



Wirral Hospice St John's Trustee Annual Report & Accounts 2016/17

Help Wirral Hospice keep serving our community

Company Registration : 1518364

Charity No: 510643

Trustee Annual Report & Accounts 2016/17

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CHAIRMAN'S PREFACE

The 2016/17 year has been characterised by a number of challenges but principally the financial situation which is impacting across the health and social care sectors and from which we are by no means immune. The situation has been well documented in the media throughout the year and in this year's Trustees' Report we give some insight into how it has affected our activity and how we as an organisation are endeavouring to respond to the challenge.

Grant funding accounts for approximately 47% of the income required to support our charitable activities. In 2016/17 the level of grant was maintained at the same level as in the past six years and whilst we are grateful that the CCG has continued to demonstrate strong support for our activity, the lack of any inflationary increase has presented us with a challenge.

At the same time we are seeing an increase in costs over and above inflation in the delivery of our patient care, in the main due to increasing complexity of our patients' healthcare conditions.

The raising of voluntary income to cover the gap between grant funding and service delivery costs is also becoming more difficult as the wider economic pressures on our supporters have increased and more charities have entered the market, in particular in sectors related to the healthcare we deliver.

These factors combined to present us with a substantial projected operating deficit for the year. In response we conducted reviews into each sector of our operation out of which came a cost reduction plan. Implementation of this plan, together with above budget performance in income, enabled us to limit the operating deficit for the year to £60k before including adjustments for depreciation and changes in the value of our investments. Including those adjustments resulted in a net surplus for the year of £60k but the challenge of meeting a balanced operating performance remains with us.

The analysis of our charitable activities later in this report shows that in 4 out of 5 of our service sectors we delivered an increased volume of activity over the previous year with only the Hospice at Home activity decreasing in line with the decrease in CCG funding which fully supports this service. In addition, regulatory inspections, also referred to later in the report, have demonstrated that we have continued to maintain the high standards of healthcare so important in all of our activities.

We therefore regard the minimising of the financial deficit, whilst delivering a greater volume of service at consistently high levels of quality, as a significant achievement and one which was only possible because of the endeavours of our people, both staff and volunteers. Their skill, knowledge, and commitment are fundamental to everything we have achieved and we are pleased to formally record here our appreciation of everything they do. A highlight for us in the year was the recognition of this combination of staff and volunteers through the awarding of the Queen's Award for Volunteering to the hospice.

We still have some way to go in meeting the challenges of the changing healthcare environment, but we regard our performance in 2016/17 as a good platform from which to address them. We look forward with confidence but not complacency.

Dr Paul Cuthbertson MBE : Chairman

27 November 2017

The Trustees present their report together with the consolidated financial statements for the year ended 31 March 2017. The Trustees confirm that the financial statements comply with current statutory requirements, with those of the company's Memorandum and Articles of Association and those of the Statement of Recommended Practice (FRS102).

REFERENCE AND ADMINISTRATIVE DETAILS

Charity Number:	510643
Company Number:	1518364
Registered Office:	Mount Road Higher Bebington Wirral CH63 6JE
Auditors:	McEwan Wallace 68 Argyle Street Birkenhead CH41 6AF
Bankers:	HSBC Bank plc 31 The Pyramids, Grange Road Birkenhead CH41 2ZL
Solicitors:	Brabners Chaffe Street LLP Horton House, Exchange Flags Liverpool L2 3YL
Investment Manager:	Investec Wealth & Investment Limited 100 Old Hall Street Liverpool L3 9AB

DIRECTORS, TRUSTEES AND SENIOR MANAGERS

President His Honour John Roberts

The Directors of the charitable company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year, and since the year end, were as follows:-

Dr P J R Cuthbertson MBE	Chairman
Dr B C Oates	Deputy Chairman
Mr G M Ridgway	Treasurer
Mr C M Pope	
Mr S Burrows DL	
Dr S M Brennan	
Mr P Shepherd	
Mr S Schroeder	
Mrs A Johnson	
Mrs M Granby	

Company Secretary Mr J R Pentland

Senior Managers	Mrs J Gorry	Chief Executive Officer
	Mr P Rushbrook	Operations Director
	Mr J R Pentland	Head of Finance
	Mrs T Nightingale	Head of Fundraising
	Mrs J Ebbrell	Head of Clinical Services
	Dr F Ahmad	Medical Director

OBJECTIVES AND PERFORMANCE MONITORING

The Aims and Objectives of the Charity

As a provider of Specialist Palliative Care, our responsibility is to patients, their families and carers, who are supported by our multi-professional team working in close liaison with all healthcare professionals including primary, secondary and community care. Care is designed according to both the individual's and family's needs.

How our Activities Deliver Public Benefit

Our sole aim is the provision of Specialist Palliative Care, without charge to patients and their families.

Our Strategic Objectives for 2016/17

- To maintain governance and oversight across all Hospice activities in accordance with Charity Committee guidance, and ensure compliance with relevant legislation and codes of practice.
- To develop our Clinical and Medical Services, in conjunction with Wirral Clinical Commissioners and our health and social care colleagues, in the context of a unified Service Specification for Palliative and End of Life Care services in Wirral with particular reference to:
 - Taking into account the NHS 5 Year Forward View for the sector, including the Wirral End of Life Care Charter.
 - Consideration of alternative models of Hospice and at Home/outreach care including integration with other providers.
 - Developing a model of family and children's support including young people transitioning from a children's hospice.
 - Further development of staff support practices including issues associated with dementia.
- To exercise robust financial management in meeting the challenge of maintaining short and long term viability through:
 - Review of Hospice expenditure and the opportunities for increased income generation, reversing the trend of increasing operating deficits and building a platform for the return to balanced budget performance.
 - Completing the updating of the financial system to deliver regular monthly performance reporting in a form which enables budget holders to clearly identify issues and trends.
- To develop our Human Resources approach across staff and volunteers through:
 - The re-design and implementation of a Performance Management approach for organisational and employee needs including providing access to relevant HR information to managers.
 - Identifying opportunities for increasing the recruitment of volunteers with a broad diverse range of competencies.
 - Delivery of a training programme for employees and volunteers with an emphasis on Advance Care Planning and Community Engagement.
- To develop our operational support of Hospice activity with particular emphasis on:

- Enhancing our use of IT resources including making full use of SystmOne capabilities in support of patient care and gaining benefit from the Healthy Wirral initiative for sharing of patient records.
- Continuing to review the suitability of Facilities and Housekeeping activity responding to identified areas of improvement arising out of internal and external audits.

Monitoring Achievement of the Charity's Objectives

Key Performance Indicator (KPIs) reports are compiled on a monthly basis to cover:

- Quality / Safety / Patient Experience
- Performance (Clinical, Financial, Fundraising, Organisational)
- Other KPIs (inc Senior Manager Oncall, Lone Workers, Policies (clinical and organisational))

The reports are reviewed by the Senior Management Team, the Board of Trustees, which meets 10 times per year, and subgroups of the board who meet at least 4 times per year to examine in more detail the areas of:

- Clinical Governance
- Financial Governance including Investment
- Organisational Governance
- Fundraising and Marketing Governance

A Risk Register is maintained to identify key risks which arise out of the monitoring process and the actions being taken to mitigate them.

