

Company Registration 1518364  
Charity No: 510643

WIRRAL HOSPICE ST JOHN'S

TRUSTEES ANNUAL REPORT  
AND ACCOUNTS

FOR THE YEAR ENDED  
31 MARCH 2014

WIRRAL HOSPICE ST JOHN'S  
TRUSTEE ANNUAL REPORT AND ACCOUNTS  
For the year ended 31 March 2014

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# WIRRAL HOSPICE ST JOHN'S

## TRUSTEE ANNUAL REPORT AND ACCOUNTS

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The Trustees present their report together with the consolidated financial statements for the year ended 31 March 2014. 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 'Accounting and Reporting by Charities' (2005).

### Reference and Administrative Details

Charity Number:	510643
Company Number:	1518364
Registered Office:	Mount Road Higher Bebington Wirral, CH63 6JE
Auditors:	McEwan Wallace Ltd 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

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## DIRECTORS AND TRUSTEES

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
Mr A J Denye	Deputy Chairman
Mr G M Ridgway	Treasurer
Mr C M Pope	
Mrs H R Staveley-Taylor	
Mr S Burrows	
Mrs P Hunter **	
Dr S M Brennan	
Dr B C Oates	
Mr P Shepherd	

\* MBE awarded June 2013

\*\* Pending retirement from Trustee post 2014/15

Company Secretary Mr J R Pentland

Senior Managers	Mrs J Gorry	Chief Executive Officer
	Mr P Rushbrook	Operations Director
	Mr J R Pentland	Finance Manager
	Mrs T Nightingale	Head of Fundraising
	Dr C Lewis-Jones	Consultant in Palliative Medicine

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## **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 dated 2 September 1980. It is a registered charity engaged in the relief of illness and suffering by providing inpatient, outpatient and day care services.

### **Appointment of Trustees**

One third of the Trustees retire and seek re-appointment each year.  
New Trustees are appointed by the Board when appropriate, to maintain a balance of skills.

### **Trustee Induction and Training**

Proposal put forward for suitable applicant

The recruitment process for new Trustees includes:-

Completion of an application form and skills audit, supported by two references

Interview with Chairman, a Trustee and Chief Executive

Disclosure and Barring Service (DBS) check

All new Trustees 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.

The Trustee Induction Pack covers the main topics that a Trustee needs to be aware of in relation to Wirral Hospice St John's, both at a local and national level. A process which is reviewed annually.

### **Organisational Structure**

The Board of Trustees has a maximum of ten members who administer the Charity.

Board meetings are held ten times annually. Trustees also sit on one or more of the five governance subcommittees whose Terms of Reference are reviewed annually:-

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

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 activities. There are no private or incidental benefits to the Trustees.

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.

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#### **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 regular review is carried out, stratifying risk into low, medium and high, across all areas of the organisation.
- the Serious Untoward Incident Policy, is regularly updated, reviewed annually and 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
- an annual review is undertaken by the Investment Group and subsequently endorsed by the Finance Group

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.

#### **Care Quality Commission (CQC)**

The Care Quality Commission in England provides the independent regulation of all health and adult social care. It aims to ensure that a high standard of care is provided for everyone, whether that is in hospital, nursing homes, peoples' own home or hospice. In our case, at Wirral Hospice St Johns, we are registered to meet the essential standards of quality and safety and are monitored to ensure we continue to meet these standards. An unannounced visit by the CQC is always possible and is a rigorous procedure.

## **OBJECTIVES AND ACTIVITIES**

#### **The Aims and Objectives of the Charity**

As a provider of Specialist Palliative Care, our responsibility is to patients, 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. Patient care is tailored to the individual.

#### **How Our Activities Deliver Public Benefit**

Our sole aim is the provision of Specialist Palliative Care, free of charge to all our patients.

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#### **Our Strategic Objectives for 2013/14:**

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

Governance Groups were attended and supported by the members of the Administration team and the Human Resources Department thus ensuring continuing standards of excellence in audit, training and development.

A regular review was shared with Trustees and Senior Managers who cascaded it to their departments, ensuring changes in practice when appropriate.

The Management Group met every two months to identify best practice in the above areas.

A copy of the 2013/14 Operating Plan is available via the Wirral Hospice St John's website. [www.wirralhospice.org](http://www.wirralhospice.org)

#### **Strategies Employed to Achieve the Charity's Objectives**

The Trustees visit the Hospice to meet and seek the views of patients, carers, staff and volunteers, on a six-monthly rotation. Two Trustees visit together and a written report is submitted. This information is reviewed by the Senior Managers and any actions required effected and a Report submitted to CQC.

Key Performance Indicators (KPIs) and Risk Management Plans are compiled monthly in the areas of:-

- Finance
- Fundraising
- Clinical Services
- Quality and Safety
- Operations/Human Resources

These are reviewed monthly by the Senior Management Team and quarterly by the Board of Trustees.

- **Gambling Commission Inspection –**

The Gambling Commission regulates gambling in the public interest. Following a 'desktop inspection' carried out on 4 September 2013, we were deemed compliant. We continue to ensure that the lottery is operated in a secure, fair and socially responsible way and endorse responsible gambling.

- **Charity Commission Guidelines –**

Every quarter, Governance Groups, and subsequently The Board, review compliance against regulations and guidelines.

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#### **Recruitment and Retention of Staff**

We ensure the employment of people with appropriate skills, knowledge and experience.

Our quality service is maintained by appropriate induction, training and responsive management.

All staff and volunteers benefit from the regular review of policies and procedures and the adherence to them.

A monthly team brief, compiled by the Senior Management Team, informs all Trustees, staff and volunteers on key issues which might impact upon the organisation.

An annual employment and charity law update is held for Trustees and Senior Managers, to provide legislative/policy changes to practices required.

#### **Performance**

The Trustees are pleased to note that the high quality of service provision has been maintained, enabled by strong financial management and working with appropriate agencies. This is only possible due to the continuing and ongoing dedication of our staff, volunteers, the Wirral community and our business supporters.

#### **Care Quality Commission (CQC)**

Wirral Hospice St John's is registered with the Care Quality Commission to provide Diagnostic and Screening procedures and Treatment of Disease, Disorder or Injury.

Dr Fawad Ahmad, Consultant in Palliative Medicine, was appointed Nominated Individual on 13 January 2013.

Julie Gorry, Chief Executive, has an application pending (submitted 25.3.14) to the CQC to be appointed Registered Manager.

