Company No 03063721
Charity No 1048934

WOODLANDS HOSPICE CHARITABLE TRUST LIMITED

CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED 31 MARCH 2017

SATURDAY
A6JFTQS2
A13 18/11/2017 #3
COMPANIES HOUSE

WOODLANDS HOSPICE CHARITABLE TRUST LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2017

CONTENTS

	Page
Company information	1
Trustees annual report	2 - 22
Independent auditors' report to the members and Trustees	23 - 24
Consolidated statement of financial activities	25
Summary income and expenditure account	26
Consolidated balance sheet	27
Balance sheet	28
Consolidated cash flow statement	29
Notes to the financial statements	30 - 46

WOODLANDS HOSPICE CHARITABLE TRUST LIMITED

COMPANY INFORMATION

YEAR ENDED 31 MARCH 2017

Company Registration No.	03063721
Charity Registration No	1048934
Registered Office	AUH Campus Longmoor Lane Liverpool L9 7LA
Directors and Trustees	K. Hoskisson LLB (Chairman) (Resigned 31/03/2017) R. Gladden (Chair) (Appointed 03/04/2017) (Resigned 25/07/2017) B. Bartlett BA Hons Dip Arch RIBA (Chairman from 25/07/2017) C.M. Hubbert MRCGP DRCOG (Vice Chairman) C. Brennand FCA (Hon. Treasurer) W.J. Wood BSc MHSM Dip.HSM The Reverend N. Wilde E. McDonald B. Lynne Roberts BA, Dip OT, PGCE, MBA, PhD A. Johnson N. Firth (Resigned 27/09/2016) R. Kenyon (Resigned 25/07/2016) S. Ollerhead (Appointed 24/01/2017) A. Keith (appointed 25/07/2017)
Company Secretary	R Milnes (MCIPD)
Auditors	Lonsdale & Marsh 7th Floor Cotton House Old Hall Street Liverpool L3 9TX
Solicitors	Hill Dickinson No 1 St Pauls Square Liverpool L3 9SJ
Bankers	National Westminster Bank Plc Corner Longmoor Lane and Cedar Road Liverpool L9 0EG
Investment Managers	Investec Wealth & Investment Limited The Plaza 100 Old Hall Street Liverpool L3 9AB

WOODLANDS HOSPICE CHARITABLE TRUST LIMITED

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2017

The Trustees present their report and the consolidated financial statements of the charity and its subsidiary for the year ended 31 March 2017. As required by company law it also contains a directors' and strategic report.

The company information set out on page 1 forms part of this report. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Charities Act 2011, Companies Act 2006, the Statement of Recommended Practice - Accounting and Reporting by Charities and FRS 102 and with the company's Memorandum and Articles of Association.

INTRODUCTION

The incorporated charity is governed by the Memorandum and Articles of Association. The first members of the council of management were appointed trustees of Woodlands Hospice Charitable Trust under the terms of a Trust Deed dated 6 July 1992.

LEGAL STATUS

The company, which was incorporated on 1 June 1995, is limited by guarantee whereby each member undertakes to contribute such amount as may be required, not exceeding £1, to the company's assets if it should be wound up while he/she is a member; or within one year after he/she ceases to be a member, for payment of the company's debts and liabilities contracted before he/she ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves.

PURPOSE AND PUBLIC BENEFIT

The purpose of Woodlands Hospice is to promote and deliver a specialist palliative care service to the residents of North Liverpool, South Sefton, Kirkby and elsewhere living with a life limiting illness through the establishment and maintenance of hospice facilities.

The direct public benefits that flow from this purpose are :- (i) Improving the quality of life of those living with life limiting illnesses, (ii) Reduction in hospital admissions of those who could benefit from hospice care, (iii) Emotional and psychological support for patients and their families, (iv) Education and training of other local organisations caring for those with end of life care needs (v) Allowing patients to die in their preferred place of care, (vi) Enhancing and retaining independence for those living with a life limiting illness.

These benefits can be evidenced through the feedback received from patients and families satisfaction surveys, positive feedback received from Trustee visits and the Key Performance Indicators reported to Trustees, senior staff and commissioners.

There is no private benefit flowing from the organisation. Beneficiaries of Woodlands Hospice are people living with a life limiting illness and their families living in the local or wider area.

The Trustees have complied with a duty in Section 4 of the Companies Act 2006 and 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.

WOODLANDS HOSPICE CHARITABLE TRUST LIMITED

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2017

ORGANISATION

A Board of Trustees comprising twelve members (two current vacancies carried in year) administers the charity. Trustee vacancies are advertised appropriate to required skills and experience with a formal interview process undertaken by the Nominations Committee and recommended by the Board. A full induction programme and ongoing training and development is provided for all new Trustees to ensure that they are aware of the charity's objects, strategy and activities and their responsibilities as Trustees.

The Board has established formally constituted sub committees, each with specific terms of reference and functions, delegated by the Board and with a Trustee as Chair. The established committees are Personnel, Finance, Clinical Governance, Governance (which overviews the Staff -led Health and Safety Committee) and the Income Generation sub-committee, established last year, (which overviews the Fundraising Regulation Task and Finish Group). These committees meet on a regular, scheduled basis with at least 3 meetings held each year of each committee. Full minutes of all committee meetings are submitted to the Board meetings held every two months.

The Trustees delegate the day to day management of the Hospice to the Chief Executive who works closely with the Clinical Lead and the Patient Services Manager as a Senior Management Team. This team membership originally included the Head of Income Generation but that post has been vacant since early September 2016 whilst a review of the fundraising team structure has been taking place. It is unlikely the role will continue as a member of the Senior Management team in the future to allow full focus to income generation. Day to day decisions are taken within individual teams, with managers where appropriate, and escalated to the Senior Management Team if they impact on the wider organisation.

The pay of the Senior Management Team is dealt with differently for each individual depending on their primary role. The Chief Executive's salary is a 'spot salary' based on benchmarking against other Hospices of similar size and location at the time of appointment, 6 years ago, with no change since other than application of the hospice wide Cost of Living pay rises. These are recommended by the Trustee led Personnel Committee, supported by the Trustee Led Finance Committee and approved by the Board of Trustees. The Clinical Lead (Consultant in Palliative Medicine) is provided to the Hospice from the local Hospital NHS Foundation Trust under a Service Level Agreement and the salary is established through the British Medical Association (BMA) nationally agreed pay band for consultants. The Patient Services Manager's salary, mirrors the NHS nationally agreed Agenda For Change pay scale, following job evaluation utilising the NHS job evaluation criteria. This scale is used for all clinical staff at the Hospice.

The Trustees participate in a rolling programme of unannounced reviews within the Hospice monitoring compliance with the Care Quality Commission Essential Standards of Quality and Safety.

CONSTITUTION

The Woodlands Hospice Charitable Trust was established as a Charitable Trust by a Trust Deed dated 6 July 1992 under registered number 1048934.

The Trust was wound down under the terms and conditions of the Trust Deed on 31 December 1995 and at that date the assets of the Trust were donated to Woodlands Hospice Charitable Trust Limited. The company was incorporated on 1 June 1995 under the Companies Act 1985 as a private company limited by guarantee under company number 03063721.

PRINCIPAL ACTIVITY

The principal activity of the company during the year was to deliver a specialised palliative care service to local people and their families.

WOODLANDS HOSPICE CHARITABLE TRUST LIMITED

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2017

REVIEW OF DEVELOPMENTS, ACTIVITIES AND ACHIEVEMENTS

The Senior Management team, led by Chief Executive, Mrs Rose Milnes, has continued to deliver patient services to meet the ongoing needs of our patients and their families and also the needs of commissioners in the constantly pressured healthcare system. The robust governance structure in place has ensured continuing high standards of quality and safety and ongoing compliance with regulatory requirements. The Care Quality Commission inspection in May 2016 highlighted a single breach of safeguarding regulations which was quickly rectified and the expected 'Good' classification across all areas was reinstated at the follow up inspection in April 2017.

2016/17 was the first year of a two year strategic plan and the **principal objectives** for this first year were:

Patient Services

- Continue to provide the highest quality care to all our patients and their families and/or carers and receive excellent inspection reports from all statutory bodies. e .g. Care Quality Commission, Environmental Health Agency and high standards of patient service measured against our quality markers.
- Maintain an average bed occupancy of greater than 85% and an average length of stay of 12-14 days and continue to be flexible with all admissions including weekends and bank holidays.
- Achieve our Quality Account Priorities for 2016/17.
- Focus on modified plans of care for patients displaying challenging symptoms of agitation and delirium associated with Cognitive Impairment.
- Promote Advance Care Planning throughout the Hospice to enable patients to achieve their wishes for end of life care.
- Enhance the support offered to carers.
- Introduce revised end of life communication records following the withdrawal of the Liverpool Care Pathway.
- Ensure individualised care plans and care packages for all patients.
- Ensure a robust audit programme (clinical and non-clinical) is carried out with documented evidence of high performance.
- Receive consistent positive feedback from all patients and their families/carers through a variety of collation methods including patient satisfaction surveys, comments, compliments, Patient Services Manager ward rounds and Trustee visits.
- Review and revise, if appropriate, services available within the Well-being and Support Centre (WBSC) to ensure increased occupancy levels to an average of 70% and optimisation of all facilities.
- Increase the number of patients in WBSC with a non-cancer diagnosis.
- Continue to work with Knowsley and Liverpool CCGs to encourage them to fund a Hospice at Home service to ensure consistency of service for all our patients.
- Continue to work with nursing homes in South Sefton to improve confidence in end of life skills and prevent unnecessary hospital admissions.
- Continually review the Quality Assurance Framework including all Board sub committees and working groups.

Facilities and infrastructure

- Ensure the best possible environment for patients and visitors to ensure dignity and respect with quality and safety paramount.
- Establish and implement the PLACE (Patient Led Assessment of the Care Environment) process.
- Reconsider the feasibility of extending patients bedrooms and repositioning the en-suite bathrooms.
- Consider a replacement programme for ill-fitting inpatient bedroom patio doors and windows.
- Draw up plans for the conversion of the Garden Room and Patio Room to be joined up and extended into the garden space to create a large room for Wellbeing and Support Centre Group activities.
- Review the space allocated for use by children and young people.
- Review and update the business continuity plan to ensure robust systems and procedures in place with heightened staff awareness.
- Work with Aintree University Hospital to join with them in their contingency arrangements should the water supply become interrupted.
- Review and update the contract for provision of laundry seeking alternative suppliers if appropriate.
- Review and update all printers across the Hospice to improve efficiency and costs of replacement toners.
- Reconsider opening times of the café to accommodate patients and families at weekends and evenings.

