



StChristopher's
More than just a hospice

St Christopher's

(incorporated as a company limited by
guarantee and not having a share capital)

Reports and consolidated financial statements

For the year ended 31 March 2017

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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 <i>Resigned 27 October 2016</i>
Mr Jonathan Houlton		Chairman of Investment Committee
Mr Richard Raeburn	1 2 3	Chairman of Audit Committee
Mr Richard Saunders	1 3	Chairman of Remuneration and Nominations Committee
Mrs Gillian Baker		
Mr Martin Davis		<i>Resigned 27 October 2016</i>
Mrs Barbara Noble		
Mr Terrence Collis	2	
Ms Joanna Donaldson		
Mr Vivian Bazelgette	3	<i>Appointed 27 October 2016</i>
Mrs Eleanor Brown		<i>Appointed 27 October 2016</i>
Ms Catherine McDonald	2	<i>Appointed 27 October 2016</i>
Mr Ian Judson		<i>Appointed 6 April 2017</i>

Members of Board Committees

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

Joint Chief Executives

Dr Heather Richardson
Mr Shaun O'Leary

Company Secretary

Mr Martin Belham *Resigned 22 June 2017*
Mr Shaun O'Leary *Appointed 22 June 2017*

Registered office

51-59 Lawrie Park Road
Sydenham
London SE26 6DZ

Bankers

HSBC Bank plc
165 Fleet Street
London EC4A 2DY

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

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

The Board presents the report and consolidated financial statements of St Christopher's for the year ended 31 March 2017. 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 27 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.

Objective and 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 1.6 million people living in Lambeth, Southwark, Lewisham, Croydon and Bromley. In the course of the last year the hospice has provided high quality care to just under 6,500 people, including patients, their families, friends and carers. This represents an 8% increase on last year.

Our history is long and distinguished and now spans 50 years, during which time St Christopher's contribution to the development of hospice and palliative care services has been global. Today, there are over 200 hospices in the UK, many of which drew their inspiration and early ideas for development from St Christopher's. The hospice continues to serve as a source of learning for many individuals and organisations focused on improving the experience of people who are dying and bereaved. In the last year we have welcomed over 3,500 individuals seeking education and training related to death, dying and loss from over 35 countries and we continue to invest in research as a means of establishing new knowledge regarding the speciality.

When Dame Cicely Saunders established St Christopher's in 1967 she may well have believed that with sufficient progress in care, investment in education and training, and continuing efforts to build the evidence base, there might be little need for St Christopher's one half-century on, yet our work is, if anything, more important now, as the changing character of disease and the pressures on provision point to a very challenging future.

On the one hand the picture is very positive. In 2011, the life expectancy at birth was almost double what it was in 1841 for people living in England and Wales: men lived just over 40 years in 1841, compared to 79 years in 2011; women lived 42 years in 1841 and nearly 83 years in 2011. Not only are lives longer, but more fruitful.

On the other, extended life often brings increasing levels of chronic illness, disability, cumulative clinical problems and social isolation. Whilst living is prolonged, dying may also be protracted and unpredictable. This brings new challenges for health, social care services and for families and others required to care for them, particularly if the related suffering is to be effectively addressed. Our challenges are exacerbated also by chronic workforce shortages, particularly in nurses.

St Christopher's has a commitment to relieve suffering of anyone who is terminally ill, their families and carers so it must continue to develop the care it provides for people coming to the end of their lives, wherever they are. This must be innovative as more of the same is unsustainable

and the nature of people's needs and suffering is changing. We must utilise a new workforce, train others and ensure there is a future in which we can introduce and embed the changes that are needed. These intentions are at the heart of our strategic priorities, our efforts last year and plans for the next three years.

Our work

St Christopher's has defined its core business as helping people engage and cope with death, dying and loss, and the complexities and uncertainties that these events bring. To that end we work with 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.

We aim to be experts in palliative and end of life care. Our care is delivered by a broad multi-professional team highly skilled and confident in supporting people who are dying or bereaved. Many of our core staff are experts through training and experience of working exclusively and extensively with people affected by terminal disease or bereavement. Their care is augmented by other professionals, including experts in pain management, mental health and rehabilitation. Paid staff are supported by a large volunteer workforce, many of whom work directly with patients and families.

Our services span three key areas – care, information and support; education and training; and research service development and evaluation. They are delivered in a variety of settings including our two buildings in Sydenham and Orpington, though 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 share knowledge and learning with staff and volunteers. 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 and events

The last year has been a busy one for St Christopher's. The numbers of patients we have cared for in the last year is 3,845, an increase of over 10% on the number we cared for in the previous year. The number of patients we cared for at home or in other community settings is up by over 20% on the previous year. We have also seen an increase in the number of people we have supported in their bereavement.

We are confident that our reach to those who most need our help is increasing. We have introduced two important system changes: a new service called the Single Point of Contact which receives and responds to all new referrals for care, including same day emergency assessments of people at home where necessary, and a new way of identifying those individuals whose needs are most pressing and likely to benefit from our particular expertise. This approach – known within the organisation as case management, has enabled us to allocate our resources of skills and time in a much more considered way. As a result admissions to our wards are quicker, and a patient's stay shorter with more focus on what matters to them.

The national and London wide challenges of recruiting nurses to vacant posts has hit St Christopher's and in September 2016 we made the decision to reduce the number of beds available to admissions, to absorb vacancies in our workforce more efficiently and safely. Despite this, and because of case management, we have managed to admit almost as many patients for inpatient care in the last six months using 38 beds as we did last year with 48 beds. We continue to monitor the impact of this decision and remain prepared to provide care using more beds if demand increases.

We remain indebted to individuals, groups and organisations that support our work. Despite significant challenges last year, our community, charitable trusts and foundations and corporate partners raised significant monies to enable us to provide care for significant numbers of people. The number and levels of legacies received this year were smaller than we hoped, but it is too early to know whether this is a trend or simply a more transitory dip.