## **STRATEGIC REPORT**

#### **The Strategic Report Includes:**

Achievements and Performance  
Service Developments  
Plans for Future Periods  
Principle Risks and Uncertainties  
Financial Review

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## ACHIEVEMENTS AND PERFORMANCE

### Key Performance Indicators –

The Key Performance Indicators, that were a measure of performance in a variety of service areas, were recorded.

### Annual Reports

- Controlled Drug Governance and Compliance Annual Report confirmed compliance with relevant legislation and regulatory requirements, an update on the monitoring and auditing of the management and use of Management of Medicines policies and controlled drugs.

There were no controlled drug related serious untoward incidents or statutory notifications in 2013/14 reported to the Local Intelligence Network.

All policies were reviewed in 2013/14 with a Controlled Drug Standard Operating Procedure produced in order to support/guide staff.

- Infection Prevention and Control Annual Report outlines the activities that have been undertaken throughout the year to ensure that the management of infection prevention and control is constantly reviewed. This is essential to ensure a safe environment for patients, visitors, staff and volunteers. During 2013/14 there were no known cases of Hospice Associated Infections recorded.

There were 20 non-Hospice Associated Infections recorded. Methicillin-resistant Staphylococcus Aureus (MRSA) and Clostridium Difficile (CDT) screening continues within the Inpatient and Outpatient areas to ensure continued compliance with government standards and patient safety.

- Patient, Carer and Visitor Annual Report was compiled for 2013/14. The hospice provides an opportunity for all service users to comment on the service they receive. Approaches used to elicit patient, carer and visitor views continue to be reviewed/updated. Please see Appendix 1 detailing some of those comments received.
- Concerns and Complaints Annual Report has been completed during 2013/14. Six complaints were received, all of which have been resolved satisfactorily and are compliant with the complaints process, in accordance with CQC Outcome 17 'Complaints – people should have their complaints listened to and acted on properly'. Complaints are seen by the hospice as an integral part of service improvements as they provide valuable feedback. The hospice receives many letters of thanks and recommendations from patients/families which are shared with staff teams.
- Bereavement Audit was undertaken for 2013/14 using the THAG (Trent Audit Groups System), to assess the pre and post bereavement care in the hospice.

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#### Patient Activity

	2013/14
<b>Inpatients</b>	
- Admissions	321
- Occupancy	85%
- Mean length of stay (days)	15.59
- % of urgent referrals within standard (admission within 2 days)	99%
- % of routine referrals within standard (admission within 5 days)	97%
<b>Day Therapy</b>	
- Available places	2460
- Allocated places	1150
- % occupancy of allocated places	96%
- Mean length of stay (days)	54.41
<b>Outpatients</b>	
- Referrals	559
- New appointments	434
- Follow-up appointments	752

#### Patient Focus Group –

A formal integrated user partnership has been developed in 2013/14 and is engaging with our service users and staff to help better understanding of the needs of patients and carers. They have been instrumental in the newbuild with providing ideas/suggestions on colours, design, furnishings for the Outpatient services.

#### Patient Satisfaction –

We have invested significant time in exploring patient and service user experience over the past year. User feedback has been sought in a variety of ways including the following:

- Patient questionnaires
- Face to face discussions with patients/families through service visits
- Focus group
- Suggestion boxes
- Bereavement care questionnaires

No negative feedback was received at all with the majority of feedback being extremely positive.

#### Advice and Information Line for Patients/Carers -

106 telephone calls were received via the Advice and Information Line during 2013/14. This service provides help, support and guidance 24/7 365 days per year, and signposts callers to other services and healthcare professionals. This aids patients in achieving their preferences and wishes with respect to end of life care. The service also offers physical, psychological, social and spiritual advice and information.

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#### **National Events and Campaigns**

Each year Wirral Hospice promotes campaigns to raise public awareness about the many ways in which hospice care is delivered beyond hospice buildings, in people's own homes, local communities etc. In 2013/14 a number of national events and campaigns that the hospice took part in included:

- **Dying Matters Awareness Week** – 13-19 May 2013  
The theme for Dying Matters Awareness Week was 'Be ready for it'.
- **Volunteers Week** – 1-7 June 2013  
To mark National Volunteer Week, a drop-in volunteer recruitment session was held at the hospice, which resulted in the securing of a number of new volunteers. We also took the opportunity to thank our current volunteers with email messages and posters around the Hospice and in the shops, in appreciation of their support
- **Hospice Care Week** – 7-13 October 2013  
The theme for Hospice Care Week was 'Count Me In'.

#### **Care Quality Commission –**

An unannounced inspection by the Care Quality Commission Inspecting Officers was undertaken in November 2013.

Five of the Essential Standards for Quality and Safety were inspected with no actions required. The Standards were met as follows:

- |                  |   |              |
|------------------|---|--------------|
| ▪ Standard No 04 | - Care and welfare of people who use services | standard met |
| ▪ Standard No 05 | - Meeting nutritional needs                   | standard met |
| ▪ Standard No 09 | - Management of medicines                     | standard met |
| ▪ Standard No 13 | - Staffing                                    | standard met |
| ▪ Standard No 21 | - Records                                     | standard met |

#### **NHS Quality Handover –**

The final version of the quality handover document for NHS Cheshire Warrington Wirral, which was produced in line with the guidance from the National Quality Board - "How to maintain quality during the transition preparing for handover" - was presented to the Cluster Board in 2013.

#### **Clinical Events –**

A number of healthcare professional events took place to update colleagues on services provided by Wirral Hospice St John's.

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**Medical/Specialty Training** - The following medical/specialty training took place during 2013/14:

- GP End of Life and Palliative Care Education Programme – sessions included:
  - Pain
  - Nausea and Vomiting
  - Emergencies in Palliative Care
  - Dyspnoea
  - Last 48 Hours of Life
  - End of Life Care Tools & Do Not Attempt Cardio Pulmonary Resuscitation
- Masterclass in the challenges of finding the 1%
- Masterclass in Advance Care Planning
- Masterclass in obstacles and challenges relating to Do Not Attempt Cardio Pulmonary Resuscitation Orders
- LCP : Ethical Dilemmas
- Masterclass in Future Care Planning, Tackling Difficult Conversations
- How long have I got doc? (2 sessions)
- Wirral Unified Do Not Attempt Cardio Pulmonary Resuscitation Policy Training – *As part of the launch of the Wirral Unified DNACPR Policy (7 sessions)*

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#### SERVICE DEVELOPMENTS

##### Hospice 30th Anniversary –

2013 marked a special year in the hospice history as it celebrated its 30<sup>th</sup> anniversary.

