

Company number: 2601495

Charity number: 1002832

Wessex Children's Hospice Trust

Report and Financial Statements

31 March 2014

sayer vincent

auditors and advisors

Wessex Children's Hospice Trust

Reference and administrative details

For the year ended 31 March 2014

Company number 2601495

Charity number 1002832

Registered office and operational address
Naomi House
Stockbridge Road
Sutton Scotney
Winchester
SO21 3JE

Trustees The Trustees, who are also directors under company law, who served during the year and up to the date of this report were as follows:

Professor Khalid Aziz LVO DL FRSA	(retired 17 September 2013)
Mr Nicholas Allen	
Mrs Judy Gillow MBE	
Mr Jonathan Grew	Deputy Chair
Mr Justin Hely	
Mr David Holmes CBE	Chair (appointed 17 September 2013)
Mr Neil Kinghan CB	
Mr Jeremy Lear	
Mr David Livermore OBE	
Mr Steve Radjen	
Mrs Faith Ramsay	
Dr David Schapira	
Mrs Elizabeth Wallace	
Mr John Wilkes	(retired 17 September 2013)

Senior management team	Mr Chris Robinson	Chief Executive
	Mr Mark Smith	Deputy CEO/Dir. of Fundraising
	Mrs Lesley Brook	Director of Care
	Mr Tom Craig	Director of Finance
	Ms June Morton	Director of Human Resources

Secretary Mr Tom Craig

Bankers The Royal Bank of Scotland Plc
67 High Street
Winchester
SO23 9DA

Wessex Children's Hospice Trust

Reference and administrative details

For the year ended 31 March 2014

Barclays Bank Plc
PO Box 612
Ocean Way
Southampton
SO14 2ZP

Solicitors

Blake Morgan
New Kings Court
Tollgate
Chandlers Ford
SO53 3LG

Auditors

Sayer Vincent LLP
Chartered accountants and statutory auditors
8 Angel Gate
City Road
London
EC1V 2SJ

Investment advisors

Baring Asset Management
155 Bishopsgate
London
EC2M 3XY

Royal London Cash Management Limited
55 Gracechurch Street
London
EC3V 0UF

Wessex Children's Hospice Trust

Report of the Trustees

For the year ended 31 March 2014

The Trustees, who are directors of the charitable company, present their report and financial statements for the year ended 31 March 2014. Reference and administrative details are set out on pages 1 and 2.

Naomi House and Jackspace provide essential care and support to life-limited and life-threatened children, young adults and their families from across central southern England.

Naomi House is a children's hospice that provides residential respite, emergency and end of life care for life limited children, and their families from the counties of Berkshire, Dorset, Hampshire, Isle of Wight, West Sussex, Surrey and Wiltshire. The hospice is open throughout the year, including on Christmas Day. Emergency and end of life referrals can be taken at any time, day or night. Naomi House has 10 Beds.

Jackspace is a hospice that provides respite, emergency and end of life care for teenagers and young adults. The building and atmosphere are significantly different from Naomi House, to provide independence, privacy and dignity for the young people. Jackspace has six beds and one emergency bed.

The Trustees have many responsibilities which can be summarised as two overriding tasks. The first is to ensure that the Trust is well run both in supporting children, young people and families by using donations wisely. The second is to ensure the long term stability of the Trust. This is particularly important for the Trust, as many children and young people rely on Naomi House and Jackspace for several years. It has been estimated that the average period for which a family and child uses a children's hospice is eight years. Some, for example tiny babies, may be with us for only a few short days or weeks of life. Others will use the hospice for over a decade, so we must plan ahead.

Structure, Governance and Management

Structure

The Trust is run by a Board of Trustees, which sets and monitors strategy and policies. The Board delegates authority to deliver the strategy to the Chief Executive and his staff. Regular Board meetings receive reports of all the principal activities of the Trust.

In addition, the Trustees have established standing committees, each with its own terms of reference, for finance, income generation, clinical matters, governance, health and safety and remuneration.

Governance

The Board regularly considers the mix of skills and experience needed to run the Trust effectively and recruits new members to fill any gaps. As a number of Trustees are approaching retirement, having served full terms, an open recruitment campaign will be run, using external advertising and our own website, to find replacements.

New Trustees are given an induction by meetings with the Chair and Chief Executive, a written induction pack and by undertaking a care shift at the hospice. The Trustees also hold half yearly strategy days.

Administration

Trustees are elected in accordance with the memorandum and articles of association by the members of the Trust. There are currently 32 members, all of whom have liability limited to £10.

Wessex Children's Hospice Trust

Report of the Trustees

For the year ended 31 March 2014

The Trust operates a wholly owned subsidiary, Naomi House Children's Hospice Limited, whose principal activity is selling goods in the Trust's shops, and promotional goods.

The Trust is an active member of the Together for Short Lives (formerly Children's Hospices UK), Help the Hospices and the National Council for Voluntary Organisations (NCVO).

The Hospice is licensed by the Care Quality Commission which requires a detailed annual return on activities and standards and also makes regular inspections.

Objectives and Activities

Objectives

Naomi House and Jacksplace are owned and run by Wessex Children's Hospice Trust, whose primary objective is the relief of sickness amongst children and young people.

The Trust provides a full palliative care service at Naomi House and Jacksplace, including residential respite, emergency, end of life and bereavement support. The service is open around the clock every day of the year.

The policy of the Trustees is to put families at the centre of the work, and to support parents, carers, siblings and other family members as well as the life limited children.

The hospices are lively and stimulating environments, aiming to enrich and enhance shortened lives.

Activities

The hospices are staffed to provide individualised care for the children and young people. This is given by a professional care team, led by the Director of Care and consisting of qualified paediatric and adult nurses and carers. They are supported by a bereavement counsellor, sibling worker, chaplain, play team, catering and housekeeping staff. There is a daily doctor's visit from our medical team of paediatricians and GPs and one of the doctors is always available on a 24 hour on-call rota.

Public Benefit Statement

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Trust's aims and objectives. The benefits are clearly set out in the achievements and performance section below. The Trustees review the activities of the Trust against its aims on an ongoing basis and are satisfied that all activities continue to be related to its aims. The beneficiaries are children and young people with life-limited and life-threatening conditions and their families. A referral process is in place with clear guidelines on criteria, to ensure that those who meet the criteria are offered support by the Trust. Referrals may come from any source, including health professionals and families.

Strategic Report

Achievements and Performance

The year started in a celebratory mood with an invitation to the most famous address in England and a VIP visit. The year ended with the official launch of the capital appeal to refurbish Naomi House.

