER'S HOSPICE

Report of the Board of Trustees (incorporating the Strategic Report)

Our performance in 2015/16

The number of people who have received bereavement support following a death of someone under the care of the hospice is 857. The number of people who have received support from the Bromley Bereavement Service is 372. The number of families and children who were referred to Candle during this period was 296 and 471 respectively.

Education and training

Education remains key to achieving our strategic priorities. Our commitment is to not only ensure our own workforce is fit for purpose, now and in the future, but that we empower others locally, nationally and throughout the world to provide sensitive and skilled end of life care. We work closely with partners who can help us achieve our ambitions. We continue to contribute to higher education programs in palliative care run with the faculties of nursing and medicine at Kings College London and in bereavement with Middlesex University and Hospice UK. In partnership with relevant national organisations, government and a national collaborative of hospices we are leading on the development of a highly valued, ground breaking program of vocational accredited end of life care training for caregivers in care homes, domiciliary agencies and similar.

Our staff make regular contributions to high profile national and international events and conferences. Our records confirm 25 national presentations and six international contributions – spanning Denmark, Ireland, Portugal, Romania, Jamaica and Canada. In addition we led a five day event in India promoting palliative care nursing.

Our performance in 2015/16

During this period a total of 2,008 delegates attended 126 learning events put on by St Christopher's Education Team – representing an increase in activity on last year. They reached a wide range of professionals including nurses (655), doctors (232), students (185), and Allied Health Professionals (98). 917 of these delegates came from the voluntary sector. A further 419 came from the NHS, 148 from the private sector and 112 from care homes. 1,353 individuals visited the library.

A separate program of training for care home staff, run by a dedicated team within the hospice to support end of life care in care homes has reached an additional 1,260 individuals from South East London.

Publications

Articles and contributions written by staff included three books, seven book chapters, 11 journal articles and 28 other items within external publications such as newsletters, reviews and conference abstracts.

Research

We have a long term commitment to research in order to build the evidence base for hospice, palliative and end of life care. Our areas of interest have been refined during the course of the last year through the development of a research strategy and now focus on outcomes of palliative care, evaluation of hospice provision, system wide improvement and technological advancements. In the course of the last year we have hosted 6 research projects at the hospice, we have a member of staff undertaking a full time research master's degree and one of our staff has graduated from Lancaster University with a PhD.

ST CHRISTOPHER'S HOSPICE

Report of the Board of Trustees (incorporating the Strategic Report)

2015/16 ACHIEVEMENTS AND PERFORMANCE

DID WE DO WHAT WE SAID WE WOULD IN 2015/16? :

We said we would:

1. *Reach more people*

We have seen an increasing number of referrals to the organisation year on year, and are caring for more people at year end, than at its outset and are pleased to note an increase in the number of referrals for this period on the previous year. We continue to develop the model of care coordination in Bromley in order to further extend our reach to people who are older, have conditions other than cancer and need more help to remain out of hospital. We recognise that we need to do more for people affected by a diagnosis of dementia and have started to address this. In the course of the last year we have been successful in obtaining funding from two other charities to support this work and have purchased equipment to improve the quality of life of people with dementia using our services. We have plans in place to create a new service for people with dementia drawing on the local community members to help. We have revised our model of support for care homes in the local area, and have established a more sustainable model, integrating opportunities for accredited training for their staff. The management of the care home support team has transferred to the education directorate to reflect that move

2. *Drive innovation in new models of care*

We have created and recruited to a new post called Service Development and Transformation Lead. The new post holder is leading a significant program of change within the organisation which focuses on creating new and improved models of care. To date efforts have focused on two key areas – a new single point of contact and a new process of case management for patients and their families. In addition we have begun to review how we use our limited inpatient facilities for those in greatest need. We have established a relationship with an organisation interested to use technology to improve the experience of people at the end of life and have been helping establish options for further development. We also have a relationship with a national organisation focused on innovation in the public sector and have been working with them to find funding and create a plan for system wide improvement in SE London in the future.

3. *Improve the quality of care provided by St Christopher's and others*

We have worked up a major plan for the development of education and training on the part of St Christopher's which includes plans to rebuild the education centre in 2017 so that we can serve as cutting edge facility, providing a broad range of learning opportunities in the future. Our research strategy and related research governance has been developed in the course of the last year, under the guidance of our new medical director. We have a growing number of research projects taking place in the organisation currently. Work is underway internally to support our middle managers to become stronger leaders – through in-house and external training, through the offer of coaching and opportunities to lead on corporate developments with support. Investment has been made into the team and services at Caritas House to improve services to people living in or near Orpington.

4. *Empower the public around issues of death, dying and loss*

We have established a program of events called Living, Loving, Dying; open to the public and covering a wide range of issues pertaining to death, dying and loss. In addition we have invested time and resource in support of national initiatives focused on educating the public, namely Dying Matters and Hospice Care Week. An initiative known as Death Chat is well established in the hospice and has a growing membership. The hospice has begun to establish relationships with commissioners, other voluntary organisations and local leaders interested to support the hospice in its work to empower the public. The foundations are in place to start this work in earnest over the course of the next two years.

ST CHRISTOPHER'S HOSPICE

Report of the Board of Trustees (incorporating the Strategic Report)

5. *Ensure long term sustainability of the organisation*

We have employed a data manager who has strengthened many of the systems relating to the recording and reporting of data regarding the care we provide to individual patients. As a result we now benefit from focused and timely reports. Our efforts to collect data to describe the impact of our care have increased over the last year and St Christopher's is probably one of the biggest providers of data to Kings College London who are leading a major research program around outcomes of palliative care. In addition we have experienced an increase in the income earned from the Retail operations and the Personal Care Agency.

Looking forward to 2016/17

In the course of 2016/17 we intend to:

1. Engage in a significant change management programme that will improve the reach, experience, efficiency and effectiveness of care
2. Design and implement a workforce strategy that will find, keep and grow high quality staff and volunteers
3. Improve the physical environment of the Sydenham site – to the benefit of patients, families, visitors and the staff
4. Engage with commissioners to establish a contract which reflects the principles of outcomes based commissioning
5. Launch a capital campaign to support the building of a new education centre, and prepare for celebrations of our 50th Birthday in the course of 2017

ST CHRISTOPHER'S HOSPICE

Report of the Board of Trustees (incorporating the Strategic Report)

FINANCIAL REVIEW

These financial statements include the results of St Christopher's Hospice and its trading subsidiaries, St Christopher's (Trading) Ltd and St Christopher's Personal Care Services Ltd, for the year ended 31 March 2016.

