

Annual Report and Accounts

for the year ended 31 March 2012

**INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

CONTENTS

CHAIR AND TRUSTEES' REPORT	2
LETTER FROM THE CHAIR.....	3
1. STRUCTURE, GOVERNANCE AND MANAGEMENT	5
2. AIMS AND OBJECTIVES	11
3. STRATEGIC REVIEW	11
4. FINANCIAL REVIEW	12
5. PLANS FOR THE FUTURE.....	13
INDEPENDENT AUDITOR'S REPORT	15
STATEMENT OF FINANCIAL ACTIVITIES	17
BALANCE SHEET	18
NOTES TO THE FINANCIAL STATEMENTS.....	19

**CHAIR AND TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2012**

The trustees present their report with the financial statements of the charity for the year ended 31st March 2012.

REFERENCE AND ADMINISTRATIVE DETAILS

Charity number	1123314
Company number	06525170
Principal address and registered office	Salisbury Hospice Odstock Road Salisbury, SP2 8BJ
Trustees	Dr Shaun McGee (Chair) Ceri Hurford-Jones (Vice-chair) Colette Martindale (Honorary Secretary) Robert Newman (Treasurer) Mr Ian Downie Dr Chris Glaysher Mr Doug McKenna Andrew Mercer Dr Debbie Vyas
Chief Executive	Sara Morley
Auditors	Fawcetts Chartered Accountants and Statutory Auditors Windover House St Ann Street Salisbury, SP1 2DR
Bankers	National Westminster Bank plc 48 Blue Boar Row Salisbury, SP1 2DF
Solicitors	Trethowans London Road Office Park London Road Salisbury, SP1 3HP
Investment Managers	Cazenove Capital Management Limited 12 Moorgate London, EC2R 6DA

LETTER FROM THE CHAIR

This has been another very important year in the development of the charity as we continue to build on past achievements and develop an organisation even better able to support and secure the high quality specialist palliative care services in and for our communities.

The task would be challenging enough in a stable fiscal climate but, as many will be aware, the tightening of the public purse-strings resulted in a request to the charity towards the end of the financial year for an additional £318,000 to ensure that the range of Salisbury Specialist Palliative Care Services remained relatively untouched by the cuts imposed elsewhere in the NHS. The trustees agreed to this request and this means that in 2011-12 the charity provided in total £1.15m towards the running costs of the service compared to £910,953 in 2010-11.

This was our first full year with our chief executive, Sara Morley, in post and it has been both a busy and exciting time. While superficially it may seem that not a great deal has changed nevertheless I and the board of trustees are delighted to reflect in this annual report the overall rapid progress that we have seen in developing us into to a modern, fully compliant and progressive charity.

This is to be celebrated but in the context of the public sector finances to which I allude above, it is also timely and essential. Our income this year was £2,063,525 (including £746,759 from Wiltshire PCT) against an income last year of £1,422,622. This is undoubtedly a strong performance, however the pressure is now on the charity more than ever to safeguard the future of specialist palliative care services in our community in a climate of public sector austerity the like of which has arguably not been seen for several generations.

For this and other reasons the trustees agreed that the chief executive undertook a rigorous strategic review of the charity, interviewing 45 stakeholders to gain a better understanding of our current position and what our future direction should be. Based on the findings of the review the charity trustees agreed 5 overarching strategic aims for the next 3 years, and I am delighted to report that work has already begun on achieving those aims.

As part of fulfilling these aims our committee structure has been developed to support more efficiently and effectively the work of the main board. Specifically a Nominations Committee, Remuneration Committee and an Executive Board have been created with responsibilities for trustee/chair recruitment, employment/HR for charity staff, and strategic development with commissioning partners and service provider respectively. We are in the midst of a change in NHS commissioning structures hence it is more important than ever to work closely with our current commissioning partner, Wiltshire PCT, and our future commissioning partner Sarum Clinical Commissioning Group, and we believe the Executive Board, with representation from all commissioning bodies and Salisbury NHS Foundation

Trust, will help create and sustain a robust service for the future, better able to respond to the rapidly changing landscape of demographics and public funding.

It is with very great sadness that I must report the passing of Derrick Alford. As a founding trustee and leading light of the charity, vice chair for 20 years and latterly, along with his wife Vida, one of our most staunch and loyal supporters Derrick will be greatly missed. It is no exaggeration to say that without Derrick's work and support the specialist palliative care service in our region would not be where it is today. The funeral service held in January at St Francis' Church in Salisbury was quite literally packed to the rafters. No surprise for a man who gave unstintingly to the community of which he was part. His life of service to that community is and has been an inspiration to many and we will always be in his debt.