Monitoring by External Bodies

The Hospice operates a co-operative policy for visits and statutory inspections by external bodies including:

Care Quality Commission (CQC) - The CQC is the independent regulator of health and social care in England and ensures health and social care services provide people with safe, effective, compassionate, high-quality care. CQC monitors, inspects and regulates services to make sure they meet fundamental standards of quality and safety and they publish their findings/performance ratings to ensure services meet fundamental standards that people have a right to expect whenever they receive care at Wirral Hospice.

Wirral Hospice is registered with the CQC to provide:

- Diagnostic and Screening Procedures
- Treatment of Disease, Disorder or Injury

The Registered Manager, in conjunction with CQC Steering Group members, provides a summary of policies, procedures and audits across the Hospice to demonstrate how ongoing compliance is maintained with the fundamental standards required by the CQC which provides assurance to the Board of Trustees through the Chief Executive monthly report and through the quarterly Governance Groups.

Healthwatch Wirral - Healthwatch is the national consumer champion in health and care. They have significant statutory powers to ensure the voice of the consumer is strengthened and heard by those who commission, deliver and regulate health and care services.

Healthwatch has local teams who work to support the voice of patients and public in your area. In Wirral, this is called Healthwatch Wirral.

OUR ACHIEVEMENTS IN THE YEAR

In the course of the year two external bodies published reports on the Hospice following inspection visits, in each case affirming the quality of delivery in the healthcare we provide.

In March 2016 the Hospice underwent a comprehensive CQC inspection. Their report, which was published on 12 May 2016, found the Hospice to be compliant with the fundamental standards with no requirement for enforcement action in any area. The Hospice was rated as 'good overall' and has remained registered with the CQC without conditions. The CQC Inspection Report can be found on the CQC and Wirral Hospice websites.

A PLACE Assessment (Patient Led Assessment of the Care Environment) took place at the hospice in May 2016, resulting in a score of 100% for Cleanliness and scores over 90% for Food, Condition/Appearance/Maintenance and Privacy/ Dignity/Wellbeing. The report also included the following comments:

- "This facility is an excellent example of good practice, and should be a benchmark for other organisations to follow".
- "The care, attention and environment are excellent, and all patients and visitors were observed to be treated with utmost respect at all times".
- "Wirral Hospice is just like 'home from home' – well done, keep up the good work".

The full report can be found on Wirral Hospice's website.

In June 2016 the Hospice and its volunteers were awarded the 'Queen's Award for Volunteering'. This is the highest accolade which can be bestowed upon an organisation and its volunteer workforce, and is testament to the collective effort of our very special people.

In keeping with our objective for developing health care services during the course of the year we have:

- Reviewed, and revised the Day Therapy service introducing a rehabilitative model of care, encouraging patients to maximise their potential within the constraints of their illness.
- Introduced a record of care entitled 'Excellence in End of Life Care', this being a document that guides professionals in following "One Chance to get it right" (published June 2014 by the Leadership Alliance for the Care of Dying People), the principles outlined in '5 Priorities of Care' and the recent NICE Guidance for the Dying Adult. It enables multi-professional documentation to be kept in one place and guides and supports individualised patient care at the end of life, as well as guiding professionals to provide good evidence-based end of life care.

In keeping with our objective for robust management of charitable resources and maintaining a sustainable service, we responded to the prospect of an operating deficit for 2016/17 (excluding depreciation) of circa £400k, by devising a Cost Reduction Plan which was implemented through actions assigned to Senior Managers. This plan delivered savings on expenditure in excess of £200k all of which were achieved without detriment to service delivery or the support activity. Completion of the upgrade to the finance system was a contributory factor to managing this result.

In line with our objective for financial viability we pursued a policy of building upon the high reputation of the hospice within the local community, and in recognition of the importance of effective communication we:

- Redesigned and launched a new hospice website improving access to those who want information about the care they would receive as patients and those who sought to support our activities through fundraising or volunteering.
- Through consultation with staff, volunteers and service users, introduced a new hospice strapline 'Help Wirral Hospice keep serving our community' to strengthen community engagement.

In keeping with our objective for providing an environment which is safe and conducive to the care we provide to both patients and their families, we have refurbished the Inpatient lounge and family room to provide an enhanced patient and visitor experience.

In keeping with our objective for developing and maintaining the skill level of our people and those in allied organisations who engage in end of life care, our Education and Research Department successfully delivered 37 sessions to 513 learners. In addition to delivering the education prospectus, we have also delivered Childhood Grief Loss and Bereavement sessions to 24 primary schools and 183 teaching staff with the support of Child Bereavement UK.

In keeping with our objective for developing Clinical and Medical Services in a context of partnership with others operating in the sector, Wirral Hospice is a co-founder of Wirral End of Life Care Charter – initially providing the leadership towards its launch in May 2015.

The Hospice is committed to providing and promoting excellent quality care to meet patient and family expectations that reflect the Charter's statements, and as such we encourage health and social care providers to sign the Charter's pledge.

The Charter was also displayed at the Hospice UK Conference in Liverpool in November 2016.

Wirral Council 'Your Wirral' Project – A successful application for project funding was awarded to the Hospice in 2016 by Wirral Council as part of 'Your Wirral'. This facilitated the promotion by the Hospice of the Wirral End of Life Care Charter across the four constituency areas of the Wirral during Dying Matters Week.

OUR PEOPLE

People are at the heart of the service we seek to provide and maintaining a professionally skilled, committed staff working in partnership with equally committed volunteers provides the essential foundation for our healthcare activity. Of equal significance is the tremendous support we receive from individuals and organisations who support us in the promotion of the hospice and the raising of funds to sustain its services.

Clinical Appointments – Following the retirement of the Medical Director in 2016, a collaborative approach was taken to increase Consultant resource providing support to the hospital, community and Hospice services.

We ensure the employment of people with appropriate skills, knowledge and experience, supported by appropriate induction and training. In the course of the year a total of 146 employees and 55 volunteers attended the Mandatory Training programme.

In recognition of the need to appropriately remunerate staff and remain competitive with employers in the sector, the Board approved a 1% general increase with further increases where necessary to maintain compliance with Living Wage legislation.

An annual employment and charity law update is provided by the Hospice solicitors for Trustees and Senior Managers, to inform of any legislative/policy changes required ensuring both knowledge and compliance.

Hospice Ambassadors – Hospice Ambassadors are public figures whose role is to use their influence and contacts to the benefit of the organisation. They take an active role in developing and promoting fundraising events and functions to raise funds and heighten awareness of the work of the Hospice.

Complementing our existing Ambassador resource, one further Ambassador joined the organisation during the course of this financial year, their remit being to develop and strengthen community ties.

Hospice activity is supported across all sectors incorporating patient services, administration and fundraising by a team of committed and skilled volunteers. During the year the number of volunteers rose above 500 with many being recognised at the annual Volunteer Long Service Awards event hosted by the hospice president, His Honour John Roberts. This year we had the additional highlight of the presentation of the Queen's award by Dame Lorna Muirhead, Lord Lieutenant of Merseyside, who spoke warmly about the hospice from several perspectives including her own professional background. A small number of staff and volunteers also had the privilege of attending the Queen's Garden Party at Buckingham Palace.