##### Consultant in Palliative Medicine –

A Locum Consultant in Palliative Medicine commenced in post June 2013, primarily with a focus on enhancing access to Specialist Palliative Care for patients with non-malignant disease.

##### Hospice at Home –

Wirral Clinical Commissioning Group has continued to support Wirral Hospice in 2013/14 in the delivery of Hospice at Home services for all Wirral residents.

The Hospice at Home team continues to provide quality end of life care to patients wishing to remain at home. The team also provides emotional support to patients, families and carers.

2013/14 is year 2 of the Hospice at Home pilot service - summary data is as below:

	Year 1 2012/13	Year 2 2013/14
Total number of referrals received	241	476
Service activity:		
- Accompanied Discharge	111	54
- Hospice at Day	52	327
- Hospice at Night	73	95
Total number of deaths	178	331
Total number of deaths at home	124	239
	= 70%	= 72%

99% of all referrals were dealt with within the response time.

Evaluation from service users, families and healthcare professionals provides positive qualitative feedback (see Appendix 1).

##### Productive Ward –

Productive Ward looks at the total time spent on direct patient care and the aspects that reduce this. These include interruptions, discussions, handovers, administration and time spent searching for information. This has resulted in new ways of working in the hospice and empowerment of staff.

It was introduced in 2013 initially in the Inpatient Unit. Its aim is to deliver improved efficiency using tested methodologies. This has led to a reduction in time wasted, duplications and frustration in Inpatients.

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#### **Wirral Hospice Integrated Shared Care Model -**

A Wirral Hospice Integrated Shared Care Model was adopted during 2013/14.

This will provide a central referral point in which Specialist Palliative Care Doctors and the Multi Professional Team will be based. Its purpose will be to screen, prioritise, and allocate a patient to the most appropriate team member for assessment. A plan is devised with patients and carers using a personalised approach which compliments the principles of the hospice movement.

A team approach will involve all agencies especially the health, social care and voluntary sectors. This will be a joint initiative with shared skill sets enabling a dovetailing of pathways maximising access to Specialist Palliative Care services.

Our experience allows us to recognise and to take the lead in introducing this model by:

- focusing on the patient and their family with a clear understanding of their needs
- supporting by identifying goals and actions
- co-ordinating best treatment and care
- supporting with clear leadership
- backing from local, regional and national Specialist Palliative Care knowledge
- understanding the needs and culture of the population of Wirral

#### **Quality Governance Framework –**

All Governance Groups reviewed and agreed their Terms of Reference for 2013/14.

A new Quality Governance Framework has been introduced which ensures a sustained improvement in the quality of services through Clinical and Organisational Governance.

This structure provides a visual display of how health and safety and quality governance are managed and cascaded across the organisation.

#### **Training and Development –**

A Wirral Locality End of Life and Palliative Care Education and Training Prospectus was devised for 2013/14 for healthcare professionals.

A diverse education programme was developed in conjunction with Wirral Hospice St Johns, Wirral University Teaching Hospital, Wirral Community NHS Trust and other external stakeholders. These included sessions on:

- 'End of Life Care Tools'
- 'Basic Communication Skills for Frontline Staff'
- 'Dying Matters: How Long Have I Got, Doc?'
- 'The Unified Do Not Attempt Cardio Pulmonary Resuscitation Policy within Wirral'.
- A successful GP Palliative and End of Life Care Education Programme was delivered by Wirral Hospice. This ongoing programme delivered 46 training sessions to 438 attendees in 2013/14.

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#### **Patient Information System –**

Financial support for a new patient information software system has been agreed and is expected to be implemented within 2014. This electronic clinical record will be used by the Multi Professional Team supporting the co-ordinated delivery of end of life care.

#### **Human Resources –**

During 2013/14 appointments of personnel included the following:

- Penny Lee	Creative Therapy Co-Ordinator	appointed June 2013
- Michelle Talgam	Fundraising Development Manager	appointed July 2013
- Anna Menaul	Housekeeping Manager	appointed September 2013
- Jacqueline Fitzynam	Occupational Therapist	appointed January 2014
- Jill Littlewood	Inpatient Manager	appointed January 2014

#### **Staff Questionnaire –**

A staff experience survey focusing on staff satisfaction was carried out during 2013/14 with a response rate of over 50%.

Overall satisfaction, confirmed by our high staff retention rate and low staff and volunteer turnover, was high.

However areas identified from staff for improvement included communications, reward including pay, staff involvement, feeling valued and working arrangements. An Action Plan with recommendations has been developed with Senior Managers and Managers.

The hospice has updated its capability procedures and sickness monitoring so that any worrying trends can be flagged up early. Managers will have continued access to professional guidance in sickness and absence management and support for all employees.

#### **Volunteers and Supporters –**

We are extremely grateful for the support of the 490 volunteers who, between them, use their range of skills and interests across all departments providing more than 58,221 hours of help each year.

#### **Disclosure and Barring Service –**

In June 2013, the Disclosure and Barring Service (DBS) replaced the Criminal Records Bureau (CRB) checks for all employees and volunteers.

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#### **Governance Meetings -**

During 2013/14 a new process was implemented for Trustees to provide feedback from quarterly Governance Meetings to the Board of Trustees. A nominated Trustee from each Governance Group must complete a Briefing and Board Report which is then presented to the Trustees enriching their understanding, stimulating discussion and assuring the Board that each Governance Group is managing risk in line with Risk Policy.

#### **Department of Health Grant 'Enhancing Privacy, Dignity and Independence through Wirral-wide Integrated Shared Care : A Wirral Service Improvement Project' –**

Following a successful application to Department of Health Capital Grant Programme the formal acceptance of the grant terms and conditions was completed. Having completed a tendering process Paddock Johnson Architects were appointed with Mellwood Construction appointed as the main contractor.

A second floor to Wendy Ward, the original hospice building, was designed to house the new Wirral-wide Integrated Shared Care service. It was agreed that a third floor would be useful for future expansion and it would be considerably less expensive to add this floor at this time. The Trustees agreed at the October 2013 Board Meeting, that funds could be released from reserves for this purpose.

#### **Families Matter Appeal -**

In November 2013, the £250,000 Families Matter Appeal was launched to support the additional costs of the new build including fixtures and fittings. The new space will provide a centralised hub for patients, families, carers and bereaved adults and children who will be able to receive information and support from health and social care professionals.