Details of the care and services provided

Care, information and support

Inpatient palliative care

This was provided in 48 beds on four wards, based on the Sydenham site until September 2016, then provided on 38 beds on three wards for the following six months. This care is delivered by a multi-professional team including specialist doctors, nurses, allied health professionals and social workers.

Our performance during 2016/17

Over the year, 757 patients were admitted to the inpatient unit. Overall, the inpatient unit welcomed 838 admissions as some patients were admitted more than once.

Our average length of stay during this period was just under 14 days.

69% of those admitted to our wards died in this setting. Of the total discharged, 72% were discharged home and 22% were discharged to a care home.

We aim to be flexible and responsive to requests for admission. 12% of all admissions took place out of normal hours or at weekends.

Our occupancy levels over the year averages at 87%.

Outcome measurements, related to the care that inpatients received, confirm that many of them experience a reduction in the level of distressing symptoms even when their condition is deteriorating or unstable. Importantly there is evidence also that people who could experience more symptoms as their condition advances remain relatively asymptomatic.

Co-ordination services

This innovative service is 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. A key aim of this service is to enable people to die at home if this is their wish. 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. Like the Personal Care Service this service is of interest nationally as a model of care that other hospices may wish to provide in the future in partnership with their local commissioners to reach more people and particularly those who have traditionally failed

to access hospice care. We have appointed a part time clinical academic to work with the hospice team delivering this service to further develop and improve its model of care.

Our performance during 2016/17

Over the last year, the service received around 38 referrals per month – a total of 459 for the year. 421 patients were accepted for support by the Coordination Centre over the 12 month period. 87% 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. 78%, of those receiving support from the Co-ordination Centre, died at home.

Community based palliative care

Community based palliative care is for people living at home or in care homes in all five boroughs. This is multi-professional and delivered around the clock. Led by clinical nurse specialists, we offer a spectrum of support and advice through outpatient clinics run at the Sydenham and Bromley sites, and home visits for those whose travel is limited.

Our performance during 2016/17

A total of 2,531 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 13,108 home visits were made to them over the full year including 558 visits out of normal hours. These visits at night and at the weekends were augmented by over 9,775 phone call consultations with patients and families experiencing unexpected or changing problems. Care at night is provided via our inpatient services.

Our work through outpatient clinics is growing. 774 people received care from the outpatient nursing team, which represents an increase of 12% when comparing against the same period last year.

Personal care

This service offers 30, 45 or 60 minute visits provided by skilled care workers, working alone or in pairs, who offer practical help and hands on care to people living at home. This offers a crucial overlap of care for people with health and social needs. Since September 2013 the service has been commissioned for residents of Bromley to enable them to be discharged promptly from hospital. The model is of national interest and its evaluation is funded by NHS England.

We also provide care to individuals who are interested and able to pay for their own care. This provides additional income which is available for investment into other hospice services.

Our performance during 2016/17

In total 232 clients completed their care packages under the personal care service in Bromley. As part of our contract with Bromley Care Commissioning Group we have delivered a total of 42,613 hours of care to people being discharged from hospital. 73% of the 192 people who died under the service in the course of this year died at home. The number of hours of care provided as part of our private agency has enjoyed a tenfold increase in the course of the last 12 months – from around 100 hours a month to just under 1,000.

Support and wellbeing provision

Opportunities to engage in wellbeing activities are provided in the Anniversary Centre in Sydenham and the Caritas Centre in Orpington. These include rehabilitative, creative, diversional and therapeutic activities, complementary therapies and access to gym sessions. They are all aimed at promoting wellbeing and self-management. In the course of the last year we began a new service providing rehabilitation at home drawing on the time and skills of volunteers working with a physiotherapist lead – known as ‘Living Well at Home’. This has been highly successful and we will build further on this in the future.

Our performance during 2016/17

243 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 four months.

6,166 rehabilitation sessions were provided in the gym, delivered as individual or group sessions.

The Living Well at Home service received 55 referrals and has trained 12 volunteers since its inception. Over 30 patients have received rehabilitation support at home in the first three months of operation.

Bereavement services

These are available for people of all ages who face loss. 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; Bromley Care Commissioning Group commissions additional services for people bereaved in other settings.

Our performance during 2016/17

The number of people who have received bereavement support following a death of someone under the care of the hospice was 936. The number of people who have received support from the Bromley Bereavement Service was 375. The number of families and children who were referred to Candle during this period was 306 and 512 respectively.

Community engagement

We began a new project in Croydon this year – focused on, and known as, ‘Creating Conversations’. It has enabled us to engage with volunteers and the public to increase knowledge and confidence in planning for the end of life.

Our performance during 2016/17

We facilitated learning for two groups of volunteers, around 20 people altogether. In addition, 17 community events have been provided, involving the volunteers and focussed on information, presentations and workshops. We have reached over 50 people through these events.

Education and training

Education remains key to achieving our strategic priorities. Our commitment is to empower others locally, nationally and throughout the world to provide sensitive and skilled end of life care as well as to develop our own workforce. We work closely with partners who can help us achieve our ambitions – and 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 programme of vocational accredited end of life care training for caregivers in care homes, domiciliary agencies and similar. We plan the building our new learning hub later in 2017 as the home to many of our education and training initiatives in the future.

Our performance during 2016/17

During this period a total of 3,561 delegates attended 252 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 (757), doctors (280), students (315), and Allied Health Professionals (163). 883 of these delegates came from the voluntary sector. A further 449 came from the NHS, 105 from the private sector and 181 from care homes. 800 individuals visited the library. 1,381 individuals trained by St Christopher's work in care homes.