St Christopher's charitable activities are identified under five main headings in the Statement of Financial Activities,

- **Inpatient care**
- **Home care/outpatients**
- **Education and training**
- **Planned day care**
- **Candle project**

In addition to these charitable activities, St Christopher's has a retail company and a personal care company. The activity of these companies is shown on the Statement of Financial Activities as income/costs of trading companies.

However, with the exception of Education and Training, the services provided to a patient could include one or more of these activities during the course of their care program. Therefore the cost of individual patient care may span across one or more of the charitable activities identified.

For the year ended 31 March 2016, at an operational level, the St Christopher's Hospice recorded net income, before other recognised gains and losses, of £582k (2015: £395k net expenditure). The trading companies continue to trade strongly and legacy income has increased by 33%. The charity recorded unrestricted net income of £702k.

Overall, the St Christopher's Hospice generated a net increase in funds of £556k (2015: net decrease in funds £739k). This was after recognising other unrealised gains and losses as follows:

- Unrealised losses from the investment portfolio of £364k (2015: unrealised gains £86k)
- Realised gains from the investment portfolio of £47k (2015: realised gains £282k)

The portfolios have held up well, recognised by a significant increase in market value and realised gains during the year. The portfolio value has increased from £9.2m at March 2015 to £11.1m at March 2016 following a further injection of £2.0m from bank deposits. There is uncertainty around the anticipated change in base rates, so an increase in the returns from the bank deposits is unlikely.

- An actuarial gain from the FRS 102 valuation of the St Christopher's Hospice (1985) Pension Scheme £291k (2015: loss £712k).

The FRS 102 actuarial gain is a result of two factors. 1) An actuarial gain on the scheme liabilities of £500k which arises from an increase in the discount rate. 2) An actuarial loss on the scheme investments portfolio (£209k).

The financial statements have been prepared in accordance with Financial Reporting Standard (FRS) 102.

ST CHRISTOPHER'S HOSPICE

Report of the Board of Trustees (incorporating the Strategic Report)

Income

Total income received in 2015/16 increased by 10.2% to £20,931k (2015: £18,987k). Details of how this has arisen are shown below.

Legacies increased to £6,723k (2015: £4,838k) none of which is restricted. This is a 39.0% increase from last year and demonstrates that the St Christopher's community continues to value and support the end of life care services provided at St Christopher's. This is further borne out by the robust level of legacy notifications at the end of March 2016.

Income from the NHS of £5,999k (2015: £6,162k) represented 28.7% of total income.

The level of donations and gifts (2016: £3,533k v 2015: £3,210k) showed a 10% increase over last year which is as a result of much hard work by the fundraising team and continued support from our many donors.

The revenue of the retail trading companies increased by 1.8% and profit decreased to £861k (2015: £956k). This result reflects improved trading and stock turnover and continued refurbishment of several shops. The staff and volunteers continue their dedication and commitment to the retail trading company and the charity. The revenue from the personal care company was £878k.

Investment income was £330k (2015: £367k) and Education, Fees and Other Income was £1,065k (2015: £1,385k).

Expenditure

Total expenditure in 2015/16 showed an increase of 5% (2016: £20,349k v 2015: £19,382k). Staff costs have increased by 9% which is as a result of the development of St Christopher's Personal Care Services Ltd. Headcount has increased for the same reason (2016: 377 v 2015: 358)

The cost of raising funds includes fundraising and publicity expenditure, and the expenses of the trading companies.

RESERVES POLICY

The Hospice holds reserves to improve both the financial security and the operational flexibility of the Hospice.

The trustees have reviewed the level of free reserves required (funds that are not designated or restricted), and believe that the Hospice should seek to hold sufficient reserves to cover the risks to which the Charity is exposed in the course of its business, including safeguarding against volatile income from all sources.

The Trustees consider that in order to meet these needs, and to operate effectively, St Christopher's needs reserves of around £11m based on the current analysis of risk. The free reserves at 31 March 2016 were £8.8m (2015: £10.9m). This has arisen as the Trustees have designated £2.0m towards the new Education Centre.

INVESTMENT POLICY

The Board of Trustees has approved an investment policy and strategy, which is supervised by the Investment Committee.

The primary objective of the investment policy is to provide financial security and stability for the operation of St Christopher's Hospice. The investment policy also recognises that both Hospices are exposed to the risk of a sharp fall in their income due to the variability of legacy income and donations, and to uncertainty of sustainability of funds from the NHS. To reflect this position, the Investment Committee has placed its investments in cash deposits which provide appropriate

ST CHRISTOPHER'S HOSPICE

Report of the Board of Trustees (incorporating the Strategic Report)

liquidity, and which are deemed to be of a low risk, and with Cazenove Capital Management to invest in its charity portfolio, in accordance with an asset allocation approved by the Investment Committee.

The Bank of England base rate has remained at a record low of 0.5% since March 2009 and, as a result, interest rates on the cash deposits set out in note 10 to the accounts have shown little improvement and investment income has decreased to £330k (2015: £367k) of which £98k (2015: £100k) is interest from cash deposits and £232k (2015: £267k) is dividend and interest income from the Cazenove charity portfolio, which has been re-invested.

The Ethical Investment Policy states that trustees will not invest directly in a company if it carries out activities which are directly contrary to the Hospice's purposes and, therefore, against its interests and those of its beneficiaries.

PRINCIPAL RISKS AND UNCERTAINTIES

The trustees, in conjunction with the executive team, follow a process to manage the risks faced by the Hospice.

This process consists of the review of six potential areas of risk – strategic, financial, services, premises, workforce and information. Risks under each of these headings are assessed as to the severity of the risk and accompanied with strategies to eliminate or mitigate the risk.

The risk management process is conducted annually and comprises the following:

1. Review and updating of key risks facing the organisation, accompanied by strategies/plans to be employed to mitigate risks by the executive team
2. Review of the updated risk register and the mitigation plans, by the Audit Committee.
3. Review and agreement of the risk register and mitigation plans by the Board of Trustees.
4. Receipt of reports regarding progress and success of mitigation plans by the Board of Trustees.

This process has identified that failure to comply with statutory requirements leading to a serious incident, is the major risk for the organisation. Investment in both the medical team to support clinical decision making and health and safety measures, ensures effective management in this area.