Patient Information Systems/Data collection and Reporting

- Explore how data and intelligence can be improved to support continuous improvement to care and influence impact reporting.
- Play a key role in the development of the integrated patient information system across Liverpool (EPR).
- Further develop the Key Performance Indicators (KPIs) including the introduction of KPIs for Fundraising and trading and share readily with all staff to celebrate success and address shortcomings.
- Actively participate in the EPACCS (Electronic Palliative Care Co-ordination System) liaising with other providers and the commissioners to share patient information in a timely manner and improve patient care.
- Continue to establish the use of Palliative Care Outcome Measures to help identify what is important to patients' and clinical decision-making and show the impact of care delivered.
- Continue to develop strong information governance processes and organisational culture.
- Respond to developments in the Data Protection Act due 2018.

Human resources

- Ensure the workforce is fit for purpose with clear leadership permeating through the Hospice supporting the ongoing development of a highly skilled, competent workforce fit to face the future challenges of specialist palliative care and end of life services.
- Actively recruit a new Chair of the Board of Trustees to ensure timely replacement of retiring Chair in March 2017.
- Review the skill mix of the Board of Trustees and actively recruit to identified gaps as vacancies arise and address succession planning.

- Develop an ongoing training and development programme for all Trustees to ensure confidence in their role and responsibilities.
- Review and implement leadership and management training across the senior teams to ensure appropriate qualifications, skills and knowledge exist to take the organisation forward in changing and uncertain times.
- Confirm and maintain robust staffing establishments for each service with appropriate policies and procedures for addressing varying staffing levels (e.g. through sickness absence, study leave, one-to-one nursing, etc.).
- Further review and revise the recruitment and induction programme for all staff and volunteers to ensure they are efficient and effective.
- Foster an environment of ongoing learning and development for all staff.
- Ensure ongoing appraisals and personal development reviews remain a priority in all teams.
- Review and revise contracts with healthcare professionals training organisations to ensure robust procedures in place for student placements.
- Review and revise the staff support systems in place to ensure a more transparent, accessible support system for all staff and volunteers.

Volunteers

- Review and revise the contribution of volunteers to all services, expanding to new areas as appropriate, in particular, to assist nursing roles on the In-patient Unit.

External Relationships and collaboration

- Work with key partners and organisations to consider the future and help influence the direction of the next two years for end of life care to ensure that everyone approaching the end of life has access to high quality care with their needs and wishes being met, as far as is practicably possible.
- Ensure that end of life care is a core priority within the reformed health and social care services.
- Ensure active participation in all local and regional strategic network groups addressing end of life priorities and issues. (This includes discussion around a possible merger between Aintree University Hospital and The Royal Liverpool Hospital).
- Develop and implement more robust strategies for integration with all providers including the community to ensure a better joined up service for all our patients across their end of life journey.
- Actively participate in local and regional groups regarding advance care planning working together with other providers to ensure the ACP is a live document and acted upon appropriately wherever the patient may be.
- Increase the profile of the Hospice with local clinicians and the public.

Education and Research

- Deliver robust education programmes to a variety of audiences and help improve their understanding and delivery of specialist palliative care.
- Continue to collaborate in the production of a local education strategy which will outline in more detail the education programme to be delivered.
- Work with other local providers participating in joint education programmes.
- Gain a full understanding of the role the Hospice can play in local research programmes.
- Participate in identified research projects as appropriate.

Income generation

- Revisit the fundraising strategy to ensure future sustainability, incorporating significant growth in the trading activities and corporate fundraising.
- Review and enhance the events programme to maximise return on investment.
- Develop a legacy strategy to optimise support from the public via gifts in wills.
- Develop and implement a full marketing & PR strategy.
- Recruit to a revised Patrons and Ambassadors Programme to engage public support.
- Respond positively to developing Fundraising Regulation following the Etherington Review.

Finance

- Develop a more robust financial strategy to ensure future sustainability.
- Ensure contingency planning for the possibility of reduced funding through Clinical Commissioning Groups (CCGs) cost improvement programmes.
- Consider further cost savings programmes in house.
- Review, revise and streamline the financial processes as appropriate to ensure best value for money.
- Ensure that the Hospice is fulfilling its duties in terms of both the auto enrolment pension schemes and also the NHS pension scheme.
- Implement systems to ensure that the Hospice makes the best use of the Hospice VAT reclaim scheme.

The Trustees consider the performance of the charity in this context and believe that 2016/17 was a very good year with highly satisfactory results in an extremely challenging financial climate.

STRATEGIC REPORT – ACHIEVEMENTS AND PERFORMANCE

Patient Services

The Quality Account evidences how well we have met our 2016/17 objectives in relation to patient services and also the priorities we set for improving patient safety, clinical effectiveness and patient and family experience. The Quality Account has been published, as required by the Department of Health, on NHS Choices website.

http://www.nhs.uk/aboutNHSChoices/professionals/healthandcareprofessionals/quality-accounts/Pages/quality-account-uploads.aspx

The Account shows the excellent progress made with the patient services objectives during this first year of our two year strategy and we are committed to addressing all the objectives before the end of our second year.

Areas for further development include reviewing approaches to falls prevention and management for our patients. Practical prompts will be introduced for patients and their families. The side effects of frequently used palliative care medicines will be reviewed and patient footwear, gait, mobility aids and other influencing factors will be considered.

We will also be looking at the handover of information about patient care. Structured communication tools, such as 'SBAR' (Situation, Background, Assessment, and Recommendation) will be examined to support the development of an effective handover template for the inpatient unit. The use of visual prompts will also be considered e.g. the use of a white board as an aide memoire to support safe transfer of patient information.

Family support services were reconfigured in 2015 and the service has continued to develop in 2016/17 with the recruitment of a group of 'family support volunteers' in August 2016. The number of people supported by bereavement services has doubled in this reporting period, reflecting the ongoing development of the service and the introduction of an evidence-based three-tier model of bereavement support. Although there has been a decrease of 7% in the total number of people supported by other elements of the family support service the total number of contacts has increased by 62%. This may reflect the complex needs of people being referred (or self-referring) to the service; the team is currently piloting a 'complexity tool' to help demonstrate the differing needs of people accessing the service.

Woodlands will also be enhancing support for young people. Our Family Support Team has seen an increase in the number of referrals for children and young people requiring pre-bereavement and bereavement support. Ages generally range from four to eighteen years although younger children are offered support with their parents or guardians. The team has undertaken some scoping exercises with children, parents, guardians and our Patient, Family & Friends Forum and will use this feedback to inform the development of this essential service.

Activity in the Well-being and Support Centre has remained steady over the last year with patients accessing a variety of services. Attendance at all sessions fluctuates throughout the year depending on the condition of patients, many of whom are too poorly to attend on a regular basis but seek support by phone. The team report ongoing support by telephone to assist patients in crisis is far higher than previously and the Trustees have therefore requested more robust data collection of this service. The outpatient activity for patients is utilised well, in particular for nurse led clinics and group attendances.

Physiotherapy, occupational therapy and complementary therapies continued to be provided in patients homes during 2016/17 for those patients too unwell to attend the Well-being & Support Centre. The team has experienced an increase in referrals for patients with complex needs requiring joint physio and occupational therapy assessments, which has resulted in a decrease in the actual number of patients seen. The number of patients with a non-cancer diagnosis accepted for outreach services has continued to increase.

The Hospice at Home Team for South Sefton continues to operate well and consistently receives positive feedback. The consultants have prevented many crises at home through attendance by all relevant services at weekly multi-disciplinary team meetings held at the Hospice. Our specialist sitting service has increased over the last 12 months which has helped patients to stay at home for end of life care. 90% of our patients died at home in accordance with their wishes.

Regular reviews, evaluations and surveys continue to evidence consistently high standards of person centred care experienced by patients and their families/carers.

Our annual patient & family satisfaction survey was particularly pleasing with 30% return rate and overwhelming positive feedback with constructive thoughts for improvement and development.

Our programme of regular 'Trustee visits' has continued during this period, with Trustees undertaking unannounced visits of all patient services examining policies, records and speaking to staff, patients and their families regarding their experiences. These visits were based on the Care Quality Commission revised Essential Standards of Quality and Safety. Excellent feedback has been received during these visits and any suggestions for improvements from observation by the Trustee or patient, their families or staff have been monitored to completion.

The Patient Services Manager has responsibility as the Care Quality Commission Registered Manager and undertakes regular ward rounds and observations of care to monitor standards. The comments received from patients and families in all services evidence the high quality of compassionate care that we aim to achieve and suggestions for improvement are encouraged and welcomed providing an opportunity to resolve any problems at the time.

Maintaining and improving, where possible, patient safety is paramount in the Hospice and our robust governance systems ensure that there is a proactive approach highlighting concerns and trends in patient safety issues. Our working groups such as infection prevention and control, medicines management, falls prevention, nutrition, and tissue viability continually review Hospice practice in these areas, monitor national guidance and develop local strategies to improve patient safety.

Our Clinical Effectiveness Group, led by our Clinical Lead, comprises senior clinical staff and the Group meets regularly to steer clinical developments within the Hospice.

The Trustee-led Clinical Governance Committee keeps a keen watch on all clinical standards, activity and developments and has a key role in monitoring quality assurance.

This last year the Patient, Friends and Family Forum chaired by our Quality and Improvement Manager has been extremely active and involved in a number of projects including the Patient Led Assessment of the Clinical Environment (PLACE), review and revision of patient leaflets, and work with the dignity group and many other areas. They are a small but extremely effective group whose contribution the Trustees value.

We believe that during the year we have continued, with our highly skilled, competent workforce, delivering high quality care to all.

Facilities and infrastructure

The Hospice facilities are bright and fresh and always elicit comment from patients and visitors as to the welcoming atmosphere and clean and tidy environment. In February last year we were so lucky to be chosen by the Decorators Forum, a national on line forum, as their charity of choice to receive an amazing paint makeover. Over 30 individual painters travelled from across the UK one weekend to give us an amazing paint makeover free of charge with donations of their time, paints, equipment and even food and accommodation from a variety of kind supporters. Local TV picked up the story and a fabulous day was had by us all.

The café continues to bring a sense of normality to patients and families as they enjoy a quiet sit and pleasant views of the gardens so meticulously maintained by our volunteers. There is still a great desire to open the café at the weekends and data is currently being collected from to weekend visitors to ascertain whether this would be viable moving forward.

During our Trustees visits patient often talk about feeling safe in the Hospice and indeed their families also feel they are given the time to spend with their loved ones without worrying about their care and keeping them safe. Feedback collated is overwhelmingly positive and Trustees are proud of the standards achieved across all our services.

Members of our Patient, Family and Friends Forum undertook our first PLACE assessment and reported a positive environment with some suggestions for improvement such as corridor signage and improvements to the Quiet Room.