And last but not least my thanks to all our supporters and volunteers who have made this year so successful. Quite simply your support has ensured the success of the charity going forward and your continuing support is vital to the future of Salisbury Hospice.

DR SHAUN MCGEE
CHAIR

1. STRUCTURE, GOVERNANCE AND MANAGEMENT

1.1. Who we are

Salisbury Hospice Charity (the working name of Salisbury Hospicecare Trust Limited registered charity number 282484), was established by a Deed of Trust dated 1st April 1981. On 1st April 2008 the charity was incorporated as a limited company, Salisbury Hospicecare Trust Limited registered charity number 1123314. A scheme to transfer the assets of the charity to the limited company was approved by the Charity Commission on 15th January 2009. The charity changed its working name to Salisbury Hospice Charity in July 2012.

1.2. What we do

By fundraising and careful management of the charity's net assets – which at March 2012 totalled £4,280,904 – the charity is both joint commissioner with Wiltshire Primary Care Trust and grant maker to Salisbury NHS Foundation Trust for the provision of specialist palliative care services.

The primary objectives of the charity are the relief of suffering in cancer and other life limiting illnesses and the promotion of related research. The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities and setting any grant making policy for the year. The charity carries out these objectives through the financial support of the palliative care services based in Salisbury Hospice run by Salisbury NHS Foundation Trust.

1.3. The specialist palliative care services we support

There are 7 key strands to the services provided by Salisbury Hospice, patients and relatives may access some or all of these services as needed. All patients are referred by their GP.

1.3.1. Inpatients. In 2011-12 the hospice saw 247 inpatients in the 10 bed unit. More than half of the inpatients who came to the hospice left to return home and the average length of stay was around 12 days. Bed occupancy over the year averaged 89.4%.

1.3.2. Day Centre. The Peter Gillam Day Centre provides services to both inpatients and patients from the community. It is a place where patients can relax and take part in fun activities. Last year 71 patients used the day centre.

1.3.3. Community Care. The community care team is made up of 7 qualified nurses with at least five years' experience plus specialist training in palliative care. Patients are referred via GPs and district nurses. The team offers advice and support to patients and acts as a conduit to hospice services. The service covers a

wide area, reaching south as far as Ringwood, north to Upavon, east to Bramshaw and west to Mere. The number of patients visited by the community care team in 2011-12 was 537, including 2,438 home visits and over 8,900 telephone consultations.

1.3.4. Hospital Palliative Care Team. Salisbury Hospice is unique in having a hospital palliative care team who support patients within the main hospital building of Salisbury District Hospital. Last year the team met with 457 patients and made 1,788 visits to patients in Salisbury District Hospital.

1.3.5. Family Support and Bereavement Counselling. The Family Support Team is made up of 3 social workers who work with both patients and their families. In 2011-12 the team supported 295 patients, made 650 visits and 1,478 phone calls. The team also provides bereavement counselling, using a volunteer model, for up to a year. This includes individual sessions, group sessions and telephone calls. The group sessions allow people in a similar situation to go on and create their own support group. The number of relatives who received bereavement counselling in 2011-12 was 143 and includes 608 visits and 765 phone calls.

1.3.6. Medical Team Patient Reviews. The team of 3 specialist palliative care consultants met with 439 patients in 2011-12 and made 357 phone calls, over and above supporting the 247 inpatients.

1.3.7. Therapy Team. The team of 3 therapists includes a physiotherapist, a therapy assistant and an occupational therapist. In 2011-12 they met with over 170 patients, made over 470 phone calls and 1,644 visits including 1,036 visits to patients in Salisbury District Hospital.

1.4. Trustees

The charity is administered by a board of nine unpaid trustees. They have been selected from a variety of relevant backgrounds including medical, nursing, accounting, law, personnel management, public relations and community representatives. The trustees meet quarterly and in addition oversee finance and investments, recruitment and pay, and the work of the officers to the trustees. All policy decisions are taken by the board of trustees.

Staff recruitment and remuneration is now overseen by the Remuneration Committee, set up in September 2011.

In recognition of the changing charity landscape and the increased need for trustees with particular professional skills in February 2012 the Nominations Committee was set up to oversee the recruitment and induction of new trustees. The role of the committee is to identify and recommend new trustees, who will then be ratified by the board.

Alongside a structured trustee recruitment process a formal induction programme will be developed.

In March 2012 the Executive Board was set up, a partnership board with representation from both commissioning bodies (the charity and currently Wiltshire PCT) and the service deliverer Salisbury NHS Foundation Trust. The role of the board is to support, advise and make recommendations on service development and sustainability.

