The care we received at the Hospice was incredible. The nurses showed the most amazing sensitivity and compassion and were truly angels among all the sadness and despair.” John Piears
Your care

Over the year we received more than 3,600 referrals for our services – a 6% increase on the previous year. Working together, our highly trained team has ensured that our patients, their families and carers get the right care by the right person at the right time.

For more information visit: www.pah.org.uk/yourcare

Hospice at Home

Our Princess Alice Nurses made over 13,000 home visits, helping to care for some 2,300 patients in their own homes.

Patient and Family Care

Our social work, chaplaincy and bereavement care teams provided over 8,400 support sessions.

Therapies

We provided over 6,800 therapy sessions to patients – including some 4,400 occupational and physiotherapy sessions.

Day Services

There were 2,600 attendances across the five days of different activities provided by Day Services, supporting 235 different people.

In-Patient Care

We cared for nearly 500 highly complex patients in our ward.

Medical Team

Our team of 7 consultants treated patients aged from 19 to 104 with a wide range of conditions.

Your charity

It costs over £9.3 million each year to provide our free, high quality services. As a charity we rely on our local community to generate 78% of our income through fundraising, retail operations, donations and legacies.

For more information visit: www.pah.org.uk/fundraise

Your time

We would not be able to deliver our services without the help of our amazing volunteers. More than 620 volunteers provide support at the Hospice and in the community and just over 570 help in our 44 shops. Their time and energy are essential and add enormous value to our services.

For more information visit: www.pah.org.uk/volunteer
Chairman and CEO’s Introduction

The last twelve months have been challenging for charities in general and no less so for Hospices. Together with a difficult economic environment our sector has seen a growing shortage of nurses, changes to the amount of care provided by local authorities, increasing demand for our services and calls for care beyond our current remit. And all this has been set against a backdrop of public questioning of charity fundraising methods.

At Princess Alice Hospice we are proud to say that we have grasped these challenges and sought out innovative ways of working and configuring our services to enable our funding to stretch further. Essentially we are working more efficiently, making the most of the resources that we have available to us, so that we have actually extended our reach. This year we have had more than 3,600 referrals for our services – a 6% increase on the previous year.

This year has also seen our focus on quality and patient experience develop further. We are consulting with our patients and their carers on every area of the support that is provided by the Hospice; focusing on what they need. This is helping us to shape what we are doing now and it is also influencing our plans for the future.

As one of the south-east’s regional training centres for the National Gold Standards Framework, the Hospice is a source of expertise for local care homes whose staff need to learn about palliative and end of life care. This year we were very proud that the first Hospice-trained care home, the Woking-based Princess Christian Care Centre, gained its Quality Hallmark Award. We warmly congratulate them.

The Hospice has also been partnering with Milverton Nursing Home in Surbiton in an innovative six month project called Together2Care. The nursing home has provided the Hospice with access to two beds to deliver its Hospice at Home service, enabling patients that need round-the-clock nursing and palliative care to be supported in the comfort of a nursing home bed. In return the Hospice has provided the nursing home staff with comprehensive training in end of life care. By sharing resources and working to our mutual benefit we have been able to ensure that more patients have the opportunity to die in familiar surroundings rather than on a hospital ward.

“Making the most of the resources that we have available to us … we have actually extended our reach. This year we have had more than 3,600 referrals for our services – a 6% increase on the previous year.”

Our communications initiatives have been very successful, raising our profile locally to connect more people to their Hospice. We undertook a YouGov survey to determine people’s awareness of the Hospice and its services which showed that we continue to enjoy high levels of awareness. Nearly three quarters of local residents, when prompted, say that they know about the Hospice. This is an excellent base to build from and we know from experience that by investing in increasing awareness of our services and promoting our need for funds we have greater success in raising money.

A superb example of this in action has been our Man Shed Campaign, which was launched in March 2015 with the aim of raising £100,000 to build a fully equipped DIY Workshop in our grounds. Complete with a communal lounge, the shed will provide a supportive space for the bereaved and those affected by terminal illness to work together on practical projects. Our in-house teams created an integrated campaign consisting of direct mail, web, social media and sustained press and radio activity that led to our ambitious fundraising target being surpassed within three months; reaching a total of £112,198. As a result we have been able to expand on our original plans and build a larger workshop and break-out space that can accommodate bigger groups and a wider range of activities. This additional support from our local community means that we can reach out to more people who would benefit from our help.
We would not exist without the vision and dedication of the volunteer supporters who raised the funds to build Princess Alice Hospice thirty years ago. Volunteers remain at the heart of our organisation. Around 1,200 volunteers give their time in more than 70 different roles including our 44 shops. Together they play a vital role in helping us to support our patients and their families each year.

Recognising that we needed to invest in our volunteers, in November 2014 we established a new post - Head of Volunteer Development. Having someone in this post has meant we have been more effective recruiting, training, developing and managing our volunteers. We have achieved this by redesigning the recruitment process so that it is responsive and streamlined, introducing "Excellence in Volunteering" training (a programme that has attracted external funding) and by working with managers to identify where volunteers can add value. In parallel, we have focused on the quality of the volunteering experience recognising that as we seek to recruit and develop new roles, existing volunteers are our best and most valuable advocates.

While we were marking our 30th anniversary we were delighted to learn that volunteers from our Bereavement Service Team had been honoured by the Queen. The team which includes more than 60 people aged 27 to 85 years has won the 2016 Queen's Award for Voluntary Service. They have been recognised for their exceptional contribution to the local community. The Queen's Award is the highest award given to local volunteer groups in the UK and is the equivalent of an MBE. The reality of what this team and our other volunteers bring to the Hospice in terms of skills, experience, compassion and commitment cannot be quantified.

Like many people, we have been shocked by the news stories of poor governance and unethical fundraising techniques that have been employed by some charities. This bad press has dented public confidence and is extremely damaging.

In line with good governance requirements for many years, each of the Hospice’s Trustees is recruited for a maximum 10 year term which means we have a dynamic Board of Trustees with fresh ideas and insights. We were delighted with the calibre and the enthusiasm of the people who responded to our latest Trustee Recruitment Campaign. Undoubtedly our success here is due to the high regard in which the Hospice is held locally. This has meant that we have been able to appoint people with very specific areas of expertise such as business and entrepreneurial skills, HR, finance and accountancy which will further help us as we establish our plans for the future. It is worth noting here that, in aggregate, we estimate our Trustees donated over 2,000 hours or some 270 working days to the Hospice during the year - an impressive commitment.

Together the Trustees and Senior Management Team make sure that the Hospice is well led and well run.

As a charity founded by our local community, we take very seriously our responsibilities to ensure that our fundraising approach not only complies with the law but follows best practice and strives to deliver the best possible experience for our supporters. During the year we reinforced this position by publishing our Supporter Charter and, importantly, by obtaining the Fundraising Standards Board (FRSB) accreditation to ensure that we remain at the leading edge of compliance and supporter satisfaction.

As well as traditional forms of fundraising, the financial contribution made by our 44 shops is really important to us.
Trading in the high street is not without its challenges in today’s market; however we are successfully continuing to expand our retail offer. We are pleased to report that our shops are, on average, performing better than the rest of the sector. Innovative sales concepts such as a children’s boutique, new products and an ongoing brand refresh to give our stores a modern, contemporary look have contributed to this success.

However, we can become even more profitable by improving the level of Gift Aid that we receive from donations. Gift Aid is a massive benefit to us and is simply a matter of a form being completed at the point that goods are dropped off; so we would ask all our generous donors to ensure they tick ‘yes’ if they are eligible for Gift Aid.

As we write, the Hospice is marking 30 years of providing care and support to our community. We have completed a tour of our care area taking to the roads and High Streets of Surrey, south west London and Middlesex with our mobile exhibition unit. We have attended local fairs and fêtes and major shows as well as libraries and railway stations and have been very humbled by the positive reception and pleased to be able say “thank you” to our supporters.

We have now reached the end of year four of our five year strategy and have begun a strategic review to consider how the Hospice moves forward into the next five years. On the immediate horizon is the challenge of reaching more people who need our care and support and the essential refurbishment of the oldest part of our building, to create a multi-use space that will better support our Education, Bereavement and Fundraising teams.

Princess Alice Hospice is all about its people and we are very proud of them all. While we have focused on the public-facing departments in this report, as ever, our thanks need to go to the essential back office departments who contribute so much to keeping everything going smoothly.

All our staff, Trustees, Friends and other volunteers make Princess Alice Hospice the special organisation that it is. Their commitment, determination and relentless enthusiasm enable us to care for our patients and support their loved ones through some of the hardest times in their lives.

Nicki Shaw
Chief Executive

Ian Elder
Chairman

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Nicki Shaw
Chief Executive

Ian Elder
Chairman
Financial summary

All our care is provided free of charge for our community. Demand for our specialist services has continued to increase and we have invested in developing our services to reach out to even more people in need.

How we raised our income

For every £1 donated

- 86p is spent on delivering our care and support
- 10p is spent on fundraising to secure further donations
- 4p is spent on management and administration

How we spent the money

- It costs over £9.3 million to provide our much needed free care services and 78% of our income is generated through fundraising and it is the ongoing generous support of our local community that makes it possible to do our work.
Hospice at Home

Princess Alice Hospice at Home brings the skills and expertise of our team of highly trained professionals – specialist palliative care doctors, nurses, social workers, welfare advisers, chaplain and therapists – straight into the home to give our patients, their families and carers access to the vital support they need.

Our successes...

Princess Alice Nurses
During the year we have introduced new community nurse and healthcare assistant roles. The Hospice at Home team now comprises nursing staff of different levels. This allows us to maximise the number of patients who can be supported at any one time while also ensuring that patients have access to the right person in the right place at the right time. A Clinical Nurse Specialist undertakes the initial patient assessment and co-ordinates the care delivered by our specialist team. Each patient is continually monitored and reviewed to ensure they receive the right level of support as their needs change.

Enhanced Support Service
Sometimes the patients cared for by our Hospice at Home team need additional intensive support, which would previously have meant an urgent admission to hospital.

Our Enhanced Support Service (ESS) is now well-established and a very important part of the care given by our team. ESS puts patients under the round-the-clock care of our team of specialists who work closely with the patient’s GP and carers. Over the last year our ESS has cared for 355 patients – providing vital support that has been entirely focused around their needs and wishes.

Partnership Work
Partnerships allow us to stretch our services further so that we can support even more people in our local community.

Our partnership with Ashford and St Peter’s Hospitals Foundation Trust and Woking & Sam Beare Hospices has led to the creation of two full-time Consultant in Palliative Medicine posts. The posts improve the continuity of palliative care within the hospital and community and support the provision of seven day working. Meanwhile the Coordinated, Safe and Integrated (CoSI) partnership – which brings us together with community care organisations in North West Surrey recently won an award at the National Council for Palliative Care Awards.
I was diagnosed with Motor Neurone Disease four years ago. I'm 77 now and things are becoming increasingly difficult. I rely on my wife, Susan, to help me at home and we have a very nice nurse who visits from the Hospice every so often. She suggested that I attend the Day Hospice and I am now a regular there on a Tuesday. I get to meet up with similar minded people, who've got the same problems as me. My nurse suggested that I come in for some respite care at the Hospice for a week, to give Susan a break, and I've been very impressed with my first stay here. The people here are so good; they'll do their utmost for you.

We oversee everything for our patients. We assess their symptoms on an ongoing basis and help them to find the support that they need. It means that we can spend a lot of time talking to GPs, care agencies and hospitals; I often visit my patients with GPs or District Nurses so it’s important that we have a really close relationship with them. We get to know our patients well, we can give them advice and help them to access all the other services that the Hospice offers that they might find helpful. We also talk to them about advance care planning. I love the Hospice and do lots of fundraising in my spare time. I think it’s so very important that people are properly looked after as they reach the end of their lives and that they have the choice over where they want to be.

I'm one of two Community Team Managers and, because the Hospice has such a large care area, we cover four Clinical Commissioning Groups (CCGs) with our team of around 35 nurses. A lot of my role is around strategic planning; ensuring that our Enhanced Support patients’ needs are covered on a daily basis, considering requests for beds on our In-Patient Unit and making sure that our Hospice at Home patients have their needs met overnight. The Hospice is a wonderful place; the staff are all very passionate and committed and that’s true across all departments. There’s a real sense of belonging and purpose here.
In-Patient Unit

Patients come to the In-Patient Unit (IPU) at our Hospice for a short period to address troublesome symptoms that can be difficult to treat at home. Some may be admitted for symptom control, for others our Hospice is the best place for their end of life care. The IPU does not offer long-term in-patient care. The medical care of patients at the IPU is led by our specialist doctors.

Our successes...

Reaching out to more patients

The In-Patient Unit has been investigating a new way of working which will enable the Hospice to reach out to more patients. The nursing team will adopt a “two ward” approach looking after patients who require a high level of complex interventions as well as those who may need less specialist input but who never-the-less will benefit from being cared for within the Hospice at the end of their life. This flexible approach will provide more opportunities for senior staff to support and mentor junior colleagues; enabling us to deliver more “hands on” training in end of life care to staff from non-specialist settings.

Ward Support Volunteer

We have piloted a project on the IPU introducing the role of Ward Support Volunteer. This is a 6-month volunteering programme aimed at 17-year olds interested in a career in healthcare. By committing to support patients and families for one 4 hour shift every week, 13 young people were awarded the Care Certificate qualification.

These young volunteers assist in a variety of ways, from sitting and talking with patients to answering call bells and assisting nurses with simple nursing tasks. The project has been successful and our aim is to have 14 new young people in place every six months.

New posts offer support

During the year we recruited an experienced social worker in a new post of Discharge Coordinator and Family Support Nurse to provide support for patients and families throughout their stay. The post holder has helped to streamline our processes and procedures freeing other nurses to spend more time in direct patient care.
In their own words...

