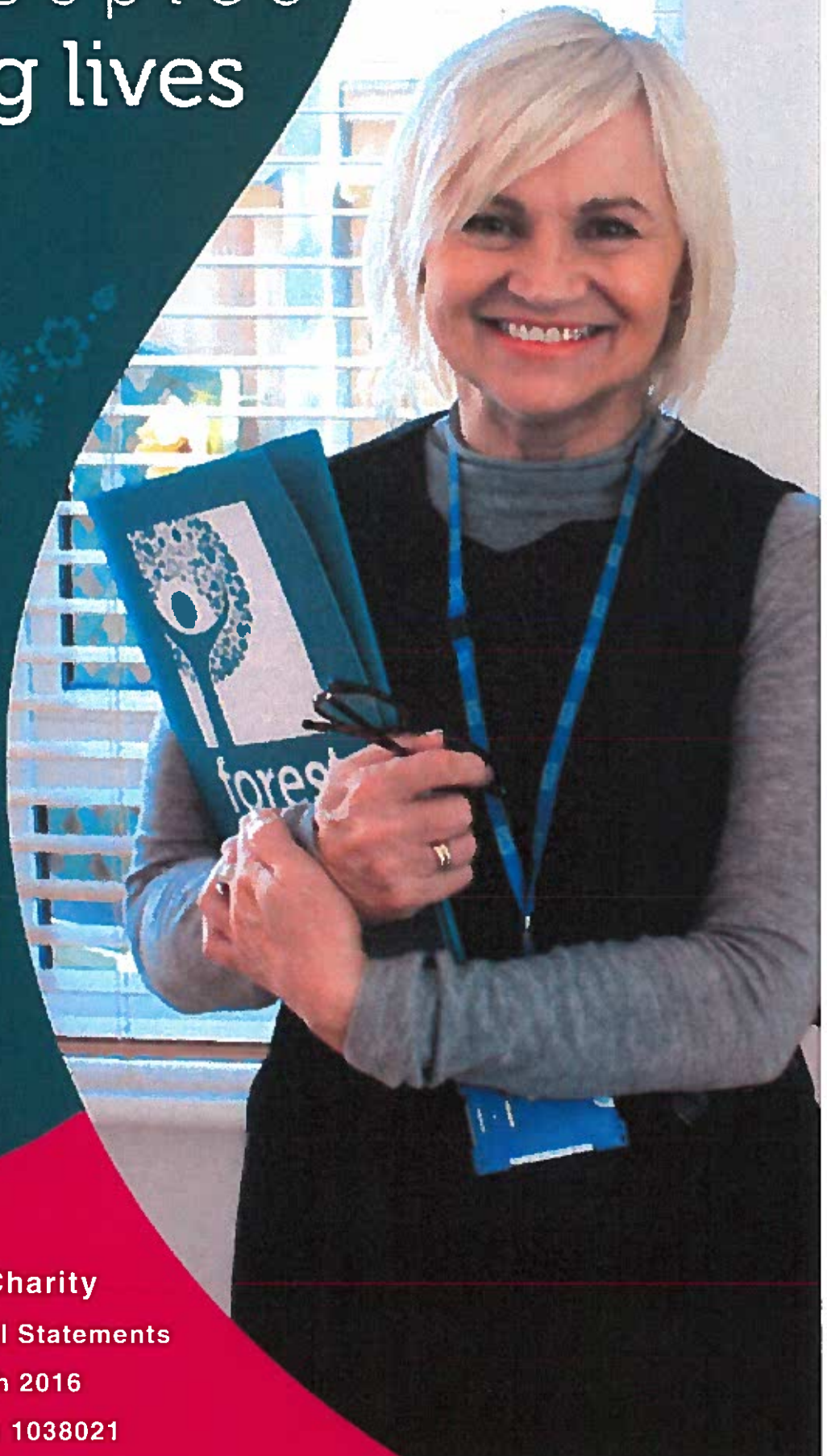




**forest
holme**
hospice

enhancing lives



Forest Holme Hospice Charity
Annual Report and Financial Statements
For the year ended 31 March 2016
Registered Charity Number: 1038021



Forest Holme Hospice Charity

Accounts under the FRS 102 SORP for the year ended 31 March 2016

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Reference and Administrative Details

Forest Holme Hospice Charity

Status

The organisation is a charitable trust and registered as a charity with the Charity Commission in England and Wales on 25 May 1994.

Governing Document

The governing document of the charity is in the form of a Declaration of Trust dated 26 April 1994 and was last updated on 25 April 2013.

Charity Number

1038021

Registered Office

Forest Holme Hospice Charity
5 Seldown Road
Poole
Dorset
BH15 1TS

The Board of Trustees

Dr Stephen Kirkham (Chairman)
Mr Stuart Bradford
Dr Saskie Dorman
Mr Andrew Goodwin (Retired July 2016)
Mr Roger King
Mrs Rosemary Lewis (Elected October 2016)
Mr Paul Miller (Elected October 2016)
Mr Peter Moody (Vice-Chair and re-elected October 2015)
Mr Steven Murrey (Elected April 2015)
Mrs Christine Pyatt
Ms Julie Shaw (Elected April 2015)
Ms Sue Whitney (Resigned January 2016)

Senior Management

Charity Manager	Anne Currie
Fundraising & Communications Manager	Hannah Parsons

Patron

Dame Yvonne Moores

Reference and Administrative Details (continued)