Families, supporters, volunteers and friends of the Trust visited 10 Downing Street on 23 April at the invitation of Samantha Cameron. A week later, the world's press and media descended on Sutton Scotney to cover the Duchess of Cambridge's visit to Naomi House as part of Children's Hospice Week. Although the focus of both occasions was to celebrate the vital care and support offered by the Trust, there was a look to the future with the announcements of the plans for a major redevelopment of Naomi House.

The Caterpillar Appeal to raise funds for the refurbishment was officially launched in February by our Appeal Patron, Alastair Stewart. Although Naomi House was originally considered to be one of the finest in the UK when it opened in 1997, there have been major developments in medical technology and in the care of children with life-threatening and life limiting conditions. As a result, the care floor of Naomi House felt outdated and cramped. The goal of this major refurbishment is to create a hospice that is a shining example of how children's palliative care should look in the 21st century. This also provides an opportunity to future proof the hospice ensuring that we can provide outstanding quality of care and support to those that need it long into the future.

The overall surplus for the year of £477k was a welcomed achievement as we press forward to realise our ambitious plans to upgrade and develop the facilities at both hospices. The demand for our services continues to escalate. 2013/14 was a year of development and growth across all Trust activities. In under a decade our occupancy has increased by 70%. The number of families supported has gone up and the medical complexity of the children has increased. Activity in the hospices increased by 6% over the previous year and 3,209 bed nights were delivered. This was achieved in spite of the disruption caused by the building preparation works.

The Care team continued to develop new skills and competencies to meet the increased acuity of the referrals. A Paediatric Consultant was recruited in conjunction with UHS (University Hospital Southampton) and a working relationship is building up with the paediatric HDU (High Dependency Unit). The sharing of knowledge and techniques has enabled our Care team to meet the challenges of the more acute medical conditions as well as developing new practical skills e.g. to meet the increased needs of ventilated children.

The gradual climb out of recession may have been slow but our diverse income streams, built up in recent years, ensured that our overall income increased by 6%. Although our voluntary income fell by 5%, this was compensated by a 21% increase in trading income and retail gift aided sales generated from our shops and merchandising efforts.

The Senior Management Team continued to build relationships and close links with other children's hospices. This included new initiatives regarding Hospice at Home and the development of a common care database system. This knowledge sharing group has increased from six to eight members. This group, as well as sharing information and networking, operates on a semi-formal basis so that future projects can be commissioned and information shared on a confidential basis without relying on personal trust between those involved.

The lack of regular sustainable funding for children's hospices remains a concern. In particular, there is still a lack of clarification on the future of the NHS England Children's Hospice Grant. Along with other children's hospices and

Wessex Children's Hospice Trust

Report of the Trustees

For the year ended 31 March 2014

Together for Short Lives we have expressed concern that the central grant should continue until the proposed per-patient system has been developed and is in place.

Naomi House

Naomi House continued to have a high occupancy and to support a wide range of children. During the year, 266 children and young people were supported by both hospices. Naomi House supports 182 families which includes 25 children that have been accepted but have yet to visit.

Naomi House has ten beds, one of which is normally kept for emergencies. At times of high demand for respite, such as school holidays, all beds are used for respite stays. Families are offered 16 respite nights a year. Emergency admissions, which could be caused by a family crisis or a change in a child's condition, are additional to booked respite nights. In 2013/14, Naomi House provided 2,232 (2013: 2,177) bed nights.

There are five family rooms, so that parents/carers, brothers and sisters can stay if they wish to. There is also a bereavement suite, and one of the bedrooms has an air-conditioning unit, so that two children can be in the hospice after death, whether they die in the hospice, in hospital or at home. Bereavement support is offered during this period and beyond. Further family support is offered to siblings, both of children who are visiting Naomi House and of those who have died.

The support of the whole family is an essential part of our work, and sets us apart from other services. In June, bereaved parents and siblings were invited to Remembering Days. The days provided time to let go, shed a tear, and to know the support of the Care and Family Support teams. In May, a Family Fun Day was held for families in our care. A parents' forum is held regularly to gather the views of parents.

The Play and Activities team provided entertainment, social opportunities, new experiences, therapeutic play, events and activities. This included the popular music and poetry sessions designed to involve all children whatever their ability. As many of our children do not have the language skills they need to express their emotions or may not find it easy to talk about their feelings, music therapy provides an ideal space in which to express them. In July, the children visited the Ford plant in Southampton and accepted delivery of one of the last Transit mini buses to be made. Christmas is always a special time at the hospices and Santa made an extra special entrance this year to deliver the children's presents by landing his Lynx helicopter in the Naomi House garden.

Jacksplace

Our core region comprises Berkshire, Dorset, Hampshire, Wiltshire and the Isle of Wight. Whilst most children from West Sussex and Surrey use children's hospices in those counties, we receive referrals for their young adults to use Jacksplace. We continue to receive referrals from further afield, including London and Essex, as there are only a handful of places for life limited young adults in the UK. We need to ask health and social care authorities for contributions towards the costs of looking after young people from out of our area. We continue to make good progress with these contributions by working on a case by case basis.

Jacksplace supports 84 families which includes 9 young people that have been accepted but have yet to visit. In 2013/14, Jacksplace provided 977 (2013: 856) bed nights, a 14% increase on the previous year, which is to be expected from a growing service. However, this still leaves considerable capacity and we continue to actively promote Jacksplace both within and outside our traditional catchment area.

Wessex Children's Hospice Trust

Report of the Trustees

For the year ended 31 March 2014

A wide range of activities were enjoyed by the young people that visited Jackspace. Fridays@Jacks offered a wide range of events as well as an opportunity to chill with their peers and this year included comedy and magic nights.

Naomi House at Home

The hospice outreach programme concentrated on being a reactive service to meet the specific needs of the families. Naomi House at Home provides support to families in their own homes, as travel to Naomi House can be a barrier to those families using our services. A team of experienced staff provide practical help during visits as necessary and engage the children in a variety of activities determined by their abilities and preferences.

Fundraising

The year began with some significant changes within the fundraising team commencing with a move of offices from Winnall to redesigned offices in Jackspace on the first floor. This provides the team with modern office space based on the hospice site bringing fundraisers closer to colleagues in other departments, nearer to the care services we deliver to families and helps to improve communications across the charity and therefore to our supporters.