This year we also recognised the incredible efforts of our regular supporters with an inaugural "Hospice Heroes" event attended by over 100 supporters and guests. Qualification for an invitation was having raised in excess of £2,000, either as individuals or as a group. Collectively the assembled group had raised over £150,000 to support hospice activities.

Ensuring the engagement of all these groups with hospice activity and ideals is a prime requirement and regular communication is maintained in hard copy and electronic format, including social media and regular "Team Briefs" and news updates.

OUR CHARITABLE ACTIVITIES

The Hospice submits annual returns on Patient Activity to the National Council for Palliative Care (NCPC) Minimum Data Sets.

Inpatient Service:

Wirral Hospice has 16 Inpatient beds, of which 7 are single rooms, with 3 three-bedded bays. The unit has a large bright patient and visitor lounge with dining facilities, a relatives' room with shower room for overnight stays and easy access to patio areas and gardens. Patients are admitted for short term interventions following assessment by the Multi Professional Team whose needs cannot be met by Specialist Palliative Care providers elsewhere. Patients are admitted under the care of the Palliative Care Consultant.

Multi-Professional Team Meetings are held once a week. All patients, including family issues if appropriate, are discussed and a management plan devised to address their complex symptoms and needs. In addition, patients are reviewed daily by a doctor and twice weekly by a Consultant. Discharge planning commences at the point of (or even prior to) admission, and discharge occurs once the patient's Specialist Palliative Care needs have been addressed. The average length of stay is three weeks.

Relatives of patients admitted to the Inpatient Unit are able to stay overnight in a designated relatives' room. This year we have refurbished the patient lounge, relatives' room and Quiet Space.

Patients and their families are also able to make use of the facilities in the Hospice Hub café, providing an informal meeting place away from the ward environment.

Inpatients (16 beds)	2015/16	2016/17
Total number of admissions	247	224
% Occupancy	90%	92%
Mean Length of stay (Days)	20	23
Total number of discharges	108 (45%)	93 (42%)

2016/17 saw a decrease in admissions as patients became more complex with increasing co-morbidities and challenges accessing ongoing care when ready for discharge. This resulted in an increased length of stay.

Day Therapy Service:

Day Therapy services are available four days per week in a purpose-built unit for 12 patients per day, provided by a Specialist Multi-Professional Team, working alongside patients and their families to enable them to live well with a life-limiting disease.

Patients attend Day Therapy for a maximum of 8 weekly sessions during which they may access Aromatherapy, Creative Therapy, Occupational Therapy, Physiotherapy, Relaxation, exercise classes, breathlessness management, anxiety management, fatigue management, counselling, support with advance care planning and benefits advice.

Day Therapy (48 places per week)	2015/16	2016/17
Total number of available places	2496	2508
Total number of allocated places	2039	2552
% attendance of available places	63%	64%
Mean length of stay (sessions)	7	8

Outpatient Service:

Outpatient clinics are provided by a team of Consultants in Palliative Medicine, Bereavement Counsellors and an Aromatherapy service. Clinics are provided for patients under the care of their General Practitioner and the Community Team requiring medical access to the wider Multi- Professional Specialist Palliative Care Service through the Specialist Palliative Care Multi-Disciplinary Team.

Outpatients	2015/16	2016/17
Total number of referrals	577	600
New appointments	322	433

Differentiation between referrals and take-up are influenced by numerous factors – some patients don't wish to access this service whilst others are too ill to attend. The number of patients seen is dependent upon the number of appointments available.

Hospice at Home Service:

The Hospice at Home team continues to provide quality end of life care to patients wishing to remain at home, providing practical and emotional support to patients, families and carers in a variety of ways.

Hospice at Home	2015/16	2016/17
Total number of referrals	488	405
Hospice at day	2,649	2,336
Hospice at night	320	489
Total number of deaths	231	239
Total number of deaths at home	205 (89%)	215 (90%)

Whilst the number of referrals decreased by 17%, in line with CCG reduced activity costs of 17%, by comparison with the previous year the total number of visits dropped by only 5% with a significant shift to more night visits. The service remains fully funded with activity matching funding available.

Interventional Pain Service:

The Interventional Pain Service is an Outpatient Service for patients with cancer-related pain who are not responding to conventional treatment and patients with life-limited illnesses who are suffering from chronic pain. Patients are assessed by the Consultant either as an Outpatient or Inpatient at Wirral Hospice. A referral can be made by Consultants or General Practitioners.

Interventional Pain Service	2015/16	2016/17
Total number of referrals	72	100
New appointments	65	68

This remains a fully funded service, but with limited capacity and therefore unable to expand to meet increased number of referrals.

Plans for Future Periods

Our plans for future periods are set in the context of five overarching objectives for the delivery of our activities under the headings of being "Caring", "Responsive", "Effective", "Well-Led" and "Safe".

In achieving these objectives we have four defined priorities:

- 1 Developing high quality services for the communities we serve
- 2 Ensuring stable financial viability
- 3 Working in partnership to achieve our vision
- 4 Ensuring that Wirral Hospice is an effective, efficient and thriving organisation

In pursuing these priorities we will focus on the aims of:

- Optimising the utilisation of Inpatient services
- Reviewing and developing Day Therapy and Outpatient Services
- Securing sustainable income
- Increasing knowledge and skills in Palliative and End of Life Care across professional groups
- Promoting Wirral Hospice as a community hub

Principal Risks and Uncertainties

Despite the effective action on cost control in the 16/17 year, and the aim to return to a stable breakeven operating performance from 2018/19, short and long term financial viability remains a significant risk due to the limits on NHS funding, an increasingly competitive local market for charitable funding and the impact on returns from our investments arising out of instability in the UK financial market.

Developments on the Clatterbridge site surrounding the Hospice location, including the potential sale of land, could impact on the provision of existing support for our Clinical and Medical services and limit the opportunities for future development.

The Hospice operates a policy of pro-actively monitoring risk through Departmental Risk Registers which are compiled by Senior Managers and reviewed at the Senior Management Team Meeting on a monthly basis. Risks deemed to be of medium or high risk to the organisation are subsequently transferred onto a Board Risk Register, which is reviewed by the Board of Trustees at the Board Meeting.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Wirral Hospice St John's is a company limited by guarantee governed by its Memorandum and Articles of Association. Originally dated 2 September 1980, this was amended via a Special Resolution passed at the Annual General Meeting on 24 November 2014.

It is a registered charity engaged in the relief of illness and suffering by providing Inpatient, Outpatient, Hospice at Home and Day Therapy services.

Appointment of Trustees

Trustees retire after a period of three years and can seek re-appointment each year. New Trustees are appointed by the Board when appropriate, ensuring a balance of skills is maintained.

Trustee Induction and Training

The 'Trustee Recruitment and Selection Policy' and 'Ambassadors Recruitment and Selection Policy' were reviewed and updated in April 2014. The policies were updated to enhance the requirements and processes for identifying and recruiting suitably qualified candidates to join our Board of Trustees and Ambassadors.

All new Trustees and Ambassadors undergo an induction with the Chairman and Chief Executive which outlines their legal obligations under Charity and Company Law. It also ensures their understanding of the content of the Memorandum and Articles of Association, decision-making and function of the Board, which supports its business plan, and ongoing financial performance. New Trustees are introduced to the Board and Senior Managers.

