



Family Nursing
& Home Care

Annual Report & Accounts for the year to 31 December 2016

States of
Jersey
Approved
Provider

Here to Help

Association
of
Jersey
Charities
no. 115



Contents	Page
Message from the Chair	3
Report of the Chief Executive Officer	4-6
Statistical Summary	7
Report of the Trustees	
Reference & administrative details	8-9
Structure, Governance & Management	10-11
Objectives & Activities	12-13
Financial Review	14
Reserves Policy	14-15
Investment Policy & Objectives	15
<hr/>	
Audit report	16
Statement of financial activities	17
Balance sheet	18
Cash flow statement	19
Notes to the financial statements	
1 Accounting policies	20-22
2 Judgements in applying accounting policies and key sources of estimation uncertainty	22
3 Income	22-23
4 Expenditure	23-24
5 Net gains / (losses) on investments	25
6 Trustees' remuneration, benefits and expenses	25
7 Employees	25
8 Staff costs and employee benefits	26
9 Tangible assets	27
10 Investments	27
11 Debtors	28
12 Current asset investments	28
13 Cash at bank and in hand	28
14 Creditors: Amounts falling due within one year	28
15 Reserves	29-30
16 Pension	31
17 Commitments under operating leases	32
18 Commitment not recognised as a liability	32
19 Post balance sheet event	32

Message from the Chair

This has probably been the most turbulent year in the history of Family Nursing & Home Care.

I alluded to the potential changes in the funding of home care in my report last year. The Health and Social Services Department had decided to decommission and withdraw all funding for home care which was clearly going to have a major impact on FNHC's finances and home care services.

FNHC's request for a reasonable transition period to mitigate the impact on staff and clients was refused. Following a meeting with the Health Minister and his staff in April 2016, it was eventually agreed that clients would be protected from very steep increases in charges for another year when financial support would be available for low income groups through the Income Support system. However, no additional support would be given to lessen the impact on staff or the high transition costs which was of great concern.

The Committee had taken an in principal view that FNHC should continue with home care as a not-for-profit business to maintain quality provision for existing clients as well as giving potential clients more choice and the benefit of integrated care with its District Nursing Service. However, it was recognised as a very high risk strategy and detailed work was undertaken on the business case to ensure that it was a risk worth taking. The Committee recognised that it was left with two unpalatable options: either cease to provide home care services and thus making all staff redundant; or, redesign the service which had to cover its costs. This meant offering less remuneration to staff under new contracts to reflect the amount people are likely to be able to afford to pay for their care. It is not always realised that this is largely governed by the limit set by the Social Security Department for long term care support.

In the event, difficult negotiations have taken place with the home care staff resulting in a large number of staff not wishing to continue on revised term and conditions. Clearly this is upsetting for all concerned and though the decision to stop commissioning FNHC's home care service was not of our making, the Committee is determined to turn this into an opportunity to provide a wider range of services than have been possible in the past under the constraints of a States contract. FNHC can be free to innovate and maintain its leadership of high quality home care services, as it has done for the last 30 years.

Whilst all this has dominated Committee and Senior Management's time, the quality of the work of staff in FNHC and their ability to adapt and react quickly to change, has been impressive. The CEO highlights so many achievements in her report, she and her team and all the staff deserve high praise for such impressive performance.

I would just like to highlight one key initiative - a Committee priority to computerise the work of the service. This is always fraught with difficulty so it is a great credit to FNHC staff that a leap from wholly paper based records to electronic systems has been achieved so effectively. We were able to fund the implementation of the new system through reserves that had been specifically designated from our generous supporters' donations and legacies. I cannot give enough thanks to everyone who donates to FNHC not just to this but to help us provide the best possible service.

FNHC's funding has changed this year with the Health and Social Services Department paying nearly all of the cost of a set of commissioned services as opposed to about 80% in the past. This should give a more sustainable funding position and enable fundraising to be targeted to other important initiatives which make a real difference to people's lives.

Finally, my thanks go to fellow Committee members whose wide knowledge and experience has been much in demand this year. All give so generously of their time, without recompense. One member stood down this year, Cyril Whelan, and Jo Gavey, the Honorary Treasurer for the last 6 years, will not be taking on another term because of work commitments. They have contributed so much to the organisation during their terms and will be greatly missed.

Ann Esterson
Chairperson

Report of the Chief Executive Officer

In 2016 FNHC were able to make some significant progress in modernising the way our staff record the care they deliver. Improvements in the speed and the quality of the way that we communicate with our patients/clients, referrers and each other has improved our services.

The Business Plan for 2016 outlined seven objectives for the year ahead. This report outlines the progress in each area.

Implementation of an electronic record system

To improve FNHC integration within the sector, the decision was made some time ago to develop an electronic record system, the chosen system is EMIS. This system is already effectively in use by GPs and Hospice are also planning to adopt the same system. It was initially difficult to sign a contract with EMIS due to FNHC being a relatively small organisation, however once the contract was agreed, progress has been made and implementation has now been completed. All areas of the commissioned services are using EMIS and the new system allows the use of tablet devices to record all patient/client activity. Remote working has enabled the nurses to work more efficiently through reductions in travel time, streamlining assessments and the availability of management information allows more effective staff allocation and capacity planning. Once embedded the systems will provide a range of information to staff and managers to inform decision making, future plans and to demonstrate the value of FNHC services.

The use of iPads within clinical services has facilitated a more effective line of communication with all staff. This is evident from the results of a staff feedback survey. The response rate showed that 75% of staff whom responded felt that their manager supported them well. Staff also have an electronic access to FNHC policies & procedures to inform them of best practice.

A further survey assessing patient/client feedback has been designed and will be collected using iPad devices. Patient/client feedback is already collected and collated for RRRT and MECSH programme. RRRT gain approximately 73% response rate and 100% of those who respond rated the service good or above. For MECSH clients rate 70-100% satisfaction with the service.

Standardising performance

A key achievement in standardising performance in 2016 has been the Governance Team's provision of a wide range of training opportunities to ensure the staff provide safe and effective care.

The quality of the services is measured by audits of the standards of care, the management of incidents and complaints. In addition we collate sickness, absence and retention of staff. The levels of which are extremely low, in comparison with similar providers.

This information not only provides FNHC with confirmation that the services are of the expected standard but also highlights any improvements that should be made to improve the care. Service user feedback on the care they received, will inform future service redesign. The use of iPads has allowed patient/client feedback surveys to be completed on the devices and collated automatically.

During 2016 a work force strategic plan for FNHC commissioned services was completed by Skills for Health. The Senior Management Team, Operational Leads and FNHC staff have been involved in completing the assessment of FNHC's current work force and considering what the challenges and opportunities are for the organisation.

The District Nursing teams have worked hard to modernise the way they manage their case-loads, this has led to a better understanding of patient dependencies and care requirements and in turn has improved the nurse allocation system. It is vital that we continue to make every contact count and as registered nurses are a rare resource we must ensure that they visit those who most benefit from their expertise. The review and development of standard operating procedures has also supported the skill mix within the team to better manage the increasing demands for their care. The District Nurses have adopted the Gold Standard Frame-work process, which facilitates multi-disciplinary teams to plan a person's end of life care. This process of structured support has resulted in the decreased number of people dying in the hospital from 50% to 39% within the last 5 years. Furthermore, 19% died at home and a further 27% in care settings supported by FNHC staff.