#### **Is there a Bear about? -**

John Bear, as the newest member of the Wirral St John's Hospice Team, is a vital player in the exciting new initiative we are developing for our Under 11 Schools Community Project 2014. With JB's help we hope to raise awareness of the work carried out at the Hospice in a sensitive and informative way.

Many of our patients have children, grandchildren or close relatives under the age of eleven. Inevitably, the passing of a close relative or friend is a very confusing and emotional time for young children, which they can often have difficulty navigating. The hospice wants to help children understand the feelings they, or their friends, might be experiencing when faced with death or dying.

John Bear will be able to help by taking his story to primary and junior school assemblies in the form of a ten minute play, carefully scripted for this age group by professionals.

John Bear is full of fun and interacts with youngsters in a gentle way giving them the confidence to talk about topics they find very sensitive. The role play will deliver the key messages about how John Bear supports his friends, copes with sadness and loss, and deals with his emotions. We hope that John Bear will encourage children to talk and share their experiences. They will also be given the opportunity to ask questions of John Bear and his Team.

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Following John Bear's visits to schools, we hope to continue working with pupils by engaging them in age-appropriate events and activities, Education and training will also be offered to all members of the school team.

#### **PLANS FOR FUTURE PERIODS**

##### **Wirral Hospice Strategy –**

A review is to be undertaken to reassess the overall strategy for Wirral Hospice. This is particularly relevant in unprecedented, ongoing and ever-changing times in the NHS. The strategy will be discussed at Board level by the end of Quarter 3 2014/15.

The strategic priorities are as follows:

- integration of multi professional healthcare services both internally and externally
- enhancing focus on improving clinical effectiveness, patient experience and safety
- developing an enhanced co-ordinated care and support system for patients and their families
- complying with the Code of Practice in relation to the prevention or control of Healthcare Associated Infections
- implementing a revised Reward Strategy which recognises and values employee contribution
- ensuring compliance regarding pensions and auto enrolment
- continuing to deliver a robust fundraising programme that meets financial targets and raises the profile of the Hospice

##### **Trustee Recruitment and Selection Policy –**

A revised Trustee Recruitment and Selection Policy was agreed in April 2014. The purpose is to recruit appropriate trustees, who will maintain the quality and standards of the hospice and oversee continuing progress.

##### **Care Quality Commission –**

In April 2014 the CQC launched a consultation on a new regulatory model on how it will regulate, inspect and rate care services. New requirements from October 2014 suggest more thorough tests for organisations. We await further details on this. However, in anticipation we have resurrected a CQC Steering Group, compiled of hospice representatives from across the organisation, to review our position.

##### **Liverpool Care Pathway –**

The Liverpool Care Pathway (LCP) independent review was launched in 2013 to investigate concerns associated with the Pathway. It recommended that the LCP be phased out in 2014. In

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response to the report's 44 recommendations the Leadership Alliance for the Care of the Dying People (LACDP) was set up to lead and provide focus for improving the care for those patients and families. Feedback to date has been extensive, including engagement with families and professionals on proposed outcomes for the care of the dying and on guiding principles for professionals.

We await publication of the LACDP Report which is anticipated in 2014

**Advanced Care Planning –**

A DVD has been produced to aid discussions with patients and families.

**Palliative Care Funding Review –**

NHS England and the Department of Health are establishing a new steering group to take forward the next phase of work. Discussion via the Cheshire and Merseyside Network Hospice Advisory Group continues to develop common data sets.

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## **PRINCIPAL RISKS AND UNCERTAINTIES**

Health and Social Care services across the UK and Wirral are facing a huge financial challenge over the next decade.

Our challenge is to minimise this risk by delivering more efficient and effective care.

In 2013/14, Wirral Hospice experienced an increase in caring for patients with a non-cancer diagnosis and a further increase is anticipated in 2014/15. These patients have specific needs which will result in higher cost implications together with a potential requirement for increased staffing levels.

However, the QIPP (Quality Innovation Productivity Prevention) challenge to health care services is to improve quality whilst making efficiency savings. Our challenge is how to make these savings whilst keeping quality as our organising principle.

There were no serious incidents recorded for the 2013/14 period.

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## FINANCIAL REVIEW

### Income

Total income has increased by over £900,000 this year. However, this includes a capital grant of £553,000 from the department of Health. Voluntary income increased by a pleasing £207,000 and Fundraising income grew by an impressive £94,000. Revenue grants covered 55% (2013: 51%) of our expenditure (excluding fundraising costs).

The turnover of the trading subsidiary this year was just over £85,000. Details of the subsidiary's performance, which we consider to be satisfactory, are set out in note 7 of the financial statements.

### Expenditure

69% (2013: 69%) of costs relate to salaries, the total salary bill for the year being approximately £3,050,000. Of these costs, approximately 72% relate to employees who are directly involved in clinical care.

Fund-raising and publicity costs include the costs of running our lottery (£331,000) and the charity shops (£254,000), which generated income of £746,000 and £387,000 respectively.

In summary, an operating surplus of £641,000 was generated in 2013/2014, before gains on investments of £403,000. 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.

Almost £1,000,000 was spent on upgrading our fixed assets, particularly the buildings, during the year.

There was a further increase of £400,000 in the valuation of our quoted investments during the year, due to improvements in the stock market.

The significant increase in debtors and creditors represents amounts invoiced to Wirral CCG in respect of the year ended 31<sup>st</sup> March 2015.

Liquid reserves rose by £210,000 during the year, as a result of the net surplus generated, offset by the investments mentioned above.

The Trustees continue to monitor future activities and costs with caution.

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#### **Reserves policy**

Reserves are required because the on-going revenue expenditure of the Hospice exceeds the minimum anticipated 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 12 and 60 months of anticipated net expenditure. Currently reserves amount to 39.4 (2013: 34.0) months of anticipated expenditure. This increase is as a result of budgeting constraints on expenditure imposed by the Trustees.

The Trustees will monitor and review the Reserves Policy, and the Hospice's adherence to it, on an annual basis.

#### **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 at the time of purchase.

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

#### **Investment Performance 2013/14**

##### **Fixed Interest Investments**

During the year to 31 March 2014, the fixed interest stock returned (3.02%) compared to a return of (2.56%) for the FTA UK Government All Stocks Index.