Trustee and Ambassador Induction Packs are provided, and regular training sessions are arranged as appropriate.

Organisational Structure

The Board of Trustees has a maximum of ten members who administer the Charity. The composition of the Board reflects the expertise necessary to oversee the range of activity undertaken by the Hospice.

The Trustees refer to the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future developments. The Trustees give their expertise and time on a voluntary basis and without reimbursement.

In addition to exercising governance through full Board Meetings, subgroups of the Board monitor specific areas of activity. The terms of reference of the subgroups are reviewed on an annual basis.

The Chief Executive is appointed by the Chairman and Board, and is responsible for the day to day management of the Charity with the support of the Senior Managers.

To facilitate effective operations, the Chief Executive has delegated authority in accordance with the delegated powers documents.

Related Parties

The Company's wholly-owned subsidiary, Wirral Hospice St John's Enterprises Limited, is engaged in the sale of goods for the benefit of the charity.

Risk Management

The Hospice has a Risk Management Policy which is endorsed by the Board of Trustees and ensures that:

- Risk management is integral to daily activity and operation throughout the organisation.
- All employees, be they clinical or non-clinical, benefit from regular professional development, in addition to those recommended by their own professional body.
- A Risk Register is updated monthly, stratifying risk into medium and high, across all areas of the organisation.
- The Serious Untoward Incident Policy is regularly updated and reviewed annually and, when appropriate, adopted. Staff awareness is maintained through regular in-house meetings and through the guidance of their own professional bodies.
- Management accounts are produced monthly, with all variances to budget investigated and appropriate corrective actions taken.
- Investment Policy – An annual review is undertaken by the Investment Group and subsequently endorsed by the Financial Governance Group.
- Reserves Policy – An annual review is undertaken by the Treasurer and subsequently endorsed by the Board of Trustees.

Serious incidents are considered regularly and reported to the Health & Safety Executive and Charity Commission as appropriate.

There were no serious untoward incidents recorded during 2016/17.

These policies and procedures safeguard and ensure propriety. The Board of Trustees have overall responsibility for risk management and receive quarterly reports, known as Key Performance Indicators, which highlight a range of risk indicators on a monthly basis.

FINANCIAL REVIEW

Income

Total income has increased by approximately £200,000 this year, principally as a result of an increase in fundraising events. Revenue grants covered 47% (2016: 47%) of our expenditure (excluding fundraising costs).

The turnover of the trading subsidiary fell to approximately £70,000. Details of the subsidiary's performance, which we consider to be acceptable, are set out in note 6 of the financial statements.

Expenditure

64% (2016: 70%) of costs relate to salaries, the total salary bill for the year being approximately £3,600,000. Of these costs, approximately 74% relate to employees who are directly involved in clinical care.

Fundraising and publicity costs include the costs of running our lottery (£263,000) and the charity shops (£317,000), which generated income of £675,000 and £478,000 respectively.

In summary, another challenging year and a very disappointing operating deficit of £430,000 was generated in 2016/2017, before gains on investments of £490,000. The Hospice's reliance on voluntary income, and particularly legacies, continues.

Balance Sheet

Our principal assets are our tangible fixed assets, our investment portfolios of quoted investments and our bank balances. The bulk of our fixed assets consist of the Hospice premises.

Approximately £65,000 was spent on upgrading our fixed assets during the year.

There was an increase of £400,000 in the valuation of our quoted investments during the year, due to improvements in the stock market. Liquid reserves fell by approximately £120,000 during the year, as a result of the factors noted above.

The Trustees continue to monitor future activities and costs with caution and are actively considering a wide range of options.

Reserves Policy

Reserves are required because the ongoing revenue expenditure of the Hospice exceeds the minimum guaranteed income on an annual basis.

Due to the fundamental uncertainties surrounding the Hospice's income and the ever-increasing cost of its service commitment, the Trustees believe that the reserves should be equivalent to between 6 and 24 months of anticipated gross expenditure. Currently reserves amount to 12.7 (2016: 11.6) months of anticipated expenditure. This increase results from the increase in the market value of the investments. Note that reserves held are primarily in the form of listed investments which provide a further source of income to the Hospice in the year.

The Trustees annually monitor and review the Reserves Policy.

Investment Policy

The overall investment policy is for a balanced return with orientation towards capital growth, taking a long-term view.

Investment can be made in UK Government stocks (no restrictions), loan stocks of UK blue chip equities, and in UK unit trusts investing in gilts, corporate bond funds rated BBB or higher and cash. If the outlook for fixed interest investments at any time appears unfavourable, this allocation can be held in cash.

Individual equity purchases are restricted to shares that, at the time of purchase, are constituent elements of the FTSE 100 and FTSE 250 Indices. Shares held in a company that is subsequently relegated from these indices need not automatically result in a disposal of that holding.

Smaller company shares are to be acquired via unit trusts and/or investment trusts to a maximum of 10% of the total equity portfolio.

No more than 25% of the total equity allocation is to be invested in non-UK stocks and only through investment trusts and unit trusts, any exposure to emerging markets to be restricted to a maximum of 10% of the total equity portfolio.

There is a prohibition on the purchase of tobacco shares and investment in hedge funds, together with a general policy not to hold more than 5% of the equity allocation in any one holding.

The Board has given authority for the investments to be managed by the brokers on a discretionary basis.

Investment Performance 2016/17

Fixed Interest Investments

During the year to 31 March 2017, the fixed interest stock returned 6.8% compared to a return of 6.6% for the FTA UK Government All Share Index.

Equity Investments

During the year to 31 March 2017, the equity fund returned 17.5% compared to a return of 22% for the All Share Index.

These are total return performance figures on a time weighted basis.
(Source: Investec Wealth & Investment)

Trustees' Responsibilities for the Financial Statements

Company law requires the Trustees, who are also directors of the company, to prepare financial statements for each financial period, which give a true and fair view of the group's financial activities during the period and of the financial position of the group and the charity at the end of the period. In preparing those financial statements, the Trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on a going concern basis unless it is appropriate to presume that the charity will not continue in business

In so far as the Trustees are aware:

- There is no relevant audit information of which the company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The Trustees are responsible for keeping accounting records, which disclose with reasonable accuracy the financial position of the group and charitable company and which enable them to ascertain its financial position and to ensure that the financial statements comply with applicable law. They are also responsible for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. There are no private or incidental benefits to the Trustees.

Auditors

McEwan Wallace offer themselves for reappointment as auditors of the company in accordance with Section 485 of the Companies Act 2006.

BY ORDER OF THE TRUSTEES

J R Pentland
Company Secretary
27 November 2017

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF

WIRRAL HOSPICE ST JOHN'S

For the year ended 31 March 2017

We have audited the financial statements of Wirral Hospice St John's for the year ended 31 March 2017. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective Responsibilities of Trustee and Auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the Audit of the Financial Statements

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

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the charitable company's affairs as at 31 March 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on Other Matter Prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to Report by Exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Thomas Paul Cochrane BA FCA DChA (Senior Statutory Auditor)

For and on behalf of
McEwan Wallace Ltd
Statutory Auditors
68 Argyle Street
Birkenhead
Wirral
CH41 6AF

27 November 2017

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)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Wirral Hospice St John's 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 principle accounting policies of the group are set out below.