The Fundraising Team was also restructured shortly after relocation, reorganising the way we work to improve efficiencies and to release resources to focus on the delivery of the Caterpillar Appeal to raise additional funds for the refurbishment of Naomi House. We have improved the way we approach fundraising across our region by organising the team into Area Fundraisers responsible for all activities within a defined geography and providing support through specialist roles in Events and New Business combined with further dedicated roles in Corporate Partner Management, Trusts and Major Donor Development.

A new Supporter Services team has been created to provide customer services and support to people raising funds for the Trust whilst providing administrative support to the team and answering the main phone switchboard for the organisation. The creation of Volunteer Ambassadors to give presentations, receive cheque presentations and provide material deliveries has been well received and is a development that enables fundraisers to reorganise their work to focus on opportunities above £1,000. The Team overall is provided with Marketing and Communications support from a newly created team which includes PR, Digital and Online Support along with traditional Marketing Services.

Inevitably some disruption has been experienced as a result of these changes and we have carried vacancies within the team throughout the year. We have however, managed to deliver a number of notable successes including the visit of HRH The Duchess of Cambridge, a Reception at No 10 Downing Street for 120 guests hosted by Samantha Cameron and the launch of our Caterpillar Appeal by newsreader Alastair Stewart.

Our Fundraising continues to develop across many of our income streams with Trusts once again producing an above budget performance along with our Regular Giving income building as a result of our Face to Face campaigns. We continue to see support from groups and committees, a great example of which is the Wellington Boot Club who support our Music Therapy work across both Naomi House and Jackspace and have done so for more than a decade.

Legacy income has performed to expectation this year and we endeavour to keep gifts in wills prominently positioned through our annual Make a Will Fortnight which attracts support from the local community and helps to produce pledges for future income to the Trust.

Wessex Children's Hospice Trust

Report of the Trustees

For the year ended 31 March 2014

Our mass participation events, including the Clarendon Way Walk and Santa Fun Run, have seen great success again this year and our ever popular Open Day gives us the opportunity to welcome over 1,500 visitors to the hospices, enjoy a traditional fete and help us raise awareness and funds.

Lottery activity continues to grow reaching a new milestone of over 11,000 participating players every week. Our regular bumper draws help to further increase the profitability of this valuable source of regular income.

Our network of shops continues to grow and we finished the year with 17 across the South of England and more in the pipeline. As our retail operations expand we built an infrastructure that supports them and in January we relocated to a new, bigger warehouse providing the basis for us to support our existing expanded network and giving the ability to grow further into the future. We have also invested in staff and equipment to ensure our systems and processes are robust and fit for purpose.

Statutory support

Clinical Commissioning Groups (CCGs) in Dorset and Wiltshire have been very supportive and we now receive a contribution towards the care we give to children and families from those counties. However, as we have noted previously, the majority of children come to us from Hampshire, whose CCGs give no regular support. The same is the case for Berkshire. We continue to lobby at a national and local level to encourage these authorities to live up to their responsibilities.

In 2011, the Government commissioned an independent report on the future funding of palliative care, covering both adult and children's services. The commission produced its report in July 2011, recommending a tariff based funding system from April 2015, and commissioned a series of pilots to test this concept. In the meantime, the Section 64 grant from NHS England is expected to continue, and we received £358,959 (2013: £358,959), which is a welcome contribution towards our work.

The Trust acknowledges with gratitude a number of grants from statutory sources, whilst pressing for more sustainable funding of our core activities that would otherwise have to be met and paid for by the State.

Volunteers

The Trust is supported by over 750 active volunteers, who help us in every area of our work. Most volunteers are recruited subject to a satisfactory enhanced disclosure from the Disclosure and Barring Service. DBS do not provide disclosures for our shop volunteers.

Most charities rely on volunteers but few can say that every activity – from shops to fundraising, from kitchens to play – has the help of volunteers. A team of volunteers support the play team with the regular weekly sessions and ad hoc events. They help with a large range of tasks including hands on work with children, bus driving, assisting on trips out and behind the scenes planning for special events and activities.

Wessex Children's Hospice Trust

Report of the Trustees

For the year ended 31 March 2014

Financial Review

There was a surplus on general funds of £105,710 and a surplus on restricted funds of £371,293 resulting in a consolidated net increase in funds for the year ended 31 March 2014 of £477,003.

With only 11% of charitable expenditure coming from Government/NHS England sources, the Trust relies almost entirely on the generosity of people in the community. Total income amounted to £7,304,656 (2013: £6,909,568) in the year ended 31 March 2014. The main source of this funding was from donors including corporations and individuals. This included legacies totalling £1,216,009 (2013: £1,546,911). The Trust has several fundraising committees that work in the community raising money through events and other activities. The Trust received a £358,959 grant under Section 64 from the NHS England during the year under the arrangement described in Statutory Support above.

The Trust operates 17 charity shops selling donated goods. It also sells bought in goods including Christmas cards on behalf of the Trust's wholly owned trading company, Naomi House Children's Hospice Limited. Shops and merchandising income was £1,484,021 (2013: £1,224,226).

Naomi House Children's Hospice Limited operates a Gift Aid on donated goods scheme on behalf of the Trust. Donors are invited to donate the cash raised from the sale of their donated goods to make the donation eligible for Gift Aid. Providing the donor does not ask for the sale proceeds, the Trust can claim Gift Aid on the amount of the proceeds less the commission for selling the goods. The total Gift Aid claimed during the year through this scheme was £82,542 (2013: £54,829).

Included in the net income is an exceptional gain on investments of £145,218 relating to the funds previously at risk, now recovered, in the Kaupthing Singer & Friedlander administration. The total recovery from the Trust's claim in the administration is now 81.5%.

Naomi House Children's Hospice Limited's turnover for the year was £307,874 (2013: £298,039) and the amount to be gift aided to the Trust in respect of the financial year will be £29,805 (2013: £60,000).

The capital value of the Trust's investment portfolio decreased in the year resulting in net loss on investments of £7,693 (2013: Gain £403,828).

Reserves policy

The purpose of the reserves is to secure the future of our services and our long term obligation to the families. They also provide protection against unexpected events and fluctuations in income.

The general reserves at 31 March 2014 totalled £934,158 (2013: £757,678). This represents 1.6 months of expenditure which is in line with our investment schedule.