## WIRRAL HOSPICE ST JOHN'S

### TRUSTEE ANNUAL REPORT AND ACCOUNTS

For the year ended 31 March 2014

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#### **Equity Investments**

During the year to 31 March 2014, the equity fund returned 18.96% compared to a return of 8.81% 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 inappropriate to presume that the charity will 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 Ltd offer themselves for reappointment as auditors of the company in accordance with Section 485 of the Companies Act 2006.

APPROVED BY ORDER OF THE TRUSTEES, INCLUDING THE STRATEGIC REPORT

.....  
J R Pentland  
Company Secretary  
22nd September 2014

APPENDIX 1

RESPECTING AND INVOLVING PEOPLE WHO USE SERVICES

**Hospice at Day - Relative**

"Enabled me to get some sleep and rest knowing my partner was now being looked after. Also this service gave me moral support – everyone has been lovely and so kind and helpful. I couldn't have got through this nightmare on my own. Thank you for all your help and support."

**Accompanied Discharge – Relative**

"Re-assurance from a wonderful, sensitive caring professional"

**Hospice at Day – Relative**

"With a HCA in the house for over 3 hours looking after my wife I was able to go out shopping or have time on my own for a spell. I was most grateful. Just carry on; you are doing a great service."

**Hospice at Day – Patient**

"The service means that my carer can have time to do the things she needs to do without the constant worry about me and my health and safety which she says is worth its weight in gold for peace of mind. I think it would be hard to improve on this excellent service. Thank you all very much from a grateful patient."

**Hospice at Night – Relative**

"During the last days of my wife's life your service gave my daughter and I the opportunity to get some sleep, providing personal care, support and were a pillar of strength when ours was weakening. This resulted in my wife fulfilling her wish to die at home, in peace and well cared for."

**Hospice at Night – Relative**

"The Hospice at Night service was absolutely fantastic. The support and kindness they gave my partner was wonderful. It put him at ease and made him comfortable as they could. It helped me & my son to get some sleep. You are all doing a wonderful job in caring and giving support to patients in need. Words cannot express my gratitude for what you have done for my partner. God bless you all."

**Hospice at Day – Relative**

"A nurse looking after my terminally ill wife for a few hours a week gave me a much needed break to shop and do other things that needed attending to. In fact it lightened my life a couple of times a week. It is help I will always remember."

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF  
WIRRAL HOSPICE, ST JOHN'S

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We have audited the financial statements of Wirral Hospice St John's for the year ended 31 March 2014 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

**Respective responsibilities of trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 20, 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 2014 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.

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF  
WIRRAL HOSPICE, ST JOHN'S

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**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

22<sup>nd</sup> September 2014

## PRINCIPAL ACCOUNTING POLICIES

### WIRRAL HOSPICE, ST JOHN'S

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#### **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention, except that investments are included at valuation, and have been prepared in accordance with the Statement of Recommended Practice: "Accounting and Reporting by Charities" (2005) and the Companies Act 2006.

The principal 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 undertaking (see note 9), drawn up to 31 March 2014. 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 the new Hospice, and other restricted capital and income funds.

#### **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.

Legacies are included in the Statement of Financial Activities when the Hospice becomes entitled to them and all pre-conditions have been met.

Investment income comprises dividends declared during the accounting year and interest receivable on listed and unlisted investments and bank deposits.

## PRINCIPAL ACCOUNTING POLICIES

### WIRRAL HOSPICE, ST JOHN'S

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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**

Investments are included at market value.

Unrealised gains and losses are transferred to the General fund.

### **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.

## PRINCIPAL ACCOUNTING POLICIES

### WIRRAL HOSPICE, ST JOHN'S

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#### **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.

##### **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.

WIRRAL HOSPICE, ST JOHN'S

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

For the year ended 31 March 2014

		Unrestricted Funds £	Restricted Funds £	Year ended 31.03.2014 Total Funds £	Year ended 31.03.2013 Total Funds £
	Note				
<b>Incoming resources</b>					
Incoming resources from generated funds:					
Voluntary income	7	1,094,566	-	1,094,566	887,333
Activities for generating funds	7	1,624,144	-	1,624,144	1,530,890
Investment income	7	125,230	-	125,230	138,799
		<u>2,843,940</u>	<u>-</u>	<u>2,843,940</u>	<u>2,557,022</u>
Incoming resources from charitable activities	7	2,121,993	553,274	2,675,267	2,041,031
<b>Total incoming resources</b>		<u>4,965,933</u>	<u>553,274</u>	<u>5,519,207</u>	<u>4,598,053</u>
<b>Resources expended</b>					
Costs of generating funds					
Costs of generating voluntary income	2(a)	31,932	-	31,932	31,932
Fundraising costs	2(b)	923,488	-	923,488	839,105
Investment management costs		29,796	-	29,796	29,299
Charitable activities	1	3,303,265	113,081	3,416,346	3,364,195
Governance costs	4	35,523	-	35,523	32,884
		<u>4,324,004</u>	<u>113,081</u>	<u>4,437,085</u>	<u>4,297,415</u>
<b>Total resources expended</b>		<u>4,324,004</u>	<u>113,081</u>	<u>4,437,085</u>	<u>4,297,415</u>
<b>Net incoming resources before other recognised gains</b>		641,929	440,193	1,082,122	300,638
Gains on investments	9	403,549	-	403,549	527,332
<b>Net movement in funds</b>	14	1,045,478	440,193	1,485,671	827,970
<b>Reconciliation of Funds</b>					
Total funds brought forward		<u>7,518,971</u>	<u>1,969,235</u>	<u>9,488,206</u>	<u>8,660,236</u>
<b>Total funds carried forward</b>		<u>8,564,449</u>	<u>2,409,428</u>	<u>10,973,877</u>	<u>9,488,206</u>

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

The notes at pages 31 to 41 form part of these accounts.

WIRRAL HOSPICE, ST JOHN'S

CONSOLIDATED BALANCE SHEET

As at 31 March 2014

	Note	2014 £	2014 £	2013 £	2013 £
<b>Fixed assets</b>					
Tangible assets	8		5,182,554		4,408,742
Investments	9		4,061,118		3,657,569
			<b>9,243,672</b>		<b>8,066,311</b>
<b>Current assets</b>					
Stocks	10	6,055		7,065	
Debtors	11	1,165,011		265,550	
Cash at bank and in hand	12	1,646,420		1,513,896	
		<b>2,817,486</b>		<b>1,786,511</b>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	13	(1,087,281)		(364,616)	
<b>Net current assets</b>			<b>1,730,205</b>		<b>1,421,895</b>
<b>Net assets</b>			<b>10,973,877</b>		<b>9,488,206</b>
<b>The funds of the charity</b>					
Restricted income funds	14		2,409,428		1,969,235
Unrestricted income funds	14				
General		5,236,791		4,205,906	
Fixed Assets		2,827,658		2,563,065	
Development		500,000		750,000	
Total unrestricted funds			<b>8,564,449</b>		<b>7,518,971</b>
<b>Total charity funds</b>			<b>10,973,877</b>		<b>9,488,206</b>

The notes at pages 31 to 41 form part of these accounts.