Attention has also been focused on the recruitment of the appropriate nursing staff arising from a decline, on a national basis, of highly skilled nursing staff. This risk has been managed by the implementation of a new workforce strategy and innovative recruitment processes. Information loss and data management are perceived as an area of concern and are managed by investment in the appropriate staffing and security software.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Board, consisting of trustees named at the front of this report, is responsible for the management of the business of the Charity and for exercising its powers in pursuit of its charitable objects. The Board has delegated some of its administrative powers to committees covering Remuneration & Nominations and Audit. Each committee has its own terms of reference and reports to the Board.

ST CHRISTOPHER'S HOSPICE

Report of the Board of Trustees (incorporating the Strategic Report)

Trustees serve for a term of three years and can be re-elected for a further three years. Any further renewals are at the discretion of the Board of Trustees. In accordance with the Articles of Association and Board's discretion, the following members are retiring and offer themselves for re-election:

Mr Richard Raeburn
Mrs Barbara Noble
Mr Richard Saunders
Mrs Jane Walters
Ms Joanna Donaldson
Mr Terrence Collis

The following members are retiring and do not offer themselves for re-election:

Mr Jonathan Houlton
Mr Martin Davis

Induction of new of trustees

New trustees undertake an induction process designed to equip them with the information and understanding they need to become effective and valuable members of Board as quickly as possible. The induction process involves the following:

1. Provision of an induction pack containing key information about St Christopher's; the governance structure; the roles and responsibilities of trustees; and the organisational work of the Board of Trustees and its committees.
2. The support of a current trustee who will act as a mentor during the first year as a new trustee.
3. An induction program which enables new trustees to gain a good understanding of the operations of the Hospice, meet the executive team and trustees.
4. An informal review meeting with the Chair of the Board at the end of a trustee's first year to agree how the new trustee's expertise can be used to best advantage.

All trustees give their time voluntarily and receive no benefit from the charity. No expenses were claimed from the charity. All Trustees were required to complete and sign an annual declaration of interests and of any relevant gifts received during the year.

Pay policy for senior staff

The pay of the senior staff is reviewed on a regular basis and normally increased in line with the organisational pay review. The pay of the chief executives is set by the Remuneration and Nominations committee. The pay for the remainder of the senior staff is set by the chief executives.

Public benefit

The Board is aware of the Charity Commission's guidance in relation to Public Benefit. This report indicates how our activities have delivered public benefit.

ST CHRISTOPHER'S HOSPICE

Report of the Board of Trustees (incorporating the Strategic Report)

Statement of Board's Responsibilities

The Board members (directors for the purposes of Company law) who served during the year, and the period for which they were in office, are detailed on page 1.

The Board are responsible for preparing the Report of the Board of Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the Board to prepare financial statements for each financial year. Under that law the Board have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Board must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the result of the group for that period. In preparing these financial statements, the Board are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- follow applicable accounting standards;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The Board are responsible for keeping adequate accounting records that are sufficient to show and explain the group and charity's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

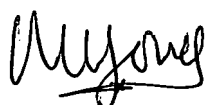
The trustees have taken all necessary steps to make themselves aware, as trustees, of any relevant audit information and to establish that the auditors are aware of that information.

As far as the trustees are aware, there is no relevant audit information of which the charity's auditors are unaware.

AUDITORS

A resolution to reappoint Mazars LLP as auditors to the charity and to authorise the trustees to fix their remuneration will be proposed at the Annual General Meeting.

SIGNED ON BEHALF OF THE BOARD OF TRUSTEES



Morgan Jones
Chairman of the Board of Trustees

17 August 2016

St Christopher's Hospice
51-59 Lawrie Park Road
London SE26 6DZ

ST CHRISTOPHER'S HOSPICE

Independent auditor's report to the Members of St Christopher's Hospice

We have audited the financial statements of St Christopher's for the year ended 31 March 2016 which comprise the consolidated statement of financial activities, consolidated balance sheet, balance sheet, consolidated statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of the Board's Responsibilities set out on page 15, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the charity's members as a body. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group and the charity's affairs as at 31 March 2016 and of the group's 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.

ST CHRISTOPHER'S HOSPICE

Independent auditor's report to the Members of St Christopher's Hospice (continued)

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Board of 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 the Companies Act 2006 requires us to report to you if, in our opinion:

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

N S Wakefield

Nicola Wakefield (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Times House, Throwley Way, Sutton, Surrey, SM1 4JQ

Date: *6th October 2016*

ST CHRISTOPHER'S HOSPICE

Consolidated statement of financial activities For the year ended 31 March 2016

		Unrestricted	Restricted	2016	2015
	Notes	funds £'000	funds £'000	Total £'000	Re-stated Total £'000
Income from:					
Donations and gifts		2,810	723	3,533	3,210
Legacies		6,723	-	6,723	4,838
<i>Charitable activities</i>					
NHS funding for patient care	2	5,999	-	5,999	6,162
Education, fees and other income	3	885	180	1,065	1,385
<i>Other trading activities</i>					
Income of trading companies	4	3,281	-	3,281	3,025
Investment income		330	-	330	367
Total income		20,028	903	20,931	18,987
Expenditure on:					
Raising voluntary income		1,184	48	1,232	1,158
Trading companies	4	2,888	-	2,888	2,470
		4,072	48	4,120	3,628
<i>Charitable activities</i>					
Inpatient care		9,110	57	9,167	8,705
Home care/out patients		3,850	380	4,230	4,301
Education and training		1,413	278	1,691	1,630
Planned day care		869	144	1,013	990
Candle project		8	120	128	128
		15,250	979	16,229	15,754
Total expenditure	5	19,322	1,027	20,349	19,382
Net income/(expenditure) before other recognised gains and losses	6	706	(124)	582	(395)
Other recognised gains/losses					
Actuarial gains/(losses) on defined benefit pension scheme	19	291	-	291	(712)
Gain on investments – realised	10	47	-	47	282
(Loss)/gain on investments – unrealised	10	(364)	-	(364)	86
Net movement in funds		680	(124)	556	(739)
Total funds at 1 April 2015	15, 16, 17	26,190	2,813	29,003	29,742
Total funds at 31 March 2016	15, 16, 17	26,870	2,689	29,559	29,003

All recognised gains and losses are included in the consolidated statement of financial activities.
All transactions are derived from continuing activities.