Our staff make regular contributions to high profile national and international events and conferences. We can confirm at least 17 national presentations and 10 international contributions – spanning Australia, Finland, Canada, Sweden, Romania, Singapore, Thailand and China and reaching over 2000 people in total. We have an accredited programme of learning known as QELCA – Quality End of Life Care for All, that receives ongoing international interest. Locally we presented and delivered training on over 32 separate occasions to approximately 840 professionals and local residents.

Research

Our commitment to building the evidence base for hospice, palliative and end of life care continues. We have a three year research strategy in place with related funding allocated to meet its objectives. In the course of the last year we have hosted eight research projects at the hospice, appointed a part time clinical academic to work with the hospice and continued to collaborate with the Cicely Saunders Institute to build our knowledge of patient focussed clinical outcome measurements in hospice and palliative care. Articles and contributions written by staff included one book, one book chapter, 12 journal articles and 15 other items within external publications such as newsletters, reviews and conference abstracts.

2016/17 achievements and performance

Did we do what we said we would?

1 We said we would engage in a significant change management programme that will improve the reach, experience, efficiency and effectiveness of care

In 2015 we appointed a Service Development and Transformation Lead for our change programme to improve the work that we do. She has been working with our clinical directors and others to:

- **establish the new Single Point of Contact Team.** This has already begun to improve how we respond to referrals. We are more efficient and effective, admit patients seven days of the week routinely and referrers' experiences are better
- **design and utilise a case management approach.** Using this we allocate our limited resources better by focusing our time and skills according to the complexity and needs of people who are seeking our help. For example, we use validated tools to assess and plan care differently and focus on patients' personal goals, phase of illness and symptom burden to make these decisions
- **identify a new electronic patient records system.** This will reduce bureaucratic burden on our clinical staff and improve communication between professionals in their care
- **redesign our clinical administration team** to work differently across the organisation, supporting clinical staff in order that they have more time to give to patients and other users of the service.

2 We said we would design and implement a workforce strategy that will find, keep and grow high quality staff and volunteers

Our HR Directorate has developed an effective recruitment strategy which incorporated partnering with external equality and diversity organisations, revamping our 'Work With Us' pages on our website and introducing incentives for staff to 'refer a friend' to St Christopher's. Our Workforce Development Steering Group has supported a number of new initiatives that will help to secure our nursing workforce for the future through the introduction of new nursing career pathways for Healthcare Assistants, new developmental roles for those nurses wishing to become Community Nurse Specialists, as well as work to create and offer the new Nursing Associate Apprentice roles in the months ahead. We are keen to identify other areas where apprenticeship routes may help us to develop our wider workforce, including our Retail Managers. Much work has gone into enabling our staff to gain a clearer understanding of our expectations regarding organisational training and development and the levels of support and opportunities available to them.

Our new Strategic Volunteering Lead joined the organisation in Autumn 2016 with a remit to plan and organise a new approach to our recruitment, support and utilisation of volunteers across the organisation. This appointment has been a successful one and our new volunteer strategy encompasses all volunteers working on behalf of the organisation including our shops, hospice and community-based volunteers.

3 We said we would improve the physical environment of the Sydenham site – to the benefit of patients, families, visitors and the staff

In April 2016 the hospice ran a workshop open to all staff focused on enhancing the healing environment. Led by two external facilitators the workshop encouraged staff and volunteers to consider how the physical environment was experienced by those using the hospice and how it might be improved. Work is underway now to refurbish and improve rooms on the wards in which families spend time. We are also planning some refurbishment of a bathroom in one of the centres used by young adults with life limiting conditions and related disability. Finally, plans are in place for the improvement of counselling rooms. This work should be completed by late summer 2017.

4 We said we would engage with commissioners to establish a contract which reflects the principles of outcomes based commissioning

We planned an event in partnership with a neighbouring hospice to which we invited commissioners from across south London. We spoke of the opportunities we saw to move to an outcomes based contract, in which the targets could be jointly negotiated and reflect similar, successful work in Australia. The event was well attended and there was good discussion. We have continued to have discussions subsequently with our commissioners about the currencies to be used in future contracts and the targets. This work continues and we remain keen to encourage our commissioners to focus on outcomes rather than output.

5 We said we would 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

Our capital campaign is underway. We appointed a fundraising consultancy firm to undertake a feasibility study with regard to a capital campaign and then to design such a campaign. They have now been appointed to lead it and a full time campaign lead is in place. To date around £2.8m has been raised or designated towards the costs of the new learning hub and efforts continue to raise the remaining £3.5m. Our birthday celebrations are in full swing with a wide range of events planned to ensure engagement by all who have a stake in the hospice.

Looking forward to 2017/18

In the course of 2017/18 we intend to:

- 1** Broaden the scope and rigour of the business plan for the next three years
- 2** Develop strong working partnerships with local organisations through which we can share resources, expertise and increase our leverage within the south east London health and social care economy
- 3** Start building our new learning hub, with a view to opening it in spring 2019
- 4** Commence a community participation project, to test and develop an approach that we can extend across south east London if successful
- 5** Scope test and evaluate new ways of working using a different skill mix including a volunteer workforce which could reduce our dependency on a number of hard to recruit groups.

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 2017.

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 programme. Therefore the cost of individual patient care may span across one or more of the charitable activities identified.

For the year ended 31 March 2017, at an operational level, St Christopher's Hospice recorded net expenditure, before other recognised gains and losses, of £1,269k (2016: £582k net income). The trading companies continue to trade well. However, St Christopher's Personal Care Services has net liabilities and St Christopher's Hospice has agreed to provide a guarantee. The charity recorded unrestricted net expenditure of £1,072k.

Overall, St Christopher's Hospice generated a net increase in funds of £101k (2016: net increase in funds £556k). This was after recognising other unrealised gains and losses as follows:

- Unrealised gains from the investment portfolio of £1,296k (2016: unrealised losses £364k)
- Realised gains from the investment portfolio of £459k (2016: realised gains £47k).