Beata Piears

Beata was just 37 years old when she was diagnosed with ovarian cancer, shattering our happiness in a heartbeat. Sadly, it had already spread when it was detected. She did everything she could to try to fight her illness during her three year battle. But, in the end, she eventually ran out of options and was referred for palliative care. I felt very emotional when we arrived at Princess Alice Hospice. However, once settled into the room we immediately felt safe. Doctors and nurses busied around us and everything was being done to make Beata as comfortable as possible. It was a huge relief to be there. Beata died on 8th October 2015. The care we received at the Hospice was incredible. The nurses showed the most amazing sensitivity and compassion and were truly angels amongst all the sadness and despair.

John Piears

Dr Aruni Wijeratne
Consultant in Palliative Medicine

I’ve been a Consultant for six years and enjoy combining the science of medicine with the art of caring. Alongside seeing patients a core part of the job is advising doctors and other professionals. My joint post with an NHS Trust enables continuity of care for patients and has facilitated a successful programme for junior doctors at the Hospice. I lead the North West London Sector for Palliative Medicine Training and also organise the Hospice medical student programme. It’s important to influence healthcare professionals, showing them good examples of multi-professional working to deliver holistic care. I attend a steering group to improve end of life care in Surrey Downs and also a London strategic group working to improve Transition Care.

Mia Pham
Ward Support Volunteer

I heard about the Ward Support Volunteer role through my school. I’m working towards my AS Levels with the hope that, one day, I’ll be able to have a career in medicine. As a Ward Support Volunteer I’ve helped out on the In-Patient Unit for nearly six months. I assisted the nurses with moving patients, answered call-bells and was there to help out with whatever was needed. It was just such a great opportunity to find out what it’s like to be on a ward and I really enjoyed it. It was quite a big chunk of my time while I was also working towards my exams, so it wasn’t easy, but I like getting up early to study and when I wasn’t at the Hospice I was revising! I found it to be a really rewarding experience and especially liked spending time talking to the patients.
Day Services

Day Services helps patients to manage their symptoms, to build confidence and to begin to regain control of their lives within the limits of their condition. Depending on their needs, patients (and their carers) can opt to attend group, day or one hour sessions at our Hospice in Esher for physiotherapy, a range of complementary therapies, advice on practical and financial matters as well as spiritual and emotional support.

Our successes...

Man Shed
When TV sports presenter John Inverdale helped us launch our appeal for funds to build a Man Shed, we could not have dreamed that we would see such a positive response. In less than a year building started on this special supportive space enabling bereaved people and those affected by terminal illness to work together on practical projects.

The success of the campaign meant that we were able to increase the size of the Man Shed.

There will be an emphasis on helping bereaved teenagers and reaching out to the ‘missing men’ who may have shied away from more traditional bereavement care and support.

Relaxation CD
Our Therapy Team holds individual and group sessions in Day Services providing a number of therapies ranging from art therapy to advice on nutrition and diet and from occupational therapy and physiotherapy to speech and language therapy. The team also provides a range of complementary therapies to patients and carers.

Realising that patients and their families needed help with relaxing when they are at home, the team came up with the idea of creating a special CD to enable patients to take their sessions home with them. It was developed and recorded by members of the team with the help of local musician and sound engineer, Colin Sheen.

Creative Craft Group
As part of Day Services’ community outreach programme the team has helped to establish a Creative Craft Group. The group – which includes patients, carers and volunteers – was launched in September 2015 and has proved very popular.

Meeting once a week, members work on individual or group projects and provide mutual support for each other. With craft activities including knitting, sewing, quilting and card making, the group has been busy making a wide variety of items sold to support the Hospice at our Christmas and summer fêtes. More than £1,000 has been raised. Other items have been made for use around the Hospice including cushions for the Man Shed.
This year we’ve changed the way we work, allowing people whose health has improved to stay on as Day Service-only patients even if they don’t currently need our Hospice at Home care. It’s been a popular change because people can continue to come along to the groups that they enjoy, be supported by the Hospice and keep in contact with us. I’m also very proud of our Man Shed Project.

We offer aromatherapy massage, reflexology, Reiki, hypnotherapy and other practices alongside the Hospice’s conventional medical palliative care. The therapies are non-invasive and calming and can help patients to cope better with their symptoms. It can be so rewarding when you can see the improvement. What’s more, at Day Services we also offer our therapies to our patients’ carers – and it’s often with them that I think you can see the greatest benefit. They are such a difficult group to help because they feel such responsibility for the person they care for that they are reluctant to take time out to care for themselves.

I heard that the Hospice was advertising for Man Shed session leaders and it sounded like an exciting project so I applied and I’m now one of the facilitators and will be volunteering every Thursday. “Man Shed is large and there will be lots of power tools like band saws, jig saws and pillar drills. When it is open I will show fellow “shedders” how to use the machinery. We can repair, re-polish and even re-upholster furniture before it is distributed for sale at the Hospice’s shops.

“One of our first projects will be to build a book shelf for all of the books donated to us on woodworking and practical subjects. Man Shed is a wonderful resource and with its excellent insulation, lighting and air conditioning we can be in there all year round. I can’t wait.
Patient and Family Support

Our care also extends to the emotional, social and spiritual needs of our patients, their carers, families and friends including children and young people. We deliver our care both in the community and at the Hospice. Our qualified and experienced team includes social workers, a chaplain and a bereavement support co-ordinator. The team is aided by trained support volunteers who are here to listen and understand at times of illness and loss.

Our successes...

Caring For Carers

Those caring for the terminally ill can be under tremendous pressure, which can seriously affect their own physical and mental well-being. We want to help them to continue to lead fulfilling lives by providing them with practical and emotional support.

We have listened carefully to the views of past and present carers. The information we’ve gained has helped us to develop a Carers’ Strategy which sets out our plans to support carers over the next five years.

We will introduce a formal assessment that will help us to better understand the needs of each carer. We’ll also continually evaluate how we can support them as the illness of their loved-one progresses and we will be developing ways to help them to look after themselves.

When the need is greatest

During the year representatives from our quality care, fundraising, communications and bereavement teams embarked on a wide ranging cross department review of the services and materials that we provide to help support bereaved families and carers.

With an emphasis on maintaining the importance of bespoke personal contact, the team reviewed our processes and practices – including the timing and content of follow-up phone calls, letters and invitations – in order to ensure that we provide the most appropriate information in the most suitable and caring way at the time when it is most needed.

Reaching out

During the year we doubled the number of volunteers in our Hospice Neighbour Services to 24 and have provided this service to 49 patients and are currently recruiting to meet the growing need. We are also making our bereavement support available to more people.

We have grown our “Walk and Talk” programme enabling those who have recently lost a loved one to meet others in the same situation while walking. There have now been 24 Walk and Talks in Bushy Park since the first one in November 2013. In April 2016 the Richmond Park Walk and Talk group celebrated its second anniversary.

During the year we also launched an LGBT (lesbian, gay, bisexual and transgender) Bereavement Support Group.
In their own words...

We provide bereavement support mainly to family members, but sometimes to friends as well. Everyone’s needs are different; some like talking one to one in individual sessions. Others find meeting with a group of peers, who understand what it is like to be bereaved, to be very helpful. It’s also important for children who have been bereaved to have the chance to talk. So we hold a monthly Dovetail group, where they can be with other children who have lost a parent or possibly a grandparent. It allows them a safe space to express themselves and not have to worry about upsetting others or having to be ‘strong’ for their other parent.

The Hospice is a special place for me because my father was a patient here. When I started working here in 2013 it felt like I was able to give something back. I work with children to support them both before and after they’ve experienced the bereavement of an adult who is important to them. This can involve visiting them at school or home, working with them at our monthly Dovetail group or at any one of our family events throughout the year. We use arts and crafts during our group sessions to encourage communication. Everything is carefully devised to bring something out in the child. Seeing the children change is very rewarding. As they become able to start talking about the person they’ve lost or can express themselves and manage their emotions better; they seem to grow in front of your eyes.

I decided around two and a half years ago to volunteer with the Chaplaincy team. I’m a Buddhist but it really doesn’t matter what faith people follow or whether they have no faith at all; we’re here for everyone. If someone’s looking distressed in the lounge or cafe area then I’ll maybe go up and talk to them; it’s nice being there for people. We’ve started a LGBT bereavement support group. It’s important because often the LGBT community can feel disenfranchised. They need time to grieve without all the other concerns, so it’s definitely needed. For me I feel happy knowing that I’ve connected with someone; that they’ve decided to share their feelings, maybe when there’s no-one else for them to talk to. That’s when I think, ‘it was really worth going in today, it’s made a difference.'
Education

Our education team is a leading provider of courses, study days and training programmes covering palliative and end of life care for health and social care professionals in the UK and internationally. We are a regional training centre for The Gold Standards Framework in Care Homes (GSFCH) and Domiciliary Care (GSFDC) programmes. And our team of consultants, doctors, nurses and therapists make vital contributions to research, networks and initiatives to improve care for the dying.

Our successes...

Our Guide to End of Life Care
In October we published an essential guide to help those caring for people who are at the end of their lives. Available through Amazon, A Practical Guide to End of Life Care was written by the experienced palliative care experts who are based at our Hospice. The book is intended to be an easy-to-read guide suitable for anyone working in health or social care. Edited by Clair Sadler, a Senior Lecturer in the Education Team, it is full of examples, exercises and case studies that are designed to make the book as accessible as possible.

Gold Standard
During the year our Education Team mentored a number of care homes including Cossins House, to achieve a “Commend” in a Quality Hallmark Award from the National Gold Standards Framework Centre. The award recognises that Cossins House is delivering high quality personalised patient care consistent with their needs and wishes and that it has developed the systems to support quality end of life care. The award was presented at a ceremony in London in September.

Together2Care
In September our ward and education teams began working with Milverton Nursing Home in Surbiton to trial an innovative approach to palliative care. The nursing home has provided access to, and support for, two beds within the home so that we can deliver our Hospice at Home service in that setting. Patients now no longer need to undertake a stressful journey and admission to hospital to obtain the care they need. In return, we have provided the nursing home’s team with comprehensive training in palliative and end of life care. This has included shadowing our Ward staff for three days a week over the course of six months.
In their own words...

**Carol Kirby**
Home Manager Cossins House

"It is a privilege to care for people when they need it the most. This award demonstrates the personal care we provide to our residents and the support we give to their loved ones at a very difficult time in their lives. I am extremely grateful for the guidance and support we received throughout the accreditation process from the Education Team at Princess Alice Hospice."

**Sophie Alexander**
Health Care Assistant, Milverton Nursing Home

"My time with Princess Alice Hospice was a great experience; everyone was so very supportive of each other. The training runs for six months and I had four visits to the Hospice wards over the course of eight weeks. I must admit that I found the first day emotional since I was quite nervous; I was so surprised to see just how positive and upbeat everyone is; the nurses are brilliant – it’s all very much about the patient and about making things as comfortable and nice as possible. I think more nursing homes should join the Together2Care scheme. It makes you think about how you do your daily routine; how you look after those who are really poorly and at the end of their life. It certainly made me consider how we involve the family more at those times too. I’m really glad I did this course."

**Delyth Hughes**
Ward Manager

"The nursing team on the ward has welcomed having extra pairs of hands to help with caring for our patients and sharing their knowledge of specialist palliative care has increased their sense of self-worth. The Milverton nurses have more experience of the elderly, frail and patients with dementia than perhaps the ward staff here do, so we have learned from them too. It is vital that we share our knowledge with staff in nursing homes if we want more people to receive high quality end of life care. The Hospice has a finite number of beds and we want to reach more people who are all equally deserving of our care."
Raising Money to Deliver Our Care

It costs over £9.3 million to provide our much needed services and as a charity we continue to rely on our local community to generate 78% of our income through fundraising, retail operations, donations and legacies. We have 44 charity shops in High Streets across our care area. They provide a much needed ‘window’ for the Hospice on the High Street while providing vital income to help fund our care and support.

Our successes...

Remembering
The income that we receive from legacies each year is hugely valuable to us – quite simply we wouldn’t be able to provide our care and support without these extremely generous gifts. As well as highlighting this to our supporters, we have continued to develop our legacy marketing, ensuring that communications with supporters, where appropriate, highlight the importance of leaving a gift in their Will.

Many of our patients’ relatives want to acknowledge the care and support of the Hospice by raising money in memory of a loved one. This year we have worked with our clinical colleagues to develop a joined up approach which provides information and support to bereaved relatives and positions fundraising for the Hospice in an appropriate and sensitive way.

Creating choice on the High Street
As an important source of funds for our Hospice, our shops have to provide the experience, products and service that modern consumers want. During the year we opened a number of new shops in exciting sites – including a new department store in Hounslow to provide shoppers with a wide range of furniture, clothes and home accessories and a specialist children’s shop “Little Alice and Friends”, selling clothes, toys, games and accessories in Twickenham. Donations of furniture continue to grow, which has helped to provide excellent choice for our customers.

Growing our Lottery
Our lottery programme is an important source of regular income for us. We know that for many of our players subscribing to the lottery is a way of showing their support for the Hospice. We have continued to attract new subscribers working closely with two canvassing agencies across our care area. We have also trialled various telemarketing campaigns including upgrading supporters to two plays per draw and introducing the lottery to those who give to the Hospice in other ways.
Despite the pressures on the retail sector generally, it’s been a very successful year for the Hospice’s Retail team. **Everyone is involved in developing new ideas, meeting challenges and looking at ways to build on our successes.** This team approach keeps everyone enthused and engaged. On a daily basis we hear stories from our customers about their personal experiences of the Hospice and the fantastic care that their loved ones have received. It’s a very rewarding job because you can see that the profits we make are being used so positively to care for real people.

**Shane Moore**  
Retail Area Manager

Despite the pressures on the retail sector generally, it’s been a very successful year for the Hospice’s Retail team. **Everyone is involved in developing new ideas, meeting challenges and looking at ways to build on our successes.** This team approach keeps everyone enthused and engaged. On a daily basis we hear stories from our customers about their personal experiences of the Hospice and the fantastic care that their loved ones have received. It’s a very rewarding job because you can see that the profits we make are being used so positively to care for real people.

Despite the pressures on the retail sector generally, it’s been a very successful year for the Hospice’s Retail team. **Everyone is involved in developing new ideas, meeting challenges and looking at ways to build on our successes.** This team approach keeps everyone enthused and engaged. On a daily basis we hear stories from our customers about their personal experiences of the Hospice and the fantastic care that their loved ones have received. It’s a very rewarding job because you can see that the profits we make are being used so positively to care for real people.