The formation of a Capital Projects Committee, chaired by our Trustee who is an architect, has ensured plans have been drawn up for the integration of the Garden Room and Patio Room and the development of an external pavilion for children and young people to call their own. The latter has been costed and we were very fortunate in year to secure the interest of Argos to assist with fundraising for this facility and offering volunteer support for the project. We will not be able to start this project until we have secured the funding but with everyone's fundraising efforts we are confident this dream will be realised in 2017/18. This committee has also considered how we can extend the patient bedrooms and improve the positioning of the adjoining en-suite facilities but without increased footprint of land and a more significant build this would prove difficult to achieve. We will look to meeting with Aintree University Hospital Estates team in the coming year to discuss future options in detail.

The programme of renewing the bedrooms doors and windows is underway, funded by successful grant applications. We will continue to submit further applications in order to complete this project.

Research regarding options for the laundry contract has commenced, with the aim to introduce more homely bedding and curtains for our inpatients which the Patient Services Manager is keen to provide.

A fundamental review of the Business Continuity Plan was undertaken in year with the support of the governance sub-committee and consideration given to the potential interruption of the water supply and actions that would be taken.

Patient Information Systems/Data collection and Reporting

Robust data collection and analysis is now embedded in daily routines and production of key reports for the Trustees and Commissioners an expectation. These reports now require review and further development to ensure improved impact reporting. This will also include the work we are progressing with Outcome Measures.

Patient information systems are changing locally to assist with sharing of patient information across many providers and the Hospice participates fully in all the meetings for EPR and EPACCS with the Data Manager representing the Hospice's needs.

The Hospice again achieved Level 2 in the NHS Information Governance Toolkit as required by our NHS Commissioners and the Hospice has kept pace with the development of the forthcoming General Data Protection Regulations (GDPR) and how this will impact on clinical, HR and fundraising activities.

Human resources

The Chair of the Board of Trustees retired as planned at the end of March 2017 after almost 20 years supporting Woodlands. A new Chair was appointed prior to his departure but regrettably due to ill health, she was not able to take up her duties as anticipated and has subsequently resigned. An existing Trustee has now taken up the role of Chair for a 3 year period.

We have actively recruited two new Trustees in the year and continue our search for a senior nurse, a solicitor and a board member with fundraising experience.

The Board is looking to work with Hospice UK on the development of our Trustees, taking the opportunity to work with them on governance issues and responsibilities.

Staffing levels are well established to ensure a safe service delivered by a competent workforce and systems in place for covering absences through holidays and sickness.

Staff training and development remains a high priority for the organisation including leadership and management training programmes and a cross organisational training needs analysis to ensure more structured mandatory training and programme of development. Absence of those in key positions has prevented this happening as planned but will be addressed in the coming year.

Staff support systems are critical to Hospices and the senior managers are working with the recently published Hospice UK publication regarding resilience in Hospices including emotional resilience. The Family Support Team provide excellent support to all staff and the team have made a big difference to staff coping with difficult situations.

A new funding system has been introduced by NHS England for the healthcare student work placements and the Hospice is currently establishing how this impacts on us.

Volunteers

The Hospice has nearly 200 volunteers undertaking a wide variety of roles across the Hospice and in our charity shops. Their strong presence throughout the Hospice in supporting roles is a key strength for the organisation and enables staff to concentrate on the care of the patient. Our charity could not exist without this 'additional workforce' and we welcome volunteers from all age groups with varying knowledge, skills and experience.

The Hospice has increased its number of volunteers over the last year mainly due to the opening of the additional charity shop but a concerted effort to also recruit additional volunteers to Hospice roles proved very successful and provides for better cover in peak holiday times.

Whilst we have not yet been able to introduce volunteer nursing roles in the Hospice, the Family Support team are now running a popular and extremely successful volunteer programme to accompany patients on the ward. Activities include reading, puzzles, craft work, chatting and sometimes a shared afternoon tea, all of which help to avoid any feelings of isolation.

The Volunteer Manager is currently working with the Ward Manager to assess where volunteers can assist with nursing roles as we are still very keen to further develop volunteer support on the ward especially in view of the difficulties being experienced nationally with recruitment of nursing staff.

External relationships and collaboration

Due to the significant human and financial pressures being experienced across all healthcare services over the last twelve months, the focus on collaboration has been lost whilst organisations struggle to deliver on a day to day basis. However, the realisation that the answers to some of the challenges lie with working closer together is now re-invigorating the need for the previously well-established networks. In addition the development of the Sustainability and Transformation Partnerships nationally will hopefully provide positive leadership for the way forward. Woodlands Hospice understands fully that we need to actively participate in the local and regional networking and look for new ways of working together across our localities.

The proposed merger between Aintree University Hospital and the Royal Liverpool Hospital has gained momentum over the period and it is helpful for the Hospice that our Chief Executive is a Public Governor for Aintree University Hospital and consequently we remain well informed as to progress and how the merger may impact on the Hospice services. Our Consultants and Clinical Lead are involved in all Clinical discussions and keep the Board updated.

There has been excellent progress with Advance Care Planning during the year but regrettably the funding for the dedicated South Sefton resource for this programme has been discontinued which will slow down the pace of success although Advance Care Planning remains a key aspect of Hospice care for all our patients.

Our Marketing and Communications Strategy will address the promotion of the Hospice with local clinicians and the public.

Education

Education about palliative care is a key responsibility of hospices in order to increase the confidence and competence of health professionals in managing patients with palliative care needs that they encounter in their areas of work. The Woodlands Hospice takes this very seriously and professionals working at Woodlands participate in educational activity through the Aintree Specialist Palliative Care Services Education Group chaired by Dr Kate Marley, Woodlands' Clinical Lead. Dr Marley is also a member of the Cheshire and Merseyside Palliative and End of Life Care Network Education strategy group which drives education provision in Palliative Care for the region. Full details of Woodlands educational programme last year can be found in the Quality Account.

Research and Audit

The Hospice has a policy to cover inclusion in research but, during this period, there was no appropriate national, ethically approved research study in palliative care in which it could participate. However, the Hospice senior medical staff are involved in research into the effects of cordotomy on pain pathways as part of joint working with the Walton Centre NHS Foundation Trust.

The Cheshire & Mersey Palliative and End of Life Care network continue to look for general research opportunities in palliative care in the region and the Hospice awaits a suitable opportunity to participate in a research project.

A weekly journal club enables members of staff to keep up to date with palliative care research.

Income Generation

Fundraising, nationally, has generally responded positively to the new Fundraising Regulations published following the Etherington Review last year. The Regulations have helped to restore public confidence in charities although there is a great deal of work still to be done for all charities.

Woodlands Hospice voluntarily registered with the Fundraising Regulator in the summer of 2016 and set up a separate Trustee led Task and Finish Group to review the revised Regulations and take appropriate action to ensure ongoing compliance and also to review the forthcoming changes to data protection.

Our Income Generation sub committee chaired by the Treasurer with Trustee support and the Trustee led Task and Finish Group for Fundraising Regulation, minutes of which are shared with the Trustees at Board meetings, have ensured a full understanding by all Trustees of the activities and approaches the Hospice uses in its fundraising efforts. The Trustees are satisfied that Woodlands Hospice is ethical in its approach and is actively developing required processes and procedures with supportive training to ensure complete transparency to all donors.

In 2016 the Hospice undertook a major cost savings plan (detailed in the financial review below) which did unsettle some staff and in particular a number of roles were affected in the necessary restructure of the fundraising team to ensure the best return on our investment in that department. Some staff, including the Head of Income Generation chose to seek alternative employment elsewhere leaving vacancies in the team in the key run up to Christmas.

Despite those vacancies, the income generated was almost consistent with that generated last year with a full team. However, the growth expected overall was not achieved resulting in a shortfall on internal budget of £41k but with a higher than predicted level of legacies received, the overall income generated was £70k above target, although overall lower than the previous year where Woodlands had benefited from £194k of legacies. Savings on fundraising salaries more than outweighed the underachievement in income, giving an overall net improvement on fundraising performance.

The vacancies in the team were all filled by the end of the financial year with the exception of the Head of Income Generation, which was carried out by the Chief Executive whilst due consideration was given to the future requirements of such a role. The Board has now approved the recruitment of a new Head of Fundraising which will be advertised in the autumn of 2017.

During the year the Fundraising team continued with a number of high profile events including our annual moonlight walk, woofs and wellies dog walk and we staged our third year of our 'Strictly' dance event. Our local communities continued to raise funds for the Hospice in a variety of ways and we were very fortunate this last year to have been nominated as Charity of the Year for the Aintree branch of Marks and Spencer which generated over £20,000 of income from staff and customers, an amazing achievement. As always, this last year many individuals supported Woodlands through a variety of challenges and donations amongst which were 'Speedo Mick', now a local celebrity taking the total he has raised for Woodlands over 2 years to £67,000 through his bucket collections at local football matches, whilst dressed only in his speedos. Mick was shortlisted for the Liverpool Echo awards last year and shared a celebratory evening with other inspirational people acknowledging their achievements. We would not be able to provide the services that we do without the ongoing support of those in our communities and we are extremely grateful for their ongoing generosity and kindness.

This last year has seen increased support from local organisations in the form of corporate volunteering and teams have assisted with activities such as gardening, painting, leaflet drops etc. This really helps the Hospice and the teams always report enjoyable days beneficial to them as team building exercises.

This coming year our Community Fundraising Officer will be actively looking to develop new Fundraising Groups out in the local communities to continue the great work our long established Support Groups have been doing for many years before their recent retirements. It is important that we continue to engage with our locality and seek their ongoing support.

Due to a vacancy within the team the income generated last year from grant making trusts was somewhat lower than usual but we remain ever grateful to all those who have supported us and with the post now filled we will return to normal levels of applications this coming year.

Legacies and Wills

In 2016/17 we were extremely fortunate to receive £100k of legacy income with a further £37k formally advised for receipt early 2017/18 and consequently included in these accounts. Without the generosity of these supporters who kindly made these bequests, we would not be able to continue to provide the services we do for our patients and their families and as always we remain extremely appreciative of their kindness.

Our Make a Will campaign enables people to prepare a standard will with participating solicitors/professional will writers in exchange for a donation to Woodlands Hospice. We are very grateful to all the practices which have taken part and for all donations received.

Lottery

The Hospice Lottery provides a simple, low cost way to support the work of Woodlands through membership of the weekly draw. The income from this helps to provide a source of sustainable revenue that the Hospice can rely on to plan future budgets to continue to care for patients.

Over the last 2 years Woodlands has concentrated on growing the lottery membership as the Trustees believe the current level of membership is low in comparison to other Hospice Lottery memberships. In 2015/16 Woodlands recruited a third party organisation to sign up new members and during 2016/17 the membership doubled from 2,000 to 4,000 playing members per week. Whilst this represented excellent growth it fell short of the predicted levels agreed with the third party organisation. In January 2017 Woodlands was notified by the third party of their intention to increase the commissioning fee for each sign up. This coincided with the introduction of more robust Fundraising Regulation around third party fundraising which would have required additional resource from the Hospice in monitoring and reviewing their activities. Consequently, the Trustees agreed that it would be more cost effective to give notice to the third party and look to employ its own lottery canvassers as part of the overall fundraising team. The contract was terminated as at 31 March 2017. The recruitment of our own canvassers has now taken place.