1.5. Profiles of the trustees

Dr Shaun McGee (chair of Board and member of F & I, Nominations and Remuneration Committees, chair of Executive Board)

Shaun has been a trustee of the charity since 2006 and chair of trustees since 2007. He is also a member of the Finance and Investment Committee since February 2011. He was educated at the University of Oxford and studied medicine at St Thomas' Hospital Medical School, London. He was appointed Consultant Radiologist in Salisbury in November 1995, from his previous post as Associate Professor in Radiology, Duke University Medical Centre, North Carolina, USA. He is also an examiner for the Royal College of Radiologists, and a member of the National Cancer Peer Review team. He is supported by his wife Janet, who is a GP partner in Fordingbridge.

Ceri Hurford-Jones (vice chair and member of Remuneration Committee)

Ceri has been a trustee of the charity since 2006. He is the managing director of independent local radio station Spire FM in Salisbury, where he has been based for over twelve years. Other posts held by Ceri include: Vice Chair of The Salisbury City Centre Partnership, Director of Salisbury and District Chamber Of Commerce, a member of The Salisbury Diocese Communication Group and board member of Salisbury Cathedral Enterprises Ltd.

Robert Newman (trustee, chair of F & I Committee and member of Nominations Committee and Executive Board)

Robert has been a trustee of the charity since 2009. He was born and educated in Salisbury and qualified as a chartered accountant with a local firm before joining one of the "Top" firms in Southampton. He joined Moore Stephens as a partner in 1985. Robert is also treasurer of Salisbury & District Chamber of Commerce.

Colette Martindale (trustee and chair of Remuneration Committee)

Colette has been a trustee of the charity since 2004. She started her nursing career as a student nurse in 1973 at St Thomas' Hospital, London. After qualifying she continued to work at St Thomas' as a staff nurse, night sister and for the final two years as an Orthopaedic Ward Sister. She moved to Salisbury in 1989 and has worked in various senior nurse roles at the hospital. Colette is currently the Directorate Senior Nurse for Clinical Support and Family Services and she is also a Governor of the Foundation Trust.

Dr Debbie Vyas (trustee and member of F & I Committee)

Debbie has been a trustee of the charity and a member of the Finance and Investment Committee since 2008. She is a GP at Three Swans Surgery in Salisbury.

Mr Doug McKenna (trustee and past treasurer)

Doug has been a trustee of the charity since 1995. He has been clinical lead for gynaecological cancer surgery since 1989 at Salisbury NHS Foundation Trust and is an Honorary Lecturer at Southampton University. He is also a volunteer examiner at Al-Quds University Medical School, the first Palestinian university with campuses in both Jerusalem and the West Bank. Until 5 years ago Doug was in a band playing Eastern European folk music which released two albums and played at several festivals. He is still an occasional performer.

Mr Ian Downie (trustee and chair of Nominations Committee)

Ian has been a trustee since 2010. After studying Dentistry in Liverpool where he worked in a variety of jobs in hospitals and the community, Ian migrated to the warmer climate of the south coast. He then studied medicine in Southampton and trained in general surgery before completing specialist training in Maxillofacial surgery on the south coast. In 2002 he was appointed consultant Oral and Maxillofacial Surgeon at Salisbury NHS Foundation Trust. Ian has run the south coast head and neck anatomy course for 14 years and is on the faculty for Head and Neck Anatomy at the Royal College of Surgeons and held the post of Salisbury post graduate dental tutor for 7 years. Ian was the clinical director for cancer services for three years and is currently the clinical director of the musculoskeletal directorate at Salisbury NHS Foundation Trust.

Andrew Mercer (trustee and member of Nominations Committee)

Andrew was appointed a trustee of the charity in December 2006. Qualifying as a solicitor in 1989, Andrew has been a partner with Trethowans LLP since 1995, joining its management board in 2003 and becoming chair in 2009. A collaboratively trained family lawyer and accredited specialist with Resolution he is recognised in both Chambers and the Legal 500. Previously a competitive swimmer and long distance World Record holder he is now an avid sports supporter through his children, who play county hockey, as well as reluctant stable hand at their BSJA show jumping and one-day eventing. Andrew is also a Bath Rugby season ticket holder.

Dr Chris Glaysher (trustee)

Chris has been a trustee of the charity since 2001. On completing GP vocational training Chris was appointed a partner in his training practice, retiring from St Ann Street surgery in 2005. He was actively involved in medical education as a GP Trainer and was past chair of the Wessex RCGP Faculty, he was also a cancer lead for Wiltshire PCT. He has worked as a specialty doctor in the hospice since 2002.