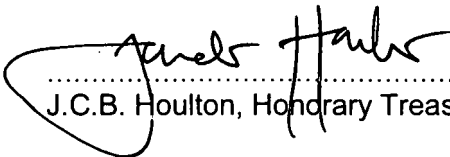
The allocation between unrestricted and restricted funds for 2015 is shown in Note 18.


ST CHRISTOPHER'S HOSPICE

Consolidated balance sheet as at 31 March 2016

	Notes	2016 £'000	2015 Restated £'000
Fixed assets			
Tangible fixed assets	9	5,303	5,761
Intangible assets	9	190	52
Investments	10	20,234	19,298
		<u>25,727</u>	<u>25,111</u>
Current assets			
Debtors	11	3,470	4,150
Interest bearing bank accounts		2,964	2,424
		<u>6,434</u>	<u>6,574</u>
Creditors: Amounts falling due within one year	12	(1,600)	(1,208)
Net current assets		<u>4,834</u>	<u>5,366</u>
Creditors: Amounts falling due after more than one year	13	(20)	(43)
Net assets excluding pension scheme liability		<u>30,541</u>	<u>30,434</u>
Defined benefit pension scheme liability	19	(982)	(1,431)
Net assets including pension scheme liability		<u>29,559</u>	<u>29,003</u>
Funds			
Restricted	15	2,689	2,813
Unrestricted			
General		9,852	12,824
Designated	16	18,707	15,129
Non-charitable		(707)	(332)
		<u>27,852</u>	<u>27,621</u>
Total unrestricted funds excluding pension liability		<u>27,852</u>	<u>27,621</u>
Pension Reserve		(982)	(1,431)
Total unrestricted funds including pension liability		<u>26,870</u>	<u>26,190</u>
Total funds		<u>29,559</u>	<u>29,003</u>

The financial statements were approved by The Board of Trustees on 17 August 2016 and signed on its behalf by:


J.C.B. Houlton, Honorary Treasurer

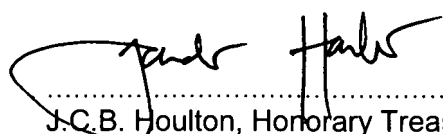

R. J. Raeburn


ST CHRISTOPHER'S HOSPICE

Balance sheet – St Christopher's entity only as at 31 March 2016

	Notes	2016 £'000	2015 <i>Restated</i> £'000
Fixed assets			
Tangible fixed assets	9	5,058	5,504
Intangible assets	9	190	52
Investments	10	20,734	19,798
		<u>25,982</u>	<u>25,354</u>
Current assets			
Debtors	11	4,336	4,601
Interest bearing bank accounts		2,828	2,321
		<u>7,164</u>	<u>6,922</u>
Creditors: Amounts falling due within one year	12	(1,483)	(1,135)
Net current assets		<u>5,681</u>	<u>5,787</u>
Net assets excluding pension scheme liability		31,663	31,141
Defined benefit pension scheme liability	19	(982)	(1,431)
Net assets including pension scheme liability		<u>30,681</u>	<u>29,710</u>
Funds			
Restricted	15	2,689	2,813
Unrestricted			
General		10,267	13,199
Designated	16	18,707	15,129
Total unrestricted funds excluding pension liability		<u>28,974</u>	<u>28,328</u>
Pension Reserve		(982)	(1,431)
Total unrestricted funds including pension liability		<u>27,992</u>	<u>26,897</u>
Total funds		<u>30,681</u>	<u>29,710</u>

The financial statements were approved by The Board of Trustees on 17 August 2016 and signed on its behalf by:


J.C.B. Houlton, Honorary Treasurer


R. J. Raeburn

ST CHRISTOPHER'S HOSPICE

Consolidated statement of cash flows For the year ended 31 March 2016

		2016	2015
	Note	£'000	Re-stated £'000
Net cash provided by/(used in) operating activities	A	1,732	(396)
<i>Cash flows from investing activities</i>			
Interest received		330	367
Purchase of tangible fixed assets		(198)	(69)
Increase in investments		(1,301)	(190)
Net cash (used in)/provided by investing activities		(1,169)	108
<i>Cash flow from financing activities</i>			
(Decrease) in amounts falling due after more than one year		(23)	(23)
Change in cash and cash equivalents in the year		540	(311)
Cash at the beginning of the year		2,424	2,735
Cash at the end of the year		2,964	2,424

Reconciliation of net movement in funds to net cash outflow from operating activities

Note A	2016 £'000	2015 £'000
Net income/(expenditure)	557	(739)
Interest receivable	(330)	(367)
Depreciation charges	518	500
Unrealised loss/(gain) on investments	364	(86)
Decrease in debtors	680	824
Increase/(Decrease) in creditors	392	(1,006)
(Decrease)/Increase in defined benefit pension scheme deficit	(449)	478
Net cash provided by/(used in) operating activities	1,732	(396)

ST CHRISTOPHER'S HOSPICE

Notes to the financial statements for the year ended 31 March 2016

1 Principal accounting policies

1.1 Basis of accounting

The financial statements are prepared under the historical cost basis and comply with the Companies Act 2006. The financial statements have been prepared in accordance with the Statement of Recommended Practice ("Accounting and Reporting by Charities"), issued in September 2015 (FRS 102), other relevant provisions of the memorandum and articles of association, and with applicable UK accounting standards.

The figures for the both years reflect the full adoption of FRS (Financial Reporting Standard) 102.

Reconciliation with accounts prepared under previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP (FRS 102) the restatement of comparative items was required. At the date of transition in applying the requirement to recognise assets and liabilities arising from the re-calculated legacy debtor and employee holiday, an amended asset was recognised for legacy debtor and a liability recognised for untaken employee holiday. No other restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances is provided.

Reconciliation of Total Funds

	31 March 2015	1 April 2014
	£'000	£'000
Total funds as previously stated	27,724	27,954
Restated legacy debtor – 1 April 2014	1,823	1,823
Restated legacy debtor – 31 March 2015	(509)	-
Untaken employee holiday	(35)	(35)
Total funds re-stated	<u>29,003</u>	<u>29,742</u>

1.2 Basis of consolidation

The statement of financial activities and balance sheet consolidate the financial statements of the charity, its wholly owned subsidiaries St Christopher's (Trading) Limited and St Christopher's Personal Care Services Ltd.

No separate Statement of Financial Activities is presented for the charity as permitted by Section 230 of the Companies Act 1985 and SORP (FRS102). The net income dealt with in the charity's Statement of Financial Activities for the year ended 31 March 2016 was £694k (2015: £22k net expenditure).

