

Company number: 2601495  
Charity number: 1002832

**Wessex Children's Hospice Trust**  
**Report and Financial Statements**  
**31 March 2015**

## Wessex Children's Hospice Trust

### Reference and administrative details

For the year ended 31 March 2015

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**Company number** 2601495

**Charity number** 1002832

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

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

Mr Nicholas Allen	
Mrs Judy Gillow MBE	
Mr Jonathan Grew	Deputy Chair
Mr Justin Hely	(resigned 24 July 2014)
Mr David Holmes CBE	Chair
Mr Courtney Kenny	(appointed 22 July 2014)
Mr Neil Kinghan CB	
Mr Jeremy Lear	
Mr David Livermore OBE	(retired 21 October 2014)
Mr Stevo Radjen	
Mrs Faith Ramsay	Honorary Treasurer
Dr David Schapira	
Mrs Elizabeth Wallace	

<b>Principal staff</b>	Mr Mark Smith	Chief Executive Officer
	Mrs Lesley Brook	Director of Care
	Mr Tom Craig	Director of Finance
	Mr Paul Morgan	Head of Fundraising
	Ms June Morton	Director of Human Resources

**Secretary** Mr Tom Craig

<b>Bankers</b>	The Royal Bank of Scotland Plc	Barclays Bank Plc
	67 High Street Winchester, SO23 9DA	PO Box 612, Ocean Way Southampton, SO14 2ZP

<b>Solicitors</b>	Blake Morgan	Gardener Leader
	New Kings Court, Tollgate Chandlers Ford, SO23 9DA	White Hart House Market Place, Newbury RG14 5BA

**Wessex Children's Hospice Trust**

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**Auditors**

Sayer Vincent LLP  
Chartered Accountants and Statutory Auditors  
Invicta House  
108-114 Golden Lane  
London  
EC1Y 0TL

**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 2015**

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The Trustees, who are directors of the charitable company, present their report and financial statements for the year ended 31 March 2015. Reference and administrative details are set out on pages 1 and 2.

Naomi House and Jacksplace 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 had 10 bedrooms until 06 May 2014 when the children's hospice services were transferred, for the duration of the refurbishment of Naomi House, into a specially created seven bedroom care facility on the first floor at Jacksplace.

Jacksplace 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. Jacksplace has seven 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 Jacksplace 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. The Board meets quarterly to receive reports of all the principal activities of the Trust. Two special meetings are arranged each year for Trustees to discuss strategy.

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.

#### **Administration**

Trustees are elected in accordance with the memorandum and articles of association by the members of the Trust. There are currently 38 members, all of whom have liability limited to £10.

## **Wessex Children's Hospice Trust**

### **Report of the trustees**

#### **For the year ended 31 March 2015**

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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 Together for Short Lives (formerly Children's Hospices UK), Hospice UK (formerly Help the Hospices), National Council for Voluntary Organisations (NCVO) and the Fundraising Standards Board.

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 and young people.

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 delivered 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**

Much of the focus this year surrounded the refurbishment of Naomi House and our related Caterpillar Appeal.

The building works include a complete redesign of the hospice interior, starting with a new entrance foyer and private interview room in which we can welcome families and discuss their individual needs. Above this space is Treetops, a new spiritual area, which can be used for multi-faith services and events such as our Remembering Days. Double doors from Treetops lead out onto a spacious roof terrace which will overlook the Naomi House gardens.

The northern wing of the hospice boasts a new training room, giving us a dedicated space in which to run our ongoing programme of staff development.

A new communal area with dedicated play, music and dining rooms, each with considerably more space than we had previously, has been created on the ground floor of our hub area. This larger 'heart of the hospice' space affords greater freedom of movement for children and families, particularly those in wheelchairs or those who may need to be transported in their beds. A brand new kitchen allows more staff and volunteers to assist in the preparation of delicious meals for the children, families and staff.

Many of the children's bedrooms have been made substantially larger. These larger bedrooms will provide us with the room to accommodate more equipment and allow for a more comfortable stay. This also enables us to fully care for the increasingly specific needs of growing children and their families.

Technically, the new building will be vastly superior to the old Naomi House. State of the art heating, air handling, piped oxygen, suction and security systems are all managed by a totally bespoke control system that should guarantee the comfort and safety of visitors to the hospice. The system also has the ability to forewarn staff of problems and provide alerts to fluctuations in its service.