Remodelling Home Care Services

The decision by HSSD to no longer fund Home Care Services from January 2017, was formally received in April 2016. In July we were informed that £432K would be removed from the allocated funds for Home Care Services in 2016. The Chairman, Committee and the SMT considered the options available to FNHC in light of the withdrawal of funding.

A detailed Home Care Business plan outlined the changes to working practices and terms and conditions that needed to be made to enable Home Care Services to be a viable concern going forward. An electronic system is now being used called Care Planner. This system uses the mobile phone network to facilitate staff allocation and monitoring of the contact time and duration. The result has been that paper activity sheets have been discontinued and the billing has been automated.

It is our belief that Jersey residents benefit from having a home care provider that is not driven by profit and that relying solely on the commercial sector to provide care in the home could present risks, especially for a potentially vulnerable group. Ultimately it is the intention of FNHC to provide a not-for-profit quality home care service.

Leading the Islands Community Nursing Services

The RRRT and the MECOSH programme have been successfully embedded into our core services. The RRRT is an example of multi-disciplinary, cross organisational working that wraps services around the patient's needs. This has resulted in patients receiving the care they need at home in a timely and effective manner.

Both the RRRT and the MECOSH programme have evolved to incorporate a mental health element to the services. This is particularly important as we begin to understand better the impact of good mental health on our physical health and wellbeing.

The Children's Community Team have worked with other providers and lead the development of the Children's Palliative Care Pathway. This pathway approach ensures that all children and their families are offered equally good and appropriate care. The Health Visiting Team have also developed, alongside the Midwives and Mental Health Services an antenatal pathway that guides all professionals in Jersey.

Supporting Jersey's children to grow and develop into healthy, happy adults is a priority for the Child & Family Services. All the services provide a major contribution to safe guarding children, which is a vital but challenging area of work that we do well. To support our staff we have increased the range, quality and access to supervision. The result is that our staff are competent and confident in delivering care that protects children. There is within the team a strong commitment to working with midwifery and social care colleagues in HSSD and with education to work together to ensure that services for children are effective.

Funding streams

The Fundraising Team have had success in developing relationships with some FNHC's regular individual large donors. In several instances doubling the amount FNHC receive. This has subsequently allowed FNHC to provide all the staff with mobile devices to record patient care in the community.

The Colour Run event attracted five corporate sponsors Dandara, UBS, Enhance group, Jersey Trust Company and NED Bank. The support of the event allowed FNHC to substantially increase the amount of money raised. In addition to this, the 2000 club has become a regular and successful fund raiser through the efforts of the team in selling increasing amounts of tickets.

It has been an aspiration of FNHC to secure a three year contract with HSSD to allow FNHC to strategically plan for the longer term. The contract is now for a three year period but the financial schedule will be agreed on an annual basis. HSSD have agreed to fund the majority of the delivery costs of the commissioned services. This certainly has allowed FNHC to maintain the terms and conditions of the clinical facing staff in these services.

The changes in FNHC funding have however resulted in 100 out the 235 staff being offered new contractual terms and conditions. All staff at FNHC have been affected be it to a greater or lesser degree by the changes in Home Care funding.

Finally, it is to the testament of the staff that the focus of their efforts has continued to be focused on the patient/client care delivery. That is why FNHC exists and why staff choose to work in the community. It is what we do well and whatever the external challenges are, be it financial constraints, restructuring of the sector or political scrutiny that will continue to be the case.

Julie Gafoor
Chief Executive Officer

1) Summary of activity in hours

	2016 Hours	2015 Hours	Increase / (Decrease) Hours	%age
Child & Family	40,511	40,662	(151)	0%
District Nursing	34,683	34,438	245	1%
Home Care	44,165	56,460	(12,295)	-22%
Rapid Response & Reablement	12,940	12,855	85	1%
MECSH	2,769	1,841	928	50%
Total Hours of Activity	135,068	146,256	(11,188)	-8%

2) Number of clients

	2016 Clients	2015 Clients	Increase / (Decrease) Clients	%age
Child & Family	8,503	8,663	(160)	-2%
District Nursing	2,839	3,010	(171)	-6%
Home Care	418	559	(141)	-25%
Rapid Response & Reablement	1,019	1,173	(154)	-13%
MECSH	267	93	174	187%
Total Number of Clients	13,046	13,498	(452)	-3%

3) Number of visits

	2016 Visits	2015 Visits	Increase / (Decrease) Visits	%age
Child & Family	28,488	25,108	3,380	13%
District Nursing	58,459	59,283	(824)	-1%
Home Care	71,729	82,099	(10,370)	-13%
Rapid Response & Reablement	10,845	11,713	(868)	-7%
MECSH	1,744	1,081	663	61%
Total Number of Visits	171,265	179,284	(8,019)	-4%

Reference & Administrative Details

Charity Name	Family Nursing & Home Care (Jersey) Incorporated
Registered Charity Number	115 (registered with the Association of Jersey Charities)
Principal Office Address	Le Bas Centre, St Saviour's Road, St Helier, Jersey, JE2 4RP
Telephone Number	(01534) 443600
Email Address	enquiries@fnhc.org.je
Website	www.fnhc.org.je

Charity Patrons

Lady McColl (up to 30 November 2016)

Lady Dalton (since 4 April 2017)

The Bailiff of Jersey, Mr. William James Bailhache

Committee of Trustees who held office during the year ended 31 December 2016

Name	Position	Appointed	Resigned	Term
Mrs Ann Esterson	Chair	2015 AGM		3 years
Dr Nigel Minihane	Vice Chair	2013 AGM	2016 AGM	-
Mrs Jo Gavey	Honorary Treasurer	2014 AGM		3 years
Mr Kevin Bates	Acting Vice Chair	2015 AGM		2 years
Mrs Marnie Baudains		2014 AGM	2016 AGM	-
Mrs Rosemary Ruddy		2016 AGM		2 years
Mr John Moulin		2016 AGM		2 years
Advocate Cyril Whelan		2014 AGM	26/09/2016	-
Phil Romeril		2016 AGM		2 years
Lara Haskins		2016 AGM		2 years
David Ogilvie		2016 AGM		2 years
Mrs Julie Gafoor	Chief Executive Officer	Ex Officio		n/a

Senior Management Team

The Senior Management Team consists of the Chief Executive Officer, Finance Director, Divisional Manager - Governance & Performance and, on a rotating basis, one Operational Lead.