ST CHRISTOPHER'S HOSPICE

Notes to the financial statements for the year ended 31 March 2016

1.3 Fund accounting

Income funds

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Board in furtherance of the general charitable objects.

Designated funds are amounts that have been set aside by Board for particular purposes.

Restricted funds are funds subject to specific restricted conditions requested by the donors. Where the restriction relates to the purchase of a capital item then the condition will be treated as having been met when the asset is purchased.

St Christopher's Fund

The St Christopher's Fund was created to generate income to sustain services. Trustees have assigned reserves to support the objective of the St Christopher's Fund.

Details on the level of funds in each element are provided in notes 15 and 16.

1.4 Income

Income represents the total income receivable during the year comprising donations, legacies, NHS contracts, grants, fees, interest and other income generated during the year.

Legacies must be recognised when the following conditions are confirmed:

- there has been grant of probate
- the executors have established that there are sufficient funds to pay the legacy
- any conditions attached to the legacy are either within the control of the charity or have been met

NHS contracts and fees are recognised when it can reasonably be assumed that the charity is entitled to the income and the amount can be estimated with sufficient reliability.

Income from trading companies arises from two sources:

- sales of goods in charity shops
- provision of personal care services

1.5 Expenditure

The costs of inpatient care, home care, education & training, planned day care, Candle Project, cost of raising voluntary income and of governance comprise expenditure both directly and indirectly attributable to the activity concerned. Indirectly attributable costs such as physiotherapy and social work have been allocated to activities using an appropriate cost allocation basis.

Support costs have been allocated to activities on the basis of staff time spent. Governance costs, which are charitable, relate to the stewardship of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

1.6 Taxation

St Christopher's Hospice is a registered charity. Income and capital gains, which is applied for charitable purposes is exempt from liability to direct taxation. Income tax recoverable in respect of donations under gift aid, investment income and legacies is included with the income to which it relates

ST CHRISTOPHER'S HOSPICE

Notes to the financial statements for the year ended 31 March 2016

1.7 Capitalisation and depreciation

Tangible fixed assets are capitalised with a de minimis limit where relevant.

Depreciation is calculated so as to write off the cost of tangible fixed assets on a straight-line basis over the expected useful lives of the assets concerned at the following rates:

Leasehold buildings	- over the term of the lease
Freehold buildings	- 2% straight line basis
Freehold refurbishments	- 10% straight line basis
Equipment and motor vehicles	- 20% to 33 ¹ / ₃ % straight line basis

1.8 Pension schemes

The Hospice contributes to the St Christopher's Hospice (1985) Pension Scheme, a defined benefit scheme. The pension scheme is administered by trustees and is separate from the Hospice. See note 18 for further details.

The Hospice also contributes to a defined contribution scheme. Contributions in respect of the year are charged to the Statement of Financial Activities in the year to which they relate.

St Christopher's has an arrangement with the NHS that permits members of the NHS final salary pension scheme to maintain their membership when they are subsequently employed by the Hospice. The NHS currently provides a subsidy on the contributions payable by the Hospice. The net contributions in respect of the year are charged to the Statement of Financial Activities in the year to which they relate.

1.9 Operating leases

Rentals payable under operating leases are charged on a straight-line basis over the term of the lease.

2	National Health Service	2016	2015
		£'000	£'000
	NHS contracts	5,999	6,162
		<u>5,999</u>	<u>6,162</u>
3	Education, fees and other income	£'000	£'000
	Education	402	483
	Fees & other income	663	902
		<u>1,065</u>	<u>1,385</u>

ST CHRISTOPHER'S HOSPICE

Notes to the financial statements for the year ended 31 March 2016

4 Group undertakings

Summary of results of group undertakings:

2016	St Christopher's	SCH (Trading) Ltd	St Christopher's (Trading) Ltd	St Christopher's Personal Care Services Ltd	Group Total
	£'000	£'000	£'000	£'000	£'000
Income	17,650	-	2,403	878	20,629
Expenditure	(17,452)	-	(1,542)	(1,355)	(20,349)
	<u>198</u>	<u>-</u>	<u>861</u>	<u>*(477)</u>	<u>280</u>
(Deficit)/Profit/(Loss) for the year					
Other recognised losses	(26)	-	-	-	(26)
Distributions	797	-	(797)	-	-
	<u>969</u>	<u>-</u>	<u>64</u>	<u>(477)</u>	<u>556</u>
Net income/result for the year					
	<u>969</u>	<u>-</u>	<u>64</u>	<u>(477)</u>	<u>556</u>
2015 – Re-stated	St Christopher's	SCH (Trading) Limited	St Christopher's (Trading) Ltd	St Christopher's Personal Care Services Ltd	Group Total
	£'000	£'000	£'000	£'000	£'000
Income	15,962	959	1,401	665	18,987
Expenditure	(16,912)	(600)	(804)	(1,066)	(19,382)
	<u>(950)</u>	<u>359</u>	<u>597</u>	<u>(401)</u>	<u>(395)</u>
(Deficit)/Profit/Loss for the year					
Other recognised losses	(344)	-	-	-	(344)
Distributions	928	(359)	(569)	-	-
	<u>(366)</u>	<u>-</u>	<u>28</u>	<u>(401)</u>	<u>(739)</u>
Net income/result for the year					
	<u>(366)</u>	<u>-</u>	<u>28</u>	<u>(401)</u>	<u>(739)</u>

St Christopher's has three wholly owned subsidiaries

SCH (Trading)	- No longer trading
St Christopher's (Trading)	- Operation of charity shops for the Hospice
St Christopher's Personal Care Services	- Provision of personal care services

ST CHRISTOPHER'S HOSPICE

Notes to the financial statements for the year ended 31 March 2016

5	Expenditure	Direct costs	Support costs	Total 2016	Total 2015 <i>Re-stated</i>
		£'000	£'000	£'000	£'000
	Costs of raising funds				
	Fundraising and publicity	1,136	96	1,232	1,158
	Trading activities	2,888	-	2,888	2,470
		<u>4,024</u>	<u>96</u>	<u>4,120</u>	<u>3,628</u>
	Charitable activities				
	Inpatient care	8,647	520	9,167	8,705
	Home care/out patients	4,163	67	4,230	4,301
	Education and training	1,613	78	1,691	1,630
	Planned day care	985	28	1,013	990
	Candle project	123	5	128	128
	Total cost of charitable activities	<u>15,531</u>	<u>698</u>	<u>16,229</u>	<u>15,754</u>
	Total expenditure	<u>19,555</u>	<u>794</u>	<u>20,349</u>	<u>19,382</u>

Included in the costs above are governance costs of £95k (2015: £94k)

Analysis of support costs

	2016	2015 <i>Re-stated</i>
	£'000	£'000
Facilities management	202	178
IT management	198	141
Finance	186	202
Personnel	208	201
	<u>794</u>	<u>722</u>

Support costs have been allocated to activities on the basis of staff time spent.