1.6. Our staff

During 2011/12 the following members of staff worked for Salisbury Hospicecare Trust Limited:

- Sara Morley (chief executive)
- Sue Turnbull (fundraising administrator)
- Celia Scott (fundraising administrator)
- Liz Bacon (finance administrator)
- Zak Saykoug (database manager)

1.7. Finance and Investment Committee

The Finance and Investment Committee meets quarterly before the meeting of the main trustee board. The committee oversees all financial matters of the charity and receives regular reports from both the charity's investment managers and auditors.

Members

Robert Newman (chair)

Debbie Vyas (trustee)

Shaun McGee (trustee)

1.8. Remuneration Committee

The committee was set up in September 2011 to oversee and make recommendations to the main board on staff recruitment, training and remuneration.

Members

Colette Martindale (chair)

Ceri Hurford-Jones (trustee)

Shaun McGee (trustee)

Sara Morley (chief executive)

1.9. Nominations Committee

The Nominations Committee was set up in February 2012 to oversee the recruitment and induction of new trustees, including any new chair. The role of the committee is to identify and recommend new trustees to the main board. New trustees will then join the board at the charity's next AGM.

Members

Ian Downie (chair)

Andrew Mercer (trustee)

Robert Newman (trustee)

Shaun McGee (trustee)

Sara Morley (chief executive)

1.10. Executive Board

This partnership board was set up in March 2012 with representation from the commissioning bodies, currently the charity and Wiltshire PCT, and Salisbury NHS Foundation Trust. The purpose of the board is to:

- develop, own and ensure delivery of an agreed strategic plan for Salisbury Specialist Palliative Care Services;
- be responsible for planning on a five year cycle, with built-in annual review;
- oversee, monitor and support service development and budgets for Salisbury Specialist Palliative Care Services in accordance with the strategic plan;
- make recommendations to the individual organisation boards on matters relating to budget and future plans for Salisbury Specialist Palliative Care Services. The individual boards of the three member organisations to be responsible for any final decision.

Members

Shaun McGee (chair)

Sara Morley (chief executive)

Robert Newman (trustee)

Dr Helen Kirk (lead clinician, Salisbury Hospice)

Sarah Chantler (senior nurse, Salisbury Hospice)

Malcolm Cassells (director of finance, Salisbury NHS Foundation Trust)

Peter Hill (chief operating officer, Salisbury NHS Foundation Trust)

Jenny Kirby (Wiltshire PCT)

1.11. Risk Management

The trustees actively review the major risks which the charity faces on a regular basis and believe that maintaining the reserves at the levels stated in **4.3** combined with the annual review of the controls over key financial systems carried out through an internal review programme, will provide sufficient resources in the event of adverse conditions. The trustees have also examined other operational and business risks which the charity faces and confirm that they have established systems to mitigate any significant risks.

1.12. Partnerships - Wiltshire PCT and Salisbury NHS Foundation Trust

The charity has an on-going shared contract with Wiltshire Primary Care Trust to purchase jointly the full range of palliative care services from Salisbury NHS Foundation Trust. Therefore it supports patients, relatives and carers in the area covered by Salisbury NHS Foundation Trust benefit, which includes all of Wiltshire and parts of Hampshire and Dorset. The commissioners, ie currently Wiltshire PCT and Salisbury Hospicecare Trust Limited, meet with Salisbury NHS Foundation Trust on a quarterly basis to review delivery of the contract. The charity also has a direct relationship with Salisbury NHS

Foundation Trust and makes grants outside the contract for specific projects not covered by the contract.

2. AIMS AND OBJECTIVES

The charity provides financial support for the palliative care service based at Salisbury Hospice, and for the relief of suffering in cancer and other life limiting illnesses and the promotion of related research. The aim of the charity is to fund, jointly with Wiltshire Primary Care Trust, the full range of palliative care services from Salisbury NHS Foundation Trust. In addition the charity provides funding for services over and above the contracted expenditure, as requested by clinical advisors.

3. STRATEGIC REVIEW

During the summer of 2011 the chief executive of the charity, Sara Morley, undertook a major strategic review of the work of the charity. As part of the review 45 stakeholders were interviewed from across the board, including volunteers, patients, staff, relatives, donors and trustees to find out what they thought the charity was about and what they thought the charity should be about. Interviews were also undertaken with chief executives from other hospice charities.