Princess Alice Hospice provided the most amazing care to my dad from the first moment he was ill. **They were always the first point of call for any problem at all. They were absolutely fantastic.** I have been rowing since the age of nine and with the loss of my father, I decided to put my passion and hard work to a good cause and raise money for three charities that are truly close to my heart – Princess Alice Hospice, Brain Tumour Research and BRACE Alzheimer’s Research.

**Callum Gathercole**

Callum Gathercole, 20, set a Guinness World Record in February 2016 by becoming the youngest solo-trans oceanic rower finishing the gruelling Talisker 3,000-mile Atlantic Row Challenge in 58 days, 15 hours and 15 minutes raising an amazing £280,000 for his charities in doing so.

**In their own words...**
Volunteering

Volunteers have always played a vital part in the success of our Hospice and the past year has seen us invest in programmes to support their development. More than 1,200 volunteers support our charity with around 570 in our shops and 620 volunteering in or from the Hospice. Over 100 of these volunteers also support our fundraising efforts.

Our successes...

Growing the Numbers
We have continued to build our Hospice Neighbour Service. We have doubled the number of volunteers to 24 and provided this service to 49 patients to date.

We have also grown our chaplaincy team volunteers and introduced a new volunteer-led Community Chaplaincy Listening Service to support patients in their own homes.

Our Ward Hospitality volunteers are now supporting our patients at supper time as well as lunchtime, seven days a week, complementing the Ward Support Volunteers role on the In-Patient Unit in the evenings.

Vital Volunteers
Our recruitment and selection processes have enabled the effective and efficient recruitment of over 400 new volunteers in the last financial year, around 60% of those who enquired about volunteering. This has been both into existing Hospice-based volunteer roles, in our new and existing shops and into newly developed roles.

Our Excellence in Volunteering training programme, funded by Health Education England, has now been provided to all patient-facing volunteers as a one day programme supported by online learning. 57 volunteers have completed the training this year and feedback has been very positive. We have also trained 17 Managers in supporting their volunteers.

Investing in Volunteers
We have introduced new Retail Volunteers’ events to ensure that our shop volunteers have the information they need and feel engaged with the Hospice. 83 volunteers attended the three events held this year, covering 16 of our shops. 92% of the volunteers rated the event as good or excellent so we intend to continue with these events, ensuring every retail volunteer is invited to such an event at least every two years.

We have introduced a new quarterly e-Newsletter and refreshed our annual review process. We have offered a range of volunteer events that have been well attended and as we go to press we are currently celebrating volunteers’ long service linked to our 30th anniversary celebrations.
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In their own words...

Zoe Byrne
Head of Volunteer Development

“It has been a real honour to work with our amazing volunteers over the past year. With the support of the Volunteering team, we have grown numbers, diversified our volunteer population by creating more roles for young people and become more flexible and responsive to the needs of the Hospice with our ‘ad hoc’ volunteers.

I am particularly proud of the successful roll-out of our Excellence in Volunteering training. We are also growing our corporate volunteering offer generating income for the Hospice as well as building enthusiastic teams of volunteers from companies such as BP and DHL. I continue to be inspired by the commitment and dedication of our volunteers and look forward to the coming year.”

Beryl Tunnicliff
Chairman, Claygate Friends’ Committee

“I was one of just 50 people in the UK to receive a national award for distinguished voluntary service last July. It was a total surprise, it’s been an honour and a pleasure to work for the Hospice. I’ve met so many wonderful people and had such marvellous support.

Once you mention the Hospice, everyone wants to stop and talk about it.

Beryl, who has volunteered for the Hospice for over 30 years, received The Order of Mercy in 2016 for outstanding voluntary work that has assisted in the relief of sickness and suffering.”

Sylvia Catt-Camfield
Volunteer

“I’ve been a volunteer for some 18 years, working once a week in the Shepperton shop. During that time I’ve done everything from serving on the till, steaming clothes, ironing and sewing. It’s nearly always busy, especially now that we have a popular, well-stocked bridal section. It has also been rewarding to mentor two 17-year-old Ward Support Volunteers this year who were gaining six months of healthcare experience on the In-Patient Unit. They changed so much during those few months; becoming much more confident, it was wonderful to see. I was so proud of them when they received their Care Certificates.”
Communication and Operations

Our Communications and Operations departments provide essential support to both our Senior Management Team and the daily running of the Hospice. The Communications Team acts as an internal consultancy and brand guardian; it creates and delivers messages, materials and integrated campaigns for its “client” departments. Operations embraces the wide-ranging but vital services of Finance, Human Resources, Information and Communications Technology, Facilities, Front of House, House-keeping and Catering.

Our successes...

Communications
Supported by ICT and Human Resources the Communications Team delivered a new intranet for the Hospice, in December 2015. This new work tool, christened dovenet, is becoming the “go to” platform for Hospice news and information.

Notable media and marketing support included the successful campaigns to raise funds for Man Shed, support for Callum Gathercole’s Atlantic Row Challenge and appeals to recruit chaplaincy listening and walk and talk volunteers.

The team also worked with the Head of Quality and Patient Experience to create a new suite of materials to help patients understand the help they can access. For Retail, it provided specialist support for shop openings and offers and helped to create the new look shop frontage.

Facilities, Catering and Clinical Support Services
The Facilities team was re-structured to maximise resources. Two new members joined the team – a Front of House Co-ordinator and a Health and Safety Adviser. The team now provides three days per week support for our Retail Distribution Centre and shops. Staff play a central role in most Hospice projects, most noticeably, the Man Shed project, where they organised key works and supported the planning application process.

To improve employee well being, our Catering team, working with the Dietician, has introduced a healthy eating menu. More homemade options are available from the coffee shop and the Hospice's new vending machine is stocked with a range of healthy snacks.

Human Resources, ICT and Finance
Following our first ever in-house Employee Engagement Survey, HR helped set up the Employee Engagement Group with representatives from across the Hospice who looked at the results and developed recommendations for consideration by the Senior Management Team. This led to the introduction of new initiatives such as the buying and selling of annual leave, guidelines on managing bereavement in the workplace and shadowing in the workplace.

Having helped launch dovenet to all Hospice staff and to the Hospice’s shops, our ICT team will soon begin work on giving access to volunteers in the coming months. The team has also made significant improvements to the Hospice’s telephony system by installing a new switchboard.
Maggie McHale
Operational Services Co-ordinator

This last year has seen a lot of change for our team with the creation of several new roles including my own as Operational Services Coordinator. I support the whole team which means I get a great deal of variety in what I do. No two days are the same and I relish the challenges that come my way.

There is always something new to learn or a situation to deal with that I have not come across before. We have to source a huge number of items and it is great to track down some obscure part and get a good deal. I have learnt that I am really good at shopping no matter what it is for!

Kayleigh Kitcher
Ward Services Assistant

My mum died of Breast Cancer in 2008. She had been cared for by the Hospice in the last two years of her life. In August 2013 I found myself jumping out of an aeroplane in her memory and to raise funds for Princess Alice Hospice. It was so scary to do that jump and exciting too! It was the knowledge of what the Hospice had done for mum and me – and what even a small helping of extra funds could enable the Hospice to do – that enabled me to jump that day! I now work for the hospice as Housekeeping and Ward Services Assistant. I can see the incredible level of gentle and expert support my colleagues and others provide all year round. It’s a privilege to be part of a team delivering such much needed care.

Stuart Gendall
Head of Communications

It gives me a real buzz to work in the Hospice and to be so involved with those we help and with colleagues delivering our care and support. My department is focussed on raising awareness of the work of this special place and over the last year it’s been really pleasing to have enjoyed some great successes spreading the word about wonderful Hospice projects like Man Shed. The advent of our 30th anniversary and the launch of a new five year strategy means there’ll be plenty for Communications’ small team of specialists – in media, internal communications, web and digital marketing – to get their teeth into in the months to come.
Objectives for 2016–17

1 | We will mark 30 years of care and support at our Hospice:
   • By touring our care area to raise awareness.
   • By explaining what we do and seeking to demystify our work.

2 | We will implement our Carers’ Strategy:
   • By introducing a formal carer assessment so that the needs of carers are identified and supported.
   • By developing initiatives that will support each carer to maintain their own physical and emotional wellbeing.
   • By piloting a new volunteer role of ‘Carer Companion’.

3 | We will make Bereavement Support available to more people:
   • By working with partners such as faith organisations and other voluntary organisations that provide bereavement support to provide weekly sessions that are open to all bereaved people.

4 | We will reach more people through our In-Patient Unit:
   • By providing care to patients in two distinct wards to look after patients who require a high level of complex interventions as well as those who may need less specialist input but who never-the-less will benefit from being cared for within the Hospice at the end of their life.
   This will enable more flexibility with our beds and staffing allowing us to care for a greater number of patients.
   • By increasing opportunities to learn and develop:
     - Creating educational opportunities in advanced assessment skills
     - Offering clinical placements to our colleagues from non-specialist settings
     - Providing ‘hands-on’ training in palliative and end of life care.
   • By introducing Clinical Support Worker roles to provide day-to-day support to the senior ward staff, enabling them to spend more time face-to-face with patients.

5 | We will increase awareness and understanding of our Clinical Services:
   • By ensuring that all our information and communications with patients and families is timely, clear and sensitive.

6 | We will share our expertise across diverse care settings:
   • By reaching more care homes with flexible, responsive education programmes.
   • By delivering a range of end of life courses which are accredited within national frameworks such as the Quality Care Framework.
   • By investing in technology to support delivery of education to a wider audience.
   • By increasing our research activity.

7 | We will foster the development of our Man Shed as a space where people can come together to take part in practical activities while supporting each other through challenging life events:
   • By building and developing a volunteer workforce to support Man Shed activities.
   • By planning and delivering a range of sessions for men, women and younger people.
   • By developing cross-organisational projects such as up-cycling donated goods for resale in our Hospice shops.

8 | We will continue to develop new ways to assess the impact of our Care Services and to evaluate their effectiveness:
   • By implementing Outcome Assessment and Complexity Collaborative (OACC) measures to systematically improve the quality of our palliative care.
   • By continuing to place emphasis on direct ‘user’ feedback and a website survey that can be accessed by the public.
   • By ensuring all our patient information and our website highlights how service users can comment or make a complaint about any aspect of our services.

9 | We will continue to work in collaboration and partnership with local Clinical Commissioning Groups, care providers and other voluntary sector organisations.
Princess Alice Hospice was incorporated as a company limited by guarantee on 25 November 1981 and is governed by its Articles of Association. It is registered with the Charity Commission in England and Wales with its registered office at West End Lane, Esher, Surrey KT10 8NA.

Our objectives
The Hospice is an independent charity working across a large part of Surrey, south west London and Middlesex. The care and support we provide is free. We are here to give patients the best possible quality of life and deliver high-quality compassionate care and support. Family, carers and close friends have needs of their own and we are here to provide them with support, comfort and advice at every stage of their loved one’s illness and after death. Through our education and research, we also work to improve end of life care. Founded by our local community, fundraising and community support are crucial to our continuing work as a charity.

How we are governed
Our Board of Trustees is responsible for overseeing the Hospice’s strategy and performance. It is chaired by Ian Elder. The Board meets regularly throughout the year to consider, set and review strategies, policies, budgets, plans and performance. Members of the Hospice’s Senior Management Team provide reports for these meetings and they, and a representative of the Friends’ Committees, attend the meetings and take part in the discussion.

The Board has delegated some of its powers and responsibilities to the following committees: Clinical Strategy, Finance, Fundraising and Communication, Governance, Infrastructure, Investment (merged into Finance during the year), Retail and Remuneration. There is also an Audit Sub-Committee, which reports to the Finance Committee. Each committee has written terms of reference that define its procedures, responsibilities and any areas where the committee has the authority to make decisions without consulting the Board. These terms of reference are agreed by the Board and are reviewed annually.

The membership of committees is made up of Trustees and specific individuals selected as committee members, as described in more detail below. Members of the Senior Management Team also attend committee meetings relevant to them. Each committee’s chairman reports to the Board on the major issues discussed by the committee since the last Board meeting, any decisions made as well as relevant decisions that need to be made by the Board. Minutes of committee meetings are circulated to the Board.

The Board defines and reviews which matters are its own responsibility, which matters can be delegated to its committees and which management and operational matters can be delegated to the Chief Executive. The Board allows the Chief Executive to sub-delegate these matters to members of the Senior Management Team and other staff.

Our committees
The Clinical Strategy Committee is chaired by Jane Hogg and is responsible for overseeing clinical strategy and education. It monitors day to day clinical operations and performance against the annual clinical business plan and education business plan. It brings any divergence from these plans to the Board’s attention, recommending action where necessary. It also oversees relationships with our health and social care partners regarding grants, contracts and service level agreements. The committee monitors health and education policies and keeps the Board informed as appropriate.

The Finance Committee is chaired by Peter Quest and oversees the finances of the Hospice and its subsidiary companies. It is responsible for reviewing and recommending to the Board the financial strategy and the annual budget and monitors performance against these. The committee also oversees the strategy for investing Hospice funds and keeps the Board informed of relevant general changes in the financial environment. With effect from July 2015, the Finance Committee took on the responsibilities of the Investment Committee as outlined below.

The Fundraising and Communication Committee is chaired by Jeannine Nolan (Jonathan Perkins until September 2015).
and deals with fundraising activities (except for NHS grants and retail income), as well as communicating the Hospice’s vision, mission and services to patients, carers, healthcare professionals and the public. It reviews the fundraising and communication strategy and business plans before passing them to the Board for approval.

The Governance Committee is chaired by Ian Elder and deals with the corporate governance of the Hospice. It is responsible for reviewing the appointment and re-appointment of Trustees and committee members and making recommendations with respect to these to the Board. It is also responsible for overseeing the annual review of major risks and reporting on this to the Board as well as reporting to the Board on any changes that may need to be made in order to comply with legal and regulatory requirements.