Charity Shops

In 2014/15 the Board of Trustees approved a retail strategy to open five shops in the following three years as Woodlands currently trails behind other Hospices in securing much needed income from trading activities, particularly in relation to charity shops. The third of these five shops was opened in Maghull in August 2016.

At that time the trading element of the Hospice income was managed by the Head of Income Generation together with the fundraising activities but following her resignation in early September which coincided with the fundraising restructure mentioned previously, the Trustees agreed to split the functions and appointed a full time Trading Manager to oversee all trading operations of the subsidiary company, reporting directly to the Chief Executive leaving the Head of Fundraising role to concentrate solely on fundraising activities.

In late 2016 the retail Gift Aid scheme was introduced in two of the shops in order to maximise the income available to the Hospice and achieve the best value from all donations.

The performance of the new shops has been somewhat mixed during the last year with early concerns emerging around the Maghull location which unfortunately saw increasing competition within months of opening. A close watch is being kept on all shop performances by the Income Generation Committee to ensure they remain financially viable and provide sufficient income for the Charity.

Hospice Shop

The trading subsidiary also has a small gift shop located within the Hospice reception which is supported by dedicated volunteers, who also give up their time to attend events and outside activities to promote sales. A review of this shop took place in 2016/17 and improvements were made to the facility with increased security measures put in place and a revision of stock and saleable items remains under constant review.

Marketing & Communications

The Trustees recognise that the Hospice currently lacks a robust Marketing and Communications Strategy and concentrated in the year on recruiting a Trustee with these skills to help steer the organisation in the right direction and share their experience with the senior team. This Trustee is now in place and discussions have commenced to develop and deliver the required strategy and marketing plans to improve our market share of local support.

In 2016, the Hospice launched its new modernised website which was built with the intention of ensuring improved digital fundraising in areas such as online sign-ups for events and online gifts for the trading company. The Hospice has also significantly improved its presence on social media.

FINANCIAL REVIEW

Principal Funding Sources

Woodlands Hospice relies heavily on its own fundraising efforts but also on the grants that it receives from the local NHS and other grant making trusts. It is therefore important to ensure that the services we deliver provide public benefit without prejudice. This is demonstrated in the services of the Hospice being free at the point of delivery and accessible to all through clear referral criteria based on clinical need.

As mentioned in the fundraising review the year was, for the fundraising department, an eventful one which saw vacancies in the department affect the final position in terms of fundraising income and the team was disappointed that despite their unwavering commitment and team effort they unfortunately fell short of the targeted income by £41K. Legacy income performed well providing income of £137K for the year meaning that for the second consecutive year this income stream has managed to bridge the gap on the general fundraising shortfall.

Achieving £790k in voluntary income is a result of the ongoing generosity of our wonderful supporters, and their dedication, enthusiasm and hard work in raising money for the Hospice. We are so grateful to everyone who helped raise this income. Moving forward we will endeavour to introduce new and exciting ways in which people can support us and focus on growing sustainable income streams to enable us to continue to provide our specialist palliative care services in the future.

Due to the history of the Hospice with the transfer of the Inpatient Unit beds from Aintree University Hospital in 2009, Woodlands receives higher than average NHS funding for core services which is currently under significant pressure nationally. Any reduction in funding from the NHS would seriously threaten the viability and future sustainability of all current services and consequently it was very concerning in March 2017 to receive notification from Liverpool CCG of potential funding cuts in 2017/18. The Hospice will continue to negotiate with the CCGs to ensure sustainable funding for the services provided whilst making every effort to continually improve its income from fundraising and trading. We remain very appreciative of the NHS Grant monies received from South Sefton, Liverpool and Knowsley Clinical Commissioning Groups (CCGs) paid to the Hospice under Conditional Grant Agreements.

The Trustees were delighted to learn that South Sefton CCG had approved a further two years to the Hospice at Home funded contract (£240,000 pa) within the original tender arrangements. This service enables us to provide specialist palliative care to the residents of South Sefton in their own home should this be their preferred place of care and Woodlands has earned a highly respected reputation out in the community for this specific service.

In 2016 Liverpool CCG developed its own specification for care in the community for those at the end of their lives and put the service out for tender last year but regrettably Woodlands was not able to respond to that tender opportunity as the service required was for the whole of Liverpool and the requirements of the service were way beyond the capacity that we could deliver on. Sadly this means there will be no future opportunity in the medium term for a Hospice at Home service in Liverpool similar to that being run in South Sefton. However, we continue to speak with Knowsley CCG Commissioners about a possible model in Knowsley.

South Sefton CCG also fund a Care Homes End of Life Facilitator who is employed at the Hospice meaning that with the Hospice at Home service and the Care Homes Education programme we have been able to expand our specialist service in South Sefton. This funding has now been incorporated into baseline funding and will be included in usual funding negotiations as a key aspect of our service for South Sefton.

Significant Events

Cost Savings Plan

Year on year Woodlands has always kept a close eye on its expenditure resulting in a very lean organisation with the largest cost being attributable to clinical salaries. In view of the ongoing shortfall in income and likely delayed timing of the trading strategy returning an increased profit there is a very real need for the Trustees to consider a reduction in services in the medium term. Consequently before considering any change to services we agreed to support a proposed cost savings plan across the organisation which was implemented in 2016 through formal staff consultation.

Every department was reviewed and new ways of working considered with proposed alterations to staffing levels and some staff accepting a reduction in their contracted hours. In practice after a short while some hours were reinstated to address concerns re maintaining safe staffing levels. The team did however manage to avoid any redundancy situation and morale was sustained well throughout the changes. Consultations with staff also generated other minor costs saving ideas which have been implemented across the Hospice.

The Trustees know that following this exercise there is absolutely no leeway in cost in the organisation and inability to achieve stretching fundraising targets and/or reduction in NHS grant funding will likely result in a reduction of services. However, the Hospice is keen to work collaboratively with other Specialist Palliative Care providers in the locality to view new ways of working without impacting negatively on patient experience. Discussions will commence in 2017/18.

VAT review

During the year the decision was made by the Trustees to take independent VAT advice as this was something that the Hospice had not previously undertaken. The decision was made in light of the Hospice VAT reclaim scheme together with the increasing levels of vatable income within the Hospice in order to ensure that the Hospice was correctly registered whilst maximising the VAT it could reclaim in order to make the best use of its funds. The Hospice was subsequently registered for VAT and will make use of the Capital Goods VAT scheme in light of refurbishment works undertaken in the period just before the registration date.

Overall Result

The final position for the Hospice Charitable Group at the end of the financial year reports a deficit of £60K against a predicted deficit of £283K for the year. Whilst the cost savings plan did have some impact in the year many of the changes did not take place until the latter part of the year.

The turnaround can be attributed in the main to three key points. Firstly, the investment portfolio held by the charity saw gains on its investments in the year of £85,670 which had not been budgeted for in the accounts due to the uncertainty of the markets as a result of the looming EU Referendum and other global political uncertainties. These gains gave a much needed boost to the final result of the Hospice Charitable Group for the year ended 31st March 2017. Secondly, significant savings were seen in the expenditure on raising funds due to the resignation of the Head of Income Generation and the aforementioned vacancies within that team for several months. Last, but by no means least, comment must again be given to the generous legacies received in the year without which the year end result would not have been so positive.

The deficit in year can be summarised into total income of £3.81M (2016: £3.74M) an increase of 1.8% from the previous year, and total costs of £3.96M (2016: £3.88M) an increase of 2.1% on the previous year. Gains on investments against this result took the final deficit to £60K (2016: £152K).

Total Funds and Free Reserves

At the end of the reporting period the Hospice Charitable Group held a total fund balance of £3.4M, which includes a tangible fixed asset value of £2.3M which would only be realised on the disposal of such fixed assets. The remaining fund balance of £1.1M includes restricted funds of £100K, of which £60K is to be spent on the core running costs of the Hospice in the year to March 2018. Free reserves including the assets held as the investment portfolio account for the final £1M of the Hospice Charitable Group fund balance.

Historically, the investment portfolio has not been included as a part of the reported free reserves. However this matter has been keenly debated by the Trustees and as a result of the liquidity of the assets the decision has been taken to include these funds within the reported level of free reserves moving forward.

At the end of March 2017 the level of free reserves held by the Charity, excluding the investment portfolio, equated to just £351K (2016: £412K) showing how the £60K reported deficit has negatively impacted on this figure.

If the level of free reserves reported included the funds held as the investment portfolio, the level of free reserves at the end of the reporting period would amount to £1M (see note 20) which would equate to approximately 3 months running costs. The documented aim of the Trustees in the year to March 2013 was to reach a level of free reserves equating to six months running costs of the organisation within the next three years. Unfortunately the level of free reserves is still half of the aim as documented in the reserves policy by the Trustees.

Whilst the trading strategy and fundraising strategy combined with the implementation of the cost savings plan could potentially restore the levels of free reserves in time to required levels the Trustees are considering the impact of the very real threat of cuts in funding received from the CCGs and the impact this could have on the levels of free reserves. The Trustees have given consideration to this as a part of the recognition of principal risks and uncertainties facing the Hospice and their management going forward.

As a result of the reported deficit at the end of the reporting period and subsequent notice given on current levels of funding from Liverpool CCG, the decision was taken in the post year end period by the Trustees to realise £120K from the investment portfolio. The Trustees felt that realising some of the gains back into the net current assets of the Charity would provide greater security for meeting the running costs of the Charity in the next financial year given the uncertainty around the funding from the local CCGs.

Investment policy

At the end of the reporting period the Charity held an investment portfolio valued at market value of £654K (2016: £540k). The objectives of the investment policy as documented by the Trustees is for the funds held in the portfolio to provide an above market average income from the surplus capital of the Charity, and to achieve a balanced return from income and capital growth. The policy states that an income should be strived for of approximately 4% of the capital value and in the reporting year to March 2017 the portfolio had a capital return of 4.75% which the Trustees considered to be acceptable against a benchmark performance of 4.63%.

The investment policy of the Trustees documents a medium level of risk for the portfolio.

Whilst the Trustees do consider the ethical implications of the investments held in the portfolio by placing restrictions on direct investments in entities that may be in conflict with the charitable objects of the Hospice, they do understand that by using a collective approach it is impossible to avoid some sectors.