Chief Executive Officer

Julie Gafoor RGN, RHV, BA (Hons), MA, Dip Nursing, Dip Management

Finance Director

Adrian Blampied FCCA

Divisional Manager - Governance & Performance

Judy Foglia RGN, ONC 219, ENB 941/978, C&G 7307, Dip Research Methods, PGcert Health Care Practice

Operational Lead - Adult Services

Tia Hall RGN, RSCN, RHV, BA (Hons)

Operational Lead - Out of Hospital Services (Rapid Response & Reablement Team)

Clare Stewart RGN, Dip He Nursing, Bsc (Hons), NMP, MSc Advanced Healthcare Practice

Operational Lead - Child & Family Services

Michelle Cumming RN, BA Community Nurse Specialty (Health Visiting)

Auditors

Alex Picot
Chartered Accountants
95-97 Halkett Place
St Helier
Jersey JE1 1BX

Investment manager

Quilter Cheviot
4th Floor
28-30 The Parade
St Helier
Jersey JE4 8TE

Bankers

Lloyds Bank International Limited
9 Broad Street
St Helier
Jersey JE4 8NG

Legal advisers

Ogier
Ogier House
44 The Esplanade
St Helier
Jersey JE4 9WG

Structure, Governance & Management

Incorporation & principal activities

The Association is incorporated under the Family Nursing Services and Jersey Home Helps (Amalgamation) (Jersey) Law 1993 (the "Law") which was sanctioned by Order of Her Majesty in Privy Council on 27 October 1993.

The Association is governed by its Rules and Constitution which may not be altered without the consent of the Jersey Royal Court in accordance with the provisions of the "Loi (1862) sur les Teneures en Fideicommiss et L'Incorporation d'Associations".

Officers and committee members

The principal activities of Family Nursing & Home Care (Jersey) Incorporated continue to be those of a charitable organisation providing skilled nursing for the sick in their homes and to give advice and assistance on matters relating to the health and well-being of people of all ages in the Island of Jersey.

There is an open procedure which invites applicants to become Officers or Members of the Committee. Applicants are interviewed through a formal recruitment process and are then elected by members at the Annual General Meeting. The Jersey Appointments Commission governs the appointment process of the Chair and Chief Executive Officer.

All new Officers or Members of the Committee receive an induction to the Association including an introductory pack of key documents, individual time with the Chairman and induction meetings with key personnel. Committee Members are provided with learning and development support as and when deemed necessary and participate in an off-site development program each year focusing on a relevant topic.

The Committee of Trustees has appointed separate sub committees to oversee Finance, Fundraising (during 2015 only), Home Care, Governance and Clinical matters. During the year ended 31 December 2016 the Committee met 5 times, the Finance sub committee met 3 times and the Governance and Clinical sub committee met 4 times (2015: all met 4 times). In 2016 a Home Care sub committee was formed for the duration of the changes the Home Care business is facing, this sub committee meeting 3 times in 2016.

The table below sets out the attendance at committee and sub committee meetings by the relevant members. Attendance noted against a lower number of meetings than the totals set out above is due to the individual not being a member of the committee or sub committee for the full financial year.

Name	Main Committee	Finance Sub Committee	Governance & Clinical Sub Committee	Home Care
Ann Esterson	5 of 5	2 of 3	-	3 of 3
Jo Gavey	5 of 5	3 of 3	-	-
Kevin Bates	5 of 5	3 of 3	-	-
Rosemary Ruddy	5 of 5	3 of 3	-	-
John Moulin	5 of 5	-	4 of 4	-
Marnie Baudains	2 of 2	-	2 of 2	-
Cyril Whelan	2 of 4	-	2 of 3	-
Phil Romeril	3 of 4	-	-	3 of 3
David Ogilvie	3 of 4	-	-	3 of 3
Lara Haskins	3 of 4	-	1 of 2	-
Julie Gafoor	5 of 5	1 of 3	3 of 4	-

Statement of committee's responsibilities

The Committee are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and generally accepted accounting practice. The Committee are required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Association and of the statement of financial activities for that period. In preparing these financial statements, the Committee are required to:

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

The Committee are responsible for keeping adequate accounting records that are sufficient to show and explain the Association's transactions and disclose with reasonable accuracy at any time the financial position of the Association and enable them to ensure that the financial statements comply with the relevant laws. They are also responsible for safeguarding the assets of the Association and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

There is a clear distinction between the work of the Committee, which is to set policy and monitor performance, and the day to day management of the Association which is delegated to the Chief Executive Officer and Senior Management Team.

Risk statement

The Committee maintains a Corporate Risk Register which is reviewed on a quarterly basis. The Register describes the risk and the measures to be taken to mitigate the identified risk. Based on this information the probability and consequence of a risk is considered and a score derived which is used to determine whether the risk is Catastrophic, Major, Moderate, Minor or Negligible. Appropriate action is taken and monitored by the Committee.

Risks are categorised as to whether they are Strategic, Financial, Reputational, Political or Capacity in nature.

Objectives and Activities

To be the best at providing services for Family Health Improvements, Chronic Disease Management and Long-term Care Provision in the Community that are cost effective, evidence based and within a robust governance framework.

The objects of the Association are:

- (i) To provide skilled nursing for the sick in their homes;
- (ii) To give advice and assistance on matters relating to the health and well being of people of all ages in the Island of Jersey;
- (iii) To provide such other care and services in the Island of Jersey as the Association may from time to time think fit;
- (iv) To carry on those activities and to provide those services hitherto carried on and provided by Family Nursing Services (Jersey) Incorporated and the Jersey Home Helps Society for the Sick and Aged;
- (v) To acquire by way of purchase, acceptance of a gift, devise or bequest, or by lease or otherwise, any moveable or immovable property which may be necessary, requisite or desirable either directly or indirectly for the promotion of the activities of the Association and further, to do all things including borrowing money as may be incidental to, or connected with, any of the said objects or conducive to the attainment thereof; and
- (vi) Such other objects as the States of Jersey may at the request of the Association by regulation specify under the provisions of Article 10 of the Law.

Strategic Priorities

We have undertaken a Strategic Plan for the Association covering the period to 2018. We have maintained the 5 key principles of the Health White Paper as a framework for development of the plan, namely that we provide nursing and care that is:

- Safe;
- Affordable;
- Sustainable;
- Partnership focussed; and
- Integrated.

Safe

Ensure good governance, using the best evidence to guide practice and evaluate outcomes. To ensure that islanders, including those who are economically or socially vulnerable are cared for, protected and supported in achieving their optimal health and well being.

- Deliver high quality capability in all new & existing services
- Focus on developing nursing skills and capability across the teams
- Deliver high quality governance and standards to ensure that patients/clients receive the best possible care
- Establish evidence based metrics to assess standards and business, team and individual performance

Strategic Priorities (continued)

Affordable

That cost is managed through effective planning processes, and maximising use of resources. Those Islanders receive the best and most effective care.

- Improve business systems and processes to measure and manage effectiveness
- Review Home Care to assess future service requirement, structure, cost and funding
- Review productivity across the key areas of the Association with the aim of removing inefficiencies and improving the match of skills against patient need
- Deliver efficiency improvements through the implementation of new technology
- To maximise the Association's fund raising potential to help to deliver better services

Sustainable

To ensure that we use innovative ways to deliver services by expanding the scope of both registered and non-registered nurses by using technology to optimise services such as remote monitoring. Ensure that talented staff are recruited, developed and engaged to provide high quality services.

- Review current services and the associated costs to ensure they fit with future needs
- Identify and assess the potential for new services and FNHC funding and capability to deliver
- Review productivity across the key areas of the Association with the aim of removing inefficiencies and improving the match of skills against patient need
- Maximise the fund raising potential to ensure additional funding streams are identified
- Review corporate structure and funding to include the role of the charity's charitable status for next 3-5 years, in line with proposed Charities law
- Establish long term contractual relationships with HSSD
- Develop a workforce plan that addresses recruitment and retention issues

Partnership Focussed

Patient centred care, working with system partners in new ways and with across agency collaboration to address both the patient's immediate needs and factors that impact on our well being from infancy to our older years.

