



Company Registration:1518364

Charity No: 510643

**WIRRAL HOSPICE ST JOHN'S**  
**TRUSTEES ANNUAL REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED**  
**31 MARCH 2016**



***Serving our Community***

Wirral Hospice St John's  
Mount Road  
Higher Bebington  
Wirral CH63 6JE  
Registered Charity No: 510643

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WIRRAL HOSPICE ST JOHN'S  
TRUSTEE REPORT  
For the year ended 31 March 2016

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The Trustees present their report together with the consolidated financial statements for the year ended 31 March 2016. 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

WIRRAL HOSPICE ST JOHN'S

TRUSTEE REPORT

For the year ended 31 March 2016

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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
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 C Lewis-Jones	Medical Director (Retired February 2016)
	Dr F Ahmad	Medical Director (with effect from March 2016)

President His Honour John Roberts

## **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 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**

The 'Trustee Recruitment and Selection Policy' and 'Ambassadors Recruitment and Selection Policy' were reviewed and updated in April 2014. The policy was updated to enhance the requirements and processes for identifying and recruiting suitably qualified candidates to join our Board of Trustees and Ambassadors. The policy has been reviewed to ensure it incorporates recent healthcare review recommendations, ie Saville Report.

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.

### **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 following Governance subcommittees whose Terms of Reference are reviewed annually:

- Clinical Governance
- Financial Governance inc Investment
- 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. The Trustees give their expertise and time on a voluntary basis.

## WIRRAL HOSPICE ST JOHN'S

### TRUSTEE REPORT

For the year ended 31 March 2016

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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
- Risk Register is completed 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 Finance 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 Charity Commission as appropriate.

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 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 what they find, including 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 Care Quality Commission to provide Diagnostic and Screening Procedures and Treatment of Disease, Disorder or Injury.

## 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. Care is designed according to 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 2015/16:

- **Clinical Governance** – To ensure that Clinical Governance within the Hospice addresses the common areas of planning, development and scrutiny of Hospice clinical governance issues.
- **Financial Governance inc Investment** – To ensure that the Financial Governance Group within the Hospice addresses the common areas of proactive financial leadership within a framework of prudent and effective controls which enable risk to be assessed and managed.
- **Organisational Governance** – To ensure that Organisational Governance within the Hospice addresses the following component areas and upholds compliance to ensure standards are maintained : health and safety, establishment, HR matters, risk management, capital premises development, information technology and employment law.
- **Fundraising and Marketing Governance** – To ensure that Fundraising & Marketing Governance within the Hospice addresses the common areas of donor fundraising, fundraising events, corporate fundraising, other fundraising (inc collection boxes, recycling), retail and trading shops, online sales, lottery and raffles.

All departments are represented in Governance Groups, thus ensuring continuing standards of excellence in development, training and audit. Regular reviews are held to identify best practice in the above areas.

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

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

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

These are reviewed monthly by the Senior Management Team and quarterly by the Governance groups via Trustee reporting, with any specific highlights brought to Board of Trustees' attention on a monthly basis.

## WIRRAL HOSPICE ST JOHN'S

### TRUSTEE REPORT

For the year ended 31 March 2016

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The Trustees visit the Hospice to meet and seek the views of patients, carers, staff and volunteers, on a rotational basis, following which a written report is submitted. This information is reviewed by the Senior Managers and any actions required effected.

#### **Gambling Commission Inspection**

The Gambling Commission regulates gambling in the public interest. The last 'desktop inspection' was carried out in September 2013 and Wirral Hospice was deemed to be compliant with the regulations. No further inspections have been held since.

The Hospice lottery holds two licenses issued by the Gambling Commission; a Non Remote Operating License, and an Ancillary Remote Operating License, both of which are located in the Fundraising office. Monetary returns are submitted monthly to the Gambling Commission as well as an annual regulatory return.

#### **Charity Commission Guidelines**

The Board ensures compliance of all Governance Groups on a regular basis.

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

We ensure the employment of people with appropriate skills, knowledge and experience, supported by appropriate induction and training.

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

All Trustees, staff and volunteers are appraised of issues which might impact upon the organisation.

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

#### **Performance**

The Trustees acknowledge that the high quality of service provision can only be maintained by strong financial management and working with partner organisations. We recognise the importance of the high level of commitment of our staff, and volunteers and the support of the local residential and business community.

#### **Care Quality Commission**

Julie Gorry, Chief Executive is the CQC Registered Manager. Dr Fawad Ahmad is the Registered Individual.

The CQC Steering Group worked on completion of the Provider Information Return (PIR) in the year, in preparation for the CQC inspection.



## STRATEGIC REPORT

The Strategic Report includes:

- 1 Achievements and Performance
- 2 Service Developments
- 3 Plans for Future Periods
- 4 Principle Risks and Uncertainties
- 5 Financial Review

### 1 ACHIEVEMENTS AND PERFORMANCE

#### **ACHIEVEMENTS:**

**Dementia Challenge** – Wirral Hospice Board of Trustees pledged to support the 'Dementia Friends' training for all staff and volunteers during 2015/16. To this end, some adaptations to the Hospice's environment and signage have taken place to ensure they are user-friendly for people with dementia.

**Reward Strategy** – Following extensive consultation with the Employee Forum and individual employees, Reward Strategy proposals were agreed and implemented during the course of the year.