BASIS OF CONSOLIDATION

The group financial statements consolidate those of the company and of its subsidiary under-taking (see note 8), drawn up to 31 March 2017. Profits or losses on intra group transactions are eliminated in full.

FUND ACCOUNTING

Funds held by the charity are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds – these are unrestricted funds set aside by the trustees out of unrestricted general funds. The Development fund is a designated fund and represents a provision for future capital expenditure. Where the directors consider it appropriate, having regard to the intended use of the money, funds are transferred to the Development fund from the General fund.

Restricted funds – these are funds which can only be used for particular restricted purposes within the objects of the charity. The balance in the Restricted fund includes donations received specifically for the development of the new Hospice, less revenue costs and depreciation to date, and is represented on the balance sheet as a proportion of the net book amount of tangible fixed assets.

INCOME

Income from donations and grants are accounted for in the accounting year in which they are receivable, except as follows:

- When donors specify that donations and grants given must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions, which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions have been met.

For legacies, entitlement is taken as the earlier of the date on which either: 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 Trust 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. 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.

Income derived from trading activities is accounted for in the accounting year in which it is received. Lottery income is accounted for in respect of those weekly draws which have taken place during the year.

INVESTMENTS

Fixed Asset 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. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not take out call or put options, derivatives or other complex financial instruments. 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.

Realised Gains and Losses

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.

OPERATING LEASES

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Individual fixed assets are capitalised at cost where they are identified as being for continuing use in the charity's activities. Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments on a straight-line basis, as follows:

Hospice premises	50 years
Charity shops	50 years
Fund-raising office/education centre	
- Equipment, fixtures and fittings	7 years
- Building	50 years
Medical and office equipment	7 years
Computer equipment	4 years
Motor vehicles	4 years

Impairment reviews are carried out on any assets where an indication is given that the recoverable amount is below the net book value. No assets have been subject to an impairment review.

STOCK

Stock is stated at the lower of cost and net realisable value. Donated items of stock are not valued on receipt as this would be impractical.

CONTRIBUTIONS TO PENSION SCHEMES

Defined Contribution Schemes

The group contributes towards the NHS pension scheme and the Group Flexible Retirement Plan for employees who are members of either scheme. The NHS pension scheme is a defined benefit scheme but the group is unable to identify its share of the underlying assets and liabilities.

The pension costs charged against profits represent the amount of contributions payable to the schemes in respect of the accounting period.

RESOURCES EXPENDED

Expenditure, which is charged on an accruals basis, is allocated between:

- expenditure incurred directly to the fulfilment of the charity's objectives (charitable activities);
- expenditure incurred directly in the effort to raise voluntary contributions (cost of generating funds);
and
- expenditure incurred on governance costs.

Items of expenditure involving more than one cost category are apportioned on the basis of staff time incurred in respect of each category.

GOVERNANCE COSTS

Governance costs include expenditure on administration of the charity and compliance with constitutional and statutory requirements. Governance costs are included within support costs in Note 3 to the Accounts.

VAT

Hospice Income and Expenditure is recorded gross, with the net recoverable VAT element included within income.

Enterprise Income and Expenditure is recorded net of VAT.

FINANCIAL INSTRUMENTS

The group 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.

WIRRAL HOSPICE ST JOHN'S

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INC INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 March 2017

		Year ended 31.03.2017	Year ended 31.03.2017	Year ended 31.03.2017	Year ended 31.03.2016
	Note	Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
		£	£	£	£
Income					
Income from generated funds:					
Donations and Legacies	6	906,041	-	906,041	874,095
Other Trading Activities	6	1,924,907	-	1,924,907	1,736,593
Investments	6	123,945	-	123,945	132,970
		<u>2,954,893</u>	<u>-</u>	<u>2,954,893</u>	<u>2,743,658</u>
Income from charitable activities	6	2,222,712	-	2,222,712	2,239,953
Total incoming resources		<u>5,177,605</u>	<u>-</u>	<u>5,177,605</u>	<u>4,983,611</u>
Expenditure					
Costs of raising funds	2(a)	27,038	-	27,038	26,743
Fundraising costs	2(b)	1,329,825	-	1,329,825	1,049,697
Investment management costs		30,952	-	30,952	35,196
Charitable activities	1	4,164,633	55,120	4,219,753	4,414,738
Total expenditure		<u>5,552,448</u>	<u>55,120</u>	<u>5,607,568</u>	<u>5,526,374</u>
Net Expenditure		(374,843)	(55,120)	(429,963)	(542,763)
Gains / (Losses) on investments	8	490,583	-	490,583	(187,391)
Net movement in funds	13	115,740	(55,120)	60,620	(730,154)
Reconciliation of Funds					
Total funds brought forward		<u>8,275,757</u>	<u>2,244,655</u>	<u>10,520,412</u>	<u>11,250,566</u>
Total funds carried forward		<u>8,391,497</u>	<u>2,189,535</u>	<u>10,581,032</u>	<u>10,520,412</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes at pages 26 to 38 form part of these accounts.

WIRRAL HOSPICE ST JOHN'S
CONSOLIDATED BALANCE SHEET
For the year ended 31 March 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	7		5,371,113		5,581,066
Investments	8		4,461,496		4,063,034
			9,832,609		9,644,100
Current assets					
Stocks	9	8,191		9,726	
Debtors	10	1,201,352		1,411,185	
Cash at bank and in hand	11	929,602		810,794	
		2,139,145		2,231,705	
Liabilities					
Creditors: amounts falling due within one year	12	(1,390,722)		(1,355,393)	
Net current assets			748,423		876,312
Net assets			10,581,032		10,520,412
The funds of the charity					
Restricted income funds	13		2,189,535		2,244,655
Unrestricted income funds	13				
General		5,084,919		4,889,346	
Fixed Assets		3,181,578		3,336,411	
Development		125,000		50,000	
Total unrestricted funds			8,391,497		8,275,757
Total charity funds			10,581,032		10,520,412

The notes at pages 26 to 38 form part of these accounts.

The directors approved the financial statements on 27th November 2017

Dr P J R Cuthbertson MBE

Director

G M Ridgway

Director

Company Registration Number: 1518364

WIRRAL HOSPICE ST JOHN'S

BALANCE SHEET

For the year ended 31 March 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	7		5,371,113		5,581,066
Investments	8		4,461,498		4,063,036
			9,832,611		9,644,102
Current assets					
Debtors	10	1,269,997		1,468,039	
Cash at bank and in hand	11	862,618		763,677	
		2,132,615		2,231,716	
Liabilities					
Creditors: amounts falling due within one year	12	(1,384,194)		(1,355,406)	
Net current assets			748,421		876,310
Net assets			10,581,032		10,520,412
The funds of the charity					
Restricted income funds	13		2,189,535		2,244,655
Unrestricted income funds	13				
General		5,084,919		4,889,346	
Fixed Assets		3,181,578		3,336,411	
Development		125,000		50,000	
Total unrestricted funds			8,391,497		8,275,757
Total charity funds			10,581,032		10,520,412

The notes at pages 26 to 38 form part of these accounts.