The Infrastructure Committee is chaired by Christopher Roshier and is responsible for overseeing the Hospice’s physical infrastructure and recommending to the Board, after consultation with the Finance Committee regarding funding, renovations or extensions that it considers advantageous to that infrastructure. It is also responsible for monitoring progress regarding any renovations or improvements being carried out at the Hospice and advising the Board on overcoming any issues that arise with such projects.

The Investment Committee was chaired by Christopher Roshier until it was merged with the Finance Committee in July 2015. Up to that time it was responsible for overseeing the investment of the Hospice’s funds and recommending to the Board the appointment of an investment manager. It reviewed the investment manager’s performance, keeping him aware of any changes in the Hospice’s circumstances which might affect his responsibilities. Now that the Hospice has a single investment manager, having a separate committee is no longer deemed necessary.

The Remuneration Committee is chaired by Ian Elder and meets once a year to consider salary increases for the Chief Executive and members of the Senior Management Team as well as any change proposed in overall remuneration.

The Retail Committee is chaired by Andrew McIntosh and oversees all matters relating to the retail operations of the Hospice. It reviews the retail strategy and the annual retail business plan before passing these to the Board for approval. It monitors the wider retail environment, particularly in respect of other charities, and is responsible for entering into, and renewing, property leases for shops.

The Audit Sub-Committee is chaired by Peter Quest and deals with all audit and internal control matters relating to the Hospice and its subsidiary companies. It reports to the Finance Committee. It manages the relationship with the external auditors and reviews feedback on their work on an annual basis before recommending, or not, their reappointment. It reviews, and recommends to the Finance Committee, the annual financial statements and also reviews, on a regular basis, controls over operational matters.

Our Trustees
The Trustees of the Hospice are the directors of Princess Alice Hospice for the purposes of the Companies Act 2006. There is a short biography of Trustees on pages 44 and 45. One of the Trustees usually serves as Vice Chairman of the Board and Fiona Ross took over this role from Jonathan Perkins on 15 September 2015.

Trustees and committee members are not paid and give their time voluntarily. The Charity Commission has given permission for the Hospice to provide Trustee Indemnity Insurance cover.

Introducing new trustees and committee members
We are particularly pleased to welcome one valued new trustee this year: Gail Cookson.

In addition to trustees, the Board appoints individuals who it considers have the appropriate qualifications and experience to its committees and sub-committees. We appoint new trustees and committee members through a careful selection process, which involves interviews and, usually, public advertisements. People usually serve as a committee member before being considered as a trustee. However, the Board may appoint suitable people direct to the position of a trustee. The Board believes it is vital to get a mix of trustees with medical, legal, financial, investment, fundraising and retail skills, as well as skills and experience drawn from the local community.

Trustees are initially appointed for two years and may then be re-appointed for up to two more four-year periods (a maximum of 10 years). Committee
members are usually appointed to the committee for two years. Their appointment can be renewed, and can continue to be renewed, by mutual agreement. The Board can end the appointment at any time. During the year, there were 13 non-trustee committee members serving on Hospice committees. New trustees and new committee members receive an induction and training specific to their role, as well as attending the Hospice's induction day for all new employees and volunteers.

Our Senior Management Team
The Hospice internal management structure is made up of five directorates, each led by one member of the Senior Management Team. These directorates are:

- **Clinical services** – covering in-patient care, day-patient care, community care, therapeutic care, social work, bereavement care and chaplaincy and education.
- **Medical** – covering doctors including consultants.
- **Finance and operations** – covering finance, information and communication technology, operational services, human resources, volunteering, clinical support services and catering.
- **Fundraising and Communications** – covering all income generation and communication activities apart from that deriving from the NHS or retail activities.
- **Retail** – covering all aspects of the retail shops.

A brief biography of each of the members of the Senior Management Team is on page 45.

Remuneration Policy
The Hospice directly employs medical consultants, doctors, nurses and other allied professional healthcare staff who are paid at a rate equivalent to the relevant national scale for their profession.

For the remainder of our roles when setting salaries we take into account the knowledge, skills, experience and effort needed for the job and market forces affecting recruitment. We benchmark against available information such as comparable roles being advertised locally and charity salary surveys. We take part in salary surveys ourselves and benchmark against a range of our peers.

Our internal controls and risk management processes
The Trustees are responsible for the Hospice's internal control systems and for making sure these continue to be effective. These systems are designed to prevent, as far as possible, material misstatement or loss.

The Hospice has a thorough annual planning and budgeting process which is approved by the Trustees. To help develop this planning, an assessment is made of the care needs we wish to meet and this is then balanced against the income we expect to receive. The Finance Committee reviews the Annual Budget in detail before passing it to the Board for approval.

Our financial reporting system compares actual results against the phased budget each month with the Finance Committee reviewing these results at its meetings. The Audit Sub-Committee reviews specific aspects of internal controls on a rolling basis. When this sub-committee decides to review any specific operational aspect, appropriate members of the senior management team must report on the controls in place in that area.

Note 19 of the Financial Statements shows that last year legacies accounted for 50% (2015 - 36%) and NHS grant income 20% (2015 - 21%), of our total net income. The Board has assumed in its strategic plans that there will not be a significant drop in either source of income over the next few years, but both sources of income depend on decisions which are largely outside the Hospice’s control. However, the Board feels that the Hospice’s balance sheet is sufficiently robust to provide resilience and that our reserves should allow the Hospice to respond if there should be any temporary or long-term reduction in these sources of income.

The Hospice takes a number of steps to deliver our fundraising programme to the highest of standards and to prevent inappropriate fundraising from vulnerable people. We ensure our fundraising, and that of our external agencies, complies with the law and the codes of practice issued by the Institute of Fundraising and external bodies such as OFCOM. In addition in December 2015 we achieved the Fundraising Standards Board (FRSB) accreditation. To find out more about how we fundraise visit www.pah.org.uk/fundraising-approach
Reserves
The Hospice relies heavily on legacies and NHS grant income and these depend on decisions which are largely outside the Hospice's control. Accordingly, the Hospice sets aside funds in a designated Running Costs Reserve to meet future charitable expenditure to cover the situation should there be a significant short-term drop in income.

The Hospice sets a balanced on-going operational budget in cash terms for the coming year. The budget may also incorporate other possible investment initiatives that should be able to pay for themselves within a few years. The amount of investment will depend on how much is available in the Running Costs Reserve for which the Trustees have set a target of 9 months’ (plus or minus 3 months’) budgeted charitable expenditure at the year-end represented 8 months (2015 – 8 months) of the Hospice’s budgeted charitable expenditure for 2016/17.

This year the Hospice has set up a new designated fund, the Strategic Development Reserve, to support the delivery of our next five year strategy 2017-2022. Last year the Hospice set up designated funds for the refurbishment of both the older part of the Hospice building and our retail chain and these have been added to this year. The older part of the building dates from 1993 and is now in need of bringing up to the same standard as the rest of the building and the intention is that within the next year or so this work will be carried out. The use of the funds for the refurbishment of our retail chain are due to be expended in the next 12 months.

Notes 5 to 7 of the Financial Statements provide more detail on these various reserves.

The Trustees consider that the Hospice has sufficient readily available money in current bank and building society accounts and investment funds to enable it to pay for on-going operations during the year to come.

Investments
As set out in the Articles, the Trustees can invest the Hospice’s reserves in banks and building society deposits, stocks, funds, shares or other securities they think are appropriate. The only ethical restriction is that there must be no direct investment in any securities issued by tobacco companies.

The Board has agreed an investment policy which splits the Hospice’s total investments into two portfolios:

- **A Liquid Reserves Portfolio**
  split into two tranches with slightly different investment horizons: the first with an investment time horizon of up to 12 months and the second with an investment time horizon of up to 3 years. The first tranche is held in bank and building society deposits and the second tranche is currently held in Absolute Return Funds; and

- **An Investment Portfolio**
  consisting of funds that the Board does not think will be needed in the short term for working capital. The Investment Policy sets the aim of the Investment Portfolio as being to maximise total return on these funds over five to ten years with medium to low risk.

Both the Liquid Reserves and Investment Portfolios are managed on a discretionary basis by Cazenove Capital Management, a firm of professional investment managers. As at 31 March 2016 the Liquid Reserve fund totalled £2,481,128 (2015 – £2,521,318) and the Investment Portfolio £4,154,219 (2015 – £4,144,306).

The Finance Committee and our investment managers regularly review the performance of the investments in meeting the Hospice’s investment policy. The market value of the Investment Portfolio fell by £122,317 during the year, following an increase of £256,167 in 2014/15. More details about our investments are in Note 11 of the Financial Statements.

Our staff
Our work is only possible because of the dedicated service that our staff provide, and we would like to thank them for their hard work and commitment. The Hospice employs more than 400 people, the equivalent of 303 full-time staff. This compares with 294 full-time staff equivalent in the previous year.

Our volunteers
We are grateful for the work of the 1,200 or so volunteers who willingly and unstintingly give their time at the Hospice, in our shops and for our events, to the great benefit of the Hospice and the people it helps.

- Around 620 volunteers support the Hospice, providing complementary therapies, arranging flowers, working in the coffee shop, carrying out administrative tasks, driving our day-patients to and from the Hospice and maintaining our grounds. Our reception is staffed by volunteers,
Your hospice

and volunteers provide some of the care services, such as bereavement care and support and chaplaincy work.

- Around 570 volunteers keep the Hospice’s shops open six or seven days a week.

Other volunteers are involved in fundraising, including the Friends’ Committees, which organise events in the community and promote the work of the Hospice to raise vital funds.

Volunteers are recruited through advertising. They take part in the Hospice’s induction programme and receive initial and on-going training.

Service users such as patients, families and carers, who have expressed an interest in participating in service design, work with us on steering groups and in other activities where they can influence all areas of service delivery.

A special mention should be made of the support we receive from local celebrities and high-profile individuals, including Michael Aspel and John Inverdale. All of these people willingly take part in activities that raise the profile of the Hospice in the local community.

Public benefit
The Trustees have given careful consideration to the Charity Commission’s guidance on public benefit when setting the Hospice’s aims and objectives and planning its activities and consider the charity to be compliant.

Statement of Trustees’ responsibilities
The Trustees (who are the Directors of the Hospice for the purposes of company law) are responsible for preparing the Trustees’ Annual Report and the financial statements in line with the law and the regulations that apply. Under company law, the Trustees must prepare financial statements for each financial year. Under that law, the Trustees have elected to prepare such statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). By law, these statements must give a true and fair view of the Hospice’s finances, and of the income and expenditure for the financial year.

When preparing these financial statements, the Trustees must:
- choose suitable accounting policies and follow them consistently
- keep to the methods and principles in the Charities’ Statement of Recommended Practice FRS (102)
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on a ‘going concern’ basis, unless the Hospice is unlikely to continue in business.

The Trustees must keep proper accounting records that disclose the Hospice’s financial position to a reasonable level of accuracy at all times and make sure that the financial statements comply with the Companies Act 2006. They are also responsible for protecting the Hospice’s assets and taking reasonable steps to prevent and detect fraud and other unusual activity.

The Trustees believe they have taken all the necessary steps to make the auditors aware of any relevant audit information and have given the auditors a written undertaking to that effect.

They also believe that they have identified the major risks that the Hospice faces. These have been reviewed and systems have been put in place to reduce these risks as far as possible.

Audit
Mazars LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

Approved by the Board of Trustees on 12 July 2016 and signed on its behalf by

Ian Elder
Chairman, Board of Trustees
Princess Alice Hospice
Principal risks and uncertainties facing our Hospice

The Governance Committee oversees the Hospice’s procedures to manage major risks. The committee regularly compares the risks identified by the Board committees and the Senior Management Team and produces a single risk register for the organisation.

The risk register helps us to prioritise risks in terms of the effect they might have and how likely they are to occur. The risk register also identifies the controls, systems and procedures that are in place to mitigate those risks. Each committee reviews relevant risks at its meetings and the Governance Committee and the Board review the whole risk register annually.

The six most significant risks (before mitigation) as identified in the risk register and the mitigation in place are set out below.

- **Changing patient demographics and disease profile:** We regularly monitor these national and regional trends in order to forecast how they will impact on the services we offer and how these services need to be adapted to meet these changing requirements.

- **Key staff shortage:** As in the NHS, we at times experience difficulties in recruiting clinical staff, particularly nurses, at the appropriate level. To address this, we actively engage in workforce planning and have recruitment and retention strategies in place.

- **Damage to reputation:** We have a comprehensive set of policies and procedures in place aimed at ensuring compliance with best practice and legislation. All comments and complaints are promptly responded to and investigated to ensure lessons are learned. In addition there is a communications strategy in place to respond to media comment.

- **Changes in our economic environment and in NHS funding affecting income:** We have diversified our income streams, we monitor our finances closely and we have an appropriate level of reserves.

- **Risk of investing in securities:** We have agreed a detailed Investment Policy and our investments are managed by a professional investment manager in accordance with this Policy. The aim is to maximise total return on the funds over a five to ten year period with medium to low risk, thus minimising the effect of short term fluctuations. The Finance Committee reviews on a regular basis the performance of our investment manager and confirms his compliance with the Investment Policy.

- **Risk of fire, flood or other environmental risks:** We have established a comprehensive plan, which includes evacuation of the premises if appropriate, to manage any such incident. Elements of the plan are tested on a regular basis.
Independent auditor’s report to the members of Princess Alice Hospice

We have audited the financial statements of Princess Alice Hospice for the year ended 31 March 2016 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).

Respective responsibilities of Trustees and auditors
As explained more fully in the Statement of Trustees’ Responsibilities set out on page 28, the Trustees (who are also the directors of the charity 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 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 and of 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.

Opinion on the other matter prescribed by the Companies Act 2006
In our opinion the information given in the Trustees’ Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 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.