**Clinical Appointments** – The following appointments were made during 2015:

- Patient and Family Support Services Manager - Christine Sutcliffe
- Outpatient Services Manager - Helen Parkinson
- Specialty Doctor - Dr Claire McCourt

**Management Development Programme** – Wirral Hospice's Management Group took part in a six-month Management Development Programme in conjunction with Wirral Metropolitan College. This concluded in July 2015 with 15 employees attaining a formal qualification from the programme. Outcomes from the programme were presented to the Board of Trustees in September 2015.

**Masters Degree in Healthcare Leadership** – The Head of Clinical Services successfully completed a Masters Degree in Healthcare Leadership in 2015. The skills and knowledge gained during the two year programme are transferable in order to develop services in the Hospice to meet the needs of our patients and families and ensure we are valuing and embracing the diversity of the community that we serve.

**Training & Development** – A Wirral End of Life Care Training & Development Prospectus for 2015/16 was launched to health and social care professionals during Dying Matters Week in May 2015.

A variety of Training & Development programmes were delivered in the past year for all staff in the Hospice.

## WIRRAL HOSPICE ST JOHN'S

### TRUSTEE REPORT

For the year ended 31 March 2016

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**Asset Register** – Work to implement a Wirral Hospice Asset Register was completed in June 2015. This will allow the accurate recording of the Hospice's assets and the calculation of depreciation.

**IT Support Contract** – A new IT Support Contract with MWL Systems came into operation on 1 April 2015. The contract is aimed at improving the Hospice's IT technical capabilities and supporting developments in the Hospice's IT infrastructure.

**Healthcare Reviews/Guidance** – Action Plans were drawn up and addressed during 2015 to ensure that Wirral Hospice remains compliant with recommendations made in recent investigations into healthcare associated practices, these being the independent review and subsequent report published February 2015 entitled 'Themes and Lessons Learnt from NHS investigations into matters relating to Jimmy Saville'; 'Freedom to Speak Up' (an independent review published in February 2015, conducted by Sir Robert Francis QC, into 'creating an open and honest reporting culture in the NHS'); and 'Fit and Proper Persons – Directors' (Health & Social Care Act 2008 Regulations 2014 – CQC Regulation 5 published March 2015). The action plans have been reviewed on a monthly basis by the Senior Management Team, with subsequent updates on actions provided to the Board of Trustees.

**Wirral End of Life Care Charter** – Wirral Hospice has been instrumental in the development of the Wirral End of Life Care Charter, which was launched to health and social care professionals and the public in May 2015.

The Charter, with its 12 statements that spell out the standards of care a Wirral resident may expect when accessing Palliative and End of Life Care services is supported by Wirral Clinical Commissioning Group through the Wirral Palliative & End of Life Care Partnership Group.

#### **PERFORMANCE:**

**Key Performance Indicators (KPIs)** – The organisation's KPIs, a measure of performance across all service areas, were recorded and reviewed by the Senior Management Team, with any significant variances reported to the Board of Trustees on a monthly basis.

**Quality Account 2015/16** – A Wirral Hospice Quality Account for 2015/16, including priorities for improvement, was prepared and subsequently published on the NHS Choices website.

**Clinical Audit** – In order to continually meet standards and provide a consistently high quality of service, Wirral Hospice has an annual Audit Plan comprising audits on a variety of topics.

**Serious Untoward Incidents** – There were no serious untoward incidents recorded during 2015/16.

**Complaints** – There were seven complaints recorded during 2015/16, none of which related to clinical care. All were dealt with in accordance with the Wirral Hospice Concerns and Complaints Policy.

**Patient Led Assessment of the Care Environment (PLACE) Assessment** – A PLACE Assessment was conducted in April 2015 by Healthwatch Wirral which reviewed the environment from a patient/carer perspective, from which the following outcomes were reported:

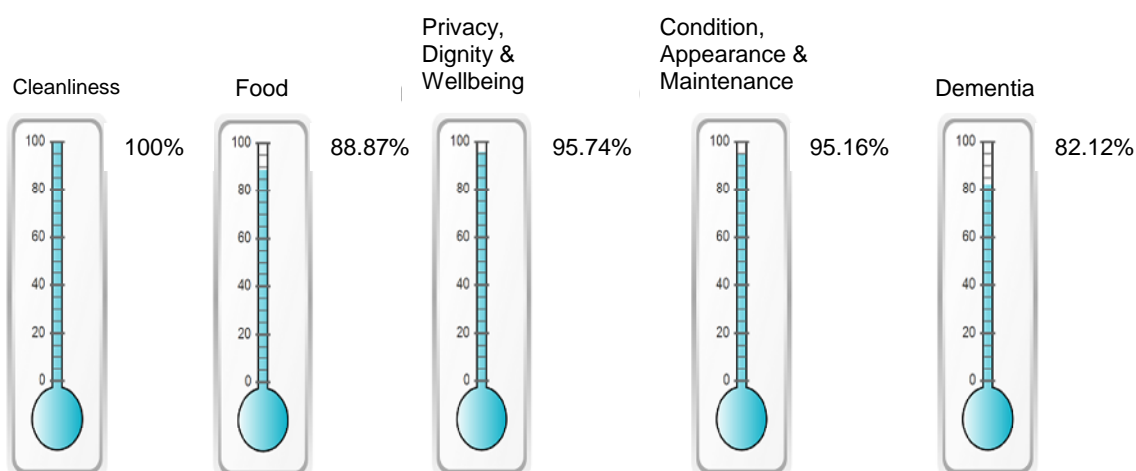
WIRRAL HOSPICE ST JOHN'S

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For the year ended 31 March 2016



WIRRAL HOSPICE (ST JOHNS)- Collection: 2015



An action plan was generated to ensure any matters identified as requiring attention were addressed, however in summary, the Assessors stated on their assessment report "This is a purpose built facility where staff are dedicated to the best possible care for the patients who appeared comfortable and happy, and the staff seemed happy in their work".