It is anticipated that the new Naomi House will be handed over during the summer for fitting out and commissioning before reopening to the children and families in September 2015.

In spite of the restrictions imposed by the building works, it was business as usual across all Trust activities during the year:

**April 2014:**

The year started with Caterpillar Appeal Patron, Alastair Stewart OBE, unveiling our Giving Tree in the foyer of Jackspace. The Giving Tree gave individuals, groups and businesses a unique way to support our refurbishment project while leaving a lasting reminder of their generosity upon the stainless steel structure's hand-crafted branches. The tree now boasts hundreds of personalised leaves and fruit.

**May 2014:**

The Care team said a fond farewell to the old Naomi House building and the whole Trust got together to host a special garden party with children's television presenter, Chris Jarvis.

**June 2014:**

Reside Construction were appointed to act as main contractor throughout the building works at Naomi House. TV's Nick Knowles helped our supporters, Redrow Homes, to totally refurbish our Eastleigh shop.

## **Wessex Children's Hospice Trust**

### **Report of the trustees**

#### **For the year ended 31 March 2015**

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##### **July 2014:**

The annual rent of "12 red roses on midsummer's day" to Naomi Cornelius-Reed marked a necessary break with tradition following the sad news of Mary Cornelius-Reed's passing in December 2013. However, all of Mary's children attended the occasion to continue the tradition in their mother's memory.

##### **August 2014:**

Our retail operation expanded with the opening of a brand new shop in Winton. The Wimborne Road store became our 19<sup>th</sup> retail outlet.

##### **September 2014:**

It was announced that Chris Robinson would take on the role of interim CEO at Helen & Douglas House alongside his duties at Naomi House & Jacksplace. Chris replaced Tom Hill, Helen & Douglas House's long-standing CEO, and began to lead a project to identify whether there was scope for closer collaboration between the two charities.

##### **October 2014:**

The children and young people had a very special day out when they were invited to a training session with London Irish Rugby Club at the Madejski Stadium. A reciprocal visit was later made by "The Exiles" to Jacksplace.

##### **November 2014:**

We officially launched our community partnership project with Shooting Star Chase. Two members of Shooting Star Chase's Hospice at Home team, funded by Naomi House & Jacksplace, are now jointly based from both Naomi House and Shooting Star Chase hospices to aid dual working and communication. Twenty families in Basingstoke, Farnborough and the surrounding areas immediately benefited from the new service

##### **December 2014:**

December marked a major milestone in the ambitious expansion of our retail operation. The opening of our New Milton shop meant we now had 20 shops benefitting the Trust.

The Caterpillar Appeal also reached a milestone of its own as we were able to invite press and supporters along to our Topping Out ceremony. Naomi Cornelius-Reid and Alastair Stewart OBE placed a ceremonial tile on the highest point of Naomi House's brand new hub area. Speaking about the occasion, Alastair said: "The real magic of Naomi House is that you can have a space for spiritual reflection alongside a place for messy play. This place exists, ultimately, to help during a moment of sadness. The staff here are amongst the most wonderful human beings as you are ever likely to meet and they make that journey more bearable and more tolerable, and this magnificent new facility will help them to do that job even better."

##### **January 2015:**

We like to take time out to thank our supporters. Our annual "Thank You Day" saw the fundraising team and volunteers call more than 1,000 supporters to say nothing more than "thank you".

##### **February 2015:**

Heavy snow in February gave the Care team the unique opportunity to take children to play in the snowy gardens. Some of the children in our care had never seen snow before.

## **Wessex Children's Hospice Trust**

### **Report of the trustees**

#### **For the year ended 31 March 2015**

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After the initial stage of the Collaboration Review with Helen & Douglas House, the trustee boards of both organisations decided not to proceed any further. The review process was very useful and informative and it was apparent that the quality of service the two charities offer to children, young adults and their families is exemplary.

#### **March 2015:**

We physically linked Naomi House and Jackspace for the very first time. An enthusiastic Alastair Stewart smashed through the last remaining wall to open the new bridge through the trees that joins the hospices together. We also opened our 21<sup>st</sup> shop.