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: 7th September 2016
## Consolidated statement of financial activities

(including income and expenditure account)

for the year ended 31 March 2016

### Income

<table>
<thead>
<tr>
<th>Donations and legacies</th>
<th>Unrestricted funds</th>
<th>Designated funds</th>
<th>Restricted funds</th>
<th>Endowment funds</th>
<th>Total funds 2016</th>
<th>Total funds 2015 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Donations</strong></td>
<td>1.5</td>
<td>1,523,374</td>
<td>-</td>
<td>165,784</td>
<td>1,689,158</td>
<td>2,296,556</td>
</tr>
<tr>
<td><strong>Legacies</strong></td>
<td>1.5</td>
<td>5,122,156</td>
<td>-</td>
<td>-</td>
<td>5,122,156</td>
<td>3,368,611</td>
</tr>
<tr>
<td><strong>NHS grants</strong></td>
<td>1.5</td>
<td>2,022,162</td>
<td>-</td>
<td>-</td>
<td>2,022,162</td>
<td>1,991,217</td>
</tr>
</tbody>
</table>

### Other trading activities

| Retail shops | 2 | 5,383,854 | - | - | 5,383,854 | 5,350,491 |
| Fundraising events | 1.5 | 761,496 | - | - | 761,496 | 779,277 |
| Trading subsidiaries | 3 | 860,620 | - | - | 860,620 | 792,146 |
| **Investments** | 1.5 | 119,201 | - | - | 7,693 | 126,894 |

### Charitable activities

| NHS service funding | 1.5 | 249,165 | - | - | 249,165 | 388,405 |
| Education | 1.5 | 212,184 | - | - | 212,184 | 172,841 |
| Other income | 1.5 | 31,903 | - | - | 31,903 | 28,527 |

**Total income**

16,286,115  -  165,784  7,693  16,459,592  15,289,389

### Expenditure

#### Expenditure on raising donations and legacies

| Retail shops | 2 & 4 | 4,682,282 | - | - | 4,682,282 | 4,328,096 |
| Fundraising events | 4 | 173,198 | - | - | 173,198 | 176,337 |
| Trading subsidiaries | 3 & 4 | 495,181 | - | - | 495,181 | 386,821 |

**Total expenditure on raising funds**

5,350,661  -  -  -  5,350,661  4,891,254

#### Expenditure on charitable activities

| In-patient care | 4 | 4,592,166 | - | 2,147 | 7,523 | 4,601,836 | 4,609,894 |
| Princess Alice at home | 4 | 2,491,960 | - | 2,500 | - | 2,494,460 | 2,408,686 |
| Day services | 4 | 625,813 | - | 6,412 | - | 632,225 | 601,189 |
| Patient and family support | 4 | 776,114 | - | 59,318 | - | 835,432 | 832,419 |
| Education | 4 | 748,828 | - | - | 170 | 748,998 | 705,330 |

**Total expenditure on charitable activities**

9,234,881  -  70,377  7,693  9,312,951  9,157,518

**Total expenditure**

15,457,357  -  70,377  7,693  15,535,427  15,050,395

#### Net income before gains/losses

828,758  -  95,407  -  924,165  238,994

#### Net (losses)/gains on investments

11  (122,317)  -  -  (122,317)  256,167

#### Net income

706,441  -  95,407  -  801,848  495,161

#### Transfer to designated funds

Transfer to designated funds 5 (1,156,700) 1,156,700 - -

#### Transfer from restricted funds

Transfer from restricted funds 6 80,429 (80,429) - -

#### Net movement in funds

(369,830) 1,156,700 14,978 - 801,848 495,161

#### Reconciliation of funds

**Total funds brought forward at 1 April 2015**

895,376 14,645,215 54,639 905,041 16,500,271 16,005,110

**Total funds carried forward at 31 March 2016**

525,546 15,801,915 69,617 905,041 17,302,119 16,500,271

Note 5  Note 6  Note 7

All the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. The comparative figures for each fund are shown in Note 8. The Notes on pages 34 to 42 form part of these financial statements.
# Balance sheets

As at 31 March 2016

<table>
<thead>
<tr>
<th>Notes</th>
<th>£</th>
<th>£</th>
<th>£</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intangible assets</td>
<td>9</td>
<td>36,677</td>
<td>58,447</td>
<td>36,677</td>
</tr>
<tr>
<td>Tangible fixed assets</td>
<td>10</td>
<td>7,099,412</td>
<td>7,468,257</td>
<td>7,099,412</td>
</tr>
<tr>
<td>Investments</td>
<td>11</td>
<td>6,635,347</td>
<td>6,665,624</td>
<td>6,636,447</td>
</tr>
<tr>
<td><strong>Total fixed assets</strong></td>
<td></td>
<td>13,771,436</td>
<td>14,192,328</td>
<td>13,772,536</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock</td>
<td>12</td>
<td>19,816</td>
<td>26,785</td>
<td>-</td>
</tr>
<tr>
<td>Debtors</td>
<td>13</td>
<td>3,557,876</td>
<td>1,607,243</td>
<td>3,915,340</td>
</tr>
<tr>
<td>Cash at bank</td>
<td></td>
<td>1,169,330</td>
<td>1,522,790</td>
<td>666,004</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td></td>
<td>4,747,022</td>
<td>3,156,818</td>
<td>4,581,344</td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors: Amounts falling due within one year</td>
<td>14</td>
<td>(1,117,339)</td>
<td>(749,875)</td>
<td>(978,200)</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td></td>
<td>3,629,683</td>
<td>2,406,943</td>
<td>3,603,144</td>
</tr>
<tr>
<td><strong>Total assets less current liabilities</strong></td>
<td></td>
<td>17,401,119</td>
<td>16,599,271</td>
<td>17,375,680</td>
</tr>
<tr>
<td><strong>Provisions for liabilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annuity provision</td>
<td>1.10</td>
<td>(99,000)</td>
<td>(99,000)</td>
<td>(99,000)</td>
</tr>
<tr>
<td><strong>Total net assets</strong></td>
<td></td>
<td>17,302,119</td>
<td>16,500,271</td>
<td>17,276,680</td>
</tr>
</tbody>
</table>

---

The funds of the charity:

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Endowment funds</td>
<td>7</td>
<td>905,041</td>
<td>905,041</td>
<td>905,041</td>
</tr>
<tr>
<td>Restricted income funds</td>
<td>6</td>
<td>69,617</td>
<td>54,639</td>
<td>69,617</td>
</tr>
<tr>
<td>Designated funds</td>
<td>5</td>
<td>15,801,915</td>
<td>14,645,215</td>
<td>15,801,915</td>
</tr>
<tr>
<td>Unrestricted funds</td>
<td></td>
<td>525,546</td>
<td>895,376</td>
<td>500,107</td>
</tr>
<tr>
<td><strong>Total funds of the charity</strong></td>
<td></td>
<td>17,302,119</td>
<td>16,500,271</td>
<td>17,276,680</td>
</tr>
</tbody>
</table>

Approved by the Board of Trustees on 12 July 2016 and signed on its behalf by

I F Elder
Chairman

P J Quest
Honorary Treasurer
Consolidated statement of cash flows
for the year ended 31 March 2016

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016</th>
<th>2015 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Net income for the year</strong> (as per the statement of financial activities) b/fwd from p31</td>
<td>801,848</td>
<td>495,161</td>
</tr>
<tr>
<td>Adjustments for:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortisation</td>
<td>9 &amp; 10</td>
<td>645,556</td>
</tr>
<tr>
<td>Net loss/(gain) on investments</td>
<td>11</td>
<td>122,317</td>
</tr>
<tr>
<td>Investment income</td>
<td></td>
<td>(126,894)</td>
</tr>
<tr>
<td>Decrease/(increase) in stock</td>
<td>12</td>
<td>6,969</td>
</tr>
<tr>
<td>(Increase) in debtors</td>
<td>13</td>
<td>(1,950,633)</td>
</tr>
<tr>
<td>Increase/(decrease) in creditors</td>
<td>14</td>
<td>367,464</td>
</tr>
</tbody>
</table>

**Cash flows from operating activities**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash (used in) operating activities</td>
<td>(133,373)</td>
<td>(170,554)</td>
</tr>
</tbody>
</table>

**Cash flows from investing activities**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income</td>
<td></td>
<td>126,894</td>
</tr>
<tr>
<td>(Purchase) of tangible and intangible fixed assets</td>
<td>9 &amp; 10</td>
<td>(254,941)</td>
</tr>
<tr>
<td>Sale of investments</td>
<td>11</td>
<td>317,444</td>
</tr>
<tr>
<td>(Purchase) of investments</td>
<td>11</td>
<td>(409,484)</td>
</tr>
</tbody>
</table>

**Net cash used in investing activities** | (220,087) | (125,743) |

**(Decrease) in cash in the year** | (353,460) | (296,297) |

**Opening balance at bank** | 1,522,790 | 1,819,087 |

**Closing balance at bank** | 1,169,330 | 1,522,790 |
1. Accounting policies

1.1 Basis of preparation
These financial statements are prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The date of transition to FRS 102 was 1 April 2014.

The charitable company, Princess Alice Hospice (the “Hospice”) meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

1.2 Group financial statements
The financial statements consolidate the results of the Hospice and its wholly-owned subsidiaries PAH Trading Limited and PAH Lottery Limited on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Hospice has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. The income of the Hospice was £15,938,972 (2015: £14,888,243) and the expenditure was £15,040,246 (2015: £14,663,574).

1.3 Reconciliation with 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 and concluded that there were no material restatements. The restatement in respect of 2015 figures only refers to changes between categories.

1.4 Fund accounting
Endowment, restricted, designated and unrestricted funds are separately disclosed in the Balance Sheet and in the Consolidated Statement of Financial Activities. These different funds are defined as follows:
- Endowment funds are funds given to the Hospice where it may use only the income generated from investing these funds.
- Restricted funds are subject to specific restrictive conditions imposed by the donor or by the nature of an appeal.
- Designated funds are set aside at the discretion of the Trustees for specific purposes. They would otherwise form part of unrestricted funds.
- Unrestricted funds are available to use at the discretion of the Trustees in furtherance of the charitable objectives of the Hospice.

1.5 Income
The total income receivable in the year comprises donations, legacies, NHS income, interest, fees from education courses run by the Hospice and other sundry income.

Legacies are recognised as income when it can reasonably be assumed that the Hospice is entitled to the legacy and the amount can be estimated with sufficient reliability.

NHS grants are the block grants that the Hospice receives from NHS Surrey Downs Clinical Commissioning Group, NHS Kingston Clinical Commissioning Group and NHS Richmond Clinical Commissioning Group (the “CCGs”). These are based on historic practice and not related to the level of clinical activity undertaken by the Hospice. They are only agreed for up to one year at a time.

NHS service funding is income received from the CCGs related to the provision of a clinical service, which is normally linked to specific clinical activities undertaken by the Hospice. This may be funding for a new initiative which has been commissioned by a CCG in its care area, such as rapid response night service or a pilot project. Funding is typically received as a percentage contribution (which may be as high as 100% of full direct costs) towards the total costs.

1.6 Donated goods and services
Donated vehicles, plant or furniture are recognised as tangible fixed assets and the corresponding gain recognised as income from donations in the Statement of Financial Activities (“SoFA”). Donated facilities or services are likewise recognised as income from donations on the basis of the value of the gift to the Hospice and an equivalent amount recognised as an expense under the appropriate heading in the SoFA. In the year ended 31 March 2016 an adapted vehicle worth £10,000 was donated to the Hospice. There were no donations of assets or services in the year ended 31 March 2015.

Donated goods for resale are recognised as income when sold and included in income from retail shops in the SoFA. It is not practical to estimate the fair value of these goods on receipt because of the volume of low-value items received and the lack of detailed records.

In accordance with SORP (FRS 102) general volunteer time is not included as income in the accounts as it is not possible to measure this reliably. However, the Hospice relies on the contribution of volunteers and is very grateful for their time. See page 27 for further details.

1.7 Expenditure
Direct costs comprise expenditure incurred during the year both directly and indirectly attributable to the activity concerned. Support costs include the cost of governance, housekeeping, catering, facilities and health & safety, human resources, marketing and communication, finance and administration and depreciation of fixed assets. These have been allocated to activities on a proportionate basis eg by activity level, headcount or on the basis of staff time spent (see Note 4).
Notes to the financial statements  
for the year ended 31 March 2016  

1. Accounting policies (continued)  

1.8 Taxation  
As a registered charity, the Hospice benefits from business rates relief from local Councils and is exempt from direct tax on its charitable activities. From 1 April 2015 the Hospice has been able to claim back VAT on most of its activities, prior to this irrecoverable VAT was included in the cost of those items to which it related. Income tax recoverable in respect of donations under Gift Aid and investment income is included with the income to which it relates.  

1.9 Intangible and tangible fixed assets  
Fixed assets are stated at cost, net of depreciation or amortisation. Depreciation/amortisation is provided at rates calculated to write off the cost in equal instalments over the economic life of the asset at the following annual rates:  

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Depreciation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intangible assets</td>
<td>20%/33%</td>
</tr>
<tr>
<td>Freehold land</td>
<td>0%</td>
</tr>
<tr>
<td>Freehold buildings</td>
<td>4%</td>
</tr>
<tr>
<td>Leasehold buildings</td>
<td>over the remaining life of the lease</td>
</tr>
<tr>
<td>Furniture and equipment</td>
<td>10%</td>
</tr>
<tr>
<td>Medical equipment</td>
<td>20%</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>25%</td>
</tr>
<tr>
<td>ICT equipment</td>
<td>20% / 33%</td>
</tr>
</tbody>
</table>

Items are treated as fixed assets and their costs capitalised only where the purchase price exceeds £1,000.  

The cost of leasehold buildings mainly represents premiums on acquisitions of retail shop leases.  

1.10 Pension costs  
The total employer pension contribution to all schemes for the year ended 31 March 2016 was £551,508 (2015: £518,780). Total contributions of £49,160 (2015: £47,309) were due to be paid after the year end.  

NHS Pension Scheme  
The Hospice makes payments to the NHS Pension Scheme for former NHS employees who, on employment with the Hospice, are eligible to continue in or rejoin the NHS Pension Scheme. The NHS Pension Scheme is an unfunded defined benefit scheme that covers employees of NHS employers, General Practices and other bodies allowed under the direction of the Secretary of State for Health in England and Wales, which includes the Hospice. It is not possible to identify the Hospice’s share of the underlying assets and liabilities and as a result the scheme was treated as a defined contribution scheme under FRS102. However, the scheme is in deficit and the Hospice is paying its share of the deficit on an ongoing basis through its employer contributions at a rate set by the scheme and reviewed annually.  