It became clear as a result of the interviews that many people were confused by the charity's role as funder, but not provider, of Salisbury Palliative Care Services. Many also thought the charity only paid for the extras, not the 60% of the service it currently funds. Some people did not know the charity even existed. The interviews highlighted the issues around lack of profile and lack of awareness and the need to clarify the charity's medium and long term plans. Following on from the review the following overarching aims were adopted:

- 1. *To have clearly defined aims and objectives.***
- 2. *To develop an effective partnership with Salisbury NHS Foundation Trust and existing and future co-commissioning bodies.***
- 3. *To raise the profile and visibility of the charity both internally and externally to facilitate grant making and fundraising.***
- 4. *To demonstrate accountability and transparency in all its operations and processes.***
- 5. *To create a clearly defined long term fundraising strategy.***

FINANCIAL REVIEW

4.1. Money received – money spent

Income from fundraising, investments and other activities (ie excluding the grant from Wiltshire Primary Care Trust) amounted to £1,316,766 (2010/11: £683,622). Expenditure amounted to £2,160,554 (2010/11: £1,872,088) or excluding the Wiltshire PCT funding £1,413,795 in 2011/12 (2010/11: £1,133,088). The charity ended the year with a net deficit of £97,029 (2010/11: deficit of £449,466).

Unrealised losses on investments were £55,303 (2010/11: surplus of £192,080). This meant that there was an overall net deficit for the year of £152,332 (2010/11: deficit of £257,386).

4.2. Investments and management of funds

The quoted investments are managed by investment manager Cazenove Capital Management Limited, who are authorised to make transactions on a discretionary basis. The attitude of the trustees to risk is medium/low and the total return to the charity is to be maximised by both capital appreciation and income growth. The investment manager reports to the chief executive who in turn reports to the trustees on a regular basis.

Like many voluntary sector organisations the charity has benefited from substantial income from legacies which by their very nature are unpredictable. Conversely the charity's expenditure, which is mainly composed of salaries, is largely predictable and requires payment to be made on a regular basis. The charity therefore holds adequate liquid funds in short term deposits to ensure that monies are available when needed and are not subject to short term stock market fluctuations.

4.3. Reserves policy

The trustees continue to monitor the level of the charity's reserves that amount to £4,280,904 (2010/11: £4,433,236) which they believe to be adequate.

<i>Designated Funds</i>	<i>2011/12</i>	<i>2010/11</i>
Protection of Services Fund	£1,682,000	£2,000,000
Care in the Community Fund	-	£532,459
Facilities Improvement Fund	-	£712,519
<i>Unrestricted Funds</i>	<i>2011/12</i>	<i>2010/11</i>
General Fund	£2,580,722	£1,177,910

The Protection of Services Fund was established to enable the current level of activities to be maintained if the funding arrangements with Wiltshire Primary Care Trust were to be significantly reduced. In 2011/12 the fund was used to protect the service from the impact of a

shortfall in funding of £318,000, identified by the NHS trust in the summer of 2011.

The General Fund includes funds both unrestricted and undesignated and is used to smooth out fluctuations in voluntary and investment income. The trustees took the decision to undesignate the Care in the Community Fund and the Facilities Improvement Fund because it was felt it would be simpler for reporting purposes. These funds are now amalgamated under the unrestricted General Fund.

At the end of the year under review there were free reserves of £382,822.

5. PLANS FOR THE FUTURE

Following on from the Strategic Review work has begun on 5 year costed business plan for Salisbury Palliative Care Services to be presented to the Executive Board in June 2012. This will underpin the future fundraising strategy of the charity and will be reported fully in the annual report for 2012-13.

PUBLIC BENEFIT

The trustees of Salisbury Hospicecare Trust Limited have taken note of the Charity Commission guidance on Public Benefit.

TRUSTEE RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year.

In doing so the trustees are required to:

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

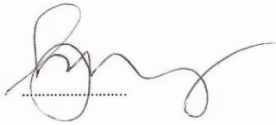
The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the Companies Act 2006.

The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each trustee has taken all the steps that he or she ought to have taken as a trustee in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board of Trustees on the 24th August 2012 and signed on their behalf by:

A handwritten signature in black ink, appearing to read 'S. McGee', written over a horizontal dotted line. The signature is fluid and cursive.