6	Net income/(expenditure)	2016	2015
		£'000	£'000
	Net income/(expenditure) is stated after charging/(crediting):		
	Auditors' remuneration – audit fee	22	23
	Auditors remuneration – non audit services	-	2
	Depreciation	518	500
	Interest receivable	<u>(330)</u>	<u>(367)</u>

ST CHRISTOPHER'S HOSPICE

Notes to the financial statements for the year ended 31 March 2016

7 Staff costs

	2016 £'000	2015 £'000
Salaries and wages	11,635	10,781
Social security costs	932	899
Pension costs (see note 18 below)	864	866
Staff costs of the charity	13,431	12,546
Staff costs of trading activities (includes pension costs of £80k in 2016 and £60k in 2015)	2,053	1,611
	<u>15,484</u>	<u>14,157</u>

The average number of employees during the year was	Head count		FTE's	
	2016	2015	2016	2015
Hospice (includes support staff)	258	243	212	207
Homecare/outpatients	65	58	55	49
Education and training	28	27	20	19
Planned day care	21	23	15	12
Charity shops	33	31	30	28
Personal Care Services	60	55	45	43
	<u>465</u>	<u>437</u>	<u>377</u>	<u>358</u>

The number of employees whose earnings fell within the band:-

£60,000 to £69,999	7	5
£70,000 to £79,999	2	1
£80,000 to £89,999	3	1
£100,000 to £109,999	1	1
£110,000 to £119,999	1	1
£160,000 to £169,999	-	1
	<u>14</u>	<u>10</u>

Pension contributions of £107k were paid in respect of these employees

The total benefit paid to the key management personnel was £565k (2015: £606k).

ST CHRISTOPHER'S HOSPICE

Notes to the financial statements for the year ended 31 March 2016

8 Board of Trustees

Remuneration and reimbursed expenses

No remuneration was paid to members of the Board during either year. No expenses were reimbursed to trustees (2015: £nil). No general expenses were incurred in respect of trustees (2015: £nil).

The St Christopher's Hospice paid £1,825 (2015: £1,754), for Trustee Liability Insurance for its trustees, and £1,988 (2015: £1,988) for the trustees of St Christopher's Hospice (1985) Pension Scheme.

Donations from Trustees

The trustees have donated a total of £52k (2015: £29k) during the year.

ST CHRISTOPHER'S HOSPICE

Notes to the financial statements for the year ended 31 March 2016

9 Tangible fixed assets

Group	Freehold land and buildings £'000	Freehold land and refurbish- ment £'000	Leasehold land and buildings £'000	Equipment £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 April 2015	6,258	4,469	234	1,963	132	13,056
Additions	-	-	-	-	42	42
At 31 March 2016	6,258	4,469	234	1,963	174	13,098
Depreciation						
At 1 April 2015	2,254	2,812	159	1,963	107	7,295
Amount provided	126	346	10	-	18	500
At 31 March 2016	2,380	3,158	169	1,963	125	7,795
Net book values						
At 31 March 2016	3,878	1,311	65	-	49	5,303
At 1 April 2015	4,004	1,657	75	-	25	5,761
Charity						
Cost						
At 1 April 2015	6,214	4,469	234	1,830	91	12,838
Additions	-	-	-	-	42	42
At 31 March 2016	6,214	4,469	234	1,830	133	12,880
Depreciation						
At 1 April 2015	2,456	2,812	158	1,830	78	7,334
Amount provided	120	345	11	-	12	488
At 31 March 2016	2,576	3,157	169	1,830	90	7,822
Net book values						
At 31 March 2016	3,638	1,312	65	-	43	5,058
At 1 April 2015	3,758	1,657	76	-	13	5,504

Caritas House, the freehold property in Orpington, was revalued by Jones Lang Lasalle in April 2014. The revaluation was reflected in the 2014 Financial Statements.

The loan is secured by way of a first legal charge over 73 Queensway, Petts Wood. (See notes 12/13)

ST CHRISTOPHER'S HOSPICE

Notes to the financial statements for the year ended 31 March 2016

9 Intangible assets

Group and Charity	Software £'000
Cost	
At 1 April 2015	102
Additions	155
	<hr/>
At 31 March 2016	257
	<hr/>
Depreciation	
At 1 April 2015	50
Amount provided	17
	<hr/>
At 31 March 2016	67
	<hr/>
Net book values	
At 31 March 2016	190
	<hr/>
At 1 April 2015	52
	<hr/>

The net book value at 31 March 2016 represents fixed assets used for:

	Freehold land and buildings £'000	Leasehold buildings £'000	Motor Vehicles £'000	Software £'000	Total £'000
Charitable purposes					
Inpatient care	2,231	-	-	82	2,313
Home care/outpatients	1,146	-	-	42	1,188
Education and training	1,155	-	-	42	1,197
Planned day care	378	-	45	14	437
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,910	-	45	180	5,135
Charity shops	278	65	5	10	358
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	5,188	65	50	190	5,493
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

ST CHRISTOPHER'S HOSPICE

Notes to the financial statements for the year ended 31 March 2016

10 Investments

	Group		Charity	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000
At 1 April 2015	19,298	19,022	19,798	19,522
Additions	3,338	737	3,338	737
Disposals	(1,263)	(1,400)	(1,263)	(1,400)
Increase in market value – realised	47	282	47	282
Increase in market value – unrealised	(364)	86	(364)	86
	<u>21,056</u>	<u>18,727</u>	<u>21,556</u>	<u>19,227</u>
Movement in cash balance	(822)	571	(822)	571
At 31 March 2016	<u>20,234</u>	<u>19,298</u>	<u>20,734</u>	<u>19,798</u>
Analysed as follows:				
Funds managed by Cazenove Capital Management				
UK Equities	4,144	3,599	4,144	3,599
International Equities	3,365	2,534	3,365	2,534
Bonds	167	162	167	162
Property	1,212	856	1,212	856
UK Portfolio Funds	1,048	1,045	1,048	1,045
Cash	1,159	1,000	1,159	1,000
	<u>11,095</u>	<u>9,196</u>	<u>11,095</u>	<u>9,196</u>
Other Investments				
Bank deposits	9,139	10,102	9,139	10,102
Investment in subsidiary undertakings (below)	-	-	500	500
	<u>9,139</u>	<u>10,102</u>	<u>9,639</u>	<u>10,602</u>
Total Investments	<u>20,234</u>	<u>19,298</u>	<u>20,734</u>	<u>19,798</u>

The historical cost of the investments managed by Cazenove is now £9,264k following an additional £2,000k invested with the Cazenove funds.