The investment portfolios have held up well, recognised by a significant increase in market value and realised gains during the year. This has resulted in an increase in value from £11.1m at March 2016 to £13.1m at March 2017 as a result of market increases. There is uncertainty around the anticipated change in base rates, so an increase in the returns from the bank deposits is unlikely.

- An actuarial loss from the FRS 102 valuation of the St Christopher's Hospice (1985) Pension Scheme £385k (2016: gain £291k)

The FRS 102 actuarial loss is a result of two factors. 1) An actuarial loss on the scheme liabilities of £1,445k which arises from a decrease in the discount rate. 2) An actuarial gain on the scheme investments portfolio (£1,060k).

Income

Total income received in 2016/17 decreased by 4% to £20,080k (2016: £20,931k). Details of how this has arisen are shown below.

Legacies decreased to £5,145k (2016: £6,723k) of which £37k is restricted. This is a 24% decrease from last year. Despite this reduction the level of legacy notifications has increased from the previous year.

Income from the NHS of £5,994k (2016: £5,999k) represented 30% of total income.

The level of donations and gifts (2017: £3,865k v 2016: £3,533k) showed a 9.4% 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 company was unchanged and profit decreased to £678k (2016: £861k). This result reflects improved trading and the continuation of a programme of refurbishment to improve the fabric of the 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 has increased to £1,183k (2016: £878k).

Investment income was £350k (2016: £330k) and Education, Fees and Other Income was £1,129k (2016: £1,065k).

Expenditure

Total expenditure in 2016/17 showed an increase of 5% (2017: £21,349k v 2016: £20,349k) which is further represented by a similar increase in staff costs. Total average FTE headcount is unchanged (2017: 377 v 2016: 377)

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 2017 were £7.2m (2016: £8.8m).

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 the hospice is 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 liquidity, and which are deemed to be of a low risk and with Cazenove Capital Management to invest in a varied 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. Despite this investment income has increased to £350k (2016: £330k) of which £76k (2016: £98k) is interest from cash deposits and £274k (2016: £232k) 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 formal process to manage the risks faced by the hospice.

This process focuses on 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 to the organisation and accompanied with strategies to eliminate or mitigate the risk.

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

- 1 Identification and review of key risks facing the organisation, accompanied by consideration of 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 confirmed that key risks facing the organisation pertain to uncertain levels of statutory income available to the organisation, potential failure of senior managers to address external opportunities whilst attending to internal issues, difficulty recruiting clinical staff to key positions, particularly nurses and a cumbersome electronic patient record system. All are being addressed. It is our intention to look at alternative sources of income to support our work in the future, we are expanding the leadership team at the hospice to share responsibilities for managing internal processes, we continue to find new ways of attracting staff and using a different workforce to meet the needs of our uses, and we are in the process of procuring a new system of electronic patient records.

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 and Nominations, and Audit. Each committee has its own terms of reference and reports to the Board.

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 at the AGM:

- Mr Morgan Jones
- Mrs Gillian Baker
- Dr Tyrrell Evans.

Induction of new 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 the 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.

Disabled persons

St Christopher's is registered as a Disability Confident employer. This means that we have undertaken to support disabled people employed within the charity.

Employee information

St Christopher's is committed to providing information to employees on matters of concern to them and consulting employees, or their representatives, on a regular basis so that their views can be taken into account when making decisions.

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 three.

The Board is 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 has 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 is 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
22 June 2017

St Christopher's Hospice

51-59 Lawrie Park Road
London SE26 6DZ

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

We have audited the financial statements of St Christopher's Hospice for the year ended 31 March 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the 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) including FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Board's Responsibilities set out on page 12, 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. This report is made solely to the charity's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 website 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's and the parent charity's affairs as at 31 March 2017 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 and the Charities Act 2011.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Board of Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Board of Trustees have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Board of Trustees.

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

- the charity has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the charity's 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.



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
25 August 2017

Mazars LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated statement of financial activities for the year ended 31 March 2017

	Notes	Unrestricted funds £'000	Restricted funds £'000	2017 Total £'000	2016 Total £'000
Income from:					
Donations and gifts		2,732	1,133	3,865	3,533
Legacies		5,108	37	5,145	6,723
<i>Charitable activities</i>					
NHS funding for patient care	2	5,994	–	5,994	5,999
Education, fees and other income	3	979	150	1,129	1,065
<i>Other trading activities</i>					
Income of trading companies	4	3,597	–	3,597	3,281
Investment income		350	–	350	330
Total income		18,760	1,320	20,080	20,931
Expenditure on:					
Raising voluntary income		1,678	–	1,678	1,232
Trading companies	4	3,145	–	3,145	2,888
		4,823	–	4,823	4,120
<i>Charitable activities</i>					
Inpatient care		9,444	11	9,455	9,167
Home care/outpatients		3,445	596	4,041	4,230
Education and training		1,606	203	1,809	1,691
Planned day care		875	212	1,087	1,013
Candle Project		115	19	134	128
		15,485	1,041	16,526	16,229
Total expenditure	5	20,308	1,143	21,349	20,349
Net (expenditure)/income before transfers	6	(1,548)	279	(1,269)	582
Transfer between funds (relate to capital programme)		468	(468)	–	–
Net (expenditure)/income before other recognised gains and losses		(1,080)	(189)	(1,269)	582
Other recognised gains/losses					
Actuarial (losses)/gains on defined benefit pension scheme	19	(385)	–	(385)	291
Gain on investments – realised	10	459	–	459	47
Gain/(loss) on investments – unrealised	10	1,296	–	1,296	(364)
Net movement in funds		290	(189)	101	556
Total funds at 1 April 2016	15, 16, 17	26,870	2,689	29,559	29,003
Total funds at 31 March 2017	15, 16, 17	27,160	2,500	29,660	29,559

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 2016 is shown in Note 18.