The employer contribution payable in the year into the scheme was £8,644 (2015: £8,306).  

Annuities  
The Hospice is contracted to pay annual sums for life to two former employees based on a sum of £4,499 per annum in 1998 increased by the Hospice annual salary increase (if any). The sum paid in the year under review was £7,016 (2015: £6,946). This liability is met from income in the year in which it is paid. A provision of £99,000 is retained to cover future unfunded liabilities. The Trustees consider this provision to be adequate.  

1.11 Stock  
Stock purchased for sale is valued at the lower of cost and net realisable value. Stock donated for sale in the Hospice’s retail shops is valued at nil.  

1.12 Operating leases  
The Hospice has entered into various operating leases, the future financial commitment to which is set out in Note 18. Rentals payable under these leases are charged on a straight-line basis over the term of the lease.  

1.13 Investments  
Listed investments are included in the balance sheet at market value. Realised gains and losses on disposals in the year and unrealised gains and losses on investments at the balance sheet date are included in the Consolidated Statement of Financial Activities. The movement in the valuation of investments during the year is set out in Note 11.
2. Retail shops results

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover*</td>
<td>£5,383,854</td>
<td>£5,350,491</td>
</tr>
<tr>
<td>Less cost of operations</td>
<td>(4,492,529)</td>
<td>(4,149,107)</td>
</tr>
<tr>
<td>Gross contribution</td>
<td>891,325</td>
<td>1,201,384</td>
</tr>
<tr>
<td>Less shop development**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Acquisition of new shops</td>
<td>(160,714)</td>
<td>(62,787)</td>
</tr>
<tr>
<td>Refurbishment or relocation of existing shops</td>
<td>(29,039)</td>
<td>(116,202)</td>
</tr>
<tr>
<td>Costs of generating funds - retail</td>
<td>(4,682,282)</td>
<td>(178,989)</td>
</tr>
<tr>
<td>Net contribution</td>
<td>701,572</td>
<td>1,022,395</td>
</tr>
</tbody>
</table>

*Turnover includes £1,625,464 (2015: £1,614,968) of donations and associated Gift Aid of £406,366 (2015: £403,742) from the retail Gift Aid scheme. This scheme involves PAH Trading Limited selling goods on behalf of supporters ("Agency Sales") in the Hospice's retail shops and the supporters then donating the proceeds of the Agency Sales to the Hospice under Gift Aid.

**Shop development costs are the net cost of fitting out or refurbishing our retail shops. Some of the work done is the landlord’s responsibility and will often be paid for by means of granting a rent-free period which is offset against the development costs incurred.

3. Trading subsidiaries

The Hospice has two wholly owned subsidiaries which are incorporated in the UK for the purposes of generating income for the Hospice’s charitable purposes. The whole of their taxable profit is transferred to the Hospice under Gift Aid within nine months of the year end.

The specific activity of each of the trading subsidiaries is:

PAH Trading Limited – sells new and promotional goods as well as receiving commission on agency sales, lets the unutilised meeting room capacity in the Hospice to external users and provides catering services for the benefit of the Hospice and external users;

PAH Lottery Limited – operates lotteries.

<table>
<thead>
<tr>
<th></th>
<th>PAH Trading Ltd</th>
<th>PAH Lottery Ltd</th>
<th>Total 2016</th>
<th>Total 2015 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>£304,126</td>
<td>£556,334</td>
<td>£860,460</td>
<td>£792,022</td>
</tr>
<tr>
<td>Interest received</td>
<td>-</td>
<td>160</td>
<td>160</td>
<td>124</td>
</tr>
<tr>
<td>Income</td>
<td>£304,126</td>
<td>£556,494</td>
<td>£860,620</td>
<td>£792,146</td>
</tr>
<tr>
<td>Cost of sales</td>
<td>(164,366)</td>
<td>(89,470)</td>
<td>(253,836)</td>
<td>(250,278)</td>
</tr>
<tr>
<td>Administrative expenses</td>
<td>(23,829)</td>
<td>(217,516)</td>
<td>(241,345)</td>
<td>(136,543)</td>
</tr>
<tr>
<td>Expenses</td>
<td>(188,195)</td>
<td>(306,986)</td>
<td>(495,181)</td>
<td>(386,821)</td>
</tr>
<tr>
<td>Net profit</td>
<td>£115,931</td>
<td>£249,508</td>
<td>£365,439</td>
<td>£405,325</td>
</tr>
<tr>
<td>Amount distributed to the Hospice</td>
<td>(110,000)</td>
<td>(230,000)</td>
<td>(340,000)</td>
<td>(391,000)</td>
</tr>
<tr>
<td>Retained in subsidiary</td>
<td>£5,931</td>
<td>£19,508</td>
<td>£25,439</td>
<td>£14,325</td>
</tr>
<tr>
<td>Previous year net profit</td>
<td>£133,420</td>
<td>£271,905</td>
<td>£405,325</td>
<td>-</td>
</tr>
</tbody>
</table>

Shareholder’s funds

<table>
<thead>
<tr>
<th></th>
<th>£</th>
<th>£</th>
<th>£</th>
<th>£</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share capital (issued)</td>
<td>£100</td>
<td>£1,000</td>
<td>£1,100</td>
<td>£1,100</td>
</tr>
</tbody>
</table>

4. Total resources expended

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-patient care</td>
<td>£2,880,409</td>
<td>£4,601,836</td>
</tr>
<tr>
<td>Princess Alice at home</td>
<td>£2,222,220</td>
<td>£2,494,460</td>
</tr>
<tr>
<td>Day services</td>
<td>£398,185</td>
<td>£632,225</td>
</tr>
<tr>
<td>Patient and family support</td>
<td>£671,643</td>
<td>£835,432</td>
</tr>
<tr>
<td>Education</td>
<td>£473,921</td>
<td>£748,998</td>
</tr>
<tr>
<td>Raising donations and legacies</td>
<td>£523,714</td>
<td>£871,815</td>
</tr>
<tr>
<td>Fundraising events</td>
<td>£173,198</td>
<td>£173,198</td>
</tr>
<tr>
<td>Retail shops</td>
<td>£4,439,034</td>
<td>£4,682,282</td>
</tr>
<tr>
<td>Trading subsidiaries</td>
<td>£11,782,324</td>
<td>£15,040,246</td>
</tr>
<tr>
<td></td>
<td>£495,181</td>
<td>£495,181</td>
</tr>
<tr>
<td></td>
<td>£12,277,505</td>
<td>£15,535,427</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct costs</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Support costs (See note 1.7)</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Total 2016</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Total 2015 (restated)</td>
<td>£</td>
<td>£</td>
</tr>
</tbody>
</table>

Notes to the financial statements for the year ended 31 March 2016
Analysis of support costs:

<table>
<thead>
<tr>
<th>Basis of apportionment</th>
<th>2016</th>
<th>2015 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Governance</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Time spent</td>
<td>36,593</td>
<td>28,980</td>
</tr>
<tr>
<td>Housekeeping</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Time spent</td>
<td>587,248</td>
<td>594,200</td>
</tr>
<tr>
<td>Catering</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Resource allocated</td>
<td>291,240</td>
<td>279,486</td>
</tr>
<tr>
<td>Facilities and Health &amp; Safety</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Resource allocated</td>
<td>396,431</td>
<td>369,395</td>
</tr>
<tr>
<td>Human resources and volunteers</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Per capita</td>
<td>287,949</td>
<td>244,372</td>
</tr>
<tr>
<td>Information technology</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Time spent</td>
<td>244,372</td>
<td>225,456</td>
</tr>
<tr>
<td>Marketing and Communication</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Resource allocated</td>
<td>275,263</td>
<td>277,451</td>
</tr>
<tr>
<td>Executive, finance and administration</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Time spent</td>
<td>527,349</td>
<td>579,297</td>
</tr>
<tr>
<td>Depreciation (excluding retail)</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Resource allocated</td>
<td>611,477</td>
<td>628,189</td>
</tr>
</tbody>
</table>

3,257,922  3,226,826

The above figures include:

- Auditor’s remuneration:
  - statutory audit: £12,250 (2015: £15,894)
  - tax advisory services: £1,914 (2015: £3,180)

- Operating lease rentals:

- For charitable activities:

- For generating funds:
  - Leasehold retail shops: £1,244,430 (2015: £1,164,644)

- Depreciation/amortisation of owned assets: £645,556 (2015: £663,668)

5. Designated funds

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Asset Equalisation Fund</td>
<td>£7,526,704</td>
<td>£ (390,615)</td>
<td>£7,136,089</td>
<td></td>
</tr>
<tr>
<td>Running Costs Reserve</td>
<td>£6,696,318</td>
<td>£19,508</td>
<td>£6,715,826</td>
<td></td>
</tr>
<tr>
<td>Strategic Development Reserve</td>
<td>£ -</td>
<td>£1,100,000</td>
<td>£1,100,000</td>
<td></td>
</tr>
<tr>
<td>Building Refurbishment Fund</td>
<td>£350,000</td>
<td>£400,000</td>
<td>£750,000</td>
<td></td>
</tr>
<tr>
<td>Retail Shop Refurbishment Fund</td>
<td>£50,000</td>
<td>£50,000</td>
<td>£100,000</td>
<td></td>
</tr>
<tr>
<td>Man Shed Fund</td>
<td>£22,193</td>
<td>£(22,193)</td>
<td>£ -</td>
<td></td>
</tr>
</tbody>
</table>

14,645,215  -  1,156,700  15,801,915

The designated funds are made up of the following:

The Fixed Asset Equalisation Fund represents the net book value of fixed assets used for charitable purposes. This assists in identifying funds which are not free for the Trustees to use. The transfer of £390,615 (2015: £256,523) out to unrestricted funds represents the difference between net capital expenditure and depreciation/amortisation.

The Running Costs Reserve has been set up by the Trustees in recognition of the need for adequate readily realisable resources to meet future charitable expenditure in the event of a significant short-term drop in income and the Trustees are targeting a level of 9 months +/- 3 months budgeted charitable expenditure. A transfer of £19,508 (2015: Nil) has been made from unrestricted funds. The balance on this fund at the year end is 8 months (2015:8) of the Hospice’s budgeted charitable expenditure for 2016/17.

The Strategic Development Reserve has been established to support the delivery of the Hospice’s new five year strategy for 2017/18 – 2021/22. A transfer of £1,100,000 has been made from unrestricted funds (2015: Nil).

The Building Refurbishment Fund has been established to build up sufficient funds to cover the cost of refurbishing the oldest part of the Hospice building which is now 24 years old. Such refurbishment is currently envisaged to commence in the next 12 – 24 months. A transfer in of £400,000 has been made from unrestricted funds (2015: £350,000).

The Retail Shop Refurbishment Fund has been established in recognition that the Hospice needs to invest in a programme to upgrade the older shops in the charity retail shop chain. A transfer in of £50,000 has been made from unrestricted funds (2015: £50,000). The refurbishments are planned to commence in September 2016.

The Man Shed Fund was set up with the proceeds of a dedicated fundraising appeal to raise funds for a building in the Hospice grounds where beneficiaries can meet together, learn new skills and help each other, in a supportive environment. Building of the Man Shed commenced in March 2016 and the building was handed over in May 2016.
### 6. Restricted funds

<table>
<thead>
<tr>
<th>Description</th>
<th>2015 Income</th>
<th>2015 Expenditure</th>
<th>Transfers</th>
<th>2016 Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ward equipment fund</td>
<td>£7,451</td>
<td>(1,612)</td>
<td>(4,621)</td>
<td>£6,414</td>
</tr>
<tr>
<td>Children in Need project</td>
<td>£13,525</td>
<td>(43,002)</td>
<td>(20,500)</td>
<td>£6,907</td>
</tr>
<tr>
<td>Mortuary</td>
<td>£20,500</td>
<td>(6,687)</td>
<td>(4,112)</td>
<td>£7,985</td>
</tr>
<tr>
<td>Community Choir</td>
<td>£5,410</td>
<td>(5,470)</td>
<td>(5,200)</td>
<td>£908</td>
</tr>
<tr>
<td>Bereavement Service</td>
<td>£2,698</td>
<td>(4,700)</td>
<td>(2,500)</td>
<td>£2,851</td>
</tr>
<tr>
<td>Day Hospice</td>
<td>£1,927</td>
<td>(2,300)</td>
<td>(2,851)</td>
<td>-</td>
</tr>
<tr>
<td>Man Shed</td>
<td>£55,308</td>
<td>(55,308)</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Hospice Neighbours</td>
<td>£35,000</td>
<td>(10,309)</td>
<td>(10,000)</td>
<td>£24,691</td>
</tr>
<tr>
<td>Dementia friendly room</td>
<td>£10,000</td>
<td>(3,572)</td>
<td>(10,000)</td>
<td>-</td>
</tr>
<tr>
<td>Other Funds</td>
<td>£3,128</td>
<td>(10,000)</td>
<td></td>
<td>£9,861</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>£54,639</td>
<td>(70,377)</td>
<td>(80,429)</td>
<td>£69,617</td>
</tr>
</tbody>
</table>

The policy of the Trustees is to treat donations given for specific purposes as Restricted Funds until properly expended. The funds shown are those which were directed by donors to be used for specific purposes and are unexpended at 31 March 2016. These funds will be used in accordance with the directions of the donors in a subsequent accounting period. Transfers represent items purchased as fixed assets where the restriction is expended on purchase of the asset.