Bankers

Barclays Bank
Poole Business Centre
High Street
Poole
Dorset
BH15 1YA

Nat West Commercial Banking
2nd Floor, Heron House
10 Christchurch Road
Bournemouth
Dorset
BH1 3NR

CCLA Investment Management Ltd
80 Cheapside
London
EC2V 6DZ

Solicitors

Coles Miller Solicitors LLP
44-46 Parkstone Road
Poole
Dorset
BH15 2PG

Independent Examiners

PKF Francis Clark
Towngate House
2-8 Parkstone Road
Poole
Dorset
BH15 2PW

Website

www.forestholmehospice.org.uk



Forest Holme Hospice Charity

Our Vision

Every adult in our community affected by a potentially life limiting illness has equal access to the support and service they need, whenever and wherever they are, in order to enhance their quality of life.

Our Mission

To enhance the lives of adults in Dorset with life limiting illnesses through clinical excellence, exceptional service and compassionate care. We are committed to:

- providing emotional and practical support;
- supporting innovation and research;
- striving for equity of service provision;
- supporting training and education;
- raising our funds cost-effectively.

Our Values

Our values underpin and influence all areas of our work. We are:

- **ambitious** to support the provision of world class palliative and end of life care;
- **approachable** in our manner;
- **committed** to delivering the best possible service in a cost-effective manner;
- **person centred** in all that we do ensure the best possible outcome for the individual;
- **transparent** in all that we undertake to deliver our organisation's goals.



Chairman's Statement

The Charity celebrated its 21st anniversary in 2015 and after many years of continued, solid growth finds itself in a sound financial position for the work it is currently undertaking. However, both the Board and Executive feel there is greater opportunity and potential for the Charity to fulfill in its support of Forest Holme Hospice. In preparation for that, we have strengthened the Board of Trustees, and were delighted to welcome two new Trustees during the year.

Our vision is that every adult in our community affected by a potentially life limiting illness has equal access to the support and service they need, whenever and wherever they are, in order to enhance their quality of life.

To achieve this, the Charity needs to work closely with both Dorset Clinical Commissioning Group and Poole Hospital NHS Foundation Trust to identify gaps in clinical provision, to agree how those gaps can best be filled, and to negotiate funding streams that lead to the best clinical benefit.

We believe that everyone has a right to excellence of care in all its aspects at the end of life. Often a serious illness takes control of our lives, and it is only through the provision of such care can choice and control be given back to the patient.

The Charity is enormously grateful to all its supporters, volunteers and staff for all that they do in helping us to achieve our vision.

Dr Stephen Kirkham
Chair of Trustees
Forest Holme Hospice Charity

Trustees' Report for the year ended 31 March 2016

The Trustees present their report and financial statements for the year ended 31 March 2016. The reference and administrative information set out on pages 2 and 3 forms part of this report. The financial statements comply with current statutory requirements and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2015).

Review of Activities

Section 1: Overview

For the past 22 years Forest Holme Hospice Charity has provided financial support to Forest Holme Hospice, part of Poole Hospital NHS Foundation Trust, to help provide excellent palliative and end of life care to over a thousand individuals and their families across Poole, Wimborne and the Purbecks. During 2015 the Charity celebrated its 21st anniversary and some of the key highlights of the year included:

- we held our first Sunflower Ball at the Haven Hotel which raised £10,000;
- our only shop, The Secret Wardrobe, won the Best Independent Retailer in Poole at the 'Top of the Shop' Awards;
- our Chair of Trustees, Dr Stephen Kirkham, received the Anne Norfolk Lifetime Achievement Award from Hospice UK at their conference in November 2015.

An increased profile within the local area and a subsequent impact on income has enabled the Charity to contribute £452,000 to the life-enhancing work of the Hospice. This has been used to support areas such as counselling and bereavement support, complementary therapies, nursing, patient welfare (including medical equipment, furniture and fittings), staff welfare (including educational resources and training), research, provision of palliative and end of life care education and the general day to day running costs of the Hospice.

Forest Holme Hospice has seen an increase in the amount of clinical activity it has undertaken in 2015/16 especially within the inpatient ward and the hospital palliative care team. There is also an increasing proportion of people referred to the service at Forest Holme who have a diagnoses other than cancer: 18% in 2015/16. We are acutely aware of the multitude of challenges facing palliative and end of life care and know the delivery of these will not become any easier in the future. Therefore, we need to ensure that our organisation is best placed to maximise on its income generation over the next five years to help address the rapidly growing need within Dorset.

In this report, you will find:

- **Section 2** Achievements and performance set against our key areas of priority
- **Section 3** Our strategic priorities for the future
- **Section 4** Our financial summary
- **Section 5** Governance of the Charity

Thank you

The Trustees are pleased to present this report and wish to extend their gratitude to everyone involved in supporting the aims of Forest Holme Hospice Charity. Their vital support helps enhance the lives of local people through the provision of excellent palliative and end of life care provided at home, in hospital and at the hospice itself by Forest Holme Hospice's teams, who are part of Poole Hospital NHS Foundation Trust.

Trustees' Report (continued) for the year ended 31 March 2016

Section 2: Achievements and performance

The five key areas represent the priorities in the business plan for the year 2015/16.