The directors approved the financial statements on 27th November 2017

Dr P J R Cuthbertson MBE

Director

G M Ridgway

Director

Company Registration Number: 1518364

WIRRAL HOSPICE ST JOHN'S
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 March 2017

	2017	2016
	£	£
Cash flows from operating activities		
Net (Expenditure) / Income for the financial year (before investment revaluations)	(333,206)	(392,593)
Adjustments for:		
Depreciation of tangible assets	273,929	280,321
Profit on disposal of investments	(96,757)	(150,170)
Decrease/(increase) in trade and other debtors	209,833	(286,264)
Decrease/(increase) in stocks	1,535	(4,622)
Increase/(decrease) in trade creditors	35,329	89,653
Net cash provided by / (used in) operating activities	90,663	(463,675)
Cash flows from investing activities		
Proceeds from sale of investments	409,932	371,023
Purchases of tangible assets	(63,976)	(150,097)
Purchases of investments	(344,338)	(148,734)
Decrease/(Increase) in cash held by stockbrokers	26,527	(187,090)
Net cash provided by / (used in) investing activities	28,145	(114,898)
Net increase/(decrease) in cash and cash equivalents	118,808	(578,573)
Cash and cash equivalents at the beginning of year	810,794	1,389,367
Cash and cash equivalents at the end of the year	929,602	810,794

WIRRAL HOSPICE ST JOHN'S
NOTES TO THE ACCOUNTS
For the year ended 31 March 2017

1. CHARITABLE ACTIVITIES

	2017	2016
	£	£
Salaries	2,663,154	2,820,804
Depreciation	245,748	253,158
Medical supplies	265,733	300,375
Food	70,616	73,784
Heat and lighting	61,087	79,319
Repairs and renewals	122,626	138,051
Cleaning	32,702	30,817
Other	106,314	87,323
Support costs (note 3)	651,773	631,107
	4,219,753	4,414,738

2. COST OF RAISING FUNDS

	2017	2016
	£	£
(a) Costs of generating voluntary income – salaries	27,038	26,743
(b) Fundraising costs :		
Salaries	154,942	214,209
Depreciation	28,180	27,163
Charity shop costs (including salaries £165,426)	316,610	336,020
Purchase of goods for resale	33,405	37,406
Lottery costs (including salaries £75,897)	263,579	301,747
Printing, stationery and advertising	9,457	21,743
Postage and telephone	5,549	1,479
Fundraising expenditure	459,655	62,933
Other	58,448	46,997
	1,329,825	1,049,697

3. SUPPORT COSTS

	2017	2016
	£	£
Salaries	519,490	503,926
Printing, stationery and advertising	42,536	30,623
Postage and telephone	11,319	10,507
Accountancy and payroll charges	17,105	15,047
Insurance	27,274	25,462
Governance Costs (Including salaries £8,383)	34,049	45,542
	651,773	631,107

WIRRAL HOSPICE ST JOHN'S
 NOTES TO THE ACCOUNTS
 For the year ended 31 March 2017

4. DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows

	2017	2016
	£	£
Wages and salaries	3,151,674	3,385,818
Social security costs	234,717	234,079
Other pension costs	227,939	233,054
	<u>3,614,330</u>	<u>3,852,951</u>

Average number of employees	<u>163</u>	<u>164</u>
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The analysis of employees by category is as follows:

	2017	2016
	Number	Number
Direct charitable	111	110
Fund-raising and publicity	28	31
Management and administration	14	13
Directors	<u>10</u>	<u>10</u>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2017	2016
	Number	Number
£60,000 - £70,000	1	1
£80,000 - £90,000	<u>1</u>	<u>1</u>

The employee earning over £60,000 participated in the Standard Life defined contribution scheme.

The employee earning over £80,000 participated in the NHS defined benefit pension scheme.

No employee earned more than £90,000 in the year.

The charity trustees were not paid or received any other benefits from employment with the charity or its subsidiary in the year (2016: £nil) neither were they reimbursed expenses during the year (2016: £nil). No charity trustee received payment for professional or other services supplied to the charity (2016: £nil).

The key management personnel of the parent charity, Wirral Hospice St John's, comprise the Trustees, the Chief Executive Officer, Medical Director, Operations Director, Head of Clinical Services, Head of Finance and Head of Fundraising. The total employee benefits of the key management personnel employed by the Charity were £374,968 (2016: £382,094).

The Medical Director is an employee of Wirral University Teaching Hospital NHS Foundation Trust.

WIRRAL HOSPICE ST JOHN'S
NOTES TO THE ACCOUNTS
For the year ended 31 March 2017

The key management personnel of the group comprise those of the parent charity and the Medical Director only.

The Charity has arrangements with a number of staff who are not paid through the company payroll, but through a recharging agreement with third parties. The arrangements are in place to ensure continuity of service and protection of benefits for those staff whose careers are within the Health Service and the Church. The total amount paid under such agreements in 2017 was £411,245 (2016: £382,094). The posts and third parties involved are as follows:

Consultants, Doctors & Chaplain - Wirral University Teaching Hospital NHS Foundation Trust
Psychologist – Southport & Ormskirk NHS Trust

The Charity benefits greatly from the involvement and enthusiastic support of its many volunteers, details of which are given in our annual report. In accordance with FRS 102 and the Charities SORP (FRS 102), the economic contribution of general volunteers is not recognised in the accounts.

5. TAXATION

The company has been granted charitable status and is thus generally exempt from Corporation Tax. All taxable trading income is received by the company's subsidiary undertaking, which transfers its net income to the company by means of a gift-aid payment.

6. NET INCOME FOR THE YEAR

The net income for the year is stated after charging:

	2017	2016
	£	£
Depreciation	273,929	280,321
Auditors remuneration	9,677	9,677
	<u>283,606</u>	<u>300,019</u>
and after crediting:		
Donations and Legacies:		
Legacies	610,761	575,949
In memoriam	132,133	160,628
General donations	103,107	67,717
Gift Aid	60,040	69,801
	<u>906,041</u>	<u>874,095</u>
Investments:		
Listed investments	122,227	129,001
Bank deposits	1,718	3,969
	<u>123,945</u>	<u>132,970</u>
Income from charitable activities:		
Grants from NHS Clinical Commissioning Groups	1,670,930	1,670,930
Hospice at Home Income	329,568	328,968
Sundry Income	222,214	240,055
	<u>2,222,712</u>	<u>2,239,953</u>
Other trading activities:		
Fund-raising events	701,928	450,006
Charity shop sales	478,014	480,536
Subsidiary's turnover	69,794	81,942
Lottery income	675,171	724,109
	<u>1,924,907</u>	<u>1,736,593</u>

The Charity has one wholly owned trading subsidiary, which is incorporated in England and Wales.

Wirral Hospice St John's Enterprises Limited is engaged in the sale of goods for the benefit of Wirral Hospice, St John's.

Wirral Hospice St John's Enterprises Limited has transferred its profits to the Charity.