**Care Quality Commission** - The Care Quality Commission undertook an announced inspection of Wirral Hospice on 22 and 23 March 2016, the results of which will be available during the 2016/17 financial year.

In anticipation of a CQC inspection, the Wirral Hospice CQC Steering Group continued to meet on a regular basis to review any outstanding work required to meet the essential standards of care, and to ensure that the content of the Provider Information Return (PIR) document remained appropriate – this being a mandatory document which was submitted to the CQC prior to inspection on 8 December 2015.

**PATIENT ACTIVITY:**

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

Inpatients (16 beds)	2014/15	2015/16
Total number of admissions	242	314
% Occupancy	89%	92%
Mean Length of stay (Days)	16.93	22.75
Total number of discharges	114(47%)	109 (35%)

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### TRUSTEE REPORT

For the year ended 31 March 2016

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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 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 two weeks.

Relatives of patients admitted to the Inpatient Unit are able to stay overnight in a designated relatives' room. In the coming year, there are plans to refurbish the patient lounge, relatives' room and Quiet Space.

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

<b>Day Therapy ( 48 places per week)</b>	<b>2014/15</b>	<b>2015/16</b>
Total number of available places	2448	2496
Total number of allocated places	2457	2039
% attendance of available places	64%	63%
Mean length of stay (days)	52 days	57 days

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.

Over the last twelve months, the Day Therapy service has been reviewed, with the aim of introducing a rehabilitative model of care, encouraging patients to maximise their potential within the constraints of their illness.

<b>Outpatients</b>	<b>2014/15</b>	<b>2015/16</b>
Total number of referrals	544	577
New appointments	323	322

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

# WIRRAL HOSPICE ST JOHN'S

## TRUSTEE REPORT

For the year ended 31 March 2016

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Professional Specialist Palliative Care Service through the Specialist Palliative Care Multi-Disciplinary Team.

Hospice at Home	2014/15	2015/16
Total number of referrals	501	488
Hospice at day	406	2,649
Hospice at night	59	320
Total number of deaths	158	231
Total number of deaths at home	123 (78%)	205 (89%)

Referrals and demand however for the Hospice at Home day and night service provision increased significantly, and as such additional funding was secured via Wirral CCG to support this increased growth in activity.

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.

## 2 SERVICE DEVELOPMENTS

**CQC Specialist Advisor** – The Chief Executive was appointed as a CQC Specialist Advisor in April 2015. The experience gained in conducting CQC inspections has helped inform the Hospice requirements for future inspections.

**Clinical Governance Framework** – An updated Clinical Governance Framework was presented and approved at the Clinical Governance Meeting in April 2015. This revised framework provides a more robust way of reporting on key areas of work into the Board via Clinical Governance, and also to staff via staff meetings, thus allowing a constant 2-way process of sharing information and knowledge in relation to clinical governance.

**Safeguarding** – The Hospice's 'Safeguarding Adults at Risk and Children Policy & Procedure' was updated with effect from February 2016 with subsequent training for all staff undertaken.

This policy is a means of protecting people's health, wellbeing and human rights, and is fundamental to high quality health and social care.

**Nursing Revalidation** – Training and Development took place to support Registered Nurses and equip them for compliance with revalidation.

## 3 PLANS FOR FUTURE PERIODS

**Quality Account : Priorities for Improvement 2016/17** – As outlined in the 2015/16 Quality Account, the following priorities for improvement have been noted for 2016/17:

- PRIORITY 1 : Patient Safety – 'Medicine Management'
- PRIORITY 2 : Clinical Effectiveness – 'Development and implementation of documentation to support individualised care in the last few days of life'

## WIRRAL HOSPICE ST JOHN'S

### TRUSTEE REPORT

For the year ended 31 March 2016

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- **PRIORITY 3 : Patient Experience – 'Development of a Strategy for Patient, Family and Carer experience and engagement'**

Progress on the three priorities will be reported to Clinical Governance on a quarterly basis.

**Queens Award for Voluntary Service** – An application was made during 2015 for the 'Queens Award for Voluntary Service'; the highest award a voluntary group in the UK can receive. Representatives from the Lord Lieutenant's office visited the Hospice to examine the Hospice's nomination.

**Volunteer Resourcing** – The expansion of the volunteer base to support Wirral Hospice services and income generation initiatives remains ongoing. In addition to this, volunteer resourcing via other sources, ie Wirral Intermediate Labour Market, University placements etc is to be explored.

**Wirral Hospice Website** – A website development agency was appointed during 2015 to re-design and refresh the Wirral Hospice Website. The re-designed website was subsequently launched in May 2016.

**National Living Wage** – Plans are in place to ensure that Wirral Hospice is fully compliant for the ongoing implementation of the National Living Wage, which became compulsory from 1 April 2016.