In calculating the general reserves, the Trustees have excluded from total funds:

Restricted income funds	£6,842,580
Endowment funds	£10,000
Unrestricted tangible fixed assets	£2,713,273
Revaluation reserve	£48,174
Funds designated for special purposes	£13,547,000

Wessex Children's Hospice Trust

Report of the Trustees

For the year ended 31 March 2014

The Trustees believe it is in the interest of the children, young people and the families we serve that where funds raised exceed the annual running expenses of the hospices, such excesses should be transferred to reserves. It is the opinion of the Trustees that it is prudent that Naomi House hospice and the related Community and Family Services requires reserves of at least three years to provide for the running costs. The Trustees have been able to designate £7,469,000 of reserves for this purpose. This represents 32 months of charitable expenditure. £3,203,000 of funds have also been set aside to secure the current level of occupancy at Jacksplace while continuing to develop new income streams and funding. Additionally the Trustees have earmarked £2,875,000 to underpin the capital appeal to refurbish Naomi House. The fixed assets fund represents the net book value of fixed assets funded by unrestricted funds and the revaluation reserve represents the unrealised gains on investments.

Investment policy

The Board appointed Baring Asset Management as their investment advisors in October 2010. The investment objective of the fund is to achieve CPI plus 5% p.a. over 3 years.

The Barings investment portfolio in the 12 months to 31 March 2014 achieved a positive return of 2.9% which was behind the objective of 7.5%. Since inception the fund has achieved a positive return of 5.1% compared to the objective of 8.4%.

The Trustees, in line with Charity Commission guidelines, conduct a regular review of professional advisors. The Finance Committee will be conducting a full investment review in Summer 2014.

As a charity dedicated to the welfare of children/young people, we forbid our investment manager to directly invest on our behalf in any company connected with the manufacture of tobacco products or which is detrimental to the welfare of children/young people.

The Board has also appointed Royal London Cash Management to manage the majority of the Trust's cash assets. There is a strict mandate to minimise risk by lending only to institutions which are rated long term AA- and better from Standard & Poor and which are from AAA rated countries.

Future plans

A Trustee Think Tank was held in October 2013 to consider the future service shape of the Trust. There was a general acceptance by the Trustees of the value of setting a strong and clear strategic direction for the future but linked to a desire to do this just once and do it properly. A review of the services for young adults with life limiting conditions was identified as a priority. From this meeting a "Service Vision Project" brief was developed with the aim to identify the best way forward to provide age appropriate hospice, or hospice related services for the over 16 year olds with life limiting conditions. This brief was used to engage The Oxford Healthcare Partnership to assist the internal steering group with this important review.

The plans to fully refurbish Naomi House were developed and agreed during the year and planning consent was obtained in January 2014. The agreed plans include increasing the size of the children's bedrooms, improving accommodation for families, building dedicated spaces for play activities, music therapy, art & crafts, creation of a new bereavement suite and spaces in which to provide emergency care to families. The major construction work commenced in early July 2014 and it is thought that the majority of the work will be completed in April 2015.

Wessex Children's Hospice Trust

Report of the Trustees

For the year ended 31 March 2014

We place great reliance on committed cheerful staff and volunteers, whether they are caring for children, raising money or providing the essential administration. Living our values will continue to be a strong theme as we ensure that everybody, paid or otherwise, is valued and respected for their contribution to our work.

Risk management

Trustees regularly conduct a review of the major risks to which the Trust is exposed and ensure that this review is updated at least annually. Having identified any risks, systems are established to manage the risks and reports are considered by the Trustee Board to ensure that those systems remain relevant and effective. The Trustees are particularly conscious of ensuring the safety of children and young people visiting Naomi House and Jacksplace, the overall reputation of Naomi House and having a solid and reliable financial situation, backed by a variety of fundraising streams to ensure the long-term viability of the Trust. The Trust has an external consultant on health and safety and the Trustees receive regular reports on health and safety issues which are presented to the health and safety committee. Clinical governance is overseen by the clinical committee. The finance committee advises the Board on all finance matters and as appropriate makes recommendations with respect to such matters. This includes reviewing the annual accounts and budgets as well as appraising investment performance.

Statement of Trustees' responsibilities

The Trustees (who are also directors of Wessex Children's Hospice Trust for the purposes of company law) are responsible for preparing the report of the Trustees 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 which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the group for that period. In preparing these financial statements, 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;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

Wessex Children's Hospice Trust

Report of the Trustees

For the year ended 31 March 2014

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

New Chair

After 16 years of service, Professor Khalid Aziz retired from his position as Chair at the AGM on 17 September. Everybody at Naomi House and Jacksplace would like to offer their sincerest thanks for the outstanding work that that he has done for the hospices over the years. His dedication and commitment to being Chair of the board of Trustees has had a significant impact not only on the positive image that our name represents, but also on the high standard of the services that we are able to provide. We were delighted when Professor Aziz accepted the role of Life President of Naomi House, ensuring his continued association with the Trust for many years to come.

David Holmes was appointed Chair immediately following the AGM. He brings a vast wealth of experience to the role as a result of his time working in both the charity and children's health and social care spheres.

Auditors

The Board re-appointed Sayer Vincent LLP as the Trust's auditors and they have indicated their willingness to continue in office.

The Trustees approved this report, including the strategic report, on 22 July 2014 and it was signed on their behalf by

David Holmes CBE - Chair

Independent auditors' report

To the members of

Wessex Children's Hospice Trust

We have audited the financial statements of Wessex Children's Hospice Trust for the year ended 31 March 2014 which comprise the consolidated statement of financial activities, the group and parent charitable company balance sheets, the group cashflow 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).

This report is made solely to the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and auditors

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

We have been appointed 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2014, 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the report of the Trustees, including the strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditors' report

To the members of

Wessex Children's Hospice Trust

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 returns adequate for our audit have not been received from branches not visited by us; 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.