Key Area 1: Establishing our key messages / case for support

Achieved

To produce a fully costed, outcome focused case for support which will enable the Charity to raise its profile, position itself clearly in the local community, support income growth and inspire public support of the Hospice. We have achieved this by:

- the Board of Trustees held an away day in December 2015 to agree on the Charity's vision, mission, values, case for support and strategic plan;
- the Charity and Poole Hospital NHS Foundation Trust agreed on future areas of commitment and financial support which sees an increase in the number of posts being funded for the Hospice which include a mix of both fixed and long-term contracts;
- we have utilised our new vision, mission and values to help form our five year strategy, produce our business plans, finalise our case for support and to ensure consistency of messaging across all of the Charity's communication platforms;
- the Charity registered with the Fundraising Standards Board, a self-regulatory body, to comply with its fundraising principles on best practice and to enable our supporters to give to Forest Holme Hospice Charity with complete confidence.

Key Area 2: Increasing profile / brand awareness

Achieved

To increase the awareness and profile of the Charity within Poole, Wimborne and the Purbecks in order to meet the growing financial demands of service provision. We have achieved this by:

- the number of individuals and organisations supporting the Charity increased by 14% on the previous year;
- there has been a 10% annual increase in local press coverage, 120 articles in total during the year, which has an equivalent advertising spend of £22,000;
- we have seen considerable growth in our social media profile with a yearly increase of 33% from 1,800 to 2,400 individuals following us on Facebook and an increase of 40% from 500 to 700 individuals/organisations following us on Twitter and LinkedIn;
- there has been increased support within the local corporate sector with six new companies choosing us as their Charity of the Year;
- our shop, The Secret Wardrobe, based in the Dolphin Centre won the Best Independent Retailer in Poole at the 'Top of the Shop' Awards;
- we received increased levels of clothing and accessories donations to the shop and the percentage of items which could benefit from Gift Aid rose from 26 to 38%;
- we held our first Sunflower Ball at the Haven Hotel which raised £10,000;
- our Chair of Trustees, Dr Stephen Kirkham, received the Anne Norfolk Lifetime Achievement Award from Hospice UK at their conference in November 2015.

Trustees' Report (continued) for the year ended 31 March 2016

Section 2: Achievements and Performance (continued)

Key Area 3: Generating sustainable income

Achieved

We need to maintain a balanced portfolio of income streams to minimise risk to the organisation. It is imperative that we build on our core income as the mainstay of the Charity and be less reliant on ad hoc legacy income. We have achieved this by:

- we delivered better than a 3:1 income / expenditure ratio across our fundraising activities;
- our overall income has increased significantly by 69% on the previous year;
- there has been an annual increase of 19% growth in income from our core activities such as community fundraising, supporter-led, charity and third party events and in memory giving;
- the number of people supporting the Charity through regular giving, via direct debit, standing order or payroll giving, has increased by 28% on the previous year;
- we have diversified our fundraising portfolio to undertake more Trusts & Grants research and applications;
- income from our retail activity has seen an annual increase of 11%.

Key Area 4: Making effective and efficient use of resources

Achieved

To keep our fundraising ratio at an acceptable level, we need to ensure that we are making the most effective use of internal and external resources. We have achieved this by:

- secured our first Patron and establishing an Ambassador programme to help raise the profile and income of the Charity through introductions to new networks and areas of expertise;
- we have seen an increase of 80% in the number of volunteers assisting us within our shop, the office and various fundraising activities;
- we undertook a skills audit with the Board of Trustees and successfully recruited two new trustees to the board who are experienced in marketing, communications and the media and made the most of pro bono marketing opportunities available to us;
- we have made better use of digital media by introducing a monthly E-Newsletter, ensured more integrated online giving and re-vamped the website to include more cohesive information about both the Charity and the Hospice.

Key Area 5: Supporting collaborative working

Achieved

In order to help realise part of our mission, we are keen to support and promote working in partnership with statutory, voluntary and commercial agencies. We have achieved this by:

- organised our first Palliative Care Conference in partnership with Poole Hospital NHS Foundation Trust 'Meeting the needs of the older person' which attracted 88 attendees.
- supported a survey developed with the Picker Institute for people who receive care from Forest Holme Hospice. The survey was carried out in the community setting and preliminary results demonstrate a high level of satisfaction.
- took part in the C-Change research programme, by undertaking interviews and providing data, which is being led by the Cicely Saunders Institute, King's College London.

Trustees' Report (continued) for the year ended 31 March 2016

Section 3: The Future

Improving the quality of end of life care is a priority which has been highlighted in several national reports. More than one in four adult inpatients at Poole Hospital are in their last year of life. We believe that the care at the end of life should be of the highest quality, regardless of location.

The Charity's focus of work for the next five years (2016 - 2020) will be influenced by three over-arching aims and these are to:

- support Forest Holme Hospice to become an exemplary provider of Palliative and End of Life Care
- become a key Palliative and End of Life stakeholder within Dorset
- enable sound financial growth

In producing the Charity's five year strategic plan (2016 - 20), the Board of Trustees and Charity Manager have taken into account the economic climate, the ever increasing demands on delivering palliative and end of life care, funding streams and the relatively low profile of the organisation. The Charity's strategy has been developed to help realise the Hospice's strategy for future service delivery which has itself been shaped, in part, by the six ambitions cited in the national framework 'Ambitions for Palliative and End of Life Care.' (2015)

In order to support Forest Holme Hospice to become an exemplary provider of Palliative and End of Life Care within Dorset, the Charity is keen to financially assist the delivery of the following areas within the Hospice's Palliative and End of Life Care Strategy:

- comprehensive multi-professional service (home, hospital and hospice);
- seven day access and rapid response to individuals;
- education;
- research and innovation to improve care;
- governance and management.