The charity owns all of the 100,000 £1 ordinary shares in SCH (Trading) Limited together with the 400,000 £1 ordinary shares in St Christopher's (Trading) Ltd and the £1 share capital in St Christopher's Personal Care Services Ltd

ST CHRISTOPHER'S HOSPICE

Notes to the financial statements for the year ended 31 March 2016

11 Debtors

	Group		Charity	
	2016	2015	2016	2015
		<i>Re-stated</i>		<i>Re-stated</i>
	£'000	£'000	£'000	£'000
Trade debtors	273	509	124	509
Legacies receivable	2,466	3,113	2,466	3,113
Sundry debtors, prepayments and accrued income	731	510	551	293
Income tax recoverable	-	18	-	18
Amount due from subsidiary undertaking	-	-	1,195	668
	<u>3,470</u>	<u>4,150</u>	<u>4,336</u>	<u>4,601</u>

12 Creditors – Amounts falling due within one year

	Group		Charity	
	2016	2015	2016	2015
		<i>Re-stated</i>		<i>Re-stated</i>
	£'000	£'000	£'000	£'000
Bank loan and overdraft	24	24	-	-
Trade creditors	511	283	467	270
Payroll taxes and social security	512	431	512	431
Other creditors and accruals	520	333	471	297
Income received in advance	33	137	33	137
	<u>1,600</u>	<u>1,208</u>	<u>1,483</u>	<u>1,135</u>

13 Creditors – Amounts falling due after more than one year

	Group		Charity	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Bank loan 1 – 2 years	20	24	-	-
Bank loan 2 – 5 years	-	19	-	-
	<u>20</u>	<u>43</u>	<u>-</u>	<u>-</u>

The loan is secured by way of a first legal charge over 73 Queensway, Petts Wood.

ST CHRISTOPHER'S HOSPICE

Notes to the financial statements for the year ended 31 March 2016

14 Lease commitments

The group leases a number of properties and motor vehicles under operating leases.

	Land and Buildings		Motor Vehicles and Office Equipment	
	2016	2015	2016	2015
	£'000	£'000	£'000	£'000
Operating leases payments to be made:				
Within one year	422	416	63	105
In two to five years	1,282	1,113	32	118
Over five years	483	552	-	-
	<u>2,187</u>	<u>2,081</u>	<u>95</u>	<u>223</u>

15 Restricted funds Income funds - restricted

	Balance 1 April 2015	Income	Expenditure	Balance 31 March 2016
	£'000	£'000	£'000	£'000
St Christopher's Hospice				
Candle Project	91	32	(120)	3
Research	628	14	(145)	497
Welfare Services	26	14	(11)	29
Care Homes	139	394	(337)	196
Education & Training	80	180	(133)	127
Planned Day Care	100	112	(144)	68
Hospice at Home and Home Care – Supporting Families	-	10	(10)	-
Prize Funds	5	-	(1)	4
Education Centre	421	118	(48)	491
Equipment	45	29	(56)	18
Caritas House Building Fund	1,278	-	(22)	1,256
Total restricted funds	<u>2,813</u>	<u>903</u>	<u>(1,027)</u>	<u>2,689</u>

Research

St Christopher's was the beneficiary of a restricted legacy for use in research into myeloma and end of life palliative care. Accordingly, the funds have been used to establish a research project into myeloma at the Cicely Saunders International research institution and will be used to fund other research projects in end of life care.

Caritas House Building Fund

This fund was originally established to cover the cost of building Harris HospisCare premises and offices. This has now been transferred to St Christopher's Hospice and reflects the recent valuation (see note 9).

ST CHRISTOPHER'S HOSPICE

Notes to the financial statements for the year ended 31 March 2016

16 Designated funds

	Balance at 1 April 2015	New Designations and transfers	Utilised	Balance at 31 March 2016
	£'000	£'000	£'000	£'000
Fixed assets	4,261	197	(518)	3,940
Funds held against pension liability (See note 18)	1,672	-	-	1,672
St Christopher's Fund (see below)	9,196	1,899	-	11,095
Education centre	-	2,000	-	2,000
	<u>15,129</u>	<u>4,096</u>	<u>(518)</u>	<u>18,707</u>

The St Christopher's Fund is a fund that was designated to generate income to sustain services.

17 Analysis of group net assets between funds

	St Christopher's fund £'000	Pension fund £'000	Other specific funds £'000	Operational reserve £'000	Long term loan £'000	Fixed assets £'000	Working capital £'000	Total £'000
Restricted Income	-	-	1,434	-	-	1,255	-	2,689
Unrestricted Income								
Designated	11,095	1,672	2,000	-	-	3,940	-	18,707
General	-	-	-	4,034	(20)	298	5,540	9,852
Trading	-	-	-	-	-	-	(707)	(707)
Pension Scheme	-	(982)	-	-	-	-	-	(982)
	<u>11,095</u>	<u>690</u>	<u>3,434</u>	<u>4,034</u>	<u>(20)</u>	<u>5,493</u>	<u>4,833</u>	<u>29,559</u>

Operational reserves (£4,034k) together with working capital (£4,833k) and long term loan (negative £20k) comprise *Free Reserves* (£8,847k), (2015: £10,939k), as defined by FRS 102.