THE SUBSIDIARY'S PROFIT AND LOSS ACCOUNT CAN BE SUMMARISED AS FOLLOWS:

	2017	2016
	£	£
Turnover	69,794	81,942
Cost of sales	(33,405)	(37,406)
Gross profit	<u>36,389</u>	<u>44,536</u>
Administrative expenses	(17,860)	(17,579)
Transfer to Hospice	(18,529)	(26,957)
Profit retained	<u>-</u>	<u>-</u>

THE SUBSIDIARY'S BALANCE SHEET CAN BE SUMMARISED AS FOLLOWS:

	2017	2016
Current assets	75,175	56,844
Current liabilities	75,173	56,842
	<u>2</u>	<u>2</u>
Share capital	2	2
Profit and loss account	-	-
	<u>2</u>	<u>2</u>

WIRRAL HOSPICE ST JOHN'S
 NOTES TO THE ACCOUNTS
 For the year ended 31 March 2017

7. TANGIBLE FIXED ASSETS

The Group and the Company

	Hospice Premises £	Computer, medical & office equipment £	Charity shops £	Motor vehicles £	Total £
Cost					
At 1 April 2016	6,483,895	1,717,792	105,715	94,892	8,402,294
Additions	0	57,264	6,712	0	63,976
Disposals				(8,636)	(8,636)
At 31 March 2017	<u>6,483,895</u>	<u>1,775,056</u>	<u>112,427</u>	<u>86,256</u>	<u>8,457,634</u>
Depreciation					
At 1 April 2016	1,347,026	1,309,153	77,769	87,280	2,821,228
Charge for the year	129,678	131,667	10,046	2,538	273,929
Disposals				(8,636)	(8,636)
At 31 March 2017	<u>1,476,704</u>	<u>1,440,820</u>	<u>87,815</u>	<u>81,182</u>	<u>3,086,521</u>
Net book amount at 31 March 2017	<u>5,007,191</u>	<u>334,236</u>	<u>24,612</u>	<u>5,074</u>	<u>5,371,113</u>
Net book amount at 31 March 2016	<u>5,136,869</u>	<u>408,639</u>	<u>27,946</u>	<u>7,612</u>	<u>5,581,066</u>

The net book amount at 31 March 2017 in respect of land and buildings comprises freehold property of £5,007,191

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

	Hospice Premises £	Computer, medical & office equipment £	Charity shops £	Motor vehicles £	Total £
Charitable activities	4,832,448	278,862	-	-	5,111,310
Fund-raising	174,743	55,374	-	5,074	235,191
Charity shops	-	-	24,612	-	24,612
	<u>5,007,191</u>	<u>334,236</u>	<u>24,612</u>	<u>5,074</u>	<u>5,371,113</u>

The net amount at 31 March 2017 in respect of Charity shops comprises property improvements £4,982 and fixtures and fittings £19,630

8. INVESTMENTS

	The Group		The Company	
	2017	2016	2017	2016
	£	£	£	£
Quoted investments at market value	4,165,569	3,740,580	4,165,569	3,740,580
Cash held by stockbrokers	295,927	322,454	295,927	322,454
Investment in subsidiary undertaking at cost	-	-	2	2
	<u>4,461,496</u>	<u>4,063,034</u>	<u>4,461,498</u>	<u>4,063,036</u>
Quoted investments			£	£
Market value				
At 1 April 2016			3,740,580	4,150,256
Additions at cost			344,338	148,734
Disposal proceeds			(409,932)	(371,023)
Profit on disposals			96,757	150,170
Increase/(Decrease) in unrealised gain			<u>393,826</u>	<u>(337,557)</u>
At 31 March 2017			<u>4,165,569</u>	<u>3,740,580</u>
Cost			<u>2,970,491</u>	<u>2,939,428</u>

All investments held represent investments listed on the UK stock exchange and have been acquired in accordance with the powers available to the trustees. The portfolio comprises equities £3,536,188 and gilts £629,281

The historical cost amount of quoted investments is £2,970,491 (2016: £2,939,428). The total unrealised gain to date amounts to £1,195,078 (2016: £801,152). This amount is included within the Hospice's general fund.

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

The significance of financial instruments to the ongoing financial sustainability of the charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. Due to 'quantitative easing' and market sentiment favouring lower risk investments, the yield on bonds has been abnormally low giving rise to a significant downside risk of a fall in capital values when interest rates return to normal levels. Although rising interest rates resulting from a stronger economy and improved economic activity should be indicative of improving dividend yields and equity values, there is a concern that the abnormal availability of 'cheap money' to the banking sector has led to wider over-valuation of traded assets (an 'asset bubble') that may depress equity values once economic conditions ease. The Trust is reliant on dividend yield in part to finance its work and this leads to a greater exposure to international companies, the values of which, together with their yield are exposed to exchange rate risk when converting the holdings into sterling.

The outlook for the sterling exchange rate is that it is anticipated to weaken as European, US and Asian economies strengthen. A weakening in the exchange rate will improve sterling returns from foreign currency denominated holdings.

The default rate on fixed interest securities due to corporate failures is expected to improve with a strengthening economy. The high current demand for high quality corporate bond and government stock continues to depress the yield.

Liquidity risk is anticipated to be low as all assets are traded and the commitment to intervention by central banks and market regulators has continued to provide for orderly trading in the markets and so the ability to buy and sell quoted equities and stock is anticipated to continue. The Trust's investments are mainly traded in markets with good liquidity and high trading volumes. The Trust has no material investment holdings in markets subject to exchange controls or trading restrictions.

The Charity manages these investment risks by retaining expert advisors and operating an investment policy that provides for a high degree of diversification of holdings within investment asset classes that are quoted on recognised stock exchanges. The Trust does not make use of derivatives and similar complex financial instruments as it takes the view that investments are held for their longer term yield total return and historic studies of quoted financial instruments have shown that volatility in any particular 5 year period will normally be corrected.

Investment in subsidiary undertaking

The investment in subsidiary undertaking represents a 100% holding in the Ordinary share capital of Wirral Hospice St John's Enterprises Limited. The company holds 2 Ordinary shares, being 100% of the subsidiary's issued share capital. The purpose of the company, which is incorporated in England and Wales, is to undertake the trading activities of the Hospice (buying and selling Christmas cards and other goods).

9. STOCKS

	The Group		The Company	
	2017	2016	2017	2016
	£	£	£	£
Fund-raising goods	8,191	9,726	-	-

10. DEBTORS

	The Group		The Company	
	2017	2016	2017	2016
	£	£	£	£
Prepayments and accrued income	159,848	354,682	159,848	354,682
Due from subsidiary undertaking	-	-	68,646	56,854
Other debtors	1,041,504	1,056,503	1,041,503	1,056,503
	1,201,352	1,411,185	1,269,997	1,468,039

11. BANK BALANCES

	The Group		The Company	
	2017	2016	2017	2016
	£	£	£	£
Bank balances	928,798	807,771	861,934	760,774
Petty cash	804	3,023	684	2,903
	929,602	810,794	862,618	763,677

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The Group		The Company	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	180,339	34,697	177,818	34,697
Social security and other taxes	51,879	57,355	51,879	57,355
Other creditors and accruals	81,135	78,607	77,128	78,620
Deferred income	1,077,369	1,184,734	1,077,369	1,184,734
	1,390,722	1,355,393	1,384,194	1,355,406

DEFERRED INCOME - THE GROUP AND THE COMPANY

	Total	Activities in furtherance of the charity's	Lottery income
	£	£	£
As at 1 April 2016	1,184,734	1,080,907	103,827
Released to income in the year	(1,184,734)	(1,080,907)	(103,827)
Deferred in the year	1,077,369	973,936	103,433
As at 31 March 2017	<u>1,077,369</u>	<u>973,936</u>	<u>103,433</u>

Deferred income comprises lottery income received in advance and grants and donations which the donor has specified must be used in future accounting periods.