2016/17 is the first year of the five year strategy and our activities will see us move forward and report against each of our strategic priorities for the years ahead. The five main strategic objectives of Forest Holme Hospice Charity's strategic plan will be to:

- agree on a clarity of purpose for the Charity;
- maintain a close working relationship with Poole Hospital NHS Foundation Trust;
- champion collaborative working to meet local need;
- establish political influence with key local decision makers;
- raise the necessary funds to support our ambitions.

Trustees' Report (continued) for the year ended 31 March 2016

Section 4: Financial Summary

Income for the year totalled £703,000 (2014/15 £417,000) mainly from activities for generating funds £153,000 (2014/15 £161,000); donations £235,000 (2014/15 £157,000); legacies £160,000 (2014/15 £27,000); grants £81,000 (2014/15 £3,000), trading income £61,000 (2014/15 £55,000) and £13,000 (2014/15 £14,000) received from dividends and interest on investments.

Expenditure totalled £619,000 (2014/15 £609,000). The Trustees decided during the year to contribute a total amount of £261,000 (£312,000) to Poole Hospital NHS Foundation Trust towards the running costs of Forest Holme Hospice. An amount of £115,000 was spent on nursing, complementary therapies and counselling provision (2014/15 £116,000) and £167,000 on cost of generating funds and trading costs (2014/15 £156,000). Patient and staff welfare and amenities amounted to £76,000 (2014/15 £21,000).

Cash balances amount to £1,082,000 (2014/15 £999,000) and represent 87.8% (2014/15 86.4%) of all funds invested.

The Trustees have decided to invest a proportion of the charitable funds in Common Investment Funds (CIFs) and would expect these funds to provide long term capital growth and income. CIFs represent 12.2% (2014/15 13.6 %) of all the funds invested. Approximately 84% (2014/15 84%) of these CIF's are invested in equities with the remaining 16% (2014/15 16%) invested in fixed interest securities. During the year the CIF Equity Fund showed a decrease in value of 3.8% (2014/15 increase of 9.6%). The CIF fixed interest fund showed a total annual loss of 4% (2014/15 gain of 8.6%).

£151,000 (2014/15 £157,000), representing 12.2% (2014/15 13.6%) of the total funds is invested on behalf of the Charity by CCLA (COIF) in Common Investment Funds. £152,000 (2014/15 £145,000), representing 12.3% (2014/15 12.5%) of the total funds is invested with CCLA in a short term deposit account.

Expenditure on our charitable purposes represented 73% of our total expenditure (compared to 74% in 2014/15). Expenditure on administration and fundraising represented 27% of total expenditure (compared to 26% in 2014/15).

Trustees' Report (continued) for the year ended 31 March 2016

Section 5: Governance

Organisational Structure

During 2015/16 Forest Holme Hospice Charity was governed by a board of 10 Trustees who met formally on a quarterly basis. Two Trustees were elected to the Board during this period (Steven Murrey and Julie Shaw), one Trustee resigned (Sue Whitney) and one was re-elected (Peter Moody).

Forest Holme Hospice Charity operates a full strategic planning and budgeting process, with detailed budgets and plans being presented to and approved by the Board each year, with performance subsequently reported and assessed against those plans and budgets.

Day-to-day running of the Charity is delegated to the Charity Manager, who reports to the Chair of Trustees. Appropriate approval levels are in place within the Charity regarding requests for funding.

Public Benefit

The Trustees have given due regard to public benefit when planning the Charity's activities, in accordance with the Charity Commission's guidance on Public Benefit. In particular, the Trustees consider how planned activities will contribute to the aims and objectives that have been set.

The Charity achieves its principal objects and purposes through the provision of patient care and staff welfare at Forest Holme, which provides palliative and end of life care at home, in the hospice and in Poole Hospital to those living within the Poole, Wimborne and the Purbecks area. These benefits are directly related to the aims of the Charity and are fully compliant with the Charity Commission guidance on Public Benefit.

Appointment of Trustees

New trustees are appointed when existing trustees retire or resign. Trustees are normally expected to have a professional background (e.g. legal, accounting, medical, or health) or direct involvement in palliative care and to have a good understanding of the aims and objectives of the Charity and its relationship with Poole Hospital NHS Foundation Trust.

In the first instance new Trustees are introduced to the existing Trustees. The potential new Trustee is then invited to a Board meeting as an observer before appointment is confirmed by a majority vote of the existing Trustees held at a special meeting of the Board. The Charity is in the process of developing a new induction and training programme for new and existing Trustees.

Reserves Policy

The Trustees regularly review the level of reserves of Forest Holme Hospice Charity, looking at the nature of income and expenditure streams and the need to match variable income against the expenditure incurred by the Charity in respect of the ongoing provision of palliative and end of life care, which is regular and largely fixed expenditure. The Trustees review the Reserves Policy in line with best practice and Charity Commission Guidelines.

Trustees' Report (continued) for the year ended 31 March 2016

Section 5: Governance (continued)

The Trustees would expect to hold reserves of a minimum of twelve month's budgeted expenditure. This takes into account the fact that Forest Holme Hospice Charity does not have any committed long term income, that income levels fluctuate across the year, and a proportion of costs are fixed in nature, all of which have a direct impact on the cash flow of the organisation. Unrestricted reserves at 31 March 2016 were £975,000 (2014/15 £897,000). The Trustees recognise that the level of reserves is above their minimum requirement at present, but they are comfortable with this position due to the nature of the flow of income and the Charity's medium term commitments. The Trustees will review this policy annually.