Consolidated balance sheet as at 31 March 2017

	Notes	2017 £'000	2016 £'000
Fixed assets			
Tangible fixed assets	9	5,340	5,303
Intangible assets	9	253	190
Investments	10	20,234	20,234
		<u>25,827</u>	<u>25,727</u>
Current assets			
Debtors	11	4,173	3,470
Interest bearing bank accounts		2,070	2,964
		<u>6,243</u>	<u>6,434</u>
Creditors: Amounts falling due within one year	12	(1,212)	(1,600)
Net current assets		<u>5,031</u>	<u>4,834</u>
Creditors: Amounts falling due after more than one year	13	–	(20)
Net assets excluding pension scheme liability		<u>30,858</u>	<u>30,541</u>
Defined benefit pension scheme liability	19	(1,198)	(982)
Net assets including pension scheme liability		<u>29,660</u>	<u>29,559</u>
Funds			
Restricted	15	2,500	2,689
Unrestricted			
General		8,666	9,852
Designated	16	20,813	18,707
Non-charitable		(1,121)	(707)
Total unrestricted funds excluding pension liability		<u>28,358</u>	<u>27,852</u>
Pension Reserve		(1,198)	(982)
Total unrestricted funds including pension liability		<u>27,160</u>	<u>26,870</u>
Total funds		<u>29,660</u>	<u>29,559</u>

The financial statements were approved by The Board of Trustees on 22 June 2017 and signed on its behalf by:



M. L. Jones



R. J. Raeburn

Balance sheet – St Christopher’s entity only as at 31 March 2017

	Notes	2017 £'000	2016 £'000
Fixed assets			
Tangible fixed assets	9	5,098	5,058
Intangible assets	9	253	190
Investments	10	20,734	20,734
		<u>26,085</u>	<u>25,982</u>
Current assets			
Debtors	11	5,794	4,336
Interest bearing bank accounts		1,378	2,828
		<u>7,172</u>	<u>7,164</u>
Creditors: Amounts falling due within one year	12	(1,081)	(1,483)
Net current assets		<u>6,091</u>	<u>5,681</u>
Net assets excluding pension scheme liability		32,176	31,663
Defined benefit pension scheme liability	19	(1,198)	(982)
Net assets including pension scheme liability		<u>30,978</u>	<u>30,681</u>
Funds			
Restricted	15	2,500	2,689
Unrestricted			
General		8,863	10,267
Designated	16	20,813	18,707
		<u>29,676</u>	<u>28,974</u>
Total unrestricted funds excluding pension liability		29,676	28,974
Pension Reserve		(1,198)	(982)
Total unrestricted funds including pension liability		<u>28,478</u>	<u>27,992</u>
Total funds		<u>30,978</u>	<u>30,681</u>

The financial statements were approved by The Board of Trustees on 22 June 2017 and signed on its behalf by:



M. L. Jones



R. J. Raeburn

Consolidated statement of cash flows for the year ended 31 March 2017

	Notes	2017 £'000	2016 £'000
Net cash (used in)/provided by operating activities	A	(1,858)	1,732
Cash flows from investing activities			
Interest received		350	330
Purchase of tangible and intangible fixed assets		(662)	(198)
Increase/(Decrease) in investments		1,296	(1,301)
Net cash provided by/(used in) investing activities		984	(1,169)
Cash flow from financing activities			
(Decrease) in amounts falling due after more than one year		(20)	(23)
Change in cash and cash equivalents in the year		(894)	540
Cash at the beginning of the year		2,964	2,424
Cash at the end of the year		2,070	2,964
Reconciliation of net movement in funds to net cash outflow from operating activities			
		2017 £'000	2016 £'000
Note A			
Net income		101	557
Interest receivable		(350)	(330)
Depreciation and amortisation charges		562	518
Unrealised (gain)/loss on investments		(1,296)	364
(Increase)/Decrease in debtors		(703)	680
(Decrease)/Increase in creditors		(388)	392
Increase/(Decrease) in defined benefit pension scheme deficit		216	(449)
Net cash (used in)/provided by, operating activities		(1,858)	1,732

Notes to the financial statements for the year ended 31 March 2017

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.

The charity meets the definition of a public benefit entity under FRS102.

1.2 Going concern

These financial statements have been prepared on a going concern basis. The Trustees consider that the charity holds sufficient reserves to deem the going concern basis appropriate.

1.3 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 408 of the Companies Act 2006 and SORP (FRS102). The net expenditure dealt with in the charity's Statement of Financial Activities for the year ended 31 March 2017 was £1,072k (2016: £694k net income).

1.4 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.

1.5 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.

1.6 Expenditure

The costs of inpatient care, home care, education and training, planned day care, Candle Project and cost of raising voluntary income 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.

1.7 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.

1.8 Capitalisation and depreciation

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

Depreciation and amortisation are calculated 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 $\frac{1}{3}$ straight line basis
Intangible assets	- 33 $\frac{1}{3}$ % straight line basis

1.9 Pension schemes

St Christopher's 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 19 for further details.

St Christopher's 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.

1.10 Operating leases

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

2 National Health Service

	2017 £'000	2016 £'000
NHS contracts	5,994	5,999

3 Education, fees and other income

	2017 £'000	2016 £'000
Education	303	402
Fees and other income	826	663
	<u>1,129</u>	<u>1,065</u>

4 Group undertakings

Summary of results of group undertakings

2017	St Christopher's	St Christopher's (Trading) Ltd	St Christopher's Personal Care Services Ltd	Group Total
	£'000	£'000	£'000	£'000
Income	16,483	2,414	1,183	20,080
Expenditure	(18,189)	(1,736)	(1,424)	(21,349)
(Deficit)/Profit/(Loss) for the year	(1,706)	678	(241)	(1,269)
Other recognised gains	1,370	–	–	1,370
Distributions	634	(634)	–	–
Net income/result for the year	298	44	(241)	101
2016	St Christopher's	St Christopher's (Trading) Ltd	St Christopher's Personal Care Services Ltd	Group Total
	£'000	£'000	£'000	£'000
Income	17,650	2,403	878	20,931
Expenditure	(17,452)	(1,542)	(1,355)	(20,349)
Surplus/Profit/(Loss) for the year	198	861	(477)	582
Other recognised losses	(26)	–	–	(26)
Distributions	797	(797)	–	–
Net income/result for the year	969	64	(477)	556