13. RESERVES

The Group and the Company

	Unrestricted General funds	Unrestricted Fixed Assets	Unrestricted Development funds	Restricted Funds	2017 Total
	£	£	£	£	£
As at 1 April 2016	4,889,346	3,336,411	50,000	2,244,655	10,520,412
Surplus / (Deficit) for the year	115,740	-	-	(55,120)	60,620
Transfers	79,833	(154,833)	75,000	-	0
As at 31 March 2017	<u>5,084,919</u>	<u>3,181,578</u>	<u>125,000</u>	<u>2,189,535</u>	<u>10,581,032</u>

	Unrestricted General funds	Unrestricted Fixed Assets	Unrestricted Development funds	Restricted Funds	2017 Total
Represented by:					
Tangible fixed assets	-	3,181,578	-	2,189,535	5,371,113
Investments	4,461,496	-	-	-	4,461,496
Cash at bank and in hand	804,602	-	125,000	-	929,602
Other net current liabilities	(181,179)	-	-	-	(181,179)
	<u>5,084,919</u>	<u>3,181,578</u>	<u>125,000</u>	<u>2,189,535</u>	<u>10,581,032</u>

	Unrestricted General funds	Unrestricted Fixed Assets	Unrestricted Development funds	Restricted Funds	2016 Total
	£	£	£	£	£
As at 1 April 2015	5,279,860	3,411,515	250,000	2,309,191	11,250,566
Deficit for the year	(665,618)	-	-	(64,536)	(730,154)
Transfers	275,104	(75,104)	(200,000)	-	-
As at 31 March 2016	<u>4,889,346</u>	<u>3,336,411</u>	<u>50,000</u>	<u>2,244,655</u>	<u>10,520,412</u>

WIRRAL HOSPICE ST JOHN'S
 NOTES TO THE ACCOUNTS
 For the year ended 31 March 2017

	Unrestricted General funds	Unrestricted Fixed Assets	Unrestricted Development funds	Restricted Funds	2016 Total
Represented by:					
Tangible fixed assets	-	3,336,411	-	2,244,655	5,581,066
Investments	4,063,034	-	-	-	4,063,034
Cash at bank and in hand	760,794	-	50,000	-	810,794
Other net current assets	65,518	-	-	-	65,518
	4,889,346	3,336,411	50,000	2,244,655	10,520,412

The parent undertaking has taken advantage of Section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements.

The group surplus for the year includes a surplus from the parent company of £60,620 (2016: deficit £730,154), which is dealt with in the financial statements of the company.

The unrestricted development funds are in place to cover anticipated expenditure on tangible fixed assets in the next 12 months

14. RESTRICTED FUNDS

The Group and the Company

	At 1.4.16	Incoming Resources	Resources Expended	At 31.03.17
	£	£	£	£
Sunrise Appeal	518,874	-	(17,617)	501,257
Anniversary Appeal	706,941	-	(15,618)	691,323
Inpatient Refurbishment	450,000	-	(10,000)	440,000
Kitchen Appeal	37,696	-	(820)	36,876
Patient Information Centre	531,144	-	(11,065)	520,079
	2,244,655	-	(55,120)	2,189,535

The above funds represent amounts received to finance, in the main, capital expenditure.

The Sunrise Appeal raised over £1m to fund the construction of a new purpose built Inpatient hospice which opened in 1996.

The Anniversary Appeal raised funds to construct a new Outpatient Service building which was completed in 2008.

The Inpatients Refurbishment was a grant received from the Department of Health for the remodeling and improvement of the Inpatients Ward of the Hospice. This has been included within Hospice Premises in fixed assets.

The Kitchen Appeal raised funds to redevelop the Hospice Kitchen, which was completed in 2012

The Patient Information Centre is a grant received from the Department of Health for the redevelopment and extension of a building for use as patient information centre and office space for our integrated shared care team. This has been included within Hospice Premises in fixed assets.

15. CONTINGENT LIABILITIES

Neither the group nor the company had any contingent liabilities at 31 March 2017 or 31 March 2016.

16. CAPITAL COMMITMENTS

The group and the company had no capital commitment liabilities as at 31 March 2017. (2016: nil)

17. OPERATING LEASE COMMITMENTS

The total amounts payable in respect of operating leases for land and buildings are shown below, analysed according to the expiry date of the leases.

	The Group		The Company	
	2017	2016	2017	2016
	£	£	£	£
Within one year	85,367	8,033	85,367	8,033
Between one and five years	44,917	72,564	44,917	72,564
	<u>130,284</u>	<u>80,597</u>	<u>130,284</u>	<u>80,597</u>

18. RELATED PARTY TRANSACTIONS

During the year, the company paid £6,000 (31st March 2016: £3,000) including VAT for accountancy advice to Grant Thornton UK LLP. G M Ridgway, the company's Treasurer, is an employee of Grant Thornton UK LLP.

During the year, the company paid £5,133 (31st March 2016: £8,200) including VAT for legal advice to Brabners LLP. S Burrows, a Trustee, is a non executive director of Brabners LLP.

19. STATUTORY INFORMATION

Wirral Hospice St John's is a private company, limited by guarantee, registered in England and Wales and has no share capital. Approval has been obtained to dispense with "Limited" in the name of the company, being a charitable organisation. The company's registered number and registered office address can be found on the Reference and Administrative Details page within the Trustees' Report.

The presentation currency of the financial statements is the Pound Sterling (£).

20. ANALYSIS OF PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Year ended 31.03.2016 Unrestricted Funds £	Year ended 31.03.2016 Restricted Funds £	Year ended 31.03.2016 Total Funds £
Income			
Donations and Legacies	874,095	-	874,095
Other Trading Activities	1,736,593	-	1,736,593
Investments	132,970	-	132,970
	<u>2,743,658</u>	<u>-</u>	<u>2,743,658</u>
Income from charitable activities	2,239,953	-	2,239,953
Total Income	<u>4,983,611</u>	<u>-</u>	<u>4,983,611</u>
Expenditure			
Costs of raising funds	26,743	-	26,743
Fundraising costs	1,049,697	-	1,049,697
Investment management costs	35,196	-	35,196
Charitable activities	4,350,202	64,536	4,414,738
Support costs	0	-	0
	<u>5,461,838</u>	<u>64,536</u>	<u>5,526,374</u>
Total resources expended	<u>5,461,838</u>	<u>64,536</u>	<u>5,526,374</u>
Net expenditure / income	(478,227)	(64,536)	(542,763)
Loss on investments	<u>(187,391)</u>	<u>-</u>	<u>(187,391)</u>
Net movement in funds	(665,618)	(64,536)	(730,154)
Reconciliation of Funds			
Total funds brought forward	<u>8,941,375</u>	<u>2,309,191</u>	<u>11,250,566</u>
Total funds carried forward	<u>8,275,757</u>	<u>2,244,655</u>	<u>10,520,412</u>

Further Information



If you would like more information please contact us:

Mount Road, Higher Bebington, Wirral, CH63 6JE

Main Reception Switchboard: 0151 334 2778

Website: www.wirralhospice.org

Email: info@wirralhospice.org



@wirralhospice



/wirralhospicestjohns



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