Principal risks and uncertainties

The Trustees have reviewed and identified the major risks and uncertainties that could impact on the Hospice. These are:

Reduction in NHS Funding

Difficulties with NHS funding have been constantly highlighted and debated in the national media over the period of the accounts. With the Hospice relying so heavily on NHS funding due to its history, the Trustees have significant concerns at the current time for the ongoing viability and sustainability of the Hospice in the future should NHS funding be reduced significantly. The very real threat of funding cuts notified in March 2017 has heightened the Trustees' concerns and new strategies will need to be considered.

All NHS funded services are subject to formal review through the nationally appointed Sustainability and Transformation Partnerships (STPs) and Specialist Palliative Care services will not be excluded from these plans. It is critical for Woodlands to involve itself in these partnerships to help influence provision of services in the future. The Trustees are working closely with the Chief Executive, Consultants and Senior Managers in considering a number of potential options including working in collaboration with other providers and looking at new models of care. The finances are scrutinised in the Trustee led Finance sub-committee meetings and the Trustee led Income Generation sub-committee with regular reports back to the Board of Trustees.

Minimal Free reserves

As detailed earlier in the free reserves section of this report, the Trustees are concerned that there are insufficient levels of free reserves to sustain any major reduction in current funding.

Fundraising Regulations and General Data Protection Regulations (GDPR)

In addition to the NHS funding streams, there is concern amongst charities that the new Fundraising Regulations introduced last year and the forthcoming General Data Protection Regulations (GDPR) due to come into force in May 2018 will impact negatively on fundraising income. Woodlands, however, sees these new regulations as an opportunity to focus on developing more meaningful relationships with willing donors and we will be including this approach in our new fundraising strategy supported by the aforementioned new marketing and communications strategy. There does however remain a risk to our fundraising limits in our catchment area, it being amongst the highest areas of deprivation in the country and unlikely to be able to make up any shortfall created through reduction in NHS monies.

The Hospice has created a Trustee led Task and Finish Group to address the issues of Fundraising Regulation and GDPR and this group is overseen by the Income Generation sub-committee.

Medicines Management

Due to the complex nature of our patients and the high usage of controlled drugs on the inpatient ward, medicines mismanagement could be considered to be a risk to this organisation. However the organisation has robust policies and procedures in place supported by a system of continual internal auditing of such procedures to ensure maximum efficiency and effectiveness. We have a strong culture within the organisation of reporting any drugs incident, however minor, to ensure continual learning. Medicines policies and procedures are reviewed consistently by the Medicines Management Working Group and the Trustee led Clinical Governance Committee. Our established safe staffing levels are always appropriate to the patient numbers and dependency. We feel that this risk is mitigated by way of our systems and controls in place.

The proposed merger between Aintree University Hospital and The Royal Liverpool Hospital

There is some uncertainty at the present time around the effect the proposed merger will have on Woodlands Hospice as the Hospice is so closely aligned to Aintree Hospital, partly due to its history and partly due to location. The Consultants and Chief Executive are involved in appropriate discussions and the Trustees will keep a watching brief.

Recruitment of trained nurses

Due to the national shortage of trained nurses, the Hospice has, at times during the year, struggled to recruit to vacancies on the Inpatient Unit. The Patient Services Manager is currently developing a Hospice 'bank staff' to assist with cover during vacancies/absences but uncertainty remains about future recruitment which may impact on service provision if safe staffing levels are to be maintained. The Trustees discuss these issues in Personnel sub-committee and the Clinical Governance sub-committee meetings.

The Trustees feel that there are no further principle risks identified. The services the Hospice provides are a key part of the National End of Life strategy and necessary for our local communities. We have a highly skilled workforce and the premises are on a long term lease and have recently been refurbished to make them fit for purpose for the future.

PLANS FOR THE FUTURE

The key developments for 2017/18 include the continuing implementation of the revised fundraising strategy, particularly in relation to the retail strategy and the growth of the lottery supported by the Marketing and Communications Strategy which will include increased focus on the digital aspects of marketing and communications. External grants to develop capacity in this will be sought. The overall clinical strategy will include the formal review of specialist palliative care services and end of life care across our communities and the need to work in collaboration or partnership with other providers to ensure future sustainability.

WOODLANDS HOSPICE CHARITABLE TRUST LIMITED

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2017

THE TRUSTEES

The Trustees, who are also Directors for the purposes of company law, who served the charity during the year and the period up to which the accounts were approved were as follows:

K. Hoskisson LLB (Chairman) (Resigned 31/03/2017))
R. Gladden (Chair) (Appointed 03/04/2017) (Resigned 25/07/2017)
B. Bartlett BA Hons Dip Arch RIBA (Chairman from 25/07/2017)
C.M. Hubbert MRCGP DRCOG (Vice Chairman)
C. Brennand FCA (Hon. Treasurer)
W.J. Wood BSc MHSM Dip.HSM
The Reverend N. Wilde
E. McDonald
B. Lynne Roberts BA, Dip OT, PGCE, MBA, PhD
A. Johnson
N. Firth (Resigned 27/09/2016)
R. Kenyon (Resigned 25/07/2016)
S. Ollerhead (Appointed 24/01/2017)
A. Keith (Appointed 25/07/2017)

None of the trustees has any beneficial interest in the company.

TRUSTEES' RESPONSIBILITIES

The Trustees, who are also the directors of Woodlands Hospice Charitable Trust for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Trustees are required to:
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

WOODLANDS HOSPICE CHARITABLE TRUST LIMITED

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 MARCH 2017

RISK MANAGEMENT

The responsibilities of Trustees are defined by the Memorandum and Articles of Association, The Charities Act and company law.

These responsibilities include:

- Ensuring that the charity only undertakes activities that are within their objects and powers.
- Acting only in the interests of the charity and its beneficiaries.
- Taking decisions in keeping with their duty of care and duty to act prudently.
- Establishing management arrangements to ensure appropriate standards and procedures are in place, that those standards and procedures are complied with and corrective action taken where necessary.
- Ensuring compliance with all relevant statutory regulation and adoption of best practice principles.

The Trustees obtain comfort that their responsibilities are discharged by:

- Regular reports to the Board of Trustees.
- Independent audit of the accounts and financial systems.
- The authority of the Personnel, Finance, Income Generation and Governance Committees.
- The adoption of the appropriate policies and procedures including the risk management policy.
- Audit by external agencies (e.g. Fire Service, Environmental Health Inspectors,)

The trustees have examined the major strategic, business and operational risks which the charity faces and confirm that systems have been established to enable regular reports to be produced so that necessary steps can be taken to lessen these risks.

RELATED PARTIES AND OTHER CHARITIES

The Charity has one wholly owned subsidiary, Woodlands Hospice Limited. The subsidiary operates a lottery and charity shops and uses this to support Woodlands Hospice Charitable Trust Limited.

AUDITORS

A resolution to re-appoint Lonsdale & Marsh will be put to the Annual General Meeting.

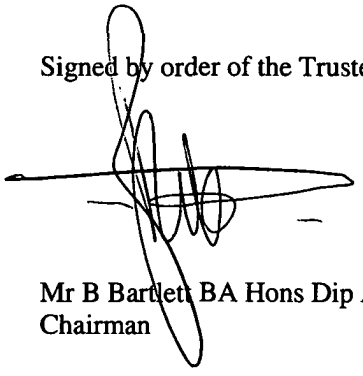
STATEMENT OF DISCLOSURE TO AUDITORS

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware, and;
- Each Trustee has taken the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's' auditors are aware of that information.

Registered office:
Woodlands Hospice
AUH Campus
Longmoor Lane
Liverpool
L9 7AL

Signed by order of the Trustees



Mr B Bartlett BA Hons Dip Arch RIBA
Chairman

Approved by the Trustees on 26th September 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF

WOODLANDS HOSPICE CHARITABLE TRUST LIMITED

YEAR ENDED 31 MARCH 2017

We have audited the financial statements of Woodlands Hospice Charitable Trust Limited for the year ended 31 March 2017 which comprise the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable 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 charitable company's members and the charity's Trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charitable 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 statement of Trustees' responsibilities set out on page 21, the Trustees' (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that the financial statements give a true and fair view.

We have been appointed as auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those acts. 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] Ethical Standards for Auditors (subsequently the FRC Ethical Standard).

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 Trustees' report to identify any 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF

WOODLANDS HOSPICE CHARITABLE TRUST LIMITED

YEAR ENDED 31 MARCH 2017

OPINION

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2017, and of the group's 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 and the Charities Act 2011.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' Annual Report and integral Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Trustees' Annual Report and integral Strategic Report has been prepared in accordance with applicable legal requirements.

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 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records; or
- the parent charitable company 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.

Elaine Frances McElroy (Senior Statutory Auditor)
For and on behalf of Lonsdale & Marsh

Date: 26 September 2017

Chartered Accountants
Statutory Auditor

7th Floor
Cotton House
Old Hall Street
Liverpool
L3 9TX

Lonsdale & Marsh is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

WOODLANDS HOSPICE CHARITABLE TRUST LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2017

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2017 £	Total Funds 2016 £
Income from:					
Donations and legacies	2	743,476	430	743,906	820,232
Charitable activities	3	288,759	2,403,379	2,692,138	2,675,589
Other trading activities	4	309,983	-	309,983	167,256
Investment income	5	24,317	-	24,317	22,837
Other income	6	42,333	-	42,333	61,638
Total income		1,408,868	2,403,809	3,812,677	3,747,552
Expenditure on:					
Raising funds	7	582,398	-	582,398	536,656
Charitable activities	8	670,510	2,706,399	3,376,909	3,345,268
Total expenditure		1,252,908	2,706,399	3,959,307	3,881,924
Net gains/(losses) on investments	14	85,670	-	85,670	(17,913)
Net income/(expenditure)		241,630	(302,590)	(60,960)	(152,285)
Transfers between funds		(285,378)	285,378	-	-
Net movement in funds	12	(43,748)	(17,212)	(60,960)	(152,285)
Reconciliation of funds:					
Fund balances at 1 April 2016		3,385,175	117,402	3,502,577	3,654,862
Fund balances at 31 March 2017		3,341,427	100,190	3,441,617	3,502,577

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

The notes on pages 30 - 46 form part of these consolidated financial statements

WOODLANDS HOSPICE CHARITABLE TRUST LIMITED

SUMMARY CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT

YEAR ENDED 31 MARCH 2017

	2017 £	2016 £
Total income	3,812,677	3,747,552
Total expenditure from income funds	3,959,307	3,881,924
	(146,630)	(134,372)
Net gains/(losses) on investments	85,670	(17,913)
Net income/(expenditure) for the year	(60,960)	(152,285)

The summary income and expenditure account is derived from the statement of financial activities on page 25 which together with the notes on pages 30 to 46 provides full information on the movements during the year on all funds of the charity.