Helen Elliott (Senior statutory auditor)

30 July 2014

for and on behalf of Sayer Vincent LLP, Statutory Auditors

8 Angel Gate, City Road, LONDON EC1V 2SJ

Sayer Vincent LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Wessex Children's Hospice Trust

Consolidated Statement of Financial Activities (Incorporating an income and expenditure account)

For the year ended 31 March 2014

	Note	Unrestricted £	Restricted £	2014 Total £	2013 Total £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	2,628,175	1,456,530	4,084,705	4,287,043
<i>Activities for generating funds</i>					
Fundraising events and Lotteries		1,068,520	-	1,068,520	802,802
Income from Shops and merchandising		1,484,021	-	1,484,021	1,224,226
Investment income		390,842	-	390,842	346,785
<i>Incoming resources from charitable activities</i>	3	271,718	-	271,718	232,205
<i>Other incoming resources</i>		4,850	-	4,850	16,507
Total incoming resources		5,848,126	1,456,530	7,304,656	6,909,568
Resources expended					
<i>Costs of generating funds:</i>					
Costs of generating voluntary income		1,464,189	4,283	1,468,472	1,464,207
Cost of operating shops		1,296,512	-	1,296,512	1,045,006
Costs of investments		21,416	-	21,416	75,298
<i>Charitable activities</i>					
Naomi House		1,752,617	490,186	2,242,803	2,113,594
Jackspace		773,888	549,073	1,322,961	1,067,752
Community & Family Support		497,623	41,695	539,318	376,232
<i>Governance costs</i>		73,696	-	73,696	44,306
Total resources expended	4	5,879,941	1,085,237	6,965,178	6,186,395
Net (outgoing)/incoming resources before other recognised gains and losses	5	(31,815)	371,293	339,478	723,173
Realised losses on investment assets		-	-	-	(291,115)
Realised gains on investment assets		-	-	-	422,297
Exceptional gain on investments	21	145,218	-	145,218	348,524
Net income for the year		113,403	371,293	484,696	1,202,879
Unrealised (losses)/gains		(7,693)	-	(7,693)	272,646
Net movement in funds		105,710	371,293	477,003	1,475,525
Reconciliation of funds					
Total funds brought forward		17,136,895	6,481,287	23,618,182	22,142,657
Total funds carried forward	16	17,242,605	6,852,580	24,095,185	23,618,182

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed above and in note 16 to the financial statements.

Restricted funds brought forward and carried forward include an endowment fund of £10,000.

Wessex Children's Hospice Trust

Balance sheets

Company number: 2601495

31 March 2014

	Note	Group 2014 £	2013 £	Charity 2014 £	2013 £
Fixed assets					
Tangible fixed assets	8	8,815,234	8,685,230	8,815,234	8,685,230
Investments	9, 10	13,481,943	13,472,798	13,481,945	13,472,800
		22,297,177	22,158,028	22,297,179	22,158,030
Current assets					
Stocks	12	13,319	12,396	-	-
Debtors	13				
Amounts falling due within one year		1,515,931	1,175,720	1,492,711	1,155,203
Amounts falling due after one year		-	-	25,714	54,560
Cash at Bank and in hand		830,477	663,761	809,434	620,202
		2,359,727	1,851,877	2,327,859	1,829,965
Liabilities					
Creditors: amounts due within one year	14	561,719	391,723	538,035	378,034
Net current assets		1,798,008	1,460,154	1,789,824	1,451,931
Net assets	15	24,095,185	23,618,182	24,087,003	23,609,961
Funds					
Restricted Funds	16	6,842,580	6,471,287	6,842,580	6,471,287
Endowment funds		10,000	10,000	10,000	10,000
Unrestricted funds					
Designated funds		16,260,273	16,323,350	16,260,273	16,323,350
Revaluation reserve		48,174	55,867	48,174	55,867
General funds		925,976	749,457	925,976	749,457
Trading subsidiary funds		8,182	8,221	-	-
Total funds		24,095,185	23,618,182	24,087,003	23,609,961

Approved by the Trustees on 22 July 2014 and signed on their behalf by

David Holmes)
)
)
) Trustees
)
 Faith Ramsay)
)

Wessex Children's Hospice Trust

Cashflow statement

For the year ended 31 March 2014

	2014		2013	
	£	£	£	£
Net cash flow from operating activities		283,093		1,554,047
Returns on investments & servicing of finance				
Income from investments held	359,730		311,931	
Income from cash held	<u>31,112</u>		<u>34,854</u>	
		390,842		346,785
Capital expenditure & financial investment				
Acquisition of tangible fixed assets	(495,231)		(153,162)	
Disposal of tangible fixed assets	4,850		1,500	
Purchase of fixed asset investments	-		(10,276,843)	
Disposal of fixed asset investments	<u>-</u>		<u>8,699,334</u>	
		(490,381)		(1,729,171)
Movement of liquid resources		(16,838)		(414,526)
Net cash flow		<u>166,716</u>		<u>(242,865)</u>

Notes to the cashflow statement

A. Reconciliation of net incoming resources to net cash flow from operating activities

	2014	2013
	£	£
Net incoming resources for the year		
Net incoming resources	339,478	723,173
Exceptional gain	145,218	348,524
Investment income	(359,730)	(311,931)
Interest received	(31,112)	(34,854)
Profit on sale of tangible fixed assets	(4,850)	(1,500)
(Increase)/decrease in debtors	(340,211)	399,143
(Increase)/decrease in stock	(923)	4,357
Increase in creditors	169,996	40,387
Depreciation of tangible fixed assets	<u>365,227</u>	<u>386,748</u>
Net cash flow from operating activities	<u>283,093</u>	<u>1,554,047</u>

B. Analysis of change in net funds

	At 1 April 2013		At 1 April 2014		At 31 March 2014
	£	Cash flows £	£	Cash flows £	£
Cash at bank and in hand	<u>906,626</u>	<u>(242,865)</u>	<u>663,761</u>	<u>166,716</u>	<u>830,477</u>

1. Accounting policies

- a) The financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and in accordance with applicable accounting standards and the Companies Act 2006. They follow the recommendations in the Statement of Recommended Practice, Accounting and Reporting by Charities (SORP 2005).

These financial statements consolidate the results of the charitable company and its wholly-owned subsidiary Naomi House Children's Hospice Limited on a line by line basis. Transactions and balances between the charitable company and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two companies are disclosed in the notes of the charitable company's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charitable company itself is not presented because the charitable company has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006 and paragraph 397 of SORP 2005.

- b) Voluntary income received by way of grants, donations and gifts is included in full in the statement of financial activities when receivable.
- c) Investment income is included when receivable.
- d) Incoming resources from charitable trading activity are accounted for when earned.
- e) Legacy income is included when the legacy has been received or once the Trust is informed of its entitlement to the funds and the amount is known with sufficient reliability.
- f) Revenue grants are credited to the statement of financial activities when received or receivable whichever is earlier.

Where unconditional entitlement to grants receivable is dependent upon fulfilment of conditions within the Trust's control, the incoming resources are recognised when there is sufficient evidence that conditions will be met. Where there is uncertainty as to whether the Trust can meet such conditions the incoming resource is deferred.

- g) Resources expended are allocated to the particular activity where the cost relates directly to that activity. Resources expended include attributable VAT which cannot be recovered. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned on the following basis which is an estimate, based on staff time, of the amount attributable to each activity.