Investment Policy

The Trustees have the power to invest in such assets as they see fit. They have decided to invest monies with COIF Charity Funds, managed by CCLA Investment Management Ltd. These funds are split between an Equity Fund and Fixed Interest Fund on a basis of an 80:20 split. They would expect these funds to provide long term capital growth and income for the charity.

Risk Management

The major strategic risks to which the Charity is exposed have been identified and considered by the Board of Trustees. They include increasing financial demand on existing resources (being addressed by Key Areas 2, 3 & 4), the clarity and parity of NHS commissioning arrangements (being addressed by Key Areas 1 & 5) and the relatively low profile of the Charity within the geographical area it serves (being addressed by Key Area 2). These, amongst others, have been reviewed and systems established to help mitigate those risks. The Charity maintains a risk register which is reviewed annually by the Board of Trustees. Income and expenditure is monitored in total and compared with the approved plan on a quarterly basis to detect trends as part of the risk management process to avoid unforeseen calls on reserves.

Pay policy for senior staff

The key management personnel of the charity include the Charity Manager and Fundraising and Communications Manager who both work full time. Their posts are paid in accordance with the NHS (Agenda for Change) salary framework. Their roles are assigned to individual NHS Salary Bands. Subject to satisfactory performance, they also receive annual increments on the anniversary of their appointment until they reach the top of their band. Where senior employees take on significant new responsibilities during the year, salaries are adjusted accordingly.

Fundraising Practice

The Board of Trustees is committed to ensuring that the charity's fundraising is undertaken in an accountable, courteous, legal, respectful and transparent manner. We are registered with the new Fundraising Regulator and our activities adhere to the Institute of Fundraising's Code of Fundraising Practice.

Trustees' Report (continued) for the year ended 31 March 2016

Section 6: Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources of the Charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They 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.

Signed

Date: 19 January 2017

Dr Stephen Kirkham - Chair of Trustees

Independent Examiner's Report and Statement

Independent Examiner's Report to the Trustees of Forest Holme Hospice Charity

I report on the accounts of the Charity for the year ended 31 March 2016 which are set out on pages 15 to 30.

Respective responsibilities of trustees and examiner

The Charity's trustees are responsible for the preparation of the accounts. The Charity's trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The Charity's gross income exceeded £250,000 and I am qualified to undertake the examination by being a qualified member of the ICAEW and a fellow of the ACCA.

It is my responsibility to:

- examine the accounts under section 145 of the 2011 Act;
- follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the accounts presented with those records. It also includes consideration of any unusual items or disclosures in the accounts, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the accounts present a "true and fair view" and the report is limited to those matters set out in the statement below.

Independent examiner's statement

Your attention is drawn to the fact that the charity has prepared the accounts (financial statements) 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 for Smaller Entities published on 16 July 2014, the Financial Reporting Standard for Smaller Entities (FRSSE) / Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)] in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has since been withdrawn.

Independent Examiner's Report and Statement (continued)

We understand that this has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In connection with my examination, no other matter except that referred to in the previous paragraph has come to my attention:

- 1 which gives me reasonable cause to believe that, in any material respect, the requirements:
 - to keep accounting records in accordance with section 130 of the 2011 Act; and
 - to prepare accounts which accord with the accounting records and comply with the accounting requirements of the 2011 Act

have not been met; or

- 2 to which, in my opinion, attention should be drawn in order to enable a proper understanding of the accounts to be reached.

Nicholas Love FCCA ACA
A Partner of
PKF-Francis Clark
Chartered Accountants
Towngate House
Poole
BH15 2PW

Date.....

Statement of Financial Activities for the year ended 31 March 2016

Income:	Note	Unrestricted Funds		Prior Year	
		General £000	Restricted £000	Total Funds £000	Total Funds £000
Donations and legacies:					
Donations	2	228	7	235	157
Legacies	3	160	-	160	27
Grants	4	81	-	81	3
		469	7	476	187
Income from trading activities:					
Shops	5	61	-	61	55
Lottery		-	-	-	-
Fundraising events	6	151	2	153	161
		212	2	214	216
Investment income	7	13	-	13	14
Total income		694	9	703	417
Cost of raising funds		131	-	131	127
Fundraising trading: costs of goods sold and other costs		36	-	36	29
Investment management costs		-	-	-	-
Costs of raising funds		167	-	167	156
Nursing		49	-	49	48
Counsellors		66	-	66	68
Contribution to Poole Hospital for Hospice running costs		261	-	261	312
Patient welfare and amenities		55	6	61	16
Staff welfare and amenities		6	3	9	4
Miscellaneous		6	-	6	1
Governance		-	-	-	4
Expenditure on charitable activities		443	9	452	453
Total expenditure	8+9	610	9	619	609
Net income for the year before gains and losses on investments		84	-	84	-192
Net gains/(losses) on investments		-6	-	-6	13
Net income/ (expenditure) for the year		78	-	78	-179
Net movement in funds		78	-	78	-179
Reconciliation of funds:					
Total funds brought forward		897	-	897	1,076
Total funds carried forward		975	-	975	897

All amounts relate to continuing activities of the Charity. The Statement of Financial Activities includes all the gains and losses recognised in the year. The notes to the accounts are shown on pages 18-30.