The directors approved the financial statements on 22<sup>nd</sup> September 2014

Dr P J R Cuthbertson

Director

G M Ridgway

Director

Company Registration Number: 1518364

WIRRAL HOSPICE, ST JOHN'S

BALANCE SHEET

As at 31 March 2014

	Note	2014 £	2014 £	2013 £	2013 £
<b>Fixed assets</b>					
Tangible assets	8		5,182,554		4,408,742
Investments	9		4,061,120		3,657,571
			<b>9,243,674</b>		<b>8,066,313</b>
<b>Current assets</b>					
Debtors	11	1,260,143		438,992	
Cash at bank and in hand	12	1,557,183		1,347,519	
		<b>2,871,326</b>		<b>1,786,511</b>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	13	(1,087,123)		(364,618)	
<b>Net current assets</b>			<b>1,730,203</b>		<b>1,421,893</b>
<b>Net assets</b>			<b>10,973,877</b>		<b>9,488,206</b>
<b>The funds of the charity</b>					
Restricted income funds	14		2,409,428		1,969,235
Unrestricted income funds	14				
General		5,236,791		4,205,906	
Fixed Assets		2,827,658		2,563,065	
Development		500,000		750,000	
Total unrestricted funds			<b>8,564,449</b>		<b>7,518,971</b>
<b>Total charity funds</b>			<b>10,973,877</b>		<b>9,488,206</b>

The notes at pages 31 to 41 form part of these accounts.

The directors approved the financial statements on 22<sup>nd</sup> September 2014

Dr P J R Cuthbertson

Director

G M Ridgway

Director

Company Registration Number: 1518364

WIRRAL HOSPICE, ST JOHN'S

CONSOLIDATED CASH FLOW STATEMENT

As at 31 March 2014

	2014 £	2014 £	2013 £
<b>Net cash inflow / (outflow) from operating activities (see below)</b>		<b>1,079,679</b>	(371,467)
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets	947,155		214,536
Purchase of investments	440,877		692,798
Increase in cash held by stockbrokers	4,572		109,154
Proceeds from sale of investments	<u>(445,449)</u>		<u>(301,954)</u>
<b>Net cash outflow from capital expenditure and financial investment</b>		<b>(947,155)</b>	(714,534)
<b>Increase/(Decrease) in cash in the year (see below)</b>		<b><u>132,524</u></b>	<b><u>(1,086,001)</u></b>
<b>Reconciliation of changes in resources to net cash inflow from operating activities</b>			
		2014 £	2013 £
Changes in resources before revaluations		1,196,386	326,300
Depreciation		173,343	144,338
Profit on disposal of Investments		(114,264)	(25,662)
Increase/(decrease) in creditors		722,665	(725,821)
Increase in debtors		(899,461)	(93,115)
Decrease in stocks		1,010	2,493
		<b><u>1,079,679</u></b>	<b><u>(371,467)</u></b>
<b>Reconciliation of net cash flow</b>			
	At 1.4.2013 £	Cash flow £	At 31.3.2014 £
Bank balances	<u>1,513,896</u>	<b><u>132,524</u></b>	<u>1,646,420</u>

WIRRAL HOSPICE, ST JOHN'S

NOTES TO THE ACCOUNTS

As at 31 March 2014

**1. CHARITABLE ACTIVITIES**

	2014	2013
	£	£
Salaries	2,188,622	2,129,923
Depreciation	146,022	132,960
Medical supplies	262,836	260,767
Food	67,613	69,000
Heat and lighting	81,625	79,370
Repairs and renewals	98,925	99,828
Cleaning	28,088	27,206
Other	39,553	42,430
Support costs (note 3)	503,062	522,711
	<u>3,416,346</u>	<u>3,364,195</u>

**2. COST OF GENERATING FUNDS**

	2014	2013
	£	£
(a) Costs of generating voluntary income – salaries	<u>31,932</u>	31,932
(b) Fundraising costs :		
Salaries	137,447	143,515
Depreciation	27,321	11,377
Charity shop costs (including salaries £152,679)	254,073	183,067
Purchase of promotional goods	37,393	38,570
Lottery costs (including salaries £113,300)	331,170	315,267
Printing, stationery and advertising	5,482	14,293
Postage and telephone	3,157	10,185
Fundraising expenditure	90,891	98,683
Other	36,554	24,148
	<u>923,488</u>	<u>839,105</u>

**3. SUPPORT COSTS**

	2014	2013
	£	£
Salaries	428,882	450,518
Printing, stationery and advertising	34,078	26,339
Postage and telephone	10,946	11,605
Accountancy and payroll charges	7,823	6,945
Insurance	21,333	27,304
	<u>503,062</u>	<u>522,711</u>

WIRRAL HOSPICE, ST JOHN'S

NOTES TO THE ACCOUNTS

As at 31 March 2014

**4. GOVERNANCE COSTS**

	<b>2014</b>	2013
	<b>£</b>	£
Audit fees	<b>9,677</b>	9,667
Legal and professional costs	<b>17,793</b>	15,164
Salaries	<b>8,053</b>	8,053
	<b><u>35,523</u></b>	<u>32,884</u>

**5. DIRECTORS AND EMPLOYEES**

Staff costs during the year were as follows

	<b>2014</b>	2013
	<b>£</b>	£
Wages and salaries	<b>2,742,870</b>	2,630,358
Social security costs	<b>177,797</b>	185,084
Other pension costs	<b>140,248</b>	137,021
	<b><u>3,060,915</u></b>	<u>2,952,463</u>
Average number of employees	<b><u>140</u></b>	<u>140</u>

The analysis of employees by category is as follows:

	<b>2014</b>	2013
	<b>Number</b>	Number
Direct charitable	<b>88</b>	91
Fund-raising and publicity	<b>30</b>	26
Management and administration	<b>12</b>	13
Directors	<b><u>10</u></b>	<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:

	<b>2014</b>	2013
	<b>Number</b>	Number
£60,000 - £70,000	<b>1</b>	1
£80,000 - £90,000	<b><u>1</u></b>	<u>1</u>

The employee earning over £60,000 participated in the Standard Life defined contribution scheme for part of the financial year.