Costs of generating income	21%
Costs of merchandising and shops	19%
Naomi House	32%
Jacksplace	19%
Community & Family Support	8%
Governance costs	1%

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

1. Accounting policies (continued)

h) The costs of generating funds relate to the costs incurred by the group and charitable company in raising funds for the charitable work.

i) Depreciation is provided at rates calculated to write down the cost of each asset evenly to its estimated residual value over its expected useful life. The useful lives in use are as follows:

Leasehold Land	Over period of the lease
Buildings	50 years
Building Improvements	10 years
Furniture and Fittings & Equipment	5 years
Motor Vehicles	4 years
Office Technology	3 years

Items of equipment are capitalised where the purchase price exceeds £2,500. Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

j) Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of management and support costs.

k) Unrestricted funds are donations and other incoming resources received or generated for the charitable purposes.

l) Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

m) Investments are held as fixed assets. The interest in the subsidiary undertaking is stated at cost. Other investments are included on the balance sheet at market value. Changes in the market value of investments between financial years are recognised in the Statement of Financial Activities as unrealised gains and losses. Profits and losses made on the sale of investments in the year are shown as realised gains and losses in the Statement of Financial Activities. Interest on cash deposited with banks and investment management companies is included as investment income in the Statement of Financial Activities.

n) Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

o) Income tax recoverable on covenanted donations, dividends and gift aid is accounted for on an accruals basis.

Wessex Children's Hospice Trust

Notes to the financial statements

For the year ended 31 March 2014

1. Accounting policies (continued)

p) The Trust operates two pension schemes. The first is a defined contribution pension scheme, the assets of which are held independently from those of the company. Expenditure made through the Statement of Financial Activities represents the contributions arising in the year.

The second scheme is a final salary multi-employer pension plan which is available for certain employees only. It is not possible to identify separately the assets and liabilities relating to Wessex Children's Hospice Trust for the purposes of FRS 17 disclosure. As neither the Trust nor its employees are liable to pay any additional sums towards a funding shortfall, which is met directly by the Exchequer, pension contributions are accounted for in the year in which they become payable. See note 22 for more details.

q) Rentals payable under operating leases are charged on a straight line basis over the lease term.

2. Voluntary income

	Unrestricted £	Restricted £	2014 Total £	2013 Total £
Donations	1,263,548	227,766	1,491,314	1,926,866
Legacy Income	1,034,308	181,701	1,216,009	1,546,911
Grants and Trusts	<u>330,319</u>	<u>1,047,063</u>	<u>1,377,382</u>	<u>813,266</u>
Total	<u><u>2,628,175</u></u>	<u><u>1,456,530</u></u>	<u><u>4,084,705</u></u>	<u><u>4,287,043</u></u>

3. Incoming resources from charitable activities

	Unrestricted £	Restricted £	2014 Total £	2013 Total £
Naomi House	132,656	-	132,656	141,654
Jacksplace	<u>139,062</u>	-	<u>139,062</u>	<u>90,551</u>
	<u><u>271,718</u></u>	-	<u><u>271,718</u></u>	<u><u>232,205</u></u>

Wessex Children's Hospice Trust

Notes to the financial statements

For the year ended 31 March 2014

4. Total resources expended

	Costs of generating Income	Costs of operating shops	Costs of investments	Naomi House	Jacksplace	Community & Family Support	Governance Costs	Support Costs	2014 Total	2013 Total
	£	£	£	£	£	£	£	£	£	£
Payroll costs (Note 6)	483,650	490,170	-	1,487,755	594,848	363,737	35,761	409,260	3,865,181	3,651,784
Other staff costs	64,116	19,559	-	204,341	143,247	4,974	10,340	23,289	469,866	213,640
Direct costs	634,873	11,394	-	75,513	75,620	82,224	-	9,100	888,724	755,404
Facilities & maintenance	70,248	420,239	-	110,976	184,175	30,295	-	1,437	817,370	744,270
Depreciation	14,478	64,391	-	101,643	164,896	1,326	-	18,493	365,227	386,748
Overhead costs	91,299	193,811	-	94,866	61,249	16,434	22,084	57,651	537,394	359,251
Investment costs	-	-	21,416	-	-	-	-	-	21,416	75,298
	<u>1,358,664</u>	<u>1,199,564</u>	<u>21,416</u>	<u>2,075,094</u>	<u>1,224,035</u>	<u>498,990</u>	<u>68,185</u>	<u>519,230</u>	<u>6,965,178</u>	<u>6,186,395</u>
Support costs	<u>109,808</u>	<u>96,948</u>	<u>-</u>	<u>167,709</u>	<u>98,926</u>	<u>40,328</u>	<u>5,511</u>	<u>(519,230)</u>		
Total resources expended	<u>1,468,472</u>	<u>1,296,512</u>	<u>21,416</u>	<u>2,242,803</u>	<u>1,322,961</u>	<u>539,318</u>	<u>73,696</u>	<u>-</u>	<u>6,965,178</u>	<u>6,186,395</u>
Charitable expenditure				<u>2,242,803</u>	<u>1,322,961</u>	<u>539,318</u>			<u>4,105,082</u>	<u>3,557,578</u>

Wessex Children's Hospice Trust

Notes to the financial statements

For the year ended 31 March 2014

5. Net incoming (outgoing)/resources for the year

This is stated after charging /(crediting):

	2014	2013
	£	£
Profit on disposal of fixed assets	4,850	1,500
Depreciation	365,227	386,748
Trustees' indemnity insurance	3,748	3,748
Trustees' expenses	Nil	Nil
Trustees' remuneration	Nil	Nil
Auditors' remuneration:		
▪ Audit	10,000	9,330
Operating lease rentals:		
▪ Property	281,188	245,613
	<u>281,188</u>	<u>245,613</u>

6. Staff costs and numbers

Staff costs were as follows:

	2014	2013
	£	£
Salaries and wages	3,396,914	3,228,710
Social security costs	300,511	280,860
Pension contributions	167,756	142,214
	<u>3,865,181</u>	<u>3,651,784</u>

Number of employees earning in excess of £60,000

	2014	2013
£60,000 to £70,000	2	2
£80,000 to £90,000	1	-

Pension contributions of £13,611 (2013: £8,163) were made in relation to employees earning in excess of £60,000.

At the balance sheet date £24,718 (2013: £19,960) was outstanding in respect of pension payments for staff and is included within other creditors.