Balance sheet as at 31 March 2016.

	Notes	Current Year £000	Prior Year £000
Fixed assets			
Investments	13	151	157
		151	157
Current assets			
Stock		1	1
Debtors	14	8	9
Cash at bank and in hand		1,082	999
		1,091	1,009
Liabilities			
Creditors: amounts falling due within one year	15	-267	-269
		824	740
Net current assets			
		824	740
Total assets less current liabilities			
		975	897
Creditors: amounts falling due in greater than one year			
		-	-
Total net assets			
		975	897
The funds of the charity:			
Restricted income funds	16	-	-
Unrestricted funds			
General funds	17	975	897
Total unrestricted		975	897
Total funds			
		975	897

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

Dr Stephen Kirkham
Chair of Trustees

The notes to the accounts are shown on pages 18-30.

Statement of cash flows as at 31 March 2016

	Notes	Current Year £000	Prior Year £000
Cash flows from operating activities			
<i>Net cash provided by/(used in) operating activities</i>	22	<u>70</u>	<u>-501</u>
Cash flows from investing activities			
<i>Dividends, interest and rents from investments</i>		13	14
<i>Net cash provided by/(used in) investing activities</i>		<u>13</u>	<u>14</u>
Change in cash and cash equivalents in the reporting period		<u>83</u>	<u>-487</u>
Cash and cash equivalents at the beginning of the reporting period		999	1,486
Cash and cash equivalents at the end of the reporting period	23	<u>1,082</u>	<u>999</u>

The notes to the accounts are shown on pages 18-30.

Notes to the accounts

1 Accounting policies

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

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Charity 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(s).

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following the 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) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

b) Reconciliation with previous Generally Accepted Accounting Practice

In preparing these 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.

No restatements were required.

c) Legal status of the Charity

Forest Holme Hospice Charity was established by Declaration of Trust.

d) Going concern

The trustees consider that there are no material uncertainties about Forest Holme Hospice Charity's ability to continue as a going concern.

With regard the following year, the most significant areas of uncertainty of Forest Holme Hospice Charity are the level of donation income which needs to be raised each and every year.

e) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. The aim and purpose of each designated fund is set out in the notes to the financial statements. Restricted funds are donations where the donor has specified they should only be used for particular areas of the hospice's work. The cost of raising and administering such funds are charged against the specific fund.

The aim and use of each material designated and restricted fund is set out in the notes to the financial statements. Investment income, gains and losses are allocated to the appropriate fund.

f) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Where income has related expenditure (as with fundraising or contract income), the income and related expenditure are reported gross in the Statement of Financial Activities.

Donations, grants and gifts are recognised when receivable. In the event that a donation is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates recognised in income for the year. Any amounts of Gift Aid not received by the year end are accounted for in income and accrued income in debtors.

Income from NHS contracts, government and other grants, whether 'capital' grants or 'revenue' grants, are recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the charity. Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material (see note 3).

Income received in advance for a future fundraising event or for a grant received relating to the following year are deferred until the criteria for income recognition are met.

Interest on deposit funds held is included when receivable and the amount can be measured reliably by the charity which is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio. Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable

Sponsorship from events, fundraising and events registration fees are recognised in income when the event takes place. Lottery income is accounted for in respect of those draws that have taken place in the year. Trading income is recognised on point of sale for both donated and purchased goods.

g) Donated goods and services

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the item is probable and that economic benefit can be measured reliably.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis under the following headings:

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

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

Support costs comprise those costs which are incurred directly in support of expenditure on the objects of the charity and include governance cost, finance, and office costs. Governance costs are those costs incurred in connection with the compliance with constitutional and statutory requirements of the charity. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are allocated to each of the activities on one of the following the basis: either floor space or staff time or staff headcount depending on the nature of the support costs, to best allocate the costs to each attributable heading. More detail on the analysis and basis of allocation is given in note 9 to the financial statements.

i) Volunteers

The value of the services provided by volunteers is not incorporated into these financial statements. Further details of their contribution is provided in note 10 to these financial statements and in the Trustees report.

j) Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price, except for the shares in the trading subsidiary which are carried at cost. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

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

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

k) Stock

Stock of retail goods is included at the lower of cost or net realisable value. Donated items of stock for resale or distribution are not included in the financial statements until they are sold or distributed because the Trustees consider it impractical to be able to assess the amount of donated stocks as there are no systems in place which record these items until they are sold and undertaking a stocktake would incur undue cost for the charity which far outweigh the benefits.

l) Debtors

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

m) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors

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

o) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

p) Pensions

Employees of the Charity are entitled to join the NHS Pension Scheme.

There were no outstanding contributions at the year end. The costs of the defined benefit pension scheme are included with the associated staff costs and allocated to raising funds, charitable activities, support and governance costs and charged to the unrestricted funds of the Charity.

Notes to the accounts

2 Donations	Current Year	Prior Year
	£000	£000
General donations	102	49
In memoriam	127	103
Standing orders and direct debits	6	5
Charitable trusts	-	-
Payroll giving	-	-
Value of gifts in kind and donated services	-	-
	<u>235</u>	<u>157</u>

Of the total donations received £228k (2015: £154k) was attributed to unrestricted funds and £7k (2015: £3k) was attributed to restricted funds.