St Christopher's has three wholly owned subsidiaries:

SCH (Trading) – dormant

(Company number: 2055682)

St Christopher's (Trading) – operation of charity shops for the hospice

(Company number: 2604519)

St Christopher's Personal Care Services – provision of personal care services

(Company number: 08872082)

5 Expenditure

	Direct costs £'000	Support costs £'000	Total 2017 £'000	Total 2016 £'000
Costs of raising funds				
Fundraising and publicity	1,553	125	1,678	1,232
Trading activities	3,145	–	3,145	2,888
	<u>4,698</u>	<u>125</u>	<u>4,823</u>	<u>4,120</u>
Charitable activities				
Inpatient care	8,815	640	9,455	9,167
Home care/outpatients	3,972	69	4,041	4,230
Education and training	1,711	98	1,809	1,691
Planned day care	1,053	34	1,087	1,013
Candle Project	128	6	134	128
Total cost of charitable activities	<u>15,679</u>	<u>847</u>	<u>16,526</u>	<u>16,229</u>
Total expenditure	<u>20,377</u>	<u>972</u>	<u>21,349</u>	<u>20,349</u>

Included in the costs above are governance costs of £98k (2016: £95k)

	2017 £'000	2016 £'000
Analysis of support costs		
Facilities management	231	202
IT management	296	198
Finance	198	186
Personnel	247	208
	<u>972</u>	<u>794</u>

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

6 Net income/(expenditure)

	2017 £'000	2016 £'000
Net income/(expenditure) is stated after charging/(crediting):		
Auditors' remuneration – audit fee	22	22
Depreciation and amortisation	562	518
Interest receivable	(350)	(330)
	<u>234</u>	<u>210</u>

7 Staff costs

	2017 £'000	2016 £'000
Salaries and wages	12,237	11,635
Social security costs	1,085	932
Pension costs (see note 19 below)	878	864
Staff costs of the charity	14,200	13,431
Staff costs of trading activities (includes pension costs of £85k in 2017 and £80k in 2016)	2,194	2,053
	<u>16,394</u>	<u>15,484</u>

Included in the costs above are payments made under a voluntary severance scheme of £158k (2016: £26k).

The average number of substantive employees during the year (excluding bank) was:

	Head count 2017	Head count 2016	FTEs 2017	FTEs 2016
Hospice (includes support staff)	279	258	228	212
Homecare/outpatients	52	65	43	55
Education and training	26	28	18	20
Planned day care	20	21	14	15
Charity shops	37	33	33	30
Personal Care Services	51	60	41	45
	<u>465</u>	<u>465</u>	<u>377</u>	<u>377</u>

The number of employees whose earnings fell within the band:

£60,000 to £69,999	6	7
£70,000 to £79,999	3	2
£80,000 to £89,999	1	3
£100,000 to £109,999	1	1
£110,000 to £119,999	1	1
£130,000 to £139,999	1	–
	<u>1</u>	<u>–</u>

Pension contributions of £118k were paid in respect of these employees

The total benefit paid to the key management personnel was £633k (2016: £565k).

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 (2016: £nil). No general expenses were incurred in respect of Trustees (2016: £nil).

St Christopher's Hospice paid £1,885 (2016: £1,825), for Trustee Liability Insurance for its Trustees, and £2,053 (2016: £1,988) for the Trustees of St Christopher's Hospice (1985) Pension Scheme.

Donations from Trustees

The Trustees have donated a total of £55k (2016: £52k) during the year. Of this £50k was restricted to the Education Centre.

9.1 Tangible fixed assets

Group	Freehold land and buildings £'000	Freehold refurbishment £'000	Leasehold land and buildings £'000	Equipment £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 April 2016	6,258	4,469	234	1,963	174	13,098
Additions	468	–	71	–	12	551
At 31 March 2017	6,726	4,469	305	1,963	186	13,649
Depreciation						
At 1 April 2016	2,380	3,158	169	1,963	125	7,795
Amount provided	126	345	15	–	28	514
At 31 March 2017	2,506	3,503	184	1,963	153	8,309
Net book values						
At 31 March 2017	4,220	966	121	–	33	5,340
At 1 April 2016	3,878	1,311	65	–	49	5,303
Charity						
Cost						
At 1 April 2016	6,214	4,469	234	1,830	133	12,880
Additions	468	–	71	–	–	539
At 31 March 2017	6,682	4,469	305	1,830	133	13,419
Depreciation						
At 1 April 2016	2,576	3,157	169	1,830	90	7,822
Amount provided	120	345	15	–	19	499
At 31 March 2017	2,696	3,502	184	1,830	109	8,321
Net book values						
At 31 March 2017	3,986	967	121	–	24	5,098
At 1 April 2016	3,638	1,312	65	–	43	5,058

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).