The notes on pages 30 - 46 form part of these consolidated financial statements

WOODLANDS HOSPICE CHARITABLE TRUST LIMITED

CONSOLIDATED BALANCE SHEET

YEAR ENDED 31 MARCH 2017

	Note	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	13		2,335,117		2,433,508
Investments	14		654,383		540,075
			2,989,500		2,973,583
Current assets					
Stock	15	2,220		2,873	
Debtors	16	170,505		174,937	
Cash at bank and in hand		642,739		759,310	
		815,464		937,120	
Creditors: amounts falling due within one year	17	(363,347)		(408,126)	
Net current assets			452,117		528,994
Total assets less current liabilities			3,441,617		3,502,577
Net assets			3,441,617		3,502,577
Funds					
Unrestricted:					
Designated funds	18	7,800		15,600	
Other charitable funds	18	3,333,627		3,369,575	
			3,341,427		3,385,175
Restricted	19		100,190		117,402
Total funds			3,441,617		3,502,577

These financial statements were approved by the Board of Trustees and are signed on their behalf by:

MR B BARTLETT
Trustee (Chairman)

Date: 26 September 2017

Company No: 03063721

The notes on pages 30- 46 form part of these consolidated financial statements.

WOODLANDS HOSPICE CHARITABLE TRUST LIMITED

BALANCE SHEET

YEAR ENDED 31 MARCH 2017

	Note	2017		2016	
		£	£	£	£
Fixed assets					
Tangible assets	13		2,316,824		2,431,444
Investments	14		654,386		540,078
			2,971,210		2,971,522
Current assets					
Stock	15	409		-	
Debtors	16	221,985		175,734	
Cash at bank and in hand		538,769		708,881	
		761,163		884,615	
Creditors: amounts falling due within one year	17	(311,585)		(375,749)	
Net current assets			449,578		508,866
Total assets less current liabilities			3,420,788		3,480,388
Net assets			3,420,788		3,480,388
Funds					
Unrestricted:					
Designated funds	18	7,800		15,600	
Other charitable funds	18	3,312,798		3,347,386	
			3,320,598		3,362,986
Restricted	19		100,190		117,402
Total funds			3,420,788		3,480,388

These financial statements were approved by the Board of Trustees and are signed on their behalf by:

MR B BARTLETT
Trustee (Chairman)

Date: 26 September 2017

Company No: 03063721

The notes on page 30-46 form part of these consolidated financial statements.

WOODLANDS HOSPICE CHARITABLE TRUST LIMITED

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2017

	2017		2016	
	£	£	£	£
CASH FLOWS FROM OPERATING ACTIVITIES				
Net expenditure for the year (as per the SOFA)	(60,960)		(152,285)	
Adjustments for:				
(Gains)/losses on investments	(85,670)		17,913	
Depreciation of tangible fixed assets	141,644		142,848	
Interest paid on loan	95		7,203	
Bank interest receivable	(901)		(2,423)	
Investment interest receivable	(8)		(183)	
Dividend income from investments	(24,309)		(22,654)	
Decrease in stock	653		2,107	
Decrease/(increase) in debtors	4,432		(30,523)	
(Decrease) in creditors	(44,779)		(290,050)	
Cash from operations	(69,898)		(328,047)	
Interest paid	(95)		(7,203)	
Net cash used in operating activities		(69,898)		(335,250)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of tangible fixed assets	(43,453)		(58,118)	
Loss on disposal of fixed assets	200			
Bank interest receivable	901		2,423	
Investment interest receivable	8		183	
Income from other fixed asset investments	24,309		22,654	
Purchase of investments	(85,990)		(71,635)	
Proceeds from sale of investments	57,352		33,000	
Shares received from legacy	-		(19,949)	
Net cash (used in) / provided by investing activities		(46,673)		(91,442)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of loan	-		(166,152)	
Net cash used in financing activities		-		(166,152)
DECREASE IN CASH		(116,571)		(592,844)
CASH AT THE BEGINNING OF THE YEAR		759,310		1,352,154
CASH AT THE END OF THE YEAR		642,739		759,310

1. ACCOUNTING POLICIES

Company Information

Woodlands Hospice Charitable Trust Limited is a private company limited by guarantee, incorporated in England and Wales. Its wholly owned subsidiary Woodlands Hospice Limited is a private company limited by shares incorporated in England and Wales (Company no: 03278425). The registered office of both the parent and subsidiary companies is AUH Campus, Longmoor Lane, Liverpool, L9 7LA.

Basis of Accounting

The charity is a public benefit entity as defined by FRS 102.

The financial statements have been prepared under the historical cost convention, except for investments, modified for the revaluation of leasehold interest, and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' (FRS 102) effective 1 January 2015, the Financial Reporting standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Group Financial Statements

The consolidated financial statements incorporate the results of the charity and its wholly owned subsidiary Woodlands Hospice Limited on a line-by-line basis. A separate Statement of Financial Activities, and income and expenditure account, for the charity itself are not presented because the charity has taken advantage of the exemptions conferred by s408 of the Companies Act 2006. A summary of the financial performance of the charity can be found in Note 25.

Going Concern

The principal risks and uncertainties have been commented upon on pages 19 and 20 of the Trustees Report. The principal risk which could give rise to a potential going concern issue is the threat of a reduction in NHS funding. Funding at the current level has been agreed up to 31st March 2018 and the Trustees have taken the decision to realise gains on the investment portfolio of £120K to secure the ability of the charity to meet its charitable objectives for the next twelve months.

Income

Income from donations, grants and legacies are recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and the amount can be measured reliably.

Grants which are to be used for specific purposes, as laid down by the donor, are treated as restricted funds. Expenditure that meets the criteria is charged to the fund. Deferred income includes amounts received in advance of work to be undertaken in the next financial year. The funds are released when an individual fulfils the post and funds are released monthly in line with costs to deliver the service.

Grants, including those received from government agencies are recognised on the performance model. They are included under income from charitable activities.

Income from commercial trading operations represents shop sales of goods, excluding value added tax, and income from the sale of lottery tickets.

1. ACCOUNTING POLICIES (continued)

Income (continued)

Donated goods are not recognised as incoming resources on the Statement of Financial Activities on receipt of an item as it is impractical and not a cost effective use of resources. Instead the value of the donated goods is recognised as income when sold.

In accordance with the SORP (FRS102), the general volunteer time is not recognised on the Statement of Financial Activities. Refer to the Trustee's annual report for more information on their contribution.

Interest Receivable

Interest on funds held on deposit is included when receivable by the charity, and the amount can be measured reliably; this is normally upon notification of the interest paid or payable by the bank.

Resources Expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT that is not recoverable.

The cost of functions which support more than one of the charity's activities have been allocated to those activities to give a full cost of an activity. Management salaries, payroll costs and legal fees have been allocated to activities based on the size of the expense incurred, as this is in line with time spent. Depreciation has been allocated to the activities for which the depreciated assets are used.

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 funds set aside out of unrestricted general funds for specific purposes.
- Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when the funds are raised for a particular restricted purpose.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are held at cost or valuation less depreciation. The costs of minor additions, being those below £250, are not capitalised.

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer equipment	- 33% straight line
Fixtures and fittings	- 25% straight line
Furniture and equipment	- 25% straight line
Leasehold buildings	- Over the remaining lease term

1. ACCOUNTING POLICIES (continued)

Stock

Stock comprises bought in goods for resale and is stated at the lower of cost or net realisable value. For donated goods see the accounting policy on income.

Financial Instruments

The company has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at the amount receivable or payable. Investments are held at fair value.

Investments

Listed investments are held at fair value, which is the market value as at the balance sheet date with any realised or unrealised gains or losses being recognised within the Statement of Financial Activities.

The investment in the subsidiary company, Woodlands Hospice Limited, is held at cost within the company balance sheet.

Debtors

Debtors are basic financial assets and are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

A concessionary loan was made in the year from Woodlands Hospice Charitable Trust to its subsidiary company Woodlands Hospice Limited to support the growth of the charity shops in order to increase the donated amount to the charity. The loan is measured at the amount paid and is repayable over a period of three years but can be repaid on demand if necessary.

Cash at bank and in hand

Cash at bank and in hand are basic financial assets, and include cash in hand and deposits held with banks. It also includes cash held with the investment portfolio in order to meet short term cash commitments such as the purchase of shares as they fall due.

Leases

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

Pension Costs

The company pays into two separate schemes:

The company contributes to the NHS Superannuation Scheme for certain former NHS employees. The employer's contribution into the scheme is at a rate of 14.3% of pensionable pay for the year to March 2017 and is disclosed in note 11. The employee's contribution is a variable percentage of pensionable pay. The scheme is unfunded and the charity has no further liability beyond the payments made during the year. The scheme is therefore accounted for as a defined contribution pension scheme with the costs equal to the contributions made for the accounting period.

1. ACCOUNTING POLICIES (continued)

Pension Costs (continued)

The company also contributes to a separate defined contribution pension scheme for non NHS employees and the contribution is disclosed in Note 11. The assets of the scheme are held in an independently administered fund.

The cost of the employer pension contributions to the NHS Superannuation and other scheme is charged to the Statement of Financial Activities. The pension costs have been allocated according to the activity the employee undertakes. The costs of the activities are allocated between restricted or unrestricted according to how the funding for the activity is received.

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted Funds	Restricted Funds	Total Funds 2017	Total Funds 2016
	£	£	£	£
Donations	607,256	430	607,686	625,486
Legacies	136,220	-	136,220	194,746
	743,476	430	743,906	820,232

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Total Funds 2017	Total Funds 2016
	£	£	£	£
Well-being & support centre	223,212	-	223,212	223,212
Outreach service	-	105,341	105,341	105,341
Lymphoedema service	-	69,594	69,594	60,012
Hospice at home	-	240,000	240,000	240,000
Family support worker	-	24,518	24,518	24,518
Macmillan family support worker	-	43,398	43,398	21,699
In-patient unit	-	1,813,138	1,813,138	1,831,317
Superannuation fund	16,987	-	16,987	16,987
Education/training	42,610	250	42,860	20,399
Outpatient accommodation	5,950	-	5,950	5,950
Advanced care planner	-	25,393	25,393	8,488
Discharge planner	-	15,350	15,350	20,108
End of Life training prog-care homes	-	44,817	44,817	44,817
Volunteer's summer party	-	-	-	250
Patient's Christmas party	-	-	-	600
Equipment fund	-	21,580	21,580	51,891
	288,759	2,403,379	2,692,138	2,675,589

4. INCOME FROM OTHER TRADING ACTIVITIES

	2017	2016
	£	£
Lottery	186,967	128,637
Charity shops	123,016	38,619
	309,983	167,256

5. INVESTMENT INCOME

	2017	2016
	£	£
Dividends received	24,309	22,654
Investment interest	8	183
	24,317	22,837

6. OTHER INCOME

	2017	2016
	£	£
Catering services	39,493	56,807
Sundry income	1,939	2,408
Bank interest receivable	901	2,423
	42,333	61,638

7. EXPENDITURE ON RAISING FUNDS

Activity	Direct Cost of Activity	Support Costs	Total Costs 2017	Total Costs 2016
	£	£	£	£
Fundraising and publicity:				
Appeals costs	76,318	17,332	93,650	103,442
Salaries	184,949	16,399	201,348	257,665
Investment management fee	4,869	-	4,869	4,230
Commercial trading operations:				
Lottery	131,761	10,131	141,892	110,336
Charity shop	127,457	13,182	140,639	60,983
	525,354	57,044	582,398	536,656

Expenditure on raising funds was £582,398 (2016: £536,656) of which all was unrestricted.