The average weekly number of employees (full-time equivalent) during the year was as follows:

	2014	2013
	No.	No.
Fundraising (including Shops)	42.1	42.0
Charitable activities	73.6	69.6
Support	9.5	8.7
Governance	0.7	0.6
	<u>125.9</u>	<u>120.9</u>

7. Taxation

As a registered charity the Trust's income is generally exempt from corporation tax under Part 11 of the Corporation Tax Act 2010 by reason of its charitable objective and activities. No tax arises in the trading subsidiary as taxable profits are gift aided to Wessex Children's Hospice Trust.

8. Tangible fixed assets
Group

	Assets under construction £	Leasehold buildings £	Equipment and vehicles £	Totals £
Cost				
At the start of the year	-	9,690,084	1,216,814	10,906,898
Additions in year	213,951	85,068	196,212	495,231
Disposals in year	-	(7,340)	(28,830)	(36,170)
At the end of the year	<u>213,951</u>	<u>9,767,812</u>	<u>1,384,196</u>	<u>11,365,959</u>
Depreciation				
At the start of the year	-	1,402,783	818,885	2,221,668
Charge for the year	-	224,091	141,136	365,227
Disposals in year	-	(7,340)	(28,830)	(36,170)
At the end of the year	-	<u>1,619,534</u>	<u>931,191</u>	<u>2,550,725</u>
Net book value				
At the end of the year	<u>213,951</u>	<u>8,148,278</u>	<u>453,005</u>	<u>8,815,234</u>
At the start of the year	-	<u>8,287,301</u>	<u>397,929</u>	<u>8,685,230</u>
Charity				
	Assets under construction £	Leasehold buildings £	Equipment and vehicles £	Totals £
Cost				
At the start of the year	-	9,682,746	1,205,450	10,888,196
Additions in year	213,951	85,068	196,212	495,231
Disposals in year	-	-	(17,468)	(17,468)
At the end of the year	<u>213,951</u>	<u>9,767,814</u>	<u>1,384,194</u>	<u>11,365,959</u>
Depreciation				
At the start of the year	-	1,395,445	807,521	2,202,966
Charge for the year	-	224,091	141,136	365,227
Disposals in year	-	-	(17,468)	(17,468)
At the end of the year	-	<u>1,619,536</u>	<u>931,189</u>	<u>2,550,725</u>
Net book value				
At the end of the year	<u>213,951</u>	<u>8,148,278</u>	<u>453,005</u>	<u>8,815,234</u>
At the start of the year	-	<u>8,287,301</u>	<u>397,929</u>	<u>8,685,230</u>

Wessex Children's Hospice Trust

Notes to the financial statements

For the year ended 31 March 2014

9. Investments

	Group		Charity	
	2014	2013	2014	2013
Market value at the start of the year	13,472,798	11,076,935	13,472,800	11,076,937
Additions at historic cost	-	10,276,843	-	10,276,843
Disposals at opening book value	-	(8,568,152)	-	(8,568,152)
Increase in cash held	16,838	414,526	16,838	414,526
Net unrealised (loss)/gain	(7,693)	272,646	(7,693)	272,646
	<u>13,481,943</u>	<u>13,472,798</u>	<u>13,481,945</u>	<u>13,472,800</u>
Market value at the end of the year	<u>13,481,943</u>	<u>13,472,798</u>	<u>13,481,945</u>	<u>13,472,800</u>
Historic cost at the year end	<u>13,433,769</u>	<u>13,416,931</u>	<u>13,433,771</u>	<u>13,416,933</u>

Investments comprise:

	Group		Charity	
	2014	2013	2014	2013
	£	£	£	£
UK Common investment funds	8,448,899	8,456,610	8,448,899	8,456,610
Shares listed on the London Stock Exchange	52	34	52	34
Investment properties in the UK	400,000	400,000	400,000	400,000
Investment in subsidiary	-	-	2	2
Total investments	<u>8,848,951</u>	<u>8,856,644</u>	<u>8,848,953</u>	<u>8,856,646</u>
Cash available for investment	<u>4,632,992</u>	<u>4,616,154</u>	<u>4,632,992</u>	<u>4,616,154</u>
	<u>13,481,943</u>	<u>13,472,798</u>	<u>13,481,945</u>	<u>13,472,800</u>

The investment properties were a gift in a legacy and were valued by the Trustees at the date the legacy was received based upon professional advice. The Trustees have taken advice from an internal valuer, a qualified surveyor, and revalued the properties at 31 March 2014.

Investments representing over 5% by value of the portfolio comprise:

	Group		Charity	
	2014	2013	2014	2013
	£	£	£	£
Barings Targeted Return Fund	<u>8,448,899</u>	<u>8,456,610</u>	<u>8,448,899</u>	<u>8,456,610</u>

Wessex Children's Hospice Trust

Notes to the financial statements

For the year ended 31 March 2014

10. Subsidiary Undertaking

The charitable company owns the whole of the issued ordinary share capital of Naomi House Children's Hospice Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Available profits are gift aided to the charitable company. A summary of the results of the subsidiary is shown below:

	2014	2013
	£	£
Turnover	307,874	298,039
Cost of sales	<u>(38,914)</u>	<u>(40,405)</u>
Gross profit	<u>268,960</u>	<u>257,634</u>
Distribution costs	-	-
Administrative expenses	(239,009)	(197,545)
Other operating income	<u>15</u>	<u>23</u>
Operating profit	29,966	60,112
Interest payable	<u>(200)</u>	<u>(307)</u>
Profit on ordinary activities	29,766	59,805
Amount gift aided to parent undertaking	<u>(29,805)</u>	<u>(60,000)</u>
Loss for financial year	<u><u>(39)</u></u>	<u><u>(195)</u></u>
The aggregate of the assets, liabilities and funds was:		
Assets	61,674	76,471
Liabilities	<u>(53,490)</u>	<u>(68,248)</u>
Funds	<u><u>8,184</u></u>	<u><u>8,223</u></u>

11. Parent charity

The parent charity's gross income and the results for the year are disclosed as follows:

	2014	2013
	£	£
Gross income	7,232,257	6,962,853
Results for the year	<u><u>477,042</u></u>	<u><u>1,475,721</u></u>

Wessex Children's Hospice Trust

Notes to the financial statements

For the Year Ended 31 March 2014

12. Stocks

	Group		Charity	
	2014	2013	2014	2013
	£	£	£	£
Goods for resale	13,319	12,396	-	-

13. Debtors

Due within one year

	Group		Charity	
	2014	2013	2014	2013
	£	£	£	£
Prepayments and accrued income	1,468,930	1,057,656	1,454,305	1,050,068
Other Debtors	47,001	118,064	38,406	105,135
	1,515,931	1,175,720	1,492,711	1,155,203