Dr Shaun McGee
Chair

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF SALISBURY HOSPICECARE TRUST LIMITED

We have audited the financial statements of Salisbury Hospicecare Trust Limited for the year ended 31st March 2012 which comprise the Statement of Financial Activities, the Balance Sheet, 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).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF THE TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implication for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2012, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTERS 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 trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Simon Ellingham FCA DChA (Senior Statutory Auditor)
for and on behalf of Fawcetts
Chartered Accountants and Statutory Auditors
Windover House
St Ann Street
Salisbury
SP1 2DR

Dated: 24th August 2012



**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2012**

	Notes	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
INCOMING RESOURCES						
Income from charitable activities						
Grants from Primary Care Trust		746,759	-	-	746,759	739,000
Income from trading activities	2	52,314	-	-	52,314	42,283
Income from generated funds						
Donations and gifts	3	317,333	-	11,565	328,898	232,803
Legacies		628,059	-	-	628,059	129,023
Fundraising		187,771	-	-	187,771	167,291
Fees and other income		2,992	-	-	2,992	6,088
Investment income	4	116,732	-	-	116,732	106,134
Total incoming resources		2,051,960	-	11,565	2,063,525	1,422,622
RESOURCES EXPENDED						
Costs of generating funds						
Fundraising and publicity	5	57,583	-	-	57,583	60,470
Trading expenses	2	7,889	-	-	7,889	11,690
Charitable activities	5	1,745,607	318,000	3,731	2,067,338	1,771,000
Governance costs	5	27,744	-	-	27,744	28,928
Total resources expended		1,838,823	318,000	3,731	2,160,554	1,872,088
NET INCOMING/(OUTGOING) RESOURCES		213,137	(318,000)	7,834	(97,029)	(449,466)
OTHER RECOGNISED GAINS AND LOSSES						
Gains/(losses) on investment assets						
Realised		(20,728)	-	-	(20,728)	2,896
Unrealised		(34,575)	-	-	(34,575)	189,184
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		157,834	(318,000)	7,834	(152,332)	(257,386)
TRANSFERS BETWEEN FUNDS		1,244,978	(1,244,978)	-	-	-
NET MOVEMENT IN FUNDS		1,402,812	(1,562,978)	7,834	(152,332)	(257,386)
Fund balances brought forward at 1 April 2011		1,177,910	3,244,978	10,348	4,433,236	4,690,622
Fund balances carried forward at 31 March 2012		2,580,722	1,682,000	18,182	4,280,904	4,433,236

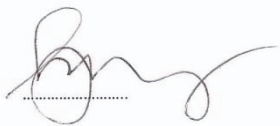
The statement of financial activities includes all gains and losses recognised in the year. All incoming resources and resources expended derive from continuing activities.

**BALANCE SHEET
AS AT 31 MARCH 2012**

	Notes	2012 £	2011 £
FIXED ASSETS			
Tangible assets	8	13,156	20,034
Investments	9	3,866,744	4,234,107
		<u>3,879,900</u>	<u>4,254,141</u>
CURRENT ASSETS			
Stock	10	1,423	1,678
Debtors	11	103,526	15,657
Cash at bank and in hand		480,650	303,734
		<u>585,599</u>	<u>321,069</u>
CREDITORS			
Amounts falling due within one year	12	<u>(184,595)</u>	<u>(141,974)</u>
NET CURRENT ASSETS		<u>401,004</u>	<u>179,095</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,280,904 =====	4,433,236 =====
FUNDS			
Unrestricted funds		2,580,722	1,177,910
Designated funds	13	1,682,000	3,244,978
Restricted funds	14	18,182	10,348
		<u>4,280,904</u>	<u>4,433,236</u>
		=====	=====

The financial statements were approved by the Board of Trustees on the 24th August 2012 and signed on its behalf by:

Dr Shaun McGee
Chair



Mr Robert Newman
Treasurer



The notes on pages 19 to 28 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice, Accounting and Reporting by Charities: Charities SORP 2005, applicable accounting standards and the Companies Act 2006.

The charity has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement.

Income Recognition

Income received for specific purposes is treated as restricted. All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Voluntary income is accounted for on a receipts basis.

Investment income is accounted for in the period in which the charity is entitled to the receipt.

Legacies are included when the charity is advised by the personal representative of an estate that payment will be made or property transferred and the amount involved can be quantified.

Income tax recoverable in relation to investment income is recognised at the time the investment income is received.

Resources Expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the SOFA.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of charitable activities.