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

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

No directors' fees were paid during the year and no expenses were reimbursed to trustees.

WIRRAL HOSPICE, ST JOHN'S

NOTES TO THE ACCOUNTS

As at 31 March 2014

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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 2014 was £209,253. The posts and third parties involved are as follows:

Consultants, Doctors & Chaplain - Wirral University Teaching Hospital NHS Foundation Trust

Psychologist – Southport & Ormskirk NHS Trust

**6. 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.

WIRRAL HOSPICE, ST JOHN'S

NOTES TO THE ACCOUNTS

As at 31 March 2014

**7. NET INCOME FOR THE YEAR**

The net income for the year is stated after charging:

	<b>2014</b>	2013
	£	£
Depreciation	<b>173,343</b>	144,338
Auditors remuneration	<b>9,677</b>	9,677

and after crediting:

Voluntary income:		
Legacies	<b>644,952</b>	588,213
In memoriam	<b>172,353</b>	165,720
General donations	<b>216,021</b>	52,254
Gift Aid	<b>61,240</b>	81,146
	<b>1,094,566</b>	887,333

Investment income from:

Listed investments	<b>111,688</b>	111,379
Bank deposits	<b>13,542</b>	27,420
	<b>125,230</b>	138,799

Income from charitable activities:

Grants from NHS Clinical Commissioning Groups	<b>1,688,089</b>	1,753,778
Department of Health Grant	<b>553,274</b>	0
Hospice at Home Income	<b>227,699</b>	163,893
Sundry Income	<b>206,205</b>	123,360
	<b>2,675,267</b>	2,041,031

Activities for generating funds:

Fund-raising events	<b>404,569</b>	479,018
Charity shop sales	<b>387,200</b>	323,802
Subsidiary's turnover	<b>85,908</b>	88,961
Lottery income	<b>746,467</b>	639,109
	<b>1,624,144</b>	1,530,890

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.

WIRRAL HOSPICE, ST JOHN'S

NOTES TO THE ACCOUNTS

As at 31 March 2014

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

	<b>2014</b>	2013
	<b>£</b>	£
Turnover	<b>85,908</b>	88,961
Cost of sales	<b>(37,393)</b>	(38,570)
Gross profit	<b>48,515</b>	50,391
Administrative expenses	<b>(30,601)</b>	(29,333)
Transfer to Hospice	<b>(17,914)</b>	(21,058)
Profit retained	<b>-</b>	-

The subsidiary's balance sheet can be summarised as follows:

	<b>2014</b>	2013
Current assets	<b>95,276</b>	173,441
Current liabilities	<b>95,274</b>	173,439
	<b>2</b>	2
Share capital	<b>2</b>	2
Profit and loss account	<b>-</b>	-
	<b>2</b>	2

WIRRAL HOSPICE, ST JOHN'S

NOTES TO THE ACCOUNTS

As at 31 March 2014

**8. TANGIBLE FIXED ASSETS**

**The Group and the Company**

	<b>Hospice premises £</b>	<b>Computer, medical &amp; office equipment £</b>	<b>Charity shops £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
Cost					
At 1 April 2013	5,235,199	1,102,858	81,982	84,742	6,504,781
Additions	810,435	136,720	-	-	947,155
At 31 March 2014	<u>6,045,634</u>	<u>1,239,578</u>	<u>81,982</u>	<u>84,742</u>	<u>7,451,936</u>
Depreciation					
At 1 April 2013	983,706	977,130	50,461	84,742	2,096,039
Charge for the year	104,716	59,177	9,450	-	173,343
At 31 March 2014	<u>1,088,422</u>	<u>1,036,307</u>	<u>59,911</u>	<u>84,742</u>	<u>2,269,382</u>
<b>Net book amount at 31 March 2014</b>	<b><u>4,957,209</u></b>	<b><u>203,274</u></b>	<b><u>22,071</u></b>	<b><u>-</u></b>	<b><u>5,182,554</u></b>
Net book amount at 31 March 2013	<u>4,251,493</u>	<u>125,728</u>	<u>31,521</u>	<u>-</u>	<u>4,408,742</u>

The net book amount at 31 March 2014 in respect of land and buildings comprises freehold property of £4,957,209

The net book amount at 31 March 2014 represents fixed assets used for:

	<b>Hospices premises £</b>	<b>Computer, medical &amp; office equipment £</b>	<b>Charity shops £</b>	<b>Motor vehicles £</b>	<b>Total £</b>
Charitable activities	4,768,994	172,306	-	-	4,941,300
Fund-raising	188,215	30,968	-	-	219,183
Charity shops	-	-	22,071	-	22,071
	<b><u>4,957,209</u></b>	<b><u>203,274</u></b>	<b><u>22,071</u></b>	<b><u>-</u></b>	<b><u>5,182,554</u></b>

The net amount at 31 March 2014 in respect of Charity shops comprises property improvements £22,071.

WIRRAL HOSPICE, ST JOHN'S

NOTES TO THE ACCOUNTS

As at 31 March 2014

**9. INVESTMENTS**

	<b>The Group</b>		<b>The Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Quoted investments at market value	<b>3,872,597</b>	3,473,620	<b>3,872,597</b>	3,473,620
Cash held by stockbrokers	<b>188,521</b>	183,949	<b>188,521</b>	183,949
Investment in subsidiary undertaking at cost	-	-	<b>2</b>	2
	<b><u>4,061,118</u></b>	<u>3,657,569</u>	<b><u>4,061,120</u></b>	<u>3,657,571</u>
<b>Quoted investments</b>			<b>£</b>	<b>£</b>
Market value				
At 1 April 2013			<b>3,473,620</b>	2,555,444
Additions at cost			<b>440,877</b>	692,798
Disposal proceeds			<b>(445,449)</b>	(301,954)
Profit on disposals			<b>114,264</b>	25,662
Increase in unrealised gain			<b>289,285</b>	501,670
			<b><u>3,872,597</u></b>	<u>3,473,620</u>
At 31 March 2014				
Cost			<b><u>2,823,322</u></b>	<u>2,713,630</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 £3,256,243 and gilts £616,354

The historical cost amount of quoted investments is £2,823,322 (2013: £2,713,630). The total unrealised gain to date amounts to £1,049,275 (2013: £759,990). This amount is included within the Hospice's general fund.