### 7. Endowment funds

<table>
<thead>
<tr>
<th>Description</th>
<th>2015 Income</th>
<th>2015 Expenditure</th>
<th>2016 Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Edwin Stevens fund</td>
<td>£40,000</td>
<td>(340)</td>
<td>£40,000</td>
</tr>
<tr>
<td>The D.J. Squires “Love of Roses” fund</td>
<td>£20,000</td>
<td>(170)</td>
<td>£20,000</td>
</tr>
<tr>
<td>The June Daphne Allen fund</td>
<td>£845,041</td>
<td>(7,183)</td>
<td>£845,041</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>£905,041</td>
<td>(7,693)</td>
<td>£905,041</td>
</tr>
</tbody>
</table>

The Edwin Stevens fund relates to a permanent capital contribution received on establishment of the Hospice. The D.J. Squires “Love of Roses” fund was established in 1996, the income from which is to be used for the research and advance of palliative care. The June Daphne Allen fund was created by the conditions of a legacy received in July 2001, the income from which is to be used for the general purposes of the Hospice. All income arising from these funds was expended during the year.

### 8. Comparative results for each group of funds

<table>
<thead>
<tr>
<th>Description</th>
<th>Unrestricted funds</th>
<th>Designated funds</th>
<th>Restricted funds</th>
<th>Endowment funds</th>
<th>Total funds 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total income</strong></td>
<td>£15,193,635</td>
<td>-</td>
<td>87,699</td>
<td>8,055</td>
<td>£15,289,389</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Raising donations and legacies</td>
<td>£1,001,623</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>£1,001,623</td>
</tr>
<tr>
<td>Retail shops</td>
<td>£4,328,096</td>
<td></td>
<td>-</td>
<td>-</td>
<td>£4,328,096</td>
</tr>
<tr>
<td>Fundraising events</td>
<td>£176,337</td>
<td></td>
<td>-</td>
<td>-</td>
<td>£176,337</td>
</tr>
<tr>
<td>Trading subsidiaries</td>
<td>£386,821</td>
<td></td>
<td>-</td>
<td>-</td>
<td>£386,821</td>
</tr>
<tr>
<td>In-patient care</td>
<td>£4,597,736</td>
<td>-</td>
<td>4,281</td>
<td>7,877</td>
<td>£4,609,894</td>
</tr>
<tr>
<td>Princess Alice at Home</td>
<td>£2,402,551</td>
<td>-</td>
<td>6,135</td>
<td>-</td>
<td>£2,408,686</td>
</tr>
<tr>
<td>Day services</td>
<td>£577,616</td>
<td>15,801</td>
<td>7,772</td>
<td>-</td>
<td>£601,189</td>
</tr>
<tr>
<td>Patient and family support</td>
<td>£788,912</td>
<td></td>
<td>43,507</td>
<td>-</td>
<td>£832,419</td>
</tr>
<tr>
<td>Education</td>
<td>£704,243</td>
<td></td>
<td>909</td>
<td>178</td>
<td>£705,330</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td>£14,963,935</td>
<td>15,801</td>
<td>62,604</td>
<td>8,055</td>
<td>£15,050,395</td>
</tr>
</tbody>
</table>

**Net gains on investments**

- £256,167

**Net income/(expenditure)**

- £485,867

**Transfer to designated funds**

- (495,472)

**Transfer from restricted funds**

- (4,630)

**Net movement in funds**

- (4,975)
9. Intangible assets

<table>
<thead>
<tr>
<th>Cost or valuation</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 April 2015</td>
<td>212,445</td>
<td>213,998</td>
</tr>
<tr>
<td>Purchases</td>
<td>9,797</td>
<td>31,567</td>
</tr>
<tr>
<td>At 31 March 2016</td>
<td>222,242</td>
<td>245,565</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Amortisation</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 April 2015</td>
<td>153,998</td>
<td>153,998</td>
</tr>
<tr>
<td>Charge for year</td>
<td>31,567</td>
<td>31,567</td>
</tr>
<tr>
<td>At 31 March 2016</td>
<td>185,565</td>
<td>185,565</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net book value</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31 March 2016</td>
<td>36,677</td>
<td>36,677</td>
</tr>
<tr>
<td>At 31 March 2015</td>
<td>58,447</td>
<td>58,447</td>
</tr>
</tbody>
</table>

10. Fixed assets

<table>
<thead>
<tr>
<th>Cost or valuation</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1 April 2015</td>
<td>71,586</td>
<td>71,586</td>
</tr>
<tr>
<td>Purchases</td>
<td>11,090,303</td>
<td>11,090,303</td>
</tr>
<tr>
<td>Disposals</td>
<td>65,723</td>
<td>65,723</td>
</tr>
<tr>
<td>At 31 March 2016</td>
<td>71,586</td>
<td>71,586</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,491,824</td>
<td>1,491,824</td>
</tr>
<tr>
<td>Charge for year</td>
<td>88,177</td>
<td>88,177</td>
</tr>
<tr>
<td>Disposals</td>
<td>3,198</td>
<td>3,198</td>
</tr>
<tr>
<td>At 31 March 2016</td>
<td>71,586</td>
<td>71,586</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Net book value</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 31 March 2016</td>
<td>6,623,291</td>
<td>6,910,468</td>
</tr>
<tr>
<td>At 31 March 2015</td>
<td>6,910,468</td>
<td>6,910,468</td>
</tr>
</tbody>
</table>

11. Investments

<table>
<thead>
<tr>
<th>Marketable investments</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market value at start of year</td>
<td>6,665,624</td>
<td>6,665,624</td>
</tr>
<tr>
<td>Net additions at cost</td>
<td>6,569,541</td>
<td>6,569,541</td>
</tr>
<tr>
<td>Disposals at market value</td>
<td>409,484</td>
<td>409,484</td>
</tr>
<tr>
<td>Net (loss)/gain on revaluation/disposal</td>
<td>(317,444)</td>
<td>(317,444)</td>
</tr>
<tr>
<td>Market value at 31 March</td>
<td>6,635,347</td>
<td>6,635,347</td>
</tr>
<tr>
<td>Trading subsidiaries (see Note 3)</td>
<td>1,100</td>
<td>1,100</td>
</tr>
<tr>
<td>Total investments</td>
<td>6,636,447</td>
<td>6,666,724</td>
</tr>
</tbody>
</table>

| Cost at 31 March | 6,198,154 | 6,116,689 |

<table>
<thead>
<tr>
<th>Marketable investments comprise:</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equities</td>
<td>2,576,886</td>
<td>2,665,309</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>437,221</td>
<td>450,223</td>
</tr>
<tr>
<td>Other securities (absolute return funds, multi-asset funds, property funds, etc.)</td>
<td>1,759,644</td>
<td>1,028,774</td>
</tr>
<tr>
<td>Short term deposits and cash</td>
<td>1,861,596</td>
<td>2,521,318</td>
</tr>
<tr>
<td>Total investments</td>
<td>6,635,347</td>
<td>6,665,624</td>
</tr>
</tbody>
</table>
12. Stock

All stock is held by PAH Trading Limited.

13. Debtors

14. Creditors - amounts falling due within one year

*During the reporting period the Hospice was joint beneficiary with another Hospice of a residual legacy. Evidence was presented to the Trustees that the will did not dispose of the testator’s estate in the manner really intended. The Trustees of both Hospices agreed that they were under a moral obligation to fulfill the testator’s wishes and have therefore applied to the Charity Commission for permission to make an ex-gratia payment. A provision of £90,000 has been made in respect of this payment.

15. Staff remuneration
15. Staff remuneration (continued)

<table>
<thead>
<tr>
<th>Average number of employees</th>
<th>2016</th>
<th>2015 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Headcount</td>
<td>FTE</td>
</tr>
<tr>
<td>In-patient unit</td>
<td>63</td>
<td>50</td>
</tr>
<tr>
<td>Princess Alice at Home</td>
<td>44</td>
<td>38</td>
</tr>
<tr>
<td>Day services</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Patient and family support</td>
<td>15</td>
<td>13</td>
</tr>
<tr>
<td>Consultants and doctors</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td>Clinical administration</td>
<td>14</td>
<td>11</td>
</tr>
<tr>
<td>Therapies</td>
<td>15</td>
<td>9</td>
</tr>
<tr>
<td>Housekeeping</td>
<td>23</td>
<td>17</td>
</tr>
<tr>
<td>Other support services</td>
<td>28</td>
<td>25</td>
</tr>
<tr>
<td>Education</td>
<td>8</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>223</td>
<td>180</td>
</tr>
<tr>
<td>Marketing and communication</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Fundraising</td>
<td>19</td>
<td>16</td>
</tr>
<tr>
<td>Retail</td>
<td>153</td>
<td>97</td>
</tr>
<tr>
<td>Executive and finance</td>
<td>7</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>183</td>
<td>123</td>
</tr>
<tr>
<td></td>
<td>406</td>
<td>303</td>
</tr>
</tbody>
</table>

The number of employees whose earnings (excluding employer’s pension contributions) fell into the bands below were:

<table>
<thead>
<tr>
<th>Band</th>
<th>2016 No.</th>
<th>2015 (restated) No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>£60,000 to £69,999</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>£70,000 to £79,999</td>
<td>2</td>
<td>-</td>
</tr>
<tr>
<td>£80,000 to £89,999</td>
<td>-</td>
<td>*1</td>
</tr>
<tr>
<td>£90,000 to £99,999</td>
<td>*1</td>
<td>-</td>
</tr>
<tr>
<td>£130,000 to £139,999</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

*Chief Executive
The numbers above include medical doctors and consultants directly employed by the Hospice.
The key management personnel of the Hospice are the Trustees and the Senior Management Team.
The Senior Management Team is made up of the Chief Executive, Medical Director, Director of Patient Care and Strategic Development, Director of Fundraising, Marketing and Communication, Director of Finance and Operations and Retail Director. They are subject to the same terms and conditions as other members of staff and do not receive any additional employee benefits. They are only reimbursed for expenses necessarily incurred for business purposes in accordance with Hospice policy. The total employee benefit (salary and employer’s pension contribution) received by the Senior Management Team was £533,546 (2015: £527,318).
The Trustees are the directors for the purposes of the Companies Act 2006 and, as required by the Articles of Association, are the members of Princess Alice Hospice, a Company Limited by Guarantee. They receive no remuneration. During the year to 31 March 2016 they were not reimbursed for any expenses.

16. Related party transactions

During the year ended 31 March 2016 the aggregate amount of donations received from Trustees and their close family members, the Senior Management Team and their spouse/partner was £5,683 (2015: £6,151).
The Trustees volunteer their time to attend internal and external meetings, provide support and advice to the Senior Management Team, attend Hospice events and represent the Hospice at external events. The Trustees estimate that during the year they donated over 2,000 hours of time in aggregate.

Gail Cookson, Trustee, is Fundraising Director of WPN Chameleon a company providing direct marketing services. During the reporting period WPN Chameleon provided direct marketing services to the Hospice of £10,618 (2015: £112,395). There were no outstanding balances at 31 March 2016.

Jonathan Perkins, Trustee, is a Lay Member for Governance on the Governing Body of NHS Surrey Downs CCG, which commissions end of life care from the Hospice on behalf of both Surrey Downs CCG and North West Surrey CCG. During the year ended 31 March 2016 Surrey Downs CCG contributed £1,192,444 (2015: £1,174,944) of funding to the Hospice.
17. Analysis of net assets between funds

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds</th>
<th>Designated funds</th>
<th>Restricted funds</th>
<th>Endowment funds</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed assets</td>
<td>-</td>
<td>7,136,089</td>
<td>-</td>
<td>-</td>
<td>7,136,089</td>
</tr>
<tr>
<td>Investments</td>
<td>-</td>
<td>5,730,306</td>
<td>-</td>
<td>905,041</td>
<td>6,635,347</td>
</tr>
<tr>
<td>Current assets</td>
<td>1,741,885</td>
<td>2,935,520</td>
<td>69,617</td>
<td>-</td>
<td>4,747,022</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>(1,117,340)</td>
<td>-</td>
<td>-</td>
<td>(1,117,340)</td>
<td>(1,117,340)</td>
</tr>
<tr>
<td>Annuity provision</td>
<td>(99,000)</td>
<td>-</td>
<td>-</td>
<td>(99,000)</td>
<td>(99,000)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>525,545</td>
<td>15,801,915</td>
<td>69,617</td>
<td>905,041</td>
<td>17,302,118</td>
</tr>
</tbody>
</table>

18. Other financial commitments

At 31 March 2016 the group was committed to making the following payments under non-cancellable operating leases:

<table>
<thead>
<tr>
<th>Payments due:</th>
<th>2016</th>
<th>2015 (restated)</th>
<th>2016</th>
<th>2015 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within 1 year</td>
<td>1,085,547</td>
<td>1,021,567</td>
<td>20,226</td>
<td>23,341</td>
</tr>
<tr>
<td>Within 2 to 5 years</td>
<td>2,482,966</td>
<td>2,141,831</td>
<td>80,904</td>
<td>93,364</td>
</tr>
<tr>
<td>After 5 years</td>
<td>1,742,531</td>
<td>1,424,583</td>
<td>5,369</td>
<td>28,710</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>5,311,044</td>
<td>4,587,981</td>
<td>106,499</td>
<td>145,415</td>
</tr>
</tbody>
</table>

19. Simplified income and expenditure statement

All the figures shown below are taken from the consolidated statement of financial activities.