3 Legacies	Current Year	Prior Year
	£000	£000
	<u>160</u>	<u>27</u>
	<u>160</u>	<u>27</u>

The income from legacies was £160k (2015: £27k) of which £160k was unrestricted (2015 year: £25k).

4 Grants received	Current Year	Prior Year
	£000	£000
Core funding grants	<u>81</u>	<u>3</u>
	<u>81</u>	<u>3</u>

The income from grants received was £81k (2015: £3k) of which £81k unrestricted (2015: £2k).

5 Shops	Current Year	Prior Year
	£000	£000
Income from sale of donated goods	56	48
Income from sale of bought in goods	4	4
Commission income from sale of goods on an agency basis	1	3
Gift aid income from sale of goods on an agency basis	-	-
Donations within shops	-	-
Total income from shops	<u>61</u>	<u>55</u>
Costs of buying in goods	1	1
Staff costs	27	20
Property costs	-	-
Other costs	8	8
Total expenditure from shops	<u>36</u>	<u>29</u>
Net Profit arising from shops	<u>25</u>	<u>26</u>
Number of shops	1	1

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

6 Fundraising events	Current Year			Prior Year		
	£000 Income	£000 Expenditure	£000 Net income	£000 Income	£000 Expenditure	£000 Net income
Abseil	5	-	5	-	-	-
Christmas Raffle	4	1	3	5	1	4
Islands Cruise	2	1	1	-	-	-
Light up a Life	11	-	11	10	-	10
Sunflower Ball	18	8	10	-	-	-
Tie a Yellow Ribbon	5	-	5	6	1	5
Wareham Cruise	2	1	1	2	1	1
Volunteer events	106	-	106	138	-	138
	153	11	142	161	3	158

Of all fundraising event income received £151k (2015:£161k) was attributed to unrestricted funds and £2k (2015: £0k) was attributed to restricted funds.

7 Investment income

	Current Year £000	Prior Year £000
Rental income	0	-
Dividends - equities	7	7
Interest - fixed interest securities	-	-
Bank interest	6	7
Other interest	-	-
	13	14

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

8 Analysis of expenditure	Direct Costs	Support costs (note 9)	Total Costs	Prior Year
	£000	£000	£000	£000
Shops costs (note 5)	36	-	36	29
Lottery costs (note 6)	-	-	-	-
Events costs (note 7)	11	-	11	3
Fundraising costs (note 12)	120	-	120	124
Cost of raising voluntary income	167	-	167	156
Fundraising trading: costs of goods sold and other costs	-	-	-	-
Investment management costs	-	-	-	-
Raising funds	167	-	167	156
Nursing	43	6	49	43
Counsellors	61	5	66	63
Contribution to PHFT	237	24	261	272
Patient welfare / amenities	56	5	61	12
Staff welfare / amenities	4	5	9	3
Support costs/ Governance	-	-	-	59
Miscellaneous	6	-	6	1
Charitable activities	407	45	452	453
Total	574	45	619	609

Of the total expenditure of £614k (Prior year: £609k), all raising funds expenditure of £167k (Prior year: £156k) was unrestricted.

Of the charitable activities expenditure of £452k (Prior year: £453k); £9k (Prior year: £6k) was restricted.

9 Analysis of support costs

	Management £000	HR £000	Finance £000	IT £000	Governance £000	Total £000	Prior Year £000
Nursing	1	1	2	-	1	5	6
Counsellors	1	1	2	-	1	5	5
Contribution to PHFT for Hospice running costs	9	1	9	1	1	21	35
Patient welfare / amenities	-	1	2	-	1	4	4
Staff welfare / amenities	1	1	2	-	1	5	4
Miscellaneous	1	1	2	-	1	5	1
Miscellaneous	-	-	-	-	-	-	-
Charitable services	13	6	19	1	6	45	55
Total	13	6	19	1	6	45	55

Governance costs comprise £4k (2015: £2k) independent examination fees and £1k (2015: £2k) accountancy fees and £1k (2015: £0k) costs of trustee meetings.

10 Analysis of staff costs and key management personnel

	Current Year	Prior Year
	£000	£000
Wages and salaries	125	122
Social security costs	9	9
Pension costs	19	19
	<u>153</u>	<u>150</u>

The Charity trustees have received no remuneration or reimbursed expenses from the Charity in the current and preceding years.

There were no staff employed directly by the Charity. Staff are employed by Poole Hospital NHS Foundation Trust and the costs shown above in note 12 relate to the reimbursement of these staff costs to PHFT.

The average monthly head count was 5 (Prior Year: 4) and analysis of staff employees in the year were:

	Actual number	Current Year Full time equivalent (optional)	Actual number	Prior Year Full time equivalent (optional)
Direct charitable services	-	-	-	-
Fundraising services	5	5	4	4
Governance costs	-	-	-	-
Support services	-	-	-	-
Total	<u>5</u>	<u>5</u>	<u>4</u>	<u>4</u>

The number of employees whose total employee benefits excluding pension contributions earning over £60,000 classified within bands of £10,000 is as follows:

	Current Year	Prior Year
	£000	£000
£60,000-£69,999	-	-
£70,000-£79,999	-	-
£80,000-£89,999	-	-
£90,000-£99,999	-	-
£100,000-£109,999	-	-
	<u>-</u>	<u>-</u>

There are two key management personnel of the Charity whose employee benefits total £74k. (2015: £73k)

The charity has an average of 50 volunteers during the year (2015: 40), of which 27 (2015: 23) worked in our retail operations and 23 (2015: 17) supported the charitable and administrative work of the charity. We are extremely grateful for all their efforts.