**Wirral End of Life Care Training & Development Prospectus 2016/17** – Work is underway to incorporate a City & Guilds accredited Level 3 QCF Qualification in End of Life Care into the Wirral End of Life Care Training & Development Prospectus during 2016/17.

**Wirral End of Life Care Charter** – The Hospice will continue to support the aims of the Charter, and will support the development and implementation of a Wirral end of life care online resource for the public, and social and healthcare professionals.

## 4 PRINCIPAL RISKS AND UNCERTAINTIES

**Significant Financial Challenges** – A number of key significant themes, including cost savings and income generation have been identified and noted, and these are being reviewed by the Board of Trustees on an ongoing basis.

A process to support significant organisational change was devised and agreed by the Senior Management Team in November 2015.

**2016/17 Budget** – The Board of Trustees have acknowledged and approved the 2016/17 budget.

**Risk Register** – Departmental Risk Registers 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.

**Financial Risk Management** – Financial risk management is the recognition and effective management of all financial threats and opportunities that have an impact on the Hospice reputation, its ability to deliver its statutory responsibilities and the achievements of its objectives and values. The Board of Trustees is committed to the development of policy and process that will identify, analyse, evaluate and control financial risks.

## 5 FINANCIAL REVIEW

### Income

Total income has decreased by approximately £100,000 this year. Voluntary income fell this year by £300,000 but this was partially offset by increases in other areas. Revenue grants covered 47% (2015: 49%) of our expenditure (excluding fundraising costs).

The turnover of the trading subsidiary remained at just over £80,000. Details of the subsidiary's performance, which we consider to be acceptable, are set out in note 6 of the financial statements.

### Expenditure

70% (2015: 67%) of costs relate to salaries, the total salary bill for the year being approximately £3,850,000. Of these costs, approximately 73% relate to employees who are directly involved in clinical care.

Fundraising and publicity costs include the costs of running our lottery (£301,000) and the charity shops (£336,000), which generated income of £724,000 and £481,000 respectively.

In summary, a very disappointing operating deficit of £543,000 was generated in 2015/2016, before losses on investments of £187,000. 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 £150,000 was spent on upgrading our fixed assets during the year.

There was a decrease of £220,000 in the valuation of our quoted investments during the year, due to falls in the stock market.

Liquid reserves fell by approximately £600,000 during the year, as a result of the deficit 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 on-going revenue expenditure of the Hospice exceeds the minimum anticipated income on an annual basis.

# WIRRAL HOSPICE ST JOHN'S

## TRUSTEE REPORT

For the year ended 31 March 2016

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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 27.7 (2015: 34.5) months of anticipated expenditure. This decrease results from the deficit incurred 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 2015/16**

#### **Fixed Interest Investments**

During the year to 31 March 2016, the fixed interest stock returned 0.5% compared to a return of 3.3% for the FTA UK Government All Stocks Index.

#### **Equity Investments**

During the year to 31 March 2016, the equity fund returned -2.0% compared to a return of -3.9% for the All Share Index.

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



WIRRAL HOSPICE ST JOHN'S

TRUSTEE REPORT

For the year ended 31 March 2016

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**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 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  
10<sup>th</sup> October 2016

**RESPECTING AND INVOLVING PEOPLE WHO USE OUR SERVICES**

*"Thank you for the care, support and kindness you showed my mum. During her stay with you and towards her final days she felt safe and secure in your care. Thank you also for your kindness towards her family and friends at such a difficult time."*

*"The Hospice at Home service was able to provide sitters to enable me to get out of the house to shop during the day and get some rest during a few evenings when I was in need of a good sleep. The sitters were all lovely and I felt very confident that my husband was in very good hands."*

*"Thank you for the bereavement support service. It really helped me through a very difficult time both pre and post bereavement"*

*"I wish to express my deepest and sincere thanks for the treatment and kindness shown to my sister, during her long stay at the hospice by all the doctors, nurses and all other staff and volunteers. It has been a profound relief knowing she was so well cared for and loved."*

*"Day Therapy improved my self-esteem and confidence"*

*"You have provided nothing but the highest level of care to us and made life considerably more comfortable for both of us. We will never forget our experiences at the centre and feel privileged to have been a part of such a great*

*"This has been the best experience of all the medical facilities I have been to since I was diagnosed"*

*"Your care and understanding has helped us through what has been and continues to be, a difficult point in our lives"*

# INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF

## WIRRAL HOSPICE, ST JOHN'S

For the Year Ended 31 March 2016

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We have audited the financial statements of Wirral Hospice St John's for the year ended 31 March 2016. 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 trustees and auditor**

As explained more fully in the Trustees' Responsibilities Statement set out on page 15, 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 2016 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

For the Year Ended 31 March 2016

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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

10<sup>th</sup> October 2016

WIRRAL HOSPICE, ST JOHN'S

## PRINCIPLE ACCOUNTING POLICIES

As at 31 March 2016

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### **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 principal accounting policies of the group are set out below.

### **RECONCILIATION WITH PREVIOUS GENERALLY ACCEPTED ACCOUNTING PRACTICE**

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No changes were required as a result of this review.

### **BASIS OF CONSOLIDATION**

The group financial statements consolidate those of the company and of its subsidiary undertaking (see note 8), drawn up to 31 March 2016. 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.