Due after one year

	2014	2013	2014	2013
	£	£	£	£
Amount due from subsidiary	-	-	25,714	54,560

14. Creditors: amounts due within one year

	Group		Charity	
	2014	2013	2014	2013
	£	£	£	£
Tax and social security	115,878	75,175	115,878	75,175
Other creditors and accruals	445,841	316,548	422,157	302,859
	561,719	391,723	538,035	378,034

15. Analysis of group net assets between funds

	Restricted funds	Designated funds	Revaluation reserve	General funds	Total funds
	£	£	£	£	£
Tangible fixed assets	6,101,961	2,713,273	-	-	8,815,234
Investments	10,000	13,423,769	48,174	-	13,481,943
Net current assets	740,619	123,231	-	934,158	1,798,008
Net assets at the end of the year	6,852,580	16,260,273	48,174	934,158	24,095,185

Wessex Children's Hospice Trust

Notes to the financial statements

For the Year Ended 31 March 2014

16. Movements in funds

	At the start of the year £	Incoming resources £	Outgoing resources £	Transfers and investment gains and losses £	At the end of the year £
Restricted funds:					
Fixed Asset Fund	6,033,880	-	(145,870)	213,951	6,101,961
Jacksplace Fund	365,168	38,615	(403,203)	-	580
Caterpillar Appeal	-	906,024	-	(201,150)	704,874
Bereavement Support	6,364	36,068	(41,695)	-	737
Hospice Running Costs	16,873	379,422	(390,812)	-	5,483
Buildings & Facilities	35,599	2,555	(8,807)	(12,801)	16,546
Diversion Therapies	13,403	89,563	(90,567)	-	12,399
Support Costs	-	4,283	(4,283)	-	-
Endowment Fund	10,000	-	-	-	10,000
Total restricted funds	6,481,287	1,456,530	(1,085,237)	-	6,852,580

Restricted funds can only be expended in accordance with the donors' specific instructions.

The Fixed Asset Fund represents the net book value of fixed assets purchased with restricted funds as at 31 March 2014. This mainly represents the Jacksplace building and equipment.

The Jacksplace Fund balance represents funds received specifically to meet the costs of running the hospice.

The Endowment Fund was given to the Trust to be held within the investment portfolio to supply a source of income.

Unrestricted funds:

Designated funds:

Fixed Asset Fund	2,651,350	-	(219,357)	281,280	2,713,273
Naomi House Fund	7,469,000	-	-	-	7,469,000
Refurbishment Fund	3,000,000	-	-	(125,000)	2,875,000
Jacksplace Fund	3,203,000	-	-	-	3,203,000
<i>Total designated funds</i>	16,323,350	-	(219,357)	156,280	16,260,273
Revaluation reserve	55,867	-	-	(7,693)	48,174
General funds	757,678	5,848,126	(5,660,584)	(11,062)	934,158
Total unrestricted funds	17,136,895	5,848,126	(5,879,941)	137,525	17,242,605
Total funds	23,618,182	7,304,656	(6,965,178)	137,525	24,095,185

16. Movements in funds (continued)

The Designated Funds as at 31 March 2014 comprises:

Fixed Asset Fund

This is the net book value of unrestricted Tangible Fixed Assets as at 31 March 2014. This mainly represents the Naomi House building and equipment.

Naomi House Fund

This is to secure three years running costs of Naomi House hospice and the Community and Family Services to ensure continuity in the event of a large variation in income. This would normally represent three times the 2014 charitable expenditure of £ 2,782,121. The balance at 31 March 2014 represents 32 months of charitable expenditure.

Refurbishment Fund

A feasibility study was conducted to determine ways that Naomi House may be refurbished to make better use of the space available. The hospice has become more crowded as occupation has increased in recent years and a number of areas are underutilised while others have become crowded. In addition many improvements such as access to the parents' accommodation for those with limited mobility will be considered. This fund has been agreed by the Trustees to underpin this major project while conducting a major capital appeal.

Jacksplace Fund

This is to secure up to three years running costs of Jacksplace at the current level of occupancy. The balance at 31 March 2014 represents 29 months of charitable expenditure at the 2014 occupancy level.

The revaluation reserve represents the unrealised gains in investments.

17. Operating lease commitments

The Group had annual commitments at the year end under property operating leases expiring as follows:

	2014	2013
	Land and buildings £	Land and buildings £
Less than 1 year	86,543	4,000
1 - 2 Years	-	122,299
2 - 5 Years	163,000	89,000
Over 5 years	112,775	41,900
	<u>362,318</u>	<u>257,199</u>

18. Limitation of liability by guarantee

The liability of each member of the Company is limited to £10 in the event of the Trust being wound up.

19. Related party transactions

The Group has taken advantage of the exemptions in FRS 8 not to disclose any intra-group transactions which are eliminated on consolidation as the sole subsidiary is 100% owned.

20. Contingency Note

In the year ended 31 March 2010, Hampshire PCT awarded a capital grant of £1,500,000 towards the construction cost of Jackspace. The Grant Agreement and underlying Charge operate for an unlimited duration; therefore the potential to repay the Grant will remain indefinitely. The Grant can be required to be repaid mandatorily in a number of circumstances such as the Trust ceasing to be a charity or Jackspace ceasing to be used for the provision of hospice services.

21. Kaupthing Singer & Freidlander Limited in Administration

Included in the accounts is an exceptional gain on investments relating to the funds at risk in the KSF Administration.

Distribution received 18 December 2013	£ 145,218
Exceptional gain on investments	<u>145,218</u>

The total recovery of £4,734,116 to 18 December 2013 represents 81.5% of the Trust's claim in the administration. The Administrators currently estimate that the total distributions to unsecured creditors should be a minimum of 85p in the £. This estimate could be lower as there are significant issues which impact either future realisations or the level of claims from creditors. This estimate is indicative and cannot be relied upon. Any future recoveries will be accounted for on a receipts basis.

22. NHS Pension Scheme

Wessex Children's Hospice Trust employees belong to two principal pension schemes.

The NHS scheme for eligible staff is a defined benefit scheme backed by the Exchequer and is administered by the NHS Business Services Authority. Only ex-NHS employees are eligible to join the scheme. As the Trust is unable to identify its share of the assets and liabilities of the scheme on a consistent and reliable basis, the scheme is treated as if it were a defined contribution scheme, in accordance with FRS17 "Retirement benefits".

Non eligible members of staff are offered a defined contribution scheme.