8. EXPENDITURE ON CHARITABLE ACTIVITIES

	Direct Cost of activity	Support Costs	Total Costs 2017	Total Costs 2016
	£	£	£	£
Charitable activity:				
Well-being & support centre	276,698	32,653	309,351	315,962
In-patient bedded unit	2,153,968	265,484	2,419,452	2,468,368
Hospice at home	213,616	15,763	229,379	192,824
Lymphoedema service	64,784	4,780	69,564	61,204
End of life training - care homes	45,335	3,345	48,680	48,456
Family support team	84,412	6,128	90,540	84,938
Macmillan family support worker	41,382	3,054	44,436	19,674
Outreach	85,194	6,264	91,458	99,265
Catering services	45,353	10,988	56,341	52,482
Out patient	-	-	-	911
Volunteer's summer party	1,815	-	1,815	1,771
Staff training	2,798	-	2,798	2,709
Equipment fund	11,689	-	11,689	928
Dying matters	944		944	653
CPR training	271	-	271	123
Capital project write back	-	-	-	(5,000)
Garden fund	191	-	191	-
	3,028,450	348,459	3,376,909	3,345,268

Expenditure on charitable activities was £3,376,909 (2016: £3,345,268) of which £670,510 (2016: £681,936) was unrestricted, and £2,706,399 (2016: £2,663,332) was restricted.

9. ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

	General Support	Governance Function	Total 2017	Total 2016
	£	£	£	£
Depreciation	141,644	-	141,644	142,848
Management salaries	217,727	-	217,727	213,665
Audit fees	-	7,300	7,300	8,022
Payroll & other costs	23,894	-	23,894	18,486
Insurance & legal fees	14,938	-	14,938	12,184
	398,203	7,300	405,503	395,205

10. TAXATION

Corporation Tax has not been chargeable to either company for the year to 31st March 2017. The trading subsidiary has tax losses carried forward of £22,761 (2016: £9,184).

11. EMPLOYEE COSTS

The aggregate payroll costs were:	£	2017 £	£	2016 £
Wages and salaries		2,496,134		2,529,331
NI contributions		178,974		152,419
Pension costs :				
Defined contribution scheme	70,689		62,074	
Contributions to Superann. Scheme	151,514	222,203	139,683	201,757
		2,897,311		2,883,507

Particulars of employees:

The average number of staff employed by the charity and the group during the financial year :	2017 No	2016 No
Number of charitable service staff	83	75
Number of administrative staff	7	8
Number of fundraising staff	12	12
	102	95

During the year the charity employed approximately 81 part time staff, including 10 employees on a zero hour contract.

Numbers of employees who received remuneration in excess of £60,000 per annum are listed below:

	GROUP		COMPANY	
	2017	2016	2017	2016
£60,000 - £70,000	1	1	1	1

During the year the charity made contributions to defined benefit schemes in relation to higher paid employees amounting to £8,840 (2016: £8,416).

Neither the trustees nor any other person connected with them have received any remuneration during the year.

The trustees were not reimbursed for expenses during the year (2016: £Nil).

The key management personnel of the group comprise the trustees, Chief Executive Officer and senior management. The total employee benefits of the key management personnel of the group were £161,658 (2016: £183,118).

The doctors and the associated clerical support, at Woodlands Hospice are contracted to work at the Hospice through a service level agreement with Aintree University Hospital NHS Foundation Trust. The total amount recharged from Aintree Hospital to the Hospice in the year for these services was £235,393 (2016: £236,069). In the year to March 2016 Physiotherapists and occupational therapists were also recharged from Aintree in this way however in the year to March 2017 the Hospice employed its own therapists who were supplemented with third party agency workers. In the year to March 2017 the agency costs including recharges from Aintree University Hospital to supplement the therapy team was £61,329 (2016:£239,658)

11. EMPLOYEE COSTS *(continued)*

The Aintree University Hospital NHS Foundation Trust also provides the Hospice with access to its Nurse Bank to ensure that the Hospice is able to have all shifts suitably manned during periods of staff absence. Aintree Hospital invoice the Hospice based on the nurses used on a monthly basis. The total amount recharged from Aintree Hospital to the Hospice in the year for this service was £44,499 (2016: £81,515).

12. MOVEMENT IN TOTAL FUNDS FOR THE YEAR

This is stated after charging :

	2017 £	2016 £
Depreciation	141,644	142,848
Fees payable to the charity's auditors for:		
the audit of the charity's annual accounts	5,100	5,100
the audit of the charity's subsidiary	2,200	2,200
other accounting services	2,310	-
	9,610	7,300

13. TANGIBLE FIXED ASSETS

GROUP:	Fixtures, Fittings & Computers £	Short Leasehold Buildings £	Furniture & Equipment £	Total £
COST OR VALUATION				
At 1 April 2016	307,350	3,259,618	373,222	3,940,190
Additions	5,638	18,042	19,773	43,453
Disposals	(7,227)	(14,297)	(1,857)	(23,381)
At 31 March 2017	305,761	3,263,363	391,138	3,960,262
Comprising :				
Cost	305,761	3,068,363	391,138	3,765,262
Valuation 1996	-	195,000	-	195,000
	305,761	3,263,363	391,138	3,960,262
DEPRECIATION				
At 1 April 2016	261,450	893,984	351,248	1,506,682
Charge for the year	8,673	109,737	23,234	141,644
On disposals	(7,127)	(14,197)	(1,857)	(23,181)
At 31 March 2017	262,996	989,524	372,625	1,625,145
NET BOOK VALUE				
At 31 March 2017	42,765	2,273,839	18,513	2,335,117
At 31 March 2016	45,900	2,365,634	21,974	2,433,508

13. TANGIBLE FIXED ASSETS *(continued)*

COMPANY:	Fixtures, Fittings & Computers £	Short Leasehold Buildings £	Furniture & Equipment £	Total £
COST OR VALUATION				
At 1 April 2016	297,841	3,245,321	373,222	3,916,384
Additions	-	3,795	19,773	23,568
Disposals	-	-	(1,857)	(1,857)
At 31 March 2017	297,841	3,249,116	391,138	3,938,095
Comprising :				
Cost	297,841	3,054,116	391,138	3,743,095
Valuation 1996	-	195,000	-	195,000
	297,841	3,249,116	391,138	3,938,095
DEPRECIATION				
At 1 April 2016	253,905	879,787	351,248	1,484,940
Charge for the year	7,312	107,642	23,234	138,188
On disposals	-	-	(1,857)	(1,857)
At 31 March 2017	261,217	987,429	372,625	1,621,271
NET BOOK VALUE				
At 31 March 2017	36,624	2,261,687	18,513	2,316,824
At 31 March 2016	43,936	2,365,534	21,974	2,431,444

The revaluation relates to the old outpatient/day therapy buildings of the Hospice which were redesigned in a previous reporting period and rebranded as the Well-Being and Support Centre. The costs of the redesign were capitalised and the Trustees are satisfied that the value of the buildings in the financial statements sufficiently reflect the actual value of the building. The Trustees are not aware of any other material changes to the valuation of the buildings.

14. INVESTMENTS

GROUP:

Listed investment portfolio:			2017		2016
			£		£
Market value as at 1 April 2016			540,075		499,404
Additions at cost			85,990		71,635
Disposals at market value			(57,352)		(33,000)
Transfer of legacy shares to portfolio			-		19,949
Net gain/(loss) in market value	Realised	29,213		(1,169)	
	Unrealised	56,457		(16,744)	
			85,670		(17,913)
Market value as at 31 March 2017			654,383		540,075
Historical cost as at 31 March 2017			532,726		476,507

The investments had the following market values as at the year end:

	Market Values	
	2017	2016
	£	£
UK Fixed Interest	86,214	80,258
Overseas Fixed Interest	26,947	24,828
UK Equities	173,098	177,193
Overseas Equities	261,402	174,375
Property	46,675	27,900
Alternative Investments	60,047	55,521
	654,383	540,075

There were no individual investments exceeding 5% of the total portfolio value as at 31 March 2017.

Cash held as part of the investment portfolio is included within bank and cash. The value of the cash held as part of the investment portfolio was £7,026 (2016: £16,399).

COMPANY:

In addition to the investment portfolio held with Investec which is disclosed above within the group note, the charity also has an investment of £3 in its wholly owned subsidiary Woodlands Hospice Limited (WHL), which is incorporated in the England & Wales (Company No:03278425)

WHL operates charity shops and the hospice lottery to help support its parent company. During the year, WHL transferred £46,500 (2016: £5,530) under the terms of a profit shedding agreement.

The summary financial position and performance of the subsidiary alone is:

	2017	2016
	£	£
Turnover	309,985	167,256
Expenditure	310,342	166,246
(Loss)/profit	(1,357)	1,010
Gross assets	153,437	63,289
Liabilities	132,602	41,097
Net assets	20,835	22,192

15. STOCK

	GROUP		COMPANY	
	2017	2016	2017	2016
	£	£	£	£
Goods bought for resale	2,220	2,873	409	-
	2,220	2,873	409	-

16. DEBTORS

	GROUP		COMPANY	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	17,938	18,414	17,291	18,414
Prepayments	32,986	18,063	27,415	17,428
Other debtors	119,581	138,460	96,439	131,175
Amount owed by subsidiary	-	-	80,840	8,717
	170,505	174,937	221,985	175,734

Amounts falling due after more than one year and included in the debtors above are:

	GROUP		COMPANY	
	2017	2016	2017	2016
	£	£	£	£
Amount owed by subsidiary	-	-	11,250	-
	-	-	11,250	-

17. CREDITORS: Amounts falling due within one year

	GROUP		COMPANY	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	122,266	107,040	111,859	101,775
Accruals	61,635	60,585	23,472	36,665
Deferred income	-	40,773	-	40,773
Taxation and social security	101,032	96,572	101,032	96,572
Other creditors	78,414	79,801	75,222	76,609
Loans due in 1 year	-	23,355	-	23,355
	363,347	408,126	311,585	375,749

Deferred income
GROUP AND COMPANY:

	GROUP		COMPANY	
	2017	2016	2017	2016
	£	£	£	£
Balance brought forward	40,773	69,458	40,773	69,458
Release of deferred income	(40,773)	(28,685)	(40,773)	(28,685)
Balance carried forward	-	40,773	-	40,773

17. CREDITORS: Amounts falling due within one year *(continued)*

Deferred income is comprised of grant income received from South Sefton CCG to deliver a particular service which requires the employment of an individual to deliver that service. The funds are released when the individual is in post and funds are released monthly in line with costs to deliver the service. Such grant monies were fully utilised in the year.