As at 31 March 2016

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## **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 acquire 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.

WIRRAL HOSPICE, ST JOHN'S

## PRINCIPLE ACCOUNTING POLICIES

As at 31 March 2016

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### **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.

WIRRAL HOSPICE, ST JOHN'S

PRINCIPLE ACCOUNTING POLICIES

As at 31 March 2016

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### **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 (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

As at 31 March 2016

		Year ended 31.03.2016	Year ended 31.03.2016	Year ended 31.03.2016	Year ended 31.03.2015
		Unrestricted Funds	Restricted Funds	Total Funds	Total Funds
	Note	£	£	£	£
<b>Income</b>					
Donations and Legacies	6	874,095	0	874,095	1,190,132
Other Trading Activities	6	1,736,593	0	1,736,593	1,694,714
Investments	6	132,970	0	132,970	108,040
		<u>2,743,658</u>	<u>0</u>	<u>2,743,658</u>	<u>2,992,886</u>
Income from charitable activities	6	2,239,953	0	2,239,953	2,097,348
<b>Total</b>		<u>4,983,611</u>	<u>0</u>	<u>4,983,611</u>	<u>5,090,234</u>
<b>Expenditure</b>					
Costs of raising funds	2(a)	26,743	0	26,743	30,553
Fundraising costs	2(b)	1,049,697	0	1,049,697	1,010,490
Investment management costs		35,196	0	35,196	38,508
Charitable activities	1	4,350,202	64,536	4,414,738	3,967,526
<b>Total</b>		<u>5,461,838</u>	<u>64,536</u>	<u>5,526,374</u>	<u>5,047,077</u>
<b>Net (expenditure) / income</b>		(478,227)	(64,536)	(542,763)	43,157
(Losses) / Gains on investments		(187,391)	0	(187,391)	233,532
<b>Net movement in funds</b>		(665,618)	(64,536)	(730,154)	276,689
<b>Reconciliation of Funds</b>					
Total funds brought forward		<u>8,941,375</u>	<u>2,309,191</u>	<u>11,250,566</u>	<u>10,973,877</u>
<b>Total funds carried forward</b>		<u><u>8,275,757</u></u>	<u><u>2,244,655</u></u>	<u><u>10,520,412</u></u>	<u><u>11,250,566</u></u>

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

The notes at pages 27 to 39 form part of these accounts

WIRRAL HOSPICE, ST JOHN'S

CONSOLIDATED BALANCE SHEET

As at 31 March 2016

	Note	2016 £	2016 £	2015 £	2015 £
<b>Fixed assets</b>					
Tangible assets	7		5,581,066		5,711,290
Investments	8		4,063,034		4,285,620
			<u>9,644,100</u>		<u>9,996,910</u>
<b>Current assets</b>					
Stocks	9	9,726		5,104	
Debtors	10	1,411,185		1,124,921	
Cash at bank and in hand	11	810,794		1,389,367	
		<u>2,231,705</u>		<u>2,519,392</u>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	12	(1,355,393)		(1,265,736)	
<b>Net current assets</b>			<u>876,312</u>		<u>1,253,656</u>
<b>Net assets</b>			<u>10,520,412</u>		<u>11,250,566</u>
<b>The funds of the charity</b>					
Restricted income funds	13		2,244,655		2,309,191
Unrestricted income funds	13				
General		4,889,346		5,279,860	
Fixed Assets		3,336,411		3,411,515	
Development		50,000		250,000	
Total unrestricted funds		<u>8,275,757</u>		<u>8,941,375</u>	
<b>Total charity funds</b>			<u>10,520,412</u>		<u>11,250,566</u>

The notes at pages 27 to 39 form part of these accounts.

The directors approved the financial statements on 10<sup>th</sup> October 2016

Dr P J R Cuthbertson MBE

Director

G M Ridgway

Director

Company Registration Number: 1518364

WIRRAL HOSPICE, ST JOHN'S

BALANCE SHEET

As at 31 March 2016

	Note	2016 £	2016 £	2015 £	2015 £
<b>Fixed assets</b>					
Tangible assets	7		5,581,066		5,711,290
Investments	8		4,063,036		4,285,622
			<b>9,644,102</b>		<b>9,996,912</b>
<b>Current assets</b>					
Debtors	10	1,468,039		1,244,551	
Cash at bank and in hand	11	763,677		1,274,839	
		<b>2,231,716</b>		<b>2,519,390</b>	
<b>Liabilities</b>					
Creditors: amounts falling due within one year	12	(1,355,406)		(1,265,736)	
<b>Net current assets</b>			<b>876,310</b>		<b>1,253,654</b>
<b>Net assets</b>			<b>10,520,412</b>		<b>11,250,566</b>
<b>The funds of the charity</b>					
Restricted income funds	13		2,244,655		2,309,191
Unrestricted income funds	13				
General		4,889,346		5,279,860	
Fixed Assets		3,336,411		3,411,515	
Development		50,000		250,000	
Total unrestricted funds			<b>8,275,757</b>		<b>8,941,375</b>
<b>Total charity funds</b>			<b>10,520,412</b>		<b>11,250,566</b>

The notes at pages 27 to 39 form part of these accounts.