Governance costs are those incurred in connection with the administration of the charity and compliance with constitutional and statutory requirements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

Depreciation

Depreciation is calculated to write down the cost or valuation, less estimated residual value, of all tangible fixed assets over their expected useful lives. This applies to assets with a value of £250 or more. The bases used to calculate depreciation are as follows:

Computers	Straight line over three years
Office equipment	Straight line over five years

Funds Accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds are unrestricted funds which have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds subject to specific restrictive conditions imposed by donors or by the purpose of an appeal. Such donations and grants are treated as income in the year of receipt. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

Consolidated Accounts

The charity has a dormant subsidiary company, Salisbury Hospice Trading Limited, which has never traded and which has no assets or liabilities. Consolidated accounts have not been prepared as the trustees are of the opinion that they would be of no real value to the members in view of the insignificant amounts involved.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

2. TRADING ACTIVITIES

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Income:					
Hospice shop	35,369	-	-	35,369	29,541
Sale of purchased goods	16,945	-	-	16,945	12,742
Total Income	52,314	-	-	52,314	42,283
Expenses:					
Cost of goods for resale	7,889	-	-	7,889	11,690
Total Expenses	7,889	-	-	7,889	11,690
Net surplus/(deficit)	44,425	-	-	44,425	30,593

Since 2008, the charity has run The Hospice Shop in partnership with Dorothy House Hospice. Income and expenditure is shared equally. Since 1st April 2010, Dorothy House Hospice has given the charity 50% of the net income after deduction of operating expenditure.

3. DONATIONS AND GIFTS

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Individuals	152,666	-	1,565	154,231	78,492
In Memoriam	116,095	-	-	116,095	112,698
Organisations and Trusts	48,572	-	10,000	58,572	41,613
	317,333	-	11,565	328,898	232,803

4. INVESTMENT INCOME

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Listed investments	115,897	-	-	115,897	105,228
Bank deposit interest	835	-	-	835	906
	116,732	-	-	116,732	106,134

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

Fundraising and Publicity

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Staff costs	28,837	-	-	28,837	32,379
Direct events expenses	11,950	-	-	11,950	24,131
Publicity and public relations	16,796	-	-	*16,796	3,960
	57,583	-	-	57,583	60,470

* In the period to 31 March 2012 investment had begun in the identity and communications of the charity, as part of the strategic review.

Charitable Activities

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Administration:					
Staff costs	126,528	-	-	126,528	109,105
Office costs	15,986	-	-	15,986	5,974
Other costs	20,600	-	-	20,600	10,780
Depreciation	6,878	-	-	6,878	6,878
Hospice:					
Clinical contract fee	1,311,439	-	-	1,311,439	1,325,372
NHS recharges	185,585	318,000	-	503,585	208,940
General Hospice expenses	38,161	-	1,757	39,918	71,927
Training and education	10,636	-	-	10,636	7,164
Family support service	2,815	-	-	2,815	1,561
Peter Gillam Day Centre	26,979	-	1,974	28,953	23,299
	1,745,607	318,000	3,731	2,067,338	1,771,000

Governance Costs

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2012 £	Total 2011 £
Audit fee	5,640	-	-	5,640	3,400
Consultancy fees	13,230	-	-	13,230	19,534
Legal fees	8,874	-	-	8,874	5,994
Trustees' expenses	-	-	-	-	-
	27,744	-	-	27,744	28,928

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

6. NET INCOMING RESOURCES FOR THE YEAR

This is stated after charging/crediting:

	2012	2011
	£	£
Depreciation	6,878	6,878
Auditors' remuneration	4,020	3,400
	<u>10,898</u>	<u>10,278</u>

7. STAFF COSTS

	2012	2011
	£	£
Wages and salaries	136,311	94,311
Social security costs	11,882	5,986
Pension costs	7,172	-
Pay in lieu of notice	-	41,187
	<u>155,365</u>	<u>141,484</u>

The average monthly number of employees during the year was as follows:

	2012	2011
	£	£
Administration	<u>5</u>	<u>2</u>

No employee earned £60,000 per annum or more (2010/11: none).

Five members of staff work for the charity. Up to September 2011, three of them were paid for through the Salisbury NHS Foundation Trust, which then charged this cost to the charity. In October 2011 these three members of staff were transferred over to the charity under the Transfer of Undertakings (Protection of Employment) Regulations, at this point the charity became responsible directly for the costs of employing these staff.

During the year the charity paid pension contributions totaling £7,172 (2011 £nil). Of this amount £3,140 was paid into employees defined contribution schemes and £4,032 was paid into the NHS Pension Scheme. The NHS Pension Scheme is an unfunded defined benefit scheme and it is not possible to identify the assets and liabilities of the scheme that are attributable to the charity. At the balance sheet date there were outstanding contributions of £4,124 (2011 £nil).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

8. FIXED ASSETS

	Computers £	Office Equipment £	Total £
Cost			
As at 1 April 2011	11,216	15,696	26,912
Additions	-	-	-
Disposals	-	-	-
As at 31 March 2012	11,216	15,696	26,912
Depreciation			
As at 1 April 2011	3,739	3,139	6,878
Charge for the year	3,739	3,139	6,878
Disposals	-	-	-
As at 31 March 2012	7,478	6,278	13,756
Net Book Value at 31 March 2012	3,738	9,418	13,156
Net Book Value at 31 March 2011	7,477	12,557	20,034