- Establish FNHC as the lead provider and voice of community based care
- Establish effective working relationships with other partners such as Jersey Hospice, Brighter Futures and Les Amis to develop high quality, seamless service provision
- Establish effective working relationships with all GP practices that make it easy for them/patients to access FNHC services
- Identify other areas of service overlap and develop effective working processes with other key providers
- Continually improve long term relationships with all key stakeholders within HSSD
- Develop robust systems to ensure we are listening and engaging with the patients/clients and the public about current and future services and that this will be acted upon

Integrated

Collaborate with other disciplines in addressing service gaps by providing interventions for vulnerable groups and improved identification and care to those with complex needs through integrated case management.

- Provide services that enable a patient's needs to be met in a timely and appropriate manner, seamlessly between nursing, therapy and care services
- Ensure that there is effective communication between nursing, therapy and care staff to optimise care
- Provide supervision and support from experienced, skilled nurses and therapists to care staff

Financial Review

2016 has been a challenging year financially for the Association. Negotiations with the Health & Social Services Department have continued throughout the majority of the year in respect of the removal of funding and subsequent decommissioning of our Home Care service. The resultant impact is income from charitable activities reducing to £7,848k (2015: £8,438k). In part this is from the decommissioning of the domestic service element of Home Care at the end of 2015 and the remainder of Home Care at the end of 2016, the latter attracting a reduction in income of £432k for 2016. On a positive note, income for the P82 funded Rapid Response & Reablement team grew to £674k (2015: £642k) and MECSH funding remained constant at £335k. In total, funds received from the Health & Social Services Department equate to 79% of the total resources expended in the year, 6% lower than 2015.

Overall, the financial year to 31 December 2016 resulted in the Association having net expenditure of £285k after gains and losses on investments (2015: £42k net income). If gains on investments of £373k were removed the position would have been a net expenditure of £658k. Income from donations has reduced to £186k (2015: £330k) whilst our legacy income has increased to £81k (2015: £16k).

Despite these challenges FNHC remained committed to providing an electronic patient record system, EMIS, which will allow instant access to patient records for our nursing staff when working in a patient's home or elsewhere. It also allows appropriate sharing of up-to-date records with Jersey Hospice Care and the Island's GPs providing a layer of patient safety that the Island has not previously had.

Designated reserves expenditure totalled £225k, of which £213k related to the implementation of EMIS, investment in a Home Care system and upgrading old IT stock. The remaining designated expenditure of £12k relates to the commencement of our new clinic in St Peter, above the COOP, which has opened in May 2017.

Restricted reserves movement largely remains in relation to our P82 commissioned services and high cost packages for children of £1,009k and £267k respectively (2015: £977k and £292k). The 2016 Dandara Colour Fun Run raised a net £30k which is restricted for the purpose of employing a paediatric care worker to support the high dependency children packages we provide. The on-going funds raised from future runs will continue to support this vital role when it is in post in 2017. The Association of Jersey Charities and a private benefactor contributed a total of £50k over 2015 and 2016 to fund iPads and smart phones for our nursing staff to facilitate remote working and increase the level and quality of care we provide to Islanders.

Total reserves have decreased to £6,220k (2015: £6,505) of which £2,239k is designated and £143k is restricted. A full analysis of reserves can be found in Note 15 on pages 29-30.

Reserves Policy

Reserves may be classified in the following funds:

- (i) Unrestricted funds;
 - (a) General unrestricted funds;
 - (b) Designated funds; and
- (ii) Restricted funds.

General unrestricted funds

Unrestricted funds are general funds received that have no restrictions attached to them and have not been designated for specific projects. They are expendable at the discretion of the Committee in furtherance of the Association's objects. Unrestricted funds may be earmarked for specific projects and designated as a separate fund (see Designated fund). The designation has an administrative purpose only and does not legally restrict the Committee's discretion to apply the funds.

Designated funds

Designated funds are funds that have been set aside for specific projects. These funds are not therefore readily available for other purposes.

Funds for specific projects are proposed to be designated by the Finance Sub Committee. Proposed designations must be presented to the main Committee for final consideration. If approved, funds will be transferred from the unrestricted fund to designated funds accordingly.

A property fund exists within overall designated funds with the intention of accumulating sufficient funds for the Association to invest in its own property to operate from. A desired fund total and time frame has not been set for the completion of the fund.

It was agreed by the Finance Sub Committee at a meeting held on 22nd April 2013 that, with effect from the 2012 financial year, significant legacies or legacies that were property related or as a result of a distribution from an immovable estate will be proposed for designation to the property fund.

Designated funds may be re-classified as unrestricted funds should they be surplus to requirement for a specific project, or if the project in question is no longer being implemented. The sanction of the main Committee is required to re-classify funds.

Restricted funds

Restricted funds are funds subject to specific trusts, which may be declared by the donor(s) or with their authority (e.g. in a public appeal) or created through legal process, but still within the wider objects of the Association.

Restricted funds may be restricted income funds, which are expendable at the discretion of the Committee in furtherance of some particular aspect(s) of the objects of the Association, or they may be capital funds, where assets are required to be invested, or retained for actual use, rather than expended.

Investment Policy and Objectives

The Association appoints an external firm of investment managers to manage its investment funds. This appointment is reviewed on an annual basis. The overarching investment policy is to produce a regular investment income without undue risk to overall capital values.

The Association excludes investment on ethical grounds in companies that are included in the categories of alcohol, armaments, pornography or tobacco and ban investment in companies which participate in the infringement of human rights.

As at 31 December 2016 the Association's investment portfolio was valued at £3,541k (2015: £3,266k) and has an expected yield of 2.31%.

Committee of Trustees



Alex Picot
chartered accountants

95-97 Halkett Place
St. Helier, Jersey
Channel Islands JE1 1BX

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FAMILY NURSING AND HOME CARE (JERSEY) INCORPORATED

We have audited the financial statements of Family Nursing and Home Care (Jersey) Incorporated for the year ended 31 December 2016 on pages 17 to 32. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the Association's members, as a body. Our audit work has been undertaken so that we might state to the Association's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Association's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Committee and auditors

As explained more fully in the Committee's Responsibilities Statement set out on page 12, the Committee is 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 opinion

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 Association's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Committee; and the overall presentation of the financial statements. In addition we read the financial and non-financial information issued with the financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the Association's affairs as at 31 December 2016 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards and the constitution.