The directors approved the financial statements on 10<sup>th</sup> October 2016

Dr P J R Cuthbertson MBE

Director

G M Ridgway

Director

Company Registration Number: 1518364

WIRRAL HOSPICE, ST JOHN'S

CONSOLIDATED CASH FLOW STATEMENT

As at 31 March 2016

	2016	2015
	£	£
<b>Cash flows from operating activities</b>		
Net (Expenditure) / Income for the financial year (before investment revaluations)	(392,593)	187,255
Adjustments for:		
Depreciation of tangible assets	280,321	271,525
Profit on disposal of investments	(150,170)	(144,098)
Decrease/(increase) in trade and other debtors	(286,264)	40,090
Decrease/(increase) in stocks	(4,622)	951
Increase/(decrease) in creditors	89,653	178,455
<b>Net cash (used in) / provided by operating activities</b>	<b>(463,675)</b>	<b>534,178</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	371,023	455,391
Purchases of tangible assets	(150,097)	(800,261)
Purchases of investments	(148,734)	(499,518)
Decrease/(Increase) in cash held by stockbrokers	(187,090)	53,157
<b>Net cash (used in) / provided by investing activities</b>	<b>(114,898)</b>	<b>(791,231)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(578,573)</b>	<b>(257,053)</b>
<b>Cash and cash equivalents at the beginning of year</b>	<b>1,389,367</b>	<b>1,646,420</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>810,794</b>	<b>1,389,367</b>

WIRRAL HOSPICE, ST JOHN'S

NOTES TO THE ACCOUNTS

As at 31 March 2016

**1. CHARITABLE ACTIVITIES**

	2016	2015
	£	£
Salaries	2,820,804	2,494,873
Depreciation	253,158	252,126
Medical supplies	300,375	295,645
Food	73,784	68,863
Heat and lighting	79,319	83,703
Repairs and renewals	138,051	110,639
Cleaning	30,817	30,668
Other	87,323	60,955
Support costs (note 3)	631,107	570,054
	<u>4,414,738</u>	<u>3,967,526</u>

**2. COST OF RAISING FUNDS**

	2016	2015
	£	£
(a) Costs of generating voluntary income – salaries	<u>26,743</u>	<u>30,553</u>
(b) Fundraising costs :		
Salaries	214,209	182,671
Depreciation	27,163	19,399
Charity shop costs (including salaries £183,091)	336,020	301,723
Purchase of promotional goods	37,406	40,217
Lottery costs (including salaries £95,905)	301,747	307,910
Printing, stationery and advertising	21,743	23,749
Postage and telephone	1,479	6,036
Fundraising expenditure	62,933	86,400
Other	46,997	42,385
	<u>1,049,697</u>	<u>1,010,490</u>

**3. SUPPORT COSTS**

	2016	2015
	£	£
Salaries	503,926	442,079
Printing, stationery and advertising	30,623	46,066
Postage and telephone	10,507	13,673
Accountancy and payroll charges	15,047	7,743
Insurance	25,462	23,470
Governance Costs (Including salaries £8,273)	45,542	37,023
	<u>631,107</u>	<u>570,054</u>

# WIRRAL HOSPICE, ST JOHN'S

## NOTES TO THE ACCOUNTS

As at 31 March 2016

### 4. DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows

	<b>2016</b>	2015
	<b>£</b>	£
Wages and salaries	<b>3,385,818</b>	3,056,126
Social security costs	<b>234,079</b>	188,944
Other pension costs	<b>233,054</b>	188,413
	<b><u>3,852,951</u></b>	<u>3,433,483</u>

Average number of employees	<b><u>164</u></b>	<u>154</u>
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The analysis of employees by category is as follows:

	<b>2016</b>	2015
	<b>Number</b>	Number
Direct charitable	<b>110</b>	100
Fund-raising and publicity	<b>31</b>	31
Management and administration	<b>13</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>2016</b>	2015
	<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. 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 (2015: £nil) neither were they reimbursed expenses during the year (2015: £nil). No charity trustee received payment for professional or other services supplied to the charity (2015: £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 £382,094 (2015: £330,426).

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

## WIRRAL HOSPICE, ST JOHN'S

### NOTES TO THE ACCOUNTS

As at 31 March 2016

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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 2016 was £219,295. 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.

# WIRRAL HOSPICE, ST JOHN'S

## NOTES TO THE ACCOUNTS

As at 31 March 2016

### 6. NET INCOME FOR THE YEAR

The net income for the year is stated after charging:

	<b>2016</b>	2015
	<b>£</b>	£
Depreciation	<b>280,321</b>	271,525
Auditors remuneration	<b>9,677</b>	9,677

and after crediting:

Donations and Legacies:		
Legacies	<b>575,949</b>	864,539
In memoriam	<b>160,628</b>	149,808
General donations	<b>67,717</b>	109,078
Gift Aid	<b>69,801</b>	66,707
	<b>874,095</b>	1,190,132

Investments:		
Listed investments	<b>129,001</b>	104,696
Bank deposits	<b>3,969</b>	3,344
	<b>132,970</b>	108,040

Income from charitable activities:		
Grants from NHS Clinical Commissioning Groups	<b>1,733,790</b>	1,693,417
Hospice at Home Income	<b>328,968</b>	277,688
Sundry Income	<b>177,195</b>	126,243
	<b>2,239,953</b>	2,097,348