9. FIXED ASSET INVESTMENTS

	£
Valuation at 1 April 2011	4,234,107
Additions	479,708
Disposals	(812,496)
Revaluations	(34,575)
At 31 March 2012	3,866,744

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

10. STOCK

	2012	2011
	£	£
Stock for resale	<u>1,423</u>	<u>1,678</u>

11. DEBTORS

	2012	2011
	£	£
Legacies	3,937	4,626
Other debtors	63,338	5,839
Tax recoverable	36,251	5,192
	<u>103,526</u>	<u>15,657</u>

12. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012	2011
	£	£
Trade creditors	148,993	79,637
Accruals	27,156	19,097
Other creditors	8,446	43,240
	<u>184,595</u>	<u>141,974</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

13. DESIGNATED FUNDS

The funds of the charity include the following designated funds which have been set aside by the trustees out of unrestricted funds for specific purposes:

	Balance 1 April 2011 £	New designations £	Utilised/ released £	Balance 31 March 2012 £
Protection of Services Fund	2,000,000	-	(318,000)	1,682,000
Care in the Community Fund	532,459	-	(532,459)	-
Facilities Improvement Fund	712,519	-	(712,519)	-
	3,244,978	-	(1,562,978)	1,682,000

The Protection of Services Fund was established to enable the current level of activities to be maintained if the funding arrangements with Wiltshire Primary Care Trust were to be significantly reduced. In 2011/12 the fund was used to protect the service from the impact of a shortfall in funding of £318,000, identified by the NHS trust in the summer of 2011.

The trustees took the decision to undesignate the Care in the Community Fund and the Facilities Improvement Fund because it was felt it would be simpler for reporting purposes. These funds are now amalgamated under the unrestricted General Fund.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

14. RESTRICTED FUNDS

	Balance at 1 April 2011 £	Incoming Resources £	Resources Expended £	Balance at 31 March 2012 £
Children's Bereavement Fund	6,898	10,000	(772)	16,126
Staff Fund	766	630	(985)	411
PGSC Fund	1,039	935	(1,974)	-
Tisbury Lodge Fund	1,645	-	-	1,645
	10,348	11,565	(3,731)	18,182

Children's Bereavement Fund

The charity receives funds for the purpose of treating child bereavement issues.

Staff Fund

The charity holds a small amount of funds provided by gifts to the Hospice for staff on their behalf until the funds are required.

PGSC Fund

The charity receives funds for the benefit of the Peter Gillam Support Centre.

Tisbury Lodge Fund

The charity receives funds to purchase specific equipment.

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total £
Fixed assets	2,197,900	1,682,000	-	3,879,900
Net current assets	382,822	-	18,182	401,004
	2,580,722	1,682,000	18,182	4,280,904

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012**

16. RELATED PARTY TRANSACTIONS

Since 1 April 1996 the relationship between Salisbury Hospicecare Trust Limited, Wiltshire Primary Care Trust and Salisbury NHS Foundation Trust has been placed on a contractual basis. The original agreement was for a period of three years to 31 March 1999 with a provision for termination at twelve months' notice by any party. To improve the financial security to Salisbury Hospicecare Trust Limited the agreement has been amended to a three year rolling agreement.

In the financial year ending March 2012 the total sum given to Salisbury NHS Foundation Trust under the contract was £1,311,439 (2010/11: £1,346,000); Wiltshire Primary Care Trust provided funding of £746,759 (2010/11: £739,000) and Salisbury Hospicecare Trust Limited provided £564,680 (2010/11: £607,000). Salisbury Hospicecare Trust Limited separately provided funding for services and equipment to Salisbury NHS Foundation Trust outside of the contract which amounted to £585,907 in 2011/12.

Thus the total funding provided by Salisbury Hospicecare Trust Limited in 2011/12, including amounts both in and outside of the contract and excluding that provided by Wiltshire Primary Care Trust was £1,150,587, in 2010/11 it was £910,953.

At the balance sheet date Salisbury Hospicecare Trust Limited owed Salisbury NHS Foundation Trust £130,899 (2010/11: £73,316).

www.salisburyhospicecharity.org.uk

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Salisbury Hospicecare Trust Limited (Salisbury Hospice Charity) is a Registered Charity (No. 1123314) and a Company Limited by Guarantee registered in England (No. 6525170)