26 MAY 2017

ALEX PICOT
Chartered Accountants

	Note	Unrestricted £000s	Designated £000s	Restricted £000s	2016 £000s	Unrestricted £000s	Designated £000s	Restricted £000s	2015 £000s
Income from:									
Donations & legacies	3a	197	-	93	290	267	-	103	370
Charitable activities	3b	6,570	-	1,278	7,848	7,166	-	1,272	8,438
Other fundraising activities	3c	230	-	44	274	247	-	-	247
Income from investments	3d	83	-	-	83	92	-	-	92
Total income		7,080	-	1,415	8,495	7,772	-	1,375	9,147
Expenditure on:									
Costs of generating funds									
Raising Funds	4a	332	-	14	346	197	90	-	287
Charitable activities	4b	7,210	225	1,372	8,807	7,409	-	1,386	8,795
Total expenditure		7,542	225	1,386	9,153	7,606	90	1,386	9,082
Net gains / (losses) on investments	5	373	-	-	373	(23)	-	-	(23)
Net (expenditure) / income		(89)	(225)	29	(285)	143	(90)	(11)	42
Gross transfers between funds	15	-	-	-	-	(100)	100	-	-
Other Recognised Losses									
Loss on foreign exchange		-	-	-	-	(1)			(1)
Net Movement in Funds		(89)	(225)	29	(285)	42	10	(11)	41
Funds brought forward at 1st January		3,927	2,464	114	6,505	3,885	2,454	125	6,464
Funds carried forward at 31st December	15	3,838	2,239	143	6,220	3,927	2,464	114	6,505

All income and expenditure for the current and prior year derives from continuing operations.

The notes on pages 20 to 32 form a part of these financial statements.

Family Nursing & Home Care (Jersey) Incorporated
Balance Sheet
As at 31 December 2016

	Note	2016 £000s	2015 £000s
Fixed Assets			
Tangible assets	9	800	800
Investments	10	3,541	3,266
		4,341	4,066
Current Assets			
Stocks		14	16
Debtors	11	455	437
Current asset investments	12	-	655
Cash and cash equivalents at bank and in hand	13	2,612	3,072
		3,081	4,180
Creditors: Amounts falling due within one year	14	1,202	1,741
		1,879	2,439
Net Current Assets		6,220	6,505
Net Assets		6,220	6,505
Charitable Funds			
Unrestricted income fund			
General unrestricted income fund	15	3,838	3,927
Designated fund	15	2,239	2,464
		6,077	6,391
Restricted income fund	15	143	114
		6,220	6,505
Total Funds		6,220	6,505

The notes on pages 20 to 32 form a part of these financial statements.

Approved and authorised for issue by the Trustees on 26 May 2017 and signed on its behalf by:

Kevin Bates

For and on behalf of Family Nursing & Home Care (Jersey) Incorporated

Family Nursing & Home Care (Jersey) Incorporated
Cash flow statement
For the year ended 31 December 2016

	Note	2016 £000s	2015 £000s
Cash flows from operating activities			
Net (expenditure) / income for the financial year		(285)	42
Adjustments for:			
Net (gains) / losses on investments		(373)	23
Deposit interest and investment income receivable		(83)	(92)
Decrease in stocks		2	2
(Increase) / decrease in debtors		(18)	713
Decrease / (increase) in current asset investments		655	(4)
(Decrease) / increase in creditors		(539)	814
Net cash generated from operating activities		(641)	1,498
Cash flows from investing activities			
Deposit interest received	3d	9	14
Dividend and coupon income received	3d	74	78
Revaluation of foreign exchange broker accounts		-	(1)
Payments to acquire fixed asset investments	10	(1,203)	(730)
Receipts from sales of fixed asset investments	10	1,301	706
Net cash from investing activities		181	67
(Decrease) / increase in cash in the year - refer to note b. below		(460)	1,565
Cash and cash equivalents at beginning of the year		3,072	1,507
Cash and cash equivalents at end of the year		2,612	3,072
Notes			
		2016	2015
		£000s	£000s
a. Components of cash and cash equivalents			
Cash		1,846	3,054
Cash equivalents		661	-
Cash with broker		105	18
Net cash inflow from operating activities		2,612	3,072

1 Accounting Policies

a. Basis of preparation of financial statements

These financial statements are prepared under the historical cost convention, as modified by the inclusion of investments at market valuation and tangible fixed assets at valuation, and in compliance with the Financial Reporting Standard 102 Statement of Recommended Practice ("the FRS 102 SORP"), and applicable accounting standards in the United Kingdom.

The following principal accounting policies have been applied:

b. Income

Income, including donations, legacies, investment income and rental income, is recognised in the period in which the Association is entitled to receipt, where the amount can be measured with reasonable certainty and to the extent that it is probable that the economic benefits will flow to the Association. Interest income is recognised in the Statement of Financial Activities using the effective interest method.

Recognition of legacy income is dependent on the type of legacy, with pecuniary legacies recognised when notification is received and residuary legacies when the final accounts under the will are received. Reversionary legacies are not recognised during the lifetime of the original beneficiary under the will. Freehold land and buildings received by way of legacy are generally held for resale with the resultant funds being made available to the Association at the Trustees' discretion or in accordance with any restrictions. Their value is included in the Statement of Financial Activities in compliance with the recognition of income.

The Association receives funds from the Health & Social Services Department of the States of Jersey which has been disclosed in Note 3b), Income - Charitable Activities, as this amount relates to a contract for services, covering a one year period to 31 December 2016. The funding is reviewed on an annual basis and is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Association will receive the consideration due under the contract for services;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Donated services and facilities - The Association is supported by the Health & Social Services Department of the States of Jersey through the provision of administrative services in relation to payroll, accounts payable and information technology support. No monetary value has been recognised in these financial statements in relation to the benefit derived from these donated services. There is no net impact on the Statement of Financial Activities as an equal expended resource amount would be applied in accordance with the SORP.

c. Raising funds

Costs of raising funds comprise the costs incurred in fundraising and portfolio management costs charged by the Association's investment manager. Fundraising costs include the costs of advertising, producing publications, printing and mailing fundraising material, event organisation, staff costs in these areas, and an appropriate allocation of central overheads.

d. Charitable activities

Charitable expenditure is reported as a functional analysis of the work undertaken by the Association, being Child & Family Services, District Nursing, Home Care and Out of Hospital Services. Under these headings are the costs of activities performed directly by the Association, together with associated support costs. Also included in charitable expenditure are the Governance costs of the association representing the salaries, direct expenditure, and overhead costs incurred by the executive and central finance departments in the strategic planning processes of the Association and compliance with constitutional and statutory requirements, as well as external audit costs.

e. Allocation and apportionment

Costs to be recharged to specific activities or departments within the Association are apportioned on the following basis:

- Specific roles within support are allocated to Raising Funds and Charitable Activities expenditure;
- Human resources costs are allocated to all other departments, both charitable and support, based on headcount;
- Remaining support costs and overheads have been allocated on an estimated time spent basis between Raising Funds and Charitable Activities categories.

f. Tangible fixed assets

Freehold land and buildings are included in the Balance Sheet at market value and revalued at least every five years.

g. Investment fixed assets

Listed investments are included in the Balance Sheet at market value. The value includes interest accrued on fixed interest stocks. Realised gains or losses on sale of investments and unrealised gains or losses on revaluation of investments are credited or charged to the Statement of Financial Activities and disclosed under net gains / (losses) on investments.

h. Stocks

All stocks are valued at the lower of the weighted average cost and the net realisable value.

i. Debtors

Debtors are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at the cost less impairment losses for bad and doubtful debts.

j. Current asset investments

Current asset investments represent cash on deposit and cash equivalents with a maturity of less than one year held for investment purposes rather than to meet the short term cash commitments as they fall due.

k. Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalent are highly liquid investments that mature no more than three months from date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

l. Creditors

Short term creditors are measured at their transaction price. Other financial liabilities including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

m. Depreciation

It is the policy of the Association to maintain buildings in good repair, the cost of maintenance and improvements being charged through the Statement of Financial Activities. Financial Reporting Standard 102 requires that depreciation be charged on all fixed assets, excluding land. No depreciation has been provided on the value of buildings as any charge to depreciation is considered immaterial. In accordance with the requirements of the Standard the carrying value of each property is reviewed against its market value and where appropriate an impairment made.