9.2 Intangible assets

	Software £'000
Group and Charity	
Cost	
At 1 April 2016	257
Additions	111
At 31 March 2017	<u>368</u>
Depreciation	
At 1 April 2016	67
Amount provided	48
At 31 March 2017	<u>115</u>
Net book values	
At 31 March 2017	<u>253</u>
At 1 April 2016	<u>190</u>

The net book value at 31 March 2017 represents fixed assets used for:

	Freehold land and buildings £'000	Leasehold buildings £'000	Motor vehicles £'000	Software £'000	Total £'000
Charitable purposes					
Inpatient care	2,232	–	–	109	2,341
Home care/outpatients	1,145	–	–	56	1,201
Education and training	1,155	–	–	56	1,211
Planned day care	378	–	19	18	415
	<u>4,910</u>	<u>–</u>	<u>19</u>	<u>239</u>	<u>5,168</u>
Charity shops	276	121	14	14	425
	<u>5,186</u>	<u>121</u>	<u>33</u>	<u>253</u>	<u>5,593</u>

10 Investments

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
At 1 April 2016	20,234	19,298	20,734	19,798
Additions	1,318	3,338	1,318	3,338
Disposals	(1,974)	(1,263)	(1,974)	(1,263)
Increase in market value – realised	459	47	459	47
Increase in market value – unrealised	1,296	(364)	1,296	(364)
	<u>21,333</u>	<u>21,056</u>	<u>21,833</u>	<u>21,556</u>
Movement in cash balance	(1,099)	(822)	(1,099)	(822)
At 31 March 2017	<u>20,234</u>	<u>20,234</u>	<u>20,734</u>	<u>20,734</u>
Analysed as follows:				
Funds managed by Cazenove Capital Management				
UK Equities	4,779	4,144	4,779	4,144
International Equities	3,162	3,365	3,162	3,365
Bonds	441	167	441	167
Property	1,229	1,212	1,229	1,212
UK Portfolio Funds	1,426	1,048	1,426	1,048
Cash	2,064	1,159	2,064	1,159
	<u>13,101</u>	<u>11,095</u>	<u>13,101</u>	<u>11,095</u>
Other investments				
Bank deposits	7,132	9,139	7,132	9,139
Investment in subsidiary undertakings (below)	–	–	500	500
	<u>7,132</u>	<u>9,139</u>	<u>7,632</u>	<u>9,639</u>
Total investments	<u>20,233</u>	<u>20,234</u>	<u>20,733</u>	<u>20,734</u>

The historical cost of the investments managed by Cazenove is now £10,792k.

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.

11 Debtors

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Trade debtors	509	273	154	124
Legacies receivable	2,932	2,466	2,932	2,466
Sundry debtors, prepayments and accrued income	732	731	513	551
Income tax recoverable	–	–	–	–
Amount due from subsidiary undertaking	–	–	2,195	1,195
	<u>4,173</u>	<u>3,470</u>	<u>5,794</u>	<u>4,336</u>

12 Creditors – amounts falling due within one year

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Bank loan and overdraft	21	24	–	–
Trade creditors	277	511	255	467
Payroll taxes and social security	468	512	468	512
Other creditors and accruals	396	520	308	471
Income received in advance	50	33	50	33
	<u>1,212</u>	<u>1,600</u>	<u>1,081</u>	<u>1,483</u>

13 Creditors – amounts falling due after more than one year

	Group 2017 £'000	Group 2016 £'000	Charity 2017 £'000	Charity 2016 £'000
Bank loan 1-2 years	<u>–</u>	<u>20</u>	<u>–</u>	<u>–</u>

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

14 Lease commitments

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

	Land and buildings 2017 £'000	Land and buildings 2016 £'000	Motor vehicles and office equipment 2017 £'000	Motor vehicles and office equipment 2016 £'000
Operating leases payments to be made:				
Within one year	440	422	37	63
In two to five years	1,458	1,282	12	32
Over five years	592	483	–	–
	<u>2,490</u>	<u>2,187</u>	<u>49</u>	<u>95</u>

15 Restricted funds: income funds – restricted

	Balance 1 April 2016 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31 March 2017 £'000
Candle Project	3	16	(19)	–	–
Research	497	72	(3)	–	566
Welfare services	29	12	(24)	–	17
Care homes	196	456	(543)	–	109
Education and training	127	150	(200)	–	77
Planned day care	68	414	(212)	–	270
Hospice at Home and Home Care – Supporting Families	–	36	(8)	–	28
Prize funds	4	–	(1)	–	3
Education Centre	491	146	–	(468)	169
Equipment	18	18	(10)	–	26
Caritas House Building Fund	1,256	–	(21)	–	1,235
Total restricted funds	<u>2,689</u>	<u>1,320</u>	<u>(1,143)</u>	<u>(468)</u>	<u>2,500</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.

Transfers

Education Centre – this relates to capital expenditure on the new education centre.

16 Designated funds

	Balance 1 April 2016 £'000	New designations and transfers £'000	Utilised £'000	Balance 31 March 2017 £'000
Fixed assets	3,940	662	(562)	4,040
Funds held against pension liability (see note 19)	1,672	–	–	1,672
St Christopher's Fund (see below)	11,095	2,006	–	13,101
Education centre	2,000	–	–	2,000
	<u>18,707</u>	<u>2,668</u>	<u>(562)</u>	<u>20,813</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	Pension fund	Other specific funds	Operational reserve	Fixed assets	Working capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Restricted income	–	–	1,265	–	1,235	–	2,500
Unrestricted income							
Designated	13,101	1,672	2,000	–	4,040	–	20,813
General	–	–	–	2,217	298	6,151	8,666
Trading	–	–	–	–	–	(1,121)	(1,121)
Pension scheme	–	(1,198)	–	–	–	–	(1,198)
	<u>13,101</u>	<u>474</u>	<u>3,265</u>	<u>2,217</u>	<u>5,573</u>	<u>5,030</u>	<u>29,660</u>

Operational reserves (£2,217k) together with working capital (£5,030k) comprise *Free Reserves* (£7,247k), (2016: £8,847k), as defined by FRS 102.