18. UNRESTRICTED FUNDS

GROUP:	General Fund	Designated Fund	Total
	£	£	£
Balance at 1 April 2016	3,369,575	15,600	3,385,175
Incoming resources	1,408,868	-	1,408,868
Recourses expended	(1,252,908)	-	(1,252,908)
Gains on investments	85,670	-	85,670
Funds Transfer - restricted (Note 19)	(285,378)	-	(285,378)
Fund Transfer - unrestricted	7,800	(7,800)	-
Balance at 31 March 2017	3,333,627	7,800	3,341,427

The designated fund relates to the revaluation reserve.

COMPANY:	General Fund	Designated Fund	Total
	£	£	£
Balance at 1 April 2016	3,347,386	15,600	3,362,986
Incoming resources	1,145,356	-	1,145,356
Recourses expended	(988,036)	-	(988,036)
Gains on investments	85,670	-	85,670
Funds Transfer – restricted (Note 19)	(285,378)	-	(285,378)
Fund Transfer - unrestricted	7,800	(7,800)	-
Balance at 31 March 2017	3,312,798	7,800	3,320,598

The designated fund relates to the revaluation reserve.

19. RESTRICTED FUNDS

GROUP AND COMPANY:

	Balance as at 1 April 2016 £	Incoming Resources £	Resources Expended £	Transfer (to) / from unrestricted fund £	Balance as at 31 March 2017 £
Family support worker	-	24,518	(84,412)	59,894	-
Macmillan FSW	3,334	43,398	(41,382)	-	5,350
Lymphoedema service	11,763	69,594	(64,784)	-	16,573
Outreach service	12,628	105,341	(85,194)	(10,200)	22,575
Hospice at Home	19,613	240,000	(213,616)	(45,997)	-
15 - Bed in-patient unit	-	1,813,138	(2,109,140)	296,002	-
Education/training etc.	2,592	250	(2,798)	-	44
Social worker funding	7,352	-	-	-	7,352
Community awareness	1,664	-	-	-	1,664
End of Life – care homes	-	44,817	(45,335)	518	-
ICN comms skills	7,752	-	-	-	7,752
GP programme	12,507	-	-	-	12,507
Advanced care planner	694	25,393	(25,037)	(1,050)	-
Discharge planner	1,481	15,350	(19,791)	2,960	-
Unified DNACPR Training	323	-	(271)	-	52
ACST (MCCN)	3,664	-	-	-	3,664
MDT development fund	800	-	-	-	800
Dying matters	4,292	-	(944)	-	3,348
Garden furniture fund	176	-	(191)	15	-
Volunteer's summer party	-	-	(1,815)	1,815	-
Percy Bilton fund	340	-	-	-	340
Equipment fund - grants	25,921	21,580	(11,689)	(18,579)	17,233
Equipment fund - donations	506	430	-	-	936
	117,402	2,403,809	(2,706,399)	285,378	100,190

See note 23 for further details on transfers between funds.

19. RESTRICTED FUNDS *(continued)*

Family Support Worker
This conditional grant from Sefton, Liverpool and Knowsley CCGs is provided to contribute to the cost of a family support worker services across our In-Patient unit and our Well-Being and Support Centre.

Macmillan Family Support Worker
Funds received from Macmillan Cancer Support to fund one whole time Family Support Worker for a period of two years. Income is received monthly and the monies are released as the costs are incurred.

Lymphoedema Service
This conditional grant from Sefton, Liverpool and Knowsley CCGs is provided to contribute to the cost of Lymphoedema services.

Outreach Service
This conditional grant from Sefton, Liverpool and Knowsley CCGs is provided to contribute to the cost of Community Outreach services. A proportion of our therapy team costs are allocated to this fund.

Hospice at Home
This grant is from Sefton CCG and is provided to run a Hospice at Home Service for patients with a South Sefton GP.

15 - Bed In-patient Unit
This conditional grant from Sefton, Liverpool and Knowsley CCGs is provided to contribute to the cost of In Patient services.

Education/Training etc. (Aintree)
These brought forward restricted monies were monies that were transferred over from University Hospitals Aintree NHS Foundation Trust when the Specialist Palliative Care In-patient Unit transferred over to the Woodlands Hospice Charitable Trust Limited in 2009. They were monies that had been generated through educational conferences and the intention was to utilise the funds for educational purposes. The authority for usage of these funds transferred to the Hospice. Monies are released as costs are incurred.

Social Worker Funding
These monies from Merseyside and Cheshire Cancer Network (MCCN), hosted on behalf of the Aintree Integrated Cancer Network (ICN), were provided for the ICN to deliver training to social workers on end of life care. Monies are released as costs are incurred.

Community Awareness
These brought forward monies from Merseyside and Cheshire Cancer Network (MCCN), hosted on behalf of the Aintree Integrated Cancer Network (ICN), were provided for the network to engage with the community on dying and end of life matters. Funds are released as costs are incurred.

End of Life Training Programme – Care Homes (6 steps)
This grant is received from South Sefton CCG to fund a care home facilitator. Funds are released as costs are incurred.

ICN Comms Skills – Education Post
These brought forward funds, hosted for Aintree Integrated Cancer Network (ICN) and provided by Merseyside and Cheshire Cancer Network (MCCN), are remaining monies from communications skills training rebadged for role of ICN education facilitator. Funds are released as costs are incurred.

19. RESTRICTED FUNDS *(continued)*

ICN Comms Skills Local Programme
Monies hosted for Aintree Integrated Cancer Network (ICN) and provided by Merseyside and Cheshire Cancer Network (MCCN) MPET funding for local communications skills training.

GP Programme
Monies hosted for Aintree Integrated Cancer network (ICN) provided by Merseyside and Cheshire Cancer Network (MCCN), for GP end of life education programmes. Monies are released as costs are incurred.

Advanced Care Planner
This conditional grant was received from South Sefton CCG to fund an advanced care planner for a period of twelve months. The grant was fully utilised in the year.

Discharge Planner
This conditional grant was received from South Sefton CCG to fund a discharge planner for a period of two years. The grant was fully utilised in the year.

Unified DNACPR Training
Funds were received to fund the training of staff in "Do Not Attempt CPR". Monies are released as costs are incurred.

Advanced Communications Skills Training/Train the Trainer (MCCN)
Monies hosted for Aintree Integrated Cancer Network (ICN) provided by Merseyside and Cheshire Cancer Network (MCCN) for advanced communications skills training. Monies are released as costs are incurred.

MDT Development Fund
Funding was received from Multi Professional Education and Training levy (MPET) in order to develop a local plan for MDT development. Monies are released as costs are incurred.

Dying Matters
Monies received in a previous year from South Sefton CCG in order that the Hospice could actively participate in Dying Matters week by hosting events in order to promote a greater awareness around death and dying. The hospice has now hosted two events for dying Matters week and will continue to participate in future years with the use of this fund.

Percy Bilton Fund
This grant was received to contribute towards the installations of Accrowynn protective covering and corner guards to bedrooms in our In-Patient unit for patient and staff safety. The project was completed in 2015 and expenditure released against the fund. It is envisaged that the remaining monies will be spent on further safety equipment.

Equipment Funds
This includes grants from various Charitable Trusts and also donations from individuals for specific items of equipment and furniture to be used either for the benefit of patients or staff. Where funds are expended on capital items the fund is appropriately reduced by a transfer equivalent to the capital cost.

Volunteer Party Fund
In previous years grants have been received to fund the volunteer Christmas and Summer parties and as such the expenditure against such activities is still shown as restricted.

20. ANALYSIS OF NET ASSETS (between restricted and unrestricted funds)

	Tangible fixed assets	Investments	Other net assets	Total
	£	£	£	£
Restricted Funds	-	-	100,190	100,190
Unrestricted Funds	2,335,117	654,383	351,927	3,341,427
	2,335,117	654,383	452,117	3,441,617

21. COMMITMENTS UNDER OPERATING LEASES

At 31st March 2017 the group and company had future minimum payments under non-cancellable operating leases as follows:

	2017	2016
	£	£
In one year or less	14,555	11,173
In more than one year, but not more than 5 years	36,016	26,538
In greater than 5 years	3,765	7,268
	54,336	44,979

22. RELATED PARTY TRANSACTIONS

During the year the company entered into transactions with its wholly owned subsidiary, Woodlands Hospice Limited. The transactions can be summarised as follows:

	2017	2016
	£	£
Donations from subsidiary	46,500	5,530
Transfer of expenditure to the subsidiary:		
Salaries	49,474	38,666
Other general overheads	4,970	3,566

At 31 March 2017, there was a balance due to the company from Woodlands Hospice Limited of £80,840 (2016: £8,717).

23. GROSS TRANSFERS BETWEEN FUNDS

Transfers from unrestricted funds to restricted funds represent a particular restricted area of resources where total expenditure exceeds the incoming resources for this service. The deficit is therefore transferred from the unrestricted funds to ensure that individual funds do not show a deficit at the year end.

The transfer between the restricted fund for Hospice at Home and unrestricted funds is to account for the management and administrative costs and the overhead expenses of this service as agreed with South Sefton CCG.

24. GUARANTEE

The charitable company is limited by guarantee and has no share capital. The members' liability is restricted to £1 in accordance with the memorandum and articles.

25. RESULTS OF THE COMPANY

The consolidated statement of financial activities includes the results of the charity's wholly owned subsidiary, Woodlands Hospice Limited, which operates the hospice lottery and a charity shop.

The summary financial performance of the charity alone is:

	Total Funds 2017 £	Total Funds 2016 £
Income from:		
Donations and legacies	743,906	820,232
Payments from subsidiaries	46,500	5,530
Grants receivable	2,692,138	2,675,589
Interest receivable	872	2,542
Investment income	24,317	22,654
Other Income	41,432	59,215
Total Income	3,549,165	3,585,762
Expenditure on:		
Raising funds	317,526	375,876
Charitable activities	3,376,909	3,345,268
Total Expenditure	3,694,435	3,721,144
Net (losses)/gains on investments	85,670	(17,913)
Net movement in funds	(59,600)	(153,295)
Reconciliation of funds:		
Total funds brought forward	3,480,388	3,633,683
Total funds carried forward	3,420,788	3,480,388
Represented by:		
Restricted funds	100,190	117,402
Unrestricted funds	3,320,598	3,362,986
	3,420,788	**3,480,388**