Fixed assets other than freehold property are not capitalised but are charged in full through the Statement of Financial Activities in the year of acquisition.

n. Foreign currencies

Transactions denominated in foreign currencies are translated at the rate of exchange prevailing at the time of the transaction. Foreign currency balances are translated at the rate of exchange prevailing at the Balance Sheet date. Foreign exchange gains and losses are credited or charged to the Statement of Financial Activities and disclosed under Other Recognised Losses.

o. Defined benefit pension scheme

The Association is an Admitted Body of the Public Employees Contributory Retirement Scheme ('PECRS') and Public Employees Pension Scheme ("PEPS") which are both administered by the States of Jersey. All permanent employees of the Association are members of PECRS, or PEPS if they joined the organisation after 1 January 2016, however participation has been reviewed as a result of changes in funding (ref note 16 e).

p. Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Association's accounting policies, which are described in note 1, the trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3 Income

a) Donations & legacies

	Unrestricted	Designated	Restricted	2016	Unrestricted	Designated	Restricted	2015
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Donations	94	-	92	186	229	-	101	330
Legacies	81	-	-	81	16	-	-	16
Grants	22	-	1	23	22	-	2	24
	197	-	93	290	267	-	103	370

b) Charitable activities

	Unrestricted	Designated	Restricted	2016	Unrestricted	Designated	Restricted	2015
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Health & Social Services Department								
Contract for Services	5,970	-	-	5,970	6,442	-	-	6,442
Rapid Response & Reablement	-	-	674	674	-	-	642	642
MECSH	-	-	335	335	-	-	336	336
High Cost Packages of Care	-	-	267	267	-	-	292	292
	5,970	-	1,276	7,246	6,442	-	1,270	7,712
Community Safety Grants Panel ¹	-	-	1	1	-	-	2	2
Home Care Fees	543	-	-	543	654	-	-	654
Sale of services ²	26	-	1	27	36	-	-	36
Sale of medical supplies	25	-	-	25	30	-	-	30
Rental and sundry	6	-	-	6	4	-	-	4
	6,570	-	1,278	7,848	7,166	-	1,272	8,438

¹ The Association received a grant of £17,491 in 2010 from the now disbanded States of Jersey Community Safety Grants Panel. This was to fund a safety equipment scheme which provides stairgates, fireguards and other safety related items. The balance as at 31 December 2016 is nil (2015: £1,423).

² Includes amounts invoiced in respect of a part time School Nurse, funded by the Public Health Department.

c) Other fundraising activities

	Unrestricted	Designated	Restricted	2016	Unrestricted	Designated	Restricted	2015
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Membership income ³	143	-	-	143	166	-	-	166
Fundraising - Golf day	14	-	-	14	15	-	-	15
Fundraising - Colour Fun Run	-	-	44	44	-	-	-	-
Fundraising - Scarecrow Trail	2	-	-	2	1	-	-	1
Fundraising - Childhood Continenence	2	-	-	2	-	-	-	-
Fundraising - Small events	12	-	-	12	7	-	-	7
Fundraising - 2016 (2015) Club ⁴	57	-	-	57	58	-	-	58
	230	-	44	274	247	-	-	247

³ Members of the Association pay an annual membership with amounts being collected throughout the year. Membership income is recognised in the accounting period to which it relates with the amounts relating to future periods being carried forward. See note 14 for amounts released in the current year and deferred to future periods. There are currently 2 lifetime members however the incoming resources in respect of these are not considered material for separate disclosure.

⁴ The Association runs an annual lottery, the name of which changes to reflect the year and number of tickets available. Monies received in the year in respect of the 2017 Club lottery have been deferred to be recognised in the following year.

d) Investment income

	Unrestricted	Designated	Restricted	2016	Unrestricted	Designated	Restricted	2015
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Bank interest	9	-	-	9	14	-	-	14
Dividends and coupons	74	-	-	74	78	-	-	78
	83	-	-	83	92	-	-	92

4 Expenditure

a) Raising funds

	Unrestricted	Designated	Restricted	2016	Unrestricted	Designated	Restricted	2015
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Fundraising - Golf day	6	-	-	6	6	-	-	6
Fundraising - Small events	5	-	-	5	8	-	-	8
Fundraising - 2016 (2015) Club ⁴	25	-	-	25	26	-	-	26
Fundraising - Colour Fun Run	-	-	14	14	-	-	-	-
Fundraising - Parish Road Show	1	-	-	1	-	-	-	-
Fundraising - Scarecrow Trail	1	-	-	1	1	-	-	1
Fundraising - Newsletter	3	-	-	3	-	-	-	-
Investment management costs	13	-	-	13	13	-	-	13
Support costs - see note 4c	278	-	-	278	143	90	-	233
	332	-	14	346	197	90	-	287

b) Charitable activities

	Unrestricted	Designated	Restricted	2016	Unrestricted	Designated	Restricted	2015
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Child & Family Services	1,642	-	19	1,661	1,626	-	27	1,653
District Nursing Services	2,503	-	29	2,532	2,446	-	39	2,485
Home Care Services	1,903	-	-	1,903	2,069	-	49	2,118
Rapid Response & Reablement	-	-	674	674	95	-	642	737
MECSH	-	-	335	335	-	-	335	335
High Cost Packages of Care	-	-	267	267	-	-	292	292
Clinical Governance	414	-	-	414	375	-	-	375
Stores & Medical Supplies	52	-	-	52	57	-	-	57
Direct Service Provision Costs	33	-	-	33	70	-	-	70
Governance costs								
Audit fees ⁵	6	-	-	6	7	-	-	7
Executive management	125	-	-	125	125	-	-	125
Support costs - see note 4c	532	225	48	805	539	-	2	541
	7,210	225	1,372	8,807	7,409	-	1,386	8,795

⁵ Fees paid to the Association's auditors are solely in respect of the annual audit. No fees have been paid to the Association's auditors in respect of tax, assurance or other consultancy or advisory services.

c) Allocation of support costs

	Raising Funds	Charitable	2016	Raising Funds	Charitable	2015
	£000s	£000s	£000s	£000s	£000s	£000s
Human Resources	1	146	147	1	139	140
Business Support ⁶	212	387	599	203	287	490
Training & Travel	2	6	8	2	6	8
Vehicles	-	2	2	-	2	2
Equipment & Maintenance	33	134	167	2	8	10
Printing & Stationery	7	27	34	7	27	34
Communications	9	41	50	5	20	25
Buildings Maintenance	-	10	10	-	1	1
Security & Cleaning	5	15	20	4	17	21
Insurance	9	37	46	9	34	43
	278	805	1,083	233	541	774

Directly attributable costs are charged, where possible, to the relevant business area. Other costs, as set out in the table above are allocated as follows:

- Human Resources costs are allocated on a headcount basis;
- All other support costs are allocated on an estimated time spent basis between Raising Funds and Charitable Activities.