11 Net incoming resources

	Current Year	Prior Year
Net income resources is stated after charging:	£000	£000
Depreciation	-	-
Auditors remuneration:		
audit services	4	2
accountancy	1	2
Profit/(loss) on sale of fixed assets	-	-
Operating lease rentals	-	-
	<u>5</u>	<u>4</u>

12 Taxation

Forest Holme Hospice Charity is a registered charity and as such is exempt from taxation on its income and gains to the extent that these are applied for charitable purposes.

13 Investments

a)

	£000
As start of the year	157
Additions	-
Disposals	-
Unrealised Gains on Revaluation	-6
At the end of the year	<u>151</u>

b)

Analysis of investments	Current Year £000	Prior Year £000
Investment property	-	-
Equities	127	132
Fixed interest securities	24	25
Cash held as part of the investment portfolio	-	-
	<u> </u>	<u> </u>
	<u> </u>	<u> </u>
Total charity	<u>151</u>	<u>157</u>

Listed investments are stated at their mid market value as at the balance sheet date.

All investments are held in the UK.

The historical cost of the investments is £120k. (Prior year: £120k)

c)

Trading subsidiary

The Charity does not have a trading subsidiary.

14 Debtors

	Current Year	Prior Year
	£000	£000
Trade debtors	-	-
Amount owed by group companies	-	-
Taxation recoverable	5	6
Other debtors	-	-
Prepayments	1	1
Accrued income	2	2
	<u>8</u>	<u>9</u>

15 Creditors: amounts falling due within one year

	Current Year	Prior Year
	£000	£000
Trade creditors	237	246
Taxation and social security	-	-
Other creditors	4	2
Accruals	26	21
Deferred income	-	-
	<u>267</u>	<u>269</u>

16 Restricted funds	Balance as stated	Income	Expenditure	Transfers	Balance at
	at the end of the year				
	£000	£000	£000	£000	£000
	-	9	9	-	-
Total	-	9	9	-	-

The Charity currently has no restricted funds.

17 Unrestricted funds	Balance as stated	Income	Expenditure and gains	Transfers	Balance at
	at the end of the year				
	£000	£000	£000	£000	£000
Designated funds	-	-	-	-	-
Total designated funds	-	-	-	-	-
General fund	897	694	610	-	975
Revaluation reserve	-	-	-	-	-
Total unrestricted funds	897	694	610	-	975

18 Net assets by funds	General funds	Restricted	Total funds
	£000	£000	£000
Investments	151	-	151
Tangible fixed assets	-	-	-
Current assets	1,091	-	1,091
Creditors falling due in less than a year	-267	-	-267
Creditors falling due in more than a year	-	-	-
	975	-	975

19 Related party transactions

Poole Hospital NHS Foundation Trust operates Forest Holme Hospice. The Charity supports the Hospice financially and is committed to pay for certain agreed staff costs and amenities.

The Charity agreed to make a contribution of £235k (2015: £246k) towards the general running costs of Forest Holme Hospice during 2015/16 plus £2k for conference facilities and catering.

The following Trustees of the Charity, during the accounting year, are also employees of Poole Hospital: Dr Saskie Dorman (Consultant), Andrew Goodwin (Deputy Finance Director) and Sue Whitney (General Manager).

Stuart Bradford, a Trustee, is also a Partner at Coles Miller Solicitors LLP, the Charity's solicitors.

Peter Moody, a Trustee, is also a Director of Coleman Insurance, the Charity's insurance broker. Insurance costs with Coleman Insurance were £1k (2015: £1k) for the year.

20 Contingent assets - legacy income

As at 31 March 2016 the charity had been notified of two residuary legacies where the value of these estates was uncertain and no amount has been accrued in respect of these legacies. One pecuniary legacy of £1k has been accrued. (2015: £2k)

21 Financial performance of the Charity.

The summary performance of the Charity is as follows:

	Current Year	Prior Year
	£000	£000
Income	703	417
Total Expenditure	-619	-609
Net gains/losses on investments	-6	13
Net income	<u>78</u>	<u>-179</u>
Total funds brought forward	<u>897</u>	<u>1,076</u>
Total funds carried forward	<u><u>975</u></u>	<u><u>897</u></u>
Represented by:		
Restricted funds	-	-
Unrestricted funds	<u>975</u>	<u>897</u>
	<u><u>975</u></u>	<u><u>897</u></u>

22 Reconciliation of net income/expenditure to net cash flow from operating activities

	Charity Current Year	Prior Year
	£000	£000
Net Income/expenditure for the reporting period (as per the statement of financial activities)	78	-179
Adjustments for:		
Gains/losses on investments	6	-13
Dividends, interest and rents from investments	-13	-14
Loss/profit on the sale of fixed assets	-	-
Increase/decrease in stocks	-	1
Increase/decrease in debtors	1	14
Increase/decrease in creditors	-2	-310
Net cash provided by/ (used in) operating activities	<u><u>70</u></u>	<u><u>-501</u></u>

23 Analysis of cash and cash equivalents

	Current Year	Prior Year
	£000	£000
Cash in hand	1,082	999
Cash held as part of the investment portfolio	-	-
Notice deposits (less than 3 months)	-	-
Overdraft facility repayable on demand	-	-
Total cash and cash equivalents	1,082	999