**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).

WIRRAL HOSPICE, ST JOHN'S

NOTES TO THE ACCOUNTS

As at 31 March 2014

**10. STOCKS**

	The Group		The Company	
	2014	2013	2014	2013
	£	£	£	£
Fund-raising goods	<u>6,055</u>	<u>7,065</u>	<u>-</u>	<u>-</u>

**11. DEBTORS**

	The Group		The Company	
	2014	2013	2014	2013
	£	£	£	£
Prepayments and accrued income	135,961	145,217	135,961	145,217
Due from subsidiary undertaking	-	-	95,132	173,442
Other debtors	<u>1,029,050</u>	<u>120,333</u>	<u>1,029,050</u>	<u>120,333</u>
	<u>1,165,011</u>	<u>265,550</u>	<u>1,260,143</u>	<u>438,992</u>

**12. BANK BALANCES**

	The Group		The Company	
	2014	2013	2014	2013
	£	£	£	£
Bank balances	1,645,471	1,513,229	1,556,354	1,346,973
Petty cash	<u>949</u>	<u>667</u>	<u>829</u>	<u>546</u>
	<u>1,646,420</u>	<u>1,513,896</u>	<u>1,557,183</u>	<u>1,347,519</u>

**13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	The Group		The Company	
	2014	2013	2014	2013
	£	£	£	£
Trade creditors	31,771	13,098	31,627	13,098
Social security and other taxes	48,407	55,211	48,407	55,211
Other creditors and accruals	95,148	91,211	95,133	91,213
Deferred income	<u>911,955</u>	<u>205,096</u>	<u>911,956</u>	<u>205,096</u>
	<u>1,087,281</u>	<u>364,616</u>	<u>1,087,123</u>	<u>364,618</u>

WIRRAL HOSPICE, ST JOHN'S

NOTES TO THE ACCOUNTS

As at 31 March 2014

**Deferred income**

**The Group and the Company**

	<b>Total £</b>	<b>Activities in furtherance of the charity's objects £</b>	<b>Lottery income £</b>
As at 1 April 2013	205,096	95,122	109,974
Released to income in the year	(205,096)	(95,122)	(109,974)
Deferred in the year	911,955	807,231	104,724
	<b><u>911,955</u></b>	<b><u>807,231</u></b>	<b><u>104,724</u></b>
As at 31 March 2014			

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

**14. RESERVES**

**The Group and the Company**

	<b>Unrestricted General funds £</b>	<b>Unrestricted Fixed Assets £</b>	<b>Unrestricted Development funds £</b>	<b>Restricted Funds £</b>	<b>Total £</b>
As at 1 April 2013	4,205,906	2,563,065	750,000	1,969,235	9,488,206
Surplus for the year	1,045,478			440,193	1,485,671
Transfers	(14,593)	264,593	(250,000)	-	-
As at 31 March 2014	<b><u>5,236,791</u></b>	<b><u>2,827,658</u></b>	<b><u>500,000</u></b>	<b><u>2,409,428</u></b>	<b><u>10,973,877</u></b>

**Represented by:**

Tangible fixed assets	-	2,827,658	-	2,354,896	5,182,554
Investments	4,061,118	-	-	-	4,061,118
Cash at bank and in hand	1,091,888	-	500,000	54,532	1,646,420
Other net current assets	83,785	-	-	-	83,785
	<b><u>5,236,791</u></b>	<b><u>2,827,658</u></b>	<b><u>500,000</u></b>	<b><u>2,409,428</u></b>	<b><u>10,973,877</u></b>

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 £1,485,670 (2013: £827,970), which is dealt with in the financial statements of the company.

The unrestricted development funds are in place to cover major capital developments including the implementation of a new information technology system and fixed asset additions.

## WIRRAL HOSPICE, ST JOHN'S

### NOTES TO THE ACCOUNTS

As at 31 March 2014

## 15. RESTRICTED FUNDS

### The Group and the Company

	At 1.4.13	Incoming Resources	Resources Expended	At 31.03.14
	£	£	£	£
Sunrise Appeal	571,725	-	(17,617)	<b>554,108</b>
Specialist Palliative Care	58,251	-	(51,347)	<b>6,904</b>
Anniversary Appeal	753,795	-	(15,618)	<b>738,177</b>
Inpatient Refurbishment	480,000	-	(10,000)	<b>470,000</b>
Kitchen Appeal	40,156	-	(820)	<b>39,336</b>
Equipment Legacy	65,308	-	(17,679)	<b>47,629</b>
Patient Information Centre	0	553,274	-	<b>553,274</b>
	<u>1,969,235</u>	<u>553,274</u>	<u>(113,081)</u>	<u><b>2,409,428</b></u>

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.

Specialist Palliative Care consists of various receipts from Wirral NHS for funding for specific improvements to our service.

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 Equipment Legacy is a legacy received in 2013 which is specifically restricted to the purchase of equipment. The expenditure during the year relates to beds, mattresses and clinical equipment.

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.

**16. LIMITED LIABILITY**

The company is limited by guarantee and has no share capital. Approval has been obtained to dispense with "Limited" in the name of the company, being a charitable organisation.

**17. CONTINGENT LIABILITIES**

Neither the group nor the company had any contingent liabilities at 31 March 2014 or 31 March 2013

**18. CAPITAL COMMITMENTS**

The group and the company had capital commitment liabilities of £177,396 at 31 March 2014. This relates to remaining anticipated expenditure on the Patient Information Centre. There were no capital commitments as 31<sup>st</sup> March 2013.

**19. OPERATING LEASE COMMITMENTS**

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

	<b>The Group</b>		<b>The Company</b>	
	<b>2014</b>	2013	<b>2014</b>	2013
	£	£	£	£
Within one year	<b>15,506</b>	27,235	<b>15,506</b>	27,235
More than five years	<b>48,042</b>	18,000	<b>48,042</b>	18,000
	<b>63,548</b>	45,235	<b>63,548</b>	45,235

**20. RELATED PARTY TRANSACTIONS**

During the year, the company paid £1,800 (31<sup>st</sup> March 2013: £1,800) 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 £10,928 (31<sup>st</sup> March 2013: £11,538) including VAT for legal advice to Brabners LLP. S Burrows, a Trustee, is a non executive director of Brabners LLP.