⁶ Business support costs include the Executive, Finance, Administrative and Charitable operations after deduction of an appropriate charge for Governance Costs has been made.

5 Net gains / (losses) on investments

	Unrestricted	Designated	Restricted	2016	Unrestricted	Designated	Restricted	2015
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Profit on disposal	67	-	-	67	58	-	-	58
Less: Opening unrealised gains	(156)	-	-	(156)	(237)	-	-	(237)
Closing unrealised gains	462	-	-	462	156	-	-	156
	373	-	-	373	(23)	-	-	(23)

6 Trustees' remuneration, benefits and expenses

None of the trustees have been paid any remuneration for their role as Trustee or received any other benefits from employment with the Association nor have they been reimbursed for any expenses relating to their position (2015: £nil).

During 2016 the Resilience Development Company Limited provided a resilience training program to some of the Association's clinical managers at a cost of £5,590. This company is a related party to one of our Trustees, David Ogilvie. The engagement with Resilience Development Company Limited was prior to Mr Ogilvie becoming a Trustee of FNHC at the 2016 AGM.

7 Employees

The number of full time, part time and zero hour employees and full time equivalent (FTE) as at 31 December was:

	2016	2016	2015	2015
	Employees	FTE	Employees	FTE
Child & Family Services	54	35.49	55	34.58
High Cost Packages	8	2.17	12	4.83
Total Child & Family Services	62	37.66	67	39.41
District Nursing Services	49	38.31	59	39.81
Rapid Response & Reablement	17	13.33	16	13.93
Home Care Services	86	47.03	103	54.21
Clinical effectiveness & risk management	8	6.54	7	4.08
	222	142.86	252	151.44
Support	13	11.99	14	12.56
Fundraising	2	2.00	2	2.00
Total	237	156.85	268	166.00

The above employee numbers include 33 zero hour contracts which are in respect of bank nursing staff (2015: 45). Where an employee undertakes two or more employment contracts they are included here as one employee for each contract held.

8 Staff costs and employee benefits

The table below shows the number of higher paid staff with emoluments over £60,000 in bandings of £10,000 thereafter. Emoluments include gross salary, overtime, unsocial hours, on call payments and taxable benefits in kind. Overtime, unsocial hours and on call payments are typically only paid to staff working in clinical facing roles. Prior year comparatives have been restated as previously only gross salary had been included in the amounts paid.

	2016	2015
£60,000 to £69,999	6	7
£70,000 to £79,999	1	2
£80,000 to £89,999	1	1

The Association is an Admitted Body of the Public Employees Contributory Retirement Scheme ('PECRS') and Public Employees Pension Scheme ("PEPS") which are both administered by the States of Jersey. All permanent employees of the Association are members of PECRS, or PEPS if they joined the organisation after 1 January 2016, however participation has been reviewed as a result of changes in funding (ref note 16 e). All permanent staff, and therefore all higher paid staff as defined above, currently have retirement benefits accruing under the scheme.

During the year the following staff costs and employee benefits were incurred by the Association:

	2016 £000s	2015 £000s
Wages and salaries (including bank contracts)	6,480	6,729
Social security	407	422
Defined benefit pension contributions	784	852
Allowances (including on call, mileage / car and laundry allowances)	325	366
	7,996	8,369

During the year the Association incurred the following staff costs in relation to the Senior Management Team:

	2016 £000s	2015 £000s
Wages and salaries	287	276
Social security	15	14
Defined benefit pension contributions	39	38
Allowances (including on call, mileage / car and laundry allowances)	14	14
	355	342

9 Tangible assets

	2016	2015
	£000s	£000s
Freehold land and buildings at valuation	800	800

The property known as Gloucester Lodge was valued on 30 March 2017 by Gaudin & Company Limited with an open market value of £800,000. The property is currently leased to the Health & Social Services Department for a nominal rent of £1 per annum on a 20 year lease which terminated in September 2013 and has been extended informally for an undefined period. It is not the intention of the Association to dispose of Gloucester Lodge during the forthcoming 12 months.

10 Investments

	2016	2015
	£000s	£000s
Market value as at 1 January	3,266	3,265
Less unrealised gains as at 1 January	(156)	(237)
Book cost as at 1 January	3,110	3,028
Additions at cost	1,203	730
Disposal proceeds	(1,301)	(706)
Profit on disposal	67	58
Book cost as at 31 December	3,079	3,110
Add unrealised gains as at 31 December	462	156
Market value as at 31 December	3,541	3,266

The Association's investment portfolio is managed by Quilter Cheviot on a discretionary basis. Quilter Cheviot follow a set of investment objectives and restrictions as agreed by the Finance Sub Committee.

Investments held as at 31 December 2016 and 31 December 2015 are all unrestricted funds. Income amounts generated by the portfolio are also unrestricted.

11 Debtors

	2016	2015
	£000s	£000s
Trade debtors	83	75
States of Jersey ⁷	293	317
Other debtors	18	12
GST	49	26
Prepayments	12	7
	455	437

⁷ Represents amounts due from the States of Jersey in respect of the High Cost Packages of Care and a Public Health funded School Nurse post.

12 Current asset investments

	2016	2015
	£000s	£000s
Cash deposits	-	655

Relates to cash deposits with a term of 6 months or more. Deposits as at 31 December 2016 were only for a 3 month term.

13 Cash and cash equivalents at bank and in hand

	2016	2015
	£000s	£000s
Cash at bank	1,846	3,054
Cash equivalents	661	-
Cash with broker	105	18
	2,612	3,072

14 Creditors: Amounts falling due within one year

	2016	2015
	£000s	£000s
Membership received in advance ⁸	67	138
Creditors and accruals	316	142
States of Jersey - Comite account ⁹	819	1,461
	1,202	1,741

⁸ Members of the Association pay an annual membership with amounts being collected throughout the year. Membership income is recognised in the accounting period to which it relates with the amounts relating to future periods being carried forward. The balance of £67,085 (2015: £138,034) relates to membership income that is deferred to financial year ending 31 December 2017. The prior year balance of £138,034 was released as income during 2016.

⁹ The States of Jersey process monthly payroll and accounts payable items which are then reimbursed by the Association.

15 Reserves

	<i>Unrestricted</i>	<i>Designated</i>	<i>Restricted</i>	Total
	£000s	£000s	£000s	£000s
Fund balances as at 31 December 2016 represented by:				
Fixed Assets				
Tangible	800	-	-	800
Investments	3,541	-	-	3,541
Current Assets	699	2,239	143	3,081
Current liabilities	(1,202)	-	-	(1,202)
	3,838	2,239	143	6,220

Designated funds

Designated funds are determined by the Committee when there is a need to allocate certain funds for known future commitments.