The overall surplus for the year of £1.18m was a welcomed achievement as we moved closer to realising our ambitious plans to upgrade and develop the facilities at both hospices. The demand for our services continues to escalate. 2014/15 was another year of development and growth across all Trust activities.

For in hospice services, the Trustees consider occupancy is a key factor in determining the cost effectiveness of the service. In spite of the major disruption caused by the building works, the Care team managed to deliver 3,182 (2014: 3,209) bed nights. The number of families supported continued to rise even as the medical complexity of the children/young adults increased.

The Care team continued to develop new skills and competencies to meet the increased acuity of the referrals. The Paediatric Consultant recruited in conjunction with UHS (University Hospital Southampton) in 2013 has built up a strong working relationship with the paediatric HDU (High Dependency Unit). This has had a positive effect not only on referrals but also on our working relationship with the NHS. There is now a greater external understanding of the tailored nursing care provided for each child and young person and the specialist services which can benefit the children and young people themselves and the wider family. 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.

Total overall income increased by 20% during the year with our income generation activities benefiting from the Trustees commitment over the past five years to rely less on traditional income sources. The reworked income generation model is delivering a diverse range of income streams which provide a degree of resilience to changing circumstances. The Finance Committee in conjunction with the Income Generation Committee ensure that the Trustees' attitude to risk is a vital key factor when considering ideas for new income streams.

The Senior Management Team continued to build relationships and even closer links with other children's hospices outside the more in depth review with Helen & Douglas House. This included the successful launch of the new Hospice at Home services in conjunction with Shooting Star Chase and the commitment to developing a common care management database system designed specifically for children's hospices. The knowledge sharing group of eight influential children's hospices has become an active and regular forum with Senior Management Team members meeting with their counterparts on a quarterly basis. In September 2015, the senior management teams from all eight children's hospices will gather together for a two day conference in Oxfordshire. 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. Currently, statutory funding for children's palliative care is patchy and inconsistent. In particular, there is still a lack of clarification on the future of the



## **Wessex Children's Hospice Trust**

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NHS England Children's Hospice Grant. Along with other children's hospices and Together for Short Lives we continue to express concern that the central grant should continue until a more integrated commissioning approach is in place.

#### **Naomi House**

From May 2014, the children's hospice services were delivered in a dedicated seven bedroom suite in Jacksplace to allow a complete refurbishment of Naomi House. The Care team continued to meet the respite demand as well as the emergency and end of life services required to support a wide range of children. During the year, 347 children and young people were supported by both hospices. Naomi House supports 238 families which includes 57 children that have been accepted but have yet to visit.

Following the temporary move into Jacksplace, Naomi House was reduced from ten to seven beds. Special arrangements were maintained to ensure the availability of a bed 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 2014/15, Naomi House provided 2,177 (2014: 2,232) bed nights. This cost per occupied bed night (excluding depreciation) was £977 (2014: £959).

Normally, five family rooms are maintained so that parents/carers, brothers and sisters can stay if they wish to. During the refurbishment of Naomi House, a four bedroom house within a short walking distance of the Naomi House gates was made available to families. The Ocean Suite in Jacksplace has been made available as a bereavement suite for the duration of the building works, and one of the Jacksplace 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. 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. School holidays are a particularly busy time and appropriate seasonal activities are arranged. Christmas is a very special time at the hospices with one of the much loved highlights being Santa delivering the children's presents by helicopter.

#### **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.

## **Wessex Children's Hospice Trust**

### **Report of the trustees**

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Jacksplace supports 109 families which includes 18 young people that have been accepted but have yet to visit. In 2014/15, Jacksplace provided 1,005 (2014: 977) bed nights. This cost per occupied bed night (excluding depreciation) was £1,344 (2014: £1,185).

A wide range of activities were enjoyed by the young people that visited Jacksplace. The Fridays@Jacks themed entertainment nights continued to offer a wide range of events as well as an opportunity to chill with their peers.

#### **Naomi House at Home**

The hospice outreach programme offers 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 Fundraising team is now well established in the upper floor of Jacksplace and our fundraisers are reaping the benefits of mixing with colleagues in other departments on a daily basis. This close proximity to the care services we deliver to families has improved communications across the charity with our supporters and volunteers.

The team continued to reorganise, improve efficiencies and develop new competencies. This released resources to focus on the delivery of the Caterpillar Appeal to raise additional funds for the