ST CHRISTOPHER'S HOSPICE

Notes to the financial statements for the year ended 31 March 2016

18. Consolidated statement of financial activities for the year ended 31 March 2015

		Unrestricted funds £'000	Restricted funds £'000	2015 Re-stated Total £'000
	Notes			
Income from:				
Donations and gifts		2,313	897	3,210
Legacies		4,838	-	4,838
<i>Charitable activities</i>				
NHS funding for patient care	2	6,162	-	6,162
Education, fees and other income	3	1,331	54	1,385
<i>Other trading activities</i>				
Income of trading companies	4	3,025	-	3,025
Investment income		367	-	367
Total income		18,036	951	18,987
Expenditure on:				
Raising voluntary income		1,158	-	1,158
Trading companies	4	2,470	-	2,470
		3,628	-	3,628
<i>Charitable activities</i>				
Inpatient care		8,573	132	8,705
Home care/out patients		3,773	528	4,301
Education and training		1,350	280	1,630
Planned day care		862	128	990
Candle project		2	126	128
		14,560	1,194	15,754
Total expenditure	5	18,188	1,194	19,382
Net expenditure before other recognised gains and losses	6	(152)	(243)	(395)
Other recognised gains/losses				
Actuarial (losses) on defined benefit pension Schemes	19	(712)	-	(712)
Gain on investments – realised	10	282	-	282
Gain on investments – unrealised	10	86	-	86
Net movement in funds		(496)	(243)	(739)
Total funds at 1 April 2014	15, 16, 17	26,686	3,056	29,742
Total funds at 31 March 2015	15, 16, 17	26,190	2,813	29,003

ST CHRISTOPHER'S HOSPICE

Notes to the financial statements for the year ended 31 March 2016

19 Pension schemes

a) St Christopher's Hospice (1985) scheme

The Hospice operates a pension scheme, the St Christopher's Hospice (1985) Pension Scheme, which provides benefits based on final pensionable salary. The assets of the scheme are held separately from those of the Hospice, and are invested in funds managed by Scottish Widows. The scheme was closed to new members in April 2002 and closed to future accruals from March 2010.

Contributions are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives. The pension charge for the year was £200k (2015: £200k).

Triennial valuation

The contribution rates are determined by a qualified actuary on the basis of triennial valuations using the attained age method. The results of the last triennial valuation at 31 March 2013 showed that the value of the scheme's assets was £8,191k and that this represented 86% of past service liabilities. The actuary confirmed that the minimum funding requirement regulations had been met.

To remove the deficit on past service liabilities the Hospice has made a payment of £200k in October 2014 and has agreed five further annual payments of £200k to eliminate the actuarial funding deficit of £1,329k at March 2013 by the year ending March 2021.

FRS (Financial Reporting Standard) 102 – Retirement benefits

FRS 102 is fully effective for accounting periods beginning on or after 1 January 2015. The statement of financial activities, the balance sheet and the disclosures in the notes to these financial statements meet the requirements of FRS 102.

In accordance with FRS 102 valuations were carried out as at 31 March 2014, 2015 and 2016 on the basis of the following assumptions provided by the scheme actuary:

	2016	2015	2014
	%	%	%
Rate of increase in salaries	n/a	n/a	n/a
Rate of increase in pensions in payment:			
- service before 6 April 1997	3.00	3.00	3.50
- service from 6 April 1997	3.00	3.00	3.50
Rate of increase in deferred pensions	3.00	3.00	3.50
Discount rate to be applied to liabilities	3.45	3.15	4.35
Inflation assumption	3.00	3.00	3.50

ST CHRISTOPHER'S HOSPICE

Notes to the financial statements for the year ended 31 March 2016

The fair market value of assets in the scheme and the expected rate of return were:

	Long term rate of return expected at 31 March			Value at 31 March		
	2016	2015	2014	2016	2015	2014
	%	%	%	£'000	£'000	£'000
Diversified Growth Assets	7.35	7.35	6.75	4,009	4,002	2,954
Fixed interest corporate bonds	4.85	4.85	4.60	1,407	1,412	1,606
Fixed interest (mainly gilts)	3.60	3.60	3.00	3,093	3,035	3,068
Cash and other	4.00	4.00	4.00	105	96	197
Fair value of fund assets				8,614	8,545	7,825
Present value of scheme liabilities				(9,596)	(9,976)	(8,778)
Deficit in the scheme				(982)	(1,431)	(953)

As noted above at 31 March 2016 the Hospice paid £200k (2015: £200k) into the scheme in accordance with the schedule of contributions.

As shown in note 16, designated funds include the sum of £1,672k in respect of any pension liability.

The further disclosures required by FRS 102 are set out below.

(i) Change in deficit during the year:

	2016 £'000	2015 £'000
Deficit at the beginning of year	(1,431)	(953)
Current service cost - (ii) below	-	-
Contributions paid	200	200
Other finance (cost)/income - (iii) below	(42)	34
Actuarial gain/(loss) - (iv) below	291	(712)
Movement in the year	449	(478)
Deficit at the end of the year	(982)	(1,431)

(ii) Current service cost charged in arriving at the movement in deficit above:

	2016 £'000	2015 £'000
Current service cost	-	-

ST CHRISTOPHER'S HOSPICE

Notes to the financial statements for the year ended 31 March 2016

(iii) Amounts included in other finance (cost)/income

	2016 £'000	2015 £'000
Expected return on assets	269	406
Interest on liabilities	(311)	(372)
Net finance (cost)/income	(42)	34

(iv) Analysis of actuarial gain/(loss) in the statement of financial activities (SOFA):

		2016	2015	2014	2013
Actual less expected return on assets	(£'000)	(209)	584	(463)	450
Percentage of year end scheme assets		(2.4%)	7.7%	(5.9%)	5.5%
Net experience (loss)/gain	(£'000)	-		(23)	51
Percentage of year end scheme liabilities		-	-	-	-
Gain/(Loss) on changes in assumptions	(£'000)	500	(1,296)	(378)	(389)
Percentage of year end scheme liabilities		5.2%	(12.9%)	(4.3%)	(4.6%)
Total actuarial gain/(loss) recognised in SOFA	(£'000)	291	(712)	(864)	112
Percentage of year-end scheme liabilities		3.0%	(7.1%)	(9.8%)	1.3%

b) St Christopher's defined contribution scheme

The St Christopher's defined contribution scheme was set up in September 2001. As stated in note 1.8 above in April 2010 the St Christopher's Personal Pension (2010) defined contribution scheme was established and members of the existing defined contribution scheme transferred to this new scheme with effect from January 2011. The contribution of the Hospice was 20.5% for former members of the St Christopher's (1985) scheme and 5% for all other members, which represented a total charge for the year of £393k (2015: £360k) to the St Christopher's GPP (2010) defined contribution scheme.

c) NHS Pension Scheme

Details of the scheme are provided in note 1.8. The contribution of the Hospice was 14%, which was offset by a 29% subsidy on the contribution. This represented a net charge for the year of £346k (2015: £364k).