The movement in designated funds is analysed as follows:

Fund (with expected completion date where known)	<i>01/01/16</i>	<i>Expended</i>	<i>Designated</i>	<i>31/12/16</i>
	£000s	£000s	£000s	£000s
Property fund	2,122	-	-	2,122
Electronic patient record system (2016)	170	(170)	-	-
Clinic development	100	(12)	-	88
Information technology upgrades (2016)	65	(43)	-	22
Property refurbishment costs	7	-	-	7
	2,464	(225)	-	2,239

The Association does not yet have sufficient clarity over its future premises requirements. As such it has been decided to continue contributing to the property fund until 31 December 2017 when a further decision will be made as to its use.

Restricted funds

Restricted funds are classified as such by virtue of any restrictions that may have been placed on the incoming resource or asset. Funds with a balance, income and expenditure of £5k or less are consolidated and categorised as Other.

The movement in restricted funds is analysed as follows:

	01/01/16	Income	Expenditure	31/12/16
	£000s	£000s	£000s	£000s
Property refurbishment project	7	-	-	7
Child Accident Prevention	2	5	(2)	5
High Cost Packages of Care	-	267	(267)	-
Rapid Response & Reablement	-	674	(674)	-
MECSH	1	335	(335)	1
Health Visiting - Mental Health Training	-	8	-	8
Pathways costs	17	-	(17)	-
Greville Bathe Fund - District Nurse Degree Training	23	-	-	23
Greville Bathe Fund - Clinic Furniture and Equipment	-	21	-	21
Colour Run	-	44	(14)	30
Bladder Scanner Appeal	30	3	(23)	10
Mobile technology	20	30	(48)	2
District Nursing	12	7	(6)	13
Home Care Hardship Fund	-	20	-	20
Other	2	1	-	3
	114	1,415	(1,386)	143

16 Pension

a) Costs

The Association is an Admitted Body of the Public Employees Contributory Retirement Scheme ('PECRS') and Public Employees Pension Scheme ("PEPS") which are both administered by the States of Jersey. All permanent employees of the Association are members of PECRS, or PEPS if they joined the organisation after 1 January 2016, however participation has been reviewed as a result of changes in funding (ref note 16 e). Whilst this is a final salary scheme, it is not a conventional defined benefit scheme because the employer is not responsible for meeting any ongoing deficit in the scheme. The assets are held separately from those of the Association. Contribution rates are determined by an independent qualified actuary so as to spread the costs of providing benefits over the members' expected service lives.

Salaries and emoluments include pension contributions for staff to these schemes amounting to £783,765 (2015 - £852,359). The Association has adopted Financial Reporting Standard 102 ("FRS 102"). As the Association is unable to readily identify its share of the underlying assets and liabilities of PECRS or PEPS under FRS 102, contributions to the scheme have been accounted for as if they are contributions to a defined contribution scheme.

The contribution rate paid by the Association during the year for PECRS was 13.6% (2015: 13.6%) of salary and for PEPS was 16%.

b) Valuation

Actuarial valuations are performed on a triennial basis. As at the date of signing these financial statements, the valuation due for 31 December 2016 has not been finalised so the most recent published valuation being as at 31 December 2013. The main purposes of the valuation are to review the operation of the scheme, to report on its financial condition, and to confirm the adequacy of the contributions to support the scheme benefits.

The latest valuation dated 31 December 2013 showed that there was a surplus of £92.7 million compared with Scheme investments of £1.6 billion. The Schemes Regulations state that any surplus is to be utilised to restore as far as possible reductions to annual pension increases which have taken place within 6 years of the valuation. As such the surplus enables the Scheme to reimburse and restore certain benefits that had been reduced during 2013 and 2014, leaving a remaining surplus of £54.6 million which is recommended to be retained as a buffer against future adverse experience.

The Actuary had advised that the Association had a liability to meet its share of the pre-1987 debt, as did all participating employers. This arose from the restructuring of the PECRS arrangements with effect from 1 January 1988.

c) Transition of PECRS to PEPS

Employees who are members of PECRS will transfer in to PEPS from 1 January 2019. They will continue to accumulate benefits under PECRS until 31 December 2018. The Associations' contribution rates for these employees would increase to 14.4% in 2019, 15.2% in 2020 and finally to 16% in 2021.

d) Pre-1987 Liability

The PECRS Committee of Management formally determined the pre-1987 liability in September 2005 and the Association was advised of the repayment schedule to meet that liability in January 2007. In total, the actuary had advised that the Association had a liability of £5,098,137.

On 13 May 2008 the States of Jersey adopted a proposition of the Minister for Treasury and Resources concerning the debt of the Family Nursing and Home Care Service and agreed to take responsibility for the pre-1987 PECRS past service debt from 1 January 2008. Accordingly, the States agreed to make payments to PECRS of £7,463 monthly until 31 December 2083, to assume the same obligations in relation to the debt previously attributable to Family Nursing and Home Care as for its own share of the debt, and to reduce the grant payment to Family Nursing and Home Care by £89,556 per annum (subject to indexation).

e) New Defined Contribution Scheme

As a result of recent changes in the Association's funding structure and the decommissioning of its Home Care services participation in PECRS and PEPS is deemed prohibitive for certain roles due to the high contribution rates. Accordingly, only commissioned clinical facing roles will continue to participate in these schemes.

The Association is setting up a new defined contribution scheme which all administrative posts and Home Care employees will participate in on an optional basis. Their participation in PECRS and PEPS will continue until the end of August 2017. As at the date of signing these accounts the details of the new scheme have not yet been finalised however it is expected that employer contribution rates will be either 3% or 5% of salary, with employees making matched contributions.

17 Commitments under operating leases

The Association had the following annual commitments for premises rental under operating leases:

	2016 £000s	2015 £000s
Operating leases which expire:		
Within one year	16	16
In the second to fifth years inclusive	33	33
After five years	20	-
	69	49

A pre-lease agreement for a new clinic based in St Peter was signed on 19 August 2016. The lease is due to complete in May 2017 for a nine year term and has been disclosed accordingly as a commitment expiring after five years.

18 Commitment not recognised as a liability

On 17 June 2016 a Software as a Service Agreement was entered in to with Egton Medical Information Systems Limited for the procurement of the clinical records system EMIS Web. The Agreement is for a 5 year term, with commitments in respect of license fees, hosting, annual maintenance and support costs for future periods expected to be in the region of £221k. These costs will be recognised in the periods relating to the system's use.

19 Post balance sheet event

On 10 March 2017 FNHC and HSSD signed a contract for services for the provision of District Nursing, Rapid Response & Reablement, Health Visiting, School Nursing and Community Paediatric Nursing. The agreement is for a three year term to 31 December 2019 with annual reviews of the financial value and performance metrics of the contract.

With effect from 1 January 2017 HSSD no longer commission any Home Care services from FNHC. Transitional funding for Home Care clients existing at 31 December 2016 is available at £9 per hour until the earlier of 31 December 2017 or the client being in receipt of Long Term Care funding.

A review of terms and conditions of administration and Home Care employees has been carried out in conjunction with employee representatives, Unite the Union, Jersey Nursing Association and the Royal College of Nursing Union. New contracts with revised terms and conditions were issued on 31 March 2017 and any employees unable to accept the new contracts will be made compulsorily redundant on 25 June 2017. As at the date of signing these financial statements the final number of redundancies and associated redundancy payments is unknown.