18 Consolidated statement of financial activities for the year ended 31 March 2016

	Unrestricted funds £'000	Restricted funds £'000	2016 total £'000
Income from:			
Donations and gifts	2,810	723	3,533
Legacies	6,723	–	6,723
<i>Charitable activities</i>			
NHS funding for patient care	5,999	–	5,999
Education, fees and other income	885	180	1,065
<i>Other trading activities</i>			
Income of trading companies	3,281	–	3,281
Investment income	330	–	330
Total income	<u>20,028</u>	<u>903</u>	<u>20,931</u>
Expenditure on:			
Raising voluntary income	1,184	48	1,232
Trading companies	2,888	–	2,888
	<u>4,072</u>	<u>48</u>	<u>4,120</u>
<i>Charitable activities</i>			
Inpatient care	9,110	57	9,167
Home care/outpatients	3,850	380	4,230
Education and training	1,413	278	1,691
Planned day care	869	144	1,013
Candle Project	8	120	128
	<u>15,250</u>	<u>979</u>	<u>16,229</u>
Total expenditure	<u>19,322</u>	<u>1,027</u>	<u>20,349</u>
Net income/(expenditure) before other recognised gains and losses	706	(124)	582
Other recognised gains/losses			
Actuarial gains/(losses) on defined benefit pension scheme	291	–	291
Gain on investments – realised	47	–	47
(Loss)/gain on investments – unrealised	(364)	–	(364)
Net movement in funds	680	(124)	556
Total funds at 1 April 2015	26,190	2,813	29,003
Total funds at 31 March 2016	<u>26,870</u>	<u>2,689</u>	<u>29,559</u>

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 (2016: £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 during 2016 and has agreed four 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 2015, 2016 and 2017 on the basis of the following assumptions provided by the scheme actuary:

	2017 %	2016 %	2015 %
Rate of increase in salaries	n/a	n/a	n/a
Rate of increase in pensions in payment:			
- service before 6 April 1997	3.40	3.00	3.00
- service from 6 April 1997	3.40	3.00	3.00
Rate of increase in deferred pensions	3.40	3.00	3.00
Discount rate to be applied to liabilities	2.55	3.45	3.15
Inflation assumption	3.40	3.00	3.00
Allowance for commutation of pension for cash at retirement	75%	No allowance	No allowance

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		
	2017 %	2016 %	2015 %	2017 £'000	2016 £'000	2015 £'000
Diversified Growth Assets	7.35	7.35	7.35	4,599	4,009	4,002
Fixed interest corporate bonds	4.85	4.85	4.85	1,501	1,407	1,412
Fixed interest (mainly gilts)	3.60	3.60	3.60	3,701	3,093	3,035
Cash and other	4.00	4.00	4.00	10	105	96
Fair value of fund assets				9,811	8,614	8,545
Present value of scheme liabilities				(11,009)	(9,596)	(9,976)
Deficit in the scheme				(1,198)	(982)	(1,431)

As noted above at 31 March 2017 the hospice paid £200k (2016: £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:

	2017	2016
	£'000	£'000
Deficit at the beginning of year	(982)	(1,431)
Current service cost - (ii) below	-	-
Contributions paid	200	200
Other finance (cost)/income - (iii) below	(31)	(42)
Actuarial (loss)/gain - (iv) below	(385)	291
Movement in the year	<u>(216)</u>	<u>449</u>
Deficit at the end of the year	<u>(1,198)</u>	<u>(982)</u>

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

	2017	2016
	£'000	£'000
Current service cost	<u>-</u>	<u>-</u>

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

	2017	2016
	£'000	£'000
Expected return on assets	293	269
Interest on liabilities	(324)	(311)
Net finance (cost)/income	<u>(32)</u>	<u>(42)</u>

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

		2017	2016	2015	2014
Actual less expected return on assets	(£'000)	1,060	(209)	584	(463)
Percentage of year end scheme assets		10.8%	(2.4%)	7.7%	(5.9%)
Net experience (loss)/gain	(£'000)	-	-	-	(23)
Percentage of year end scheme liabilities		-	-	-	-
Gain/(Loss) on changes in assumptions	(£'000)	(1,445)	500	(1,296)	(378)
Percentage of year end scheme liabilities		(13.1%)	5.2%	(12.9%)	(4.3%)
Total actuarial gain/(loss) recognised in SOFA	(£'000)	<u>(385)</u>	<u>291</u>	<u>(712)</u>	<u>(864)</u>
Percentage of year-end scheme liabilities		<u>(3.5%)</u>	<u>3.0%</u>	<u>(7.1%)</u>	<u>(9.8%)</u>

b St Christopher's defined contribution scheme

The St Christopher's defined contribution scheme was set up in September 2001. As stated in note 1.9 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 £415k (2016: £393k) to the St Christopher's GPP (2010) defined contribution scheme.

c NHS Pension Scheme

Details of the scheme are provided in note 1.9. 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 £343k (2016: £346k).

If you would like this information in a different format, such as audio tape, braille or large print, or in another language, please speak to the Communications Team on **020 8768 4500** or email communications@stchristophers.org.uk

At St Christopher's Hospice our vision is of a world in which all dying people and those close to them have access to care and support, whenever and wherever they need it.

Each person is unique and we tailor our care to meet social, emotional and spiritual needs, as well as manage physical symptoms. Our goal is to help people live well until they die and support those affected by the loss of a loved one. Every year we provide care and support to over 6,000 people across south east London, both at home and in the hospice.

We passionately believe that everyone should have access to the best care at the end of their lives and have an extensive education programme, working with people across the world, to improve and develop hospice care.

We were founded in 1967 by Dame Cicely Saunders and, in this our 50th year, her words still remain at the heart of everything we do: "You matter because you are you and you matter until the last moment of your life."

As a registered charity we need to raise £14 million every year to continue to care for people when it matters most. Without the support of our local communities this wouldn't be possible. Thank you from us all for your support.

StChristopher's

Sydenham site

51-59 Lawrie Park Road, Sydenham, London SE26 6DZ

Bromley site

Caritas House, Tregony Road, Orpington BR6 9XA

Telephone **020 8768 4500**

Email info@stchristophers.org.uk

www.stchristophers.org.uk

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