Other trading activities:		
Fund-raising events	<b>450,006</b>	460,245
Charity shop sales	<b>480,536</b>	472,656
Subsidiary's turnover	<b>81,942</b>	80,339
Lottery income	<b>724,109</b>	681,474
	<b>1,736,593</b>	1,694,714

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 2016

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

	2016	2015
	£	£
Turnover	81,942	80,339
Cost of sales	<b>(37,406)</b>	(40,217)
Gross profit	<u>44,536</u>	<u>40,122</u>
Administrative expenses	<b>(17,579)</b>	(31,334)
Transfer to Hospice	<b>(26,957)</b>	(8,788)
Profit retained	<u>-</u>	<u>-</u>

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

	2016	2015
Current assets	56,844	119,630
Current liabilities	<b>56,842</b>	119,628
	<u>2</u>	<u>2</u>
Share capital	2	2
Profit and loss account	<u>-</u>	<u>-</u>
	<u>2</u>	<u>2</u>

WIRRAL HOSPICE, ST JOHN'S

NOTES TO THE ACCOUNTS

As at 31 March 2016

**7. 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 2015	6,457,692	1,606,251	103,512	84,742	8,252,197
Additions	26,203	111,541	2,203	10,150	150,097
At 31 March 2016	<u>6,483,895</u>	<u>1,717,792</u>	<u>105,715</u>	<u>94,892</u>	<u>8,402,294</u>
Depreciation					
At 1 April 2015	1,217,348	1,170,134	68,683	84,742	2,540,907
Charge for the year	129,678	139,019	9,086	2,538	280,321
At 31 March 2016	<u>1,347,026</u>	<u>1,309,153</u>	<u>77,769</u>	<u>87,280</u>	<u>2,821,228</u>
<b>Net book amount at 31 March 2016</b>	<b><u>5,136,869</u></b>	<b><u>408,639</u></b>	<b><u>27,946</u></b>	<b><u>7,612</u></b>	<b><u>5,581,066</u></b>
Net book amount at 31 March 2015	<u>5,240,344</u>	<u>436,117</u>	<u>34,829</u>	-	<u>5,711,290</u>

The net book amount at 31 March 2016 in respect of land and buildings comprises freehold property of £5,136,869

The net book amount at 31 March 2016 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	4,956,996	340,662	-	-	5,297,658
Fund-raising	179,873	67,977	-	7,612	255,462
Charity shops	-	-	27,946	-	27,946
	<b><u>5,136,869</u></b>	<b><u>408,639</u></b>	<b><u>27,946</u></b>	<b><u>7,612</u></b>	<b><u>5,581,066</u></b>

The net amount at 31 March 2016 in respect of Charity shops comprises property improvements £10,679 and fixtures and fittings £17,267

As at 31 March 2016

**8. INVESTMENTS**

	<b>The Group</b>		<b>The Company</b>	
	<b>2016</b>	2015	<b>2016</b>	2015
	<b>£</b>	£	<b>£</b>	£
Quoted investments at market value	<b>3,740,580</b>	4,150,256	<b>3,740,580</b>	4,150,256
Cash held by stockbrokers	<b>322,454</b>	135,364	<b>322,454</b>	135,364
Investment in subsidiary undertaking at cost	-	-	<b>2</b>	2
	<b><u>4,063,034</u></b>	<u>4,285,620</u>	<b><u>4,063,036</u></b>	<u>4,285,622</u>
<b>Quoted investments</b>			<b>£</b>	<b>£</b>
Market value				
At 1 April 2015			<b>4,150,256</b>	3,872,597
Additions at cost			<b>148,734</b>	499,518
Disposal proceeds			<b>(371,023)</b>	(455,391)
Profit on disposals			<b>150,170</b>	144,098
Decrease in unrealised gain			<b>(337,557)</b>	89,434
At 31 March 2016			<b><u>3,740,580</u></b>	<u>4,150,256</u>
Cost			<b><u>2,939,428</u></b>	<u>3,011,547</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 £ 3,135,623 and gilts £604,958

The historical cost amount of quoted investments is £2,939,428 (2015: £3,011,547). The total unrealised gain to date amounts to £ 801,152 (2015: £1,138,709). 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

## WIRRAL HOSPICE, ST JOHN'S

### NOTES TO THE ACCOUNTS

As at 31 March 2016

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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).

WIRRAL HOSPICE, ST JOHN'S

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As at 31 March 2016

**9. STOCKS**

	<b>The Group</b>		<b>The Company</b>	
	<b>2016</b>	2015	<b>2016</b>	2015
	<b>£</b>	£	<b>£</b>	£
Fund-raising goods	<b>9,726</b>	5,104	-	-

**10. DEBTORS**

	<b>The Group</b>		<b>The Company</b>	
	<b>2016</b>	2015	<b>2016</b>	2015
	<b>£</b>	£	<b>£</b>	£
Prepayments and accrued income	<b>354,682</b>	137,147	<b>354,682</b>	137,147
Due from subsidiary undertaking	-	-	<b>56,854</b>	119,630
Other debtors	<b>1,056,503</b>	987,774	<b>1,056,503</b>	987,774
	<b>1,411,185</b>	1,124,921	<b>1,468,039</b>	1,244,551

**11. BANK BALANCES**

	<b>The Group</b>		<b>The Company</b>	
	<b>2016</b>	2015	<b>2016</b>	2015
	<b>£</b>	£	<b>£</b>	£
Bank balances	<b>807,771</b>	1,387,708	<b>760,774</b>	1,273,303
Petty cash	<b>3,023</b>	1,659	<b>2,903</b>	1,536
	<b>810,794</b>	1,389,367	<b>763,677</b>	1,274,839