<table>
<thead>
<tr>
<th>Income</th>
<th>2016</th>
<th>2016</th>
<th>2015 (restated)</th>
<th>2015 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>NHS grants</td>
<td>2,022,162</td>
<td>20%</td>
<td>1,991,217</td>
<td>21%</td>
</tr>
<tr>
<td><strong>Voluntary income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legacies</td>
<td>5,122,156</td>
<td>50%</td>
<td>3,368,611</td>
<td>36%</td>
</tr>
<tr>
<td>Donations*</td>
<td>1,689,158</td>
<td></td>
<td>2,296,556</td>
<td></td>
</tr>
<tr>
<td><strong>Cost of raising voluntary income</strong></td>
<td>(871,815)</td>
<td></td>
<td>(1,001,623)</td>
<td></td>
</tr>
<tr>
<td>Fundraising events</td>
<td>761,496</td>
<td>8%</td>
<td>779,277</td>
<td></td>
</tr>
<tr>
<td>Cost of fundraising events</td>
<td>(173,198)</td>
<td></td>
<td>(176,337)</td>
<td></td>
</tr>
<tr>
<td><strong>Trading subsidiaries</strong></td>
<td>860,620</td>
<td>6%</td>
<td>792,146</td>
<td>6%</td>
</tr>
<tr>
<td>Cost of trading subsidiaries</td>
<td>(495,181)</td>
<td></td>
<td>(386,821)</td>
<td></td>
</tr>
<tr>
<td><strong>Retail</strong></td>
<td>365,439</td>
<td>4%</td>
<td>405,325</td>
<td>4%</td>
</tr>
<tr>
<td>Retail income</td>
<td>5,383,854</td>
<td>7%</td>
<td>5,350,491</td>
<td></td>
</tr>
<tr>
<td>Cost of retail</td>
<td>(4,682,282)</td>
<td></td>
<td>(4,328,096)</td>
<td></td>
</tr>
<tr>
<td>Investment income</td>
<td>126,894</td>
<td>1%</td>
<td>121,318</td>
<td>1%</td>
</tr>
<tr>
<td>NHS service funding</td>
<td>249,165</td>
<td>2%</td>
<td>388,405</td>
<td>4%</td>
</tr>
<tr>
<td>Education</td>
<td>212,184</td>
<td>2%</td>
<td>172,841</td>
<td>2%</td>
</tr>
<tr>
<td>Other</td>
<td>31,903</td>
<td>0.3%</td>
<td>28,527</td>
<td>0.3%</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>10,237,116</td>
<td>100%</td>
<td>9,396,512</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditure</th>
<th>2016</th>
<th>2016</th>
<th>2015 (restated)</th>
<th>2015 (restated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charitable activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In-patient care</td>
<td>(4,601,836)</td>
<td>49%</td>
<td>(4,609,894)</td>
<td>50%</td>
</tr>
<tr>
<td>Princess Alice at home</td>
<td>(2,494,460)</td>
<td>27%</td>
<td>(2,408,686)</td>
<td>26%</td>
</tr>
<tr>
<td>Day services</td>
<td>(632,225)</td>
<td>7%</td>
<td>(601,189)</td>
<td>7%</td>
</tr>
<tr>
<td>Patient and family support</td>
<td>(835,432)</td>
<td>9%</td>
<td>(832,419)</td>
<td>9%</td>
</tr>
<tr>
<td>Education</td>
<td>(748,998)</td>
<td>8%</td>
<td>(705,330)</td>
<td>8%</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td>(9,312,951)</td>
<td></td>
<td>(9,157,518)</td>
<td></td>
</tr>
<tr>
<td>Operating Surplus</td>
<td>924,165</td>
<td></td>
<td>238,994</td>
<td></td>
</tr>
</tbody>
</table>

*In 2014/15 donations included £400,000 of income from the Lord Mayor of London's appeal and £159,720 from a contingent asset held to 19 September 2014.*
Thank you for helping us continue caring when it matters.

We are hugely grateful to the trusts, foundations and Masonic Lodges who have supported our work this year. Your valued support has enabled us to invest in our dedicated staff team, and ensured care and support for the thousands of local patients, and their families and carers who need our specialist services.

As a hospice, unlike many other charities, we have patients in constant need of care.

We need to keep paying the everyday costs that allow us to provide that care. This means it is vital to protect every penny of our reserves, so that we can continue caring for as long as possible if the worst should happen and funding should no longer be available.

Thank you for making this possible.

A special thank you!

Trusts and Foundations
The Albert Hunt Trust
The Ann Jane Green Trust
The Anna Hammond Fund
The Ardwick Trust
The Artemis Charitable Trust
Barnabas Trust at Stewards Company Limited
BBC Children in Need
Benecerey Charitable Trust
The Bookhams, Fetcham & Effingham Nursing Association
The Bothwell Charitable Trust
The Brock Webb Trust
The Charles Skey Charitable Trust
The Cliff Richard Organisation
Diocese of Arundel and Brighton
E K & D Wright Trust
Edwin George Robinson Charitable Trust
The Elizabeth Frankland Moore and Star Foundation
Ember Chapter
Excel Fund
F G Roberts Charitable Trust
The Foresters Charity Stewards UK Trust
Forster Charitable Trust
The Francis Winham Foundation
Freemasons Grand Charity
The G E Birtwistle Memorial Trust
Garfield Weston Foundation
The Gerald Bentall Charitable Trust
The Girdlers Company
Golden Bottle Trust
Holloway Charitable Trust
I Vassiliou Charitable Trust
The Ingram Trust
Institute of Our Lady of Mercy
The J A H Trust
The Joseph Strong Frazer Trust
Kingston Nursing Association
London Aged Christian Society
London Catalyst
The Lynn Foundation
Michael Shanly Charitable Trust
Nicky Vassiliou Charitable Trust
O’Neill Family Trust
The Orr Mackintosh Foundation
The Patricia Baines Trust
Peter Culverhouse Memorial Trust
The Rayne Foundation
Reuben Foundation
The Roger Raymond Charitable Trust
Roger Vere Foundation
The Rowan Bentall Charitable Trust
The Rozel Trust
The Shirley & Ian Watson Charitable Trust
Sir Edward Lewis Foundation
Soor Sangam Charity
The Souter Charitable Trust
The Swire Charitable Trust
The Taylor Trust
The Three “T” Charity
Vernon N. Ely Charitable Settlement
The Vodafone Foundation
Westmount Trust
The William Allen Young Trust
The William Henry Way Bequest Trust

Masonic Lodges
Abbey Lodge No 2120
Addlestone Lodge 5222 Benevolent Fund
Albany Lodge 2652
Arabian Milo 882 Lodge
Lodge Aretas No 4268
Astede Lodge Chapter
Beaux Arts Lodge No 4049
Benefacta Lodge No 4049
Blenheim Park Lodge No 8981
Chertsey Abbey Chapter
Chingestown Lodge No 5542
Claygate Lodge No 7930
Corinthian Lodge
Egyptian Lodge
Elbridge Chapter Lodge 5838
Elmbridge Lodge L5838
Ernest Etherington Lodge 10266
Floreat Lodge No 4659
Good Companions Lodge of Instruction 7524
Lodge of Integrity 5251
Lodge of Moral Precepts
Lodge Purley Masonic No 3136
Mersey Lodge 5434
Old Boys Lodge No 2500
Provincial Grand Chap of Surrey
Royal Standard Chapter
Rupert Patterson Lodge
Septem Chapter Lodge
Southborough Lodge
Spirit of St Georges
St Georges Esher Lodge
St Peters Lodge No 7406
The Oddfellows Mid-Surrey District Lodge 3713
Wickham Lodge No 1924
Who’s who?

**Trustees**
Year ended 31 March 2016

**Ian Elder**
Chairman
Ian joined the Board of Princess Alice Hospice in September 2007. His father-in-law died at the Hospice, and witnessing the good care he received, Ian wanted to offer his support by becoming a Trustee. Previously, he was a partner at the law firm Allen & Overy. Since his retirement, he has sat on the boards of various charities.

**Professor Fiona Ross CBE**
Vice Chairman
Fiona did a degree in nursing at Edinburgh University before becoming a district nurse and later moving into academic roles, teaching community nursing, carrying out research at King’s College London and most latterly working as Dean at Kingston University and St George’s, University of London. She now has part time roles at the Leadership Foundation for Higher Education and the South London Health Innovation Network. She is Board Advisor to Hounslow and Richmond Community Health NHS Trust.

**Peter Quest**
Honorary Treasurer
Peter retired as a partner in PricewaterhouseCoopers in the summer of 2005, having worked there for some 31 years. He wanted to give something back to the community and make use of his Chartered Accountancy skills and so he joined the Board of Trustees as Treasurer in March 2007, having served as a committee member throughout the previous year.

**Gail Cookson**
Gail has over 25 years’ experience in fundraising, starting at Help the Aged in direct marketing. Since then she has worked in a number of different roles and has been a Director of WPN Chameleon, a direct and digital agency in London for 12 years. She first advised the Hospice when it started to recruit new supporters on the back of the Dig Deep Appeal in 2005. Since then she has been a member of the Fundraising and Communications committee. She joined the Board in 2015. She is married with a grown up daughter. She lives in Headley in Hampshire.

**Ann Duncan**
Ann Duncan has had a long career in the NHS, moving from front line clinician to Director of Nursing and Quality. She has worked in Social Care as well as for the Care Quality Commission. She is now an independent Consultant. A strong advocate of improving standards and quality through innovation and learning, her experience includes risk, governance, safeguarding and development of quality metrics.

**Jane Formby MBE**
Jane is our longest serving Trustee, having joined the Board of Princess Alice Hospice in 1983. Jane was a PA and Medical Secretary in Harley Street and Wimpole Street. After she married she became involved in a wide range of voluntary work. Jane was Vice-Chairman of the Appeal Committee, which was set up in the 1980s to raise funds for the Hospice.

**Professor Sean Hilton**
Sean is Emeritus Professor at St George’s, University of London. He was a GP partner for 30 years in Kingston upon Thames, and appointed Professor at St George’s in 1993. Throughout his clinical and academic career he was committed to palliative care and is continuing this interest with the Hospice.

**Jane Hogg**
Jane first joined the Princess Alice Hospice Board in 2009 and has been the Chairman of the Clinical Strategy Committee since 2011. Jane is the Integration Director at Frimley Park Hospital NHS Foundation Trust. Prior to joining the NHS, Jane worked in the charity sector.

**Andrew McIntosh**
Andrew joined the Board of Trustees in 2007, having served as a committee member throughout the previous year. After studying Philosophy, Politics & Economics at Oxford University, Andrew joined the rail industry where he has worked in a number of commercial roles, across public and private sectors.

**Jeannine Nolan**
Jeannine joined the Board in September 2012. She runs her own independent communications consultancy, which has a strong bias towards the healthcare sector. After studying French and Spanish at Trinity College, Dublin, Jeannine gained a postgraduate diploma in Business Studies with Languages at Edinburgh University.

**Jonathan Perkins**
Jonathan joined the Board of Trustees in 2006 and is a member of various other committees. Jonathan joined City law Firm Linklaters in 1990, becoming a partner in 2000. He retired from the City in 2008.
In July 2015, Jonathan was appointed to the Governing Body of NHS Surrey Downs CCG as a Lay Member for Governance.

Christopher Roshier
Christopher Roshier became a Trustee in September 2011. As a Chartered Accountant he spent 20 years in the City as a merchant/investment banker. Christopher felt that as a Trustee he could use his skills and expertise to the benefit of the Hospice.

Sean Watson
Sean joined the Board in October 2012 and is a member of the Governance and the Finance Committees. He read law at Manchester University. He is a consultant to City law firm CMS Cameron McKenna, where he was until recently a partner. He is also a Non-Executive Director of Argus Media.

Dr Peter West
Peter is a health economist with over 40 years’ experience working for consulting groups, universities and government agencies across the UK, Ireland, Australia, USA and in developing countries on a wide range of cost-effectiveness studies in health economics. He has had two terms as a non-executive director of NHS Trusts. He continues to work as a freelance consultant to pharmaceutical firms and NHS bodies.

Advisors

Cazenove Capital Management
12 Moorgate, London EC2 6DA

Mazars LLP
Times House, Throwley Way, Sutton, Surrey SM1 4AF

Barclays Corporate
Ranger House, Walnut Tree Close, Guildford, Surrey GU1 4UL

Senior Management Team
Year ended 31 March 2016

Nicki Shaw
Chief Executive
Nicki joined Princess Alice Hospice as Chief Executive in March 2011. Before that she worked for more than ten years at the British Heart Foundation (BHF), most recently as Programme Director for Prevention and Care. Her career has spanned the commercial, regulatory and voluntary sectors. She has enjoyed the opportunity of taking the learning and experience gained within one sector and applying them effectively into another, cementing her practical experience by studying for a Masters in Public Administration at Warwick Business School.

Dr Craig Gannon
Medical Director
Craig was appointed Medical Director in June 2013 and has been working as a Consultant at the Hospice since December 1996. Craig initially worked in general practice before re-training in Palliative Medicine, completing his Masters in Palliative Medicine at the University of Wales, Cardiff in 2003. Craig established the Ethics Committees at Princess Alice Hospice and St. Peter's Hospital and was elected to the Association of Palliative Medicine's Ethics Committee in 2009. He has published over 40 papers.

Diane Rickwood
Director of Finance and Operations and Company Secretary
Diane trained in industry with British Aerospace, studied for a B.A. (Hons) degree in Accounting and Finance and went on to qualify as a Chartered Management Accountant. After employment in the retail sector and specialist accountancy recruitment she moved into the not-for-profit sector as Bursar for a Voluntary Aided school. She joined Princess Alice Hospice in 2002, became Finance Director in 2008, and has held her present post since April 2012.

Phil Seal
Director of Retail
Phil was appointed Retail Director in 2013 having previously held the roles of Business Development and Operations Manager. Prior to joining Princess Alice Hospice in 2008, Phil had a progressive career in the commercial sector in numerous senior management roles for leading High Street retailers.

Nigel Seymour
Director of Fundraising, Marketing and Communication
Nigel joined the Hospice in 2007. He has worked in the charity sector since leaving University with a degree in Media Communication. He started out as a corporate and event fundraiser at Sense, the deaf blind charity, and then developed his fundraising knowledge in the fields of mass participation events, direct marketing, legacies and communications at Crusaid, the national charity for HIV/AIDS.

Lesley Spencer
Director of Patient Care and Strategic Development
Lesley moved from the NHS to the Hospice in 2011 initially as the community team manager. Previously she worked at Ashford and St Peters Hospital as Consultant/Lead nurse for Cancer and Palliative Care. Lesley is also an honorary lecturer at the University of Surrey and a Facilitator of the nationally recognised advanced communication skills course. She completed her MSc in Pain management at Cardiff University in 2006.
“You matter because you are you. You matter to the last moment of your life, and we will do all we can, not only to help you die peacefully, but to live until you die.”

Dame Cicely Saunders,
Founder of the modern hospice movement

Contact us
Princess Alice Hospice
West End Lane, Esher
Surrey KT10 8NA
01372 468811
enquiries@pah.org.uk
www.pah.org.uk

Join us at pahospice