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

	<b>The Group</b>		<b>The Company</b>	
	<b>2016</b>	2015	<b>2016</b>	2015
	<b>£</b>	£	<b>£</b>	£
Trade creditors	<b>34,697</b>	-	<b>34,697</b>	-
Social security and other taxes	<b>57,355</b>	51,419	<b>57,355</b>	51,419
Other creditors and accruals	<b>78,607</b>	93,051	<b>78,620</b>	93,051
Deferred income	<b>1,184,734</b>	1,121,266	<b>1,184,734</b>	1,121,266
	<b>1,355,393</b>	1,265,736	<b>1,355,406</b>	1,265,736

WIRRAL HOSPICE, ST JOHN'S

NOTES TO THE ACCOUNTS

As at 31 March 2016

**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 2015	1,121,266	1,013,818	107,448
Released to income in the year	(1,121,266)	(1,013,818)	(107,448)
Deferred in the year	<u>1,184,734</u>	<u>1,080,907</u>	<u>103,827</u>
As at 31 March 2016	<b><u>1,184,734</u></b>	<b><u>1,080,907</u></b>	<b><u>103,827</u></b>

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**

	<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 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	<b><u>4,889,346</u></b>	<b><u>3,336,411</u></b>	<b><u>50,000</u></b>	<b><u>2,244,655</u></b>	<b><u>10,520,412</u></b>

**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
	<b><u>4,889,346</u></b>	<b><u>3,336,411</u></b>	<b><u>50,000</u></b>	<b><u>2,244,655</u></b>	<b><u>10,520,412</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 deficit for the year includes a deficit from the parent company of £730,154 (2015: surplus £276,689), 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.

# WIRRAL HOSPICE, ST JOHN'S

## NOTES TO THE ACCOUNTS

As at 31 March 2016

### 14. RESTRICTED FUNDS

#### The Group and the Company

	At 1.4.15	Incoming Resources	Resources Expended	At 31.03.16
	£	£	£	£
Sunrise Appeal	536,491	-	(17,617)	<b>518,874</b>
Anniversary Appeal	722,559	-	(15,618)	<b>706,941</b>
Inpatient Refurbishment	460,000	-	(10,000)	<b>450,000</b>
Kitchen Appeal	38,516	-	(820)	<b>37,696</b>
Equipment Legacy	9,416	-	(9,416)	-
Patient Information Centre	542,209	-	(11,065)	<b>531,144</b>
	<u>2,309,191</u>	<u>-</u>	<u>(64,536)</u>	<u><b>2,244,655</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.

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.

**15. 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.

**16. CONTINGENT LIABILITIES**

Neither the group nor the company had any contingent liabilities at 31 March 2016 or 31 March 2015

**17. CAPITAL COMMITMENTS**

The group and the company had no capital commitment liabilities as at 31 March 2016. (2015: nil)

**18. 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>2016</b>	2015	<b>2016</b>	2015
	£	£	£	£
Within one year	<b>8,033</b>	7,000	<b>8,033</b>	7,000
Between one and five years	<b>72,564</b>	78,764	<b>72,564</b>	78,764
	<b><u>80,597</u></b>	<u>85,764</u>	<b><u>80,597</u></b>	<u>85,764</u>

**19. RELATED PARTY TRANSACTIONS**

During the year, the company paid £3,000 (31<sup>st</sup> March 2015: £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 £8,200 (31<sup>st</sup> March 2015: £11,070) including VAT for legal advice to Brabners LLP. S Burrows, a Trustee, is a non executive director of Brabners LLP.



**20. ANALYSIS OF PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES**

	Year ended 31.03.2015	Year ended 31.03.2015	Year ended 31.03.2015
	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
<b>Income</b>			
Donations and Legacies	1,190,132	0	1,190,132
Other Trading Activities	1,694,714	0	1,694,714
Investments	108,040	0	108,040
	<u>2,992,886</u>	<u>0</u>	<u>2,992,886</u>
Income from charitable activities	2,097,348	0	2,097,348
<b>Total</b>	<u>5,090,234</u>	<u>0</u>	<u>5,090,234</u>
<b>Expenditure</b>			
Costs of raising funds	30,553	0	30,553
Fundraising costs	1,010,490	0	1,010,490
Investment management costs	38,508	0	38,508
Charitable activities	3,830,266	100,237	3,930,503
Support costs	37,023	0	37,023
	<u>4,946,840</u>	<u>100,237</u>	<u>5,047,077</u>
<b>Total</b>	<u>4,946,840</u>	<u>100,237</u>	<u>5,047,077</u>
<b>Net (expenditure) / income</b>	143,394	(100,237)	43,157
Gains on investments	<u>233,532</u>	<u>0</u>	<u>233,532</u>
<b>Net movement in funds</b>	376,926	(100,237)	276,689
<b>Reconciliation of Funds</b>			
Total funds brought forward	<u>8,564,449</u>	<u>2,409,428</u>	<u>10,973,877</u>
<b>Total funds carried forward</b>	<u><u>8,941,375</u></u>	<u><u>2,309,191</u></u>	<u><u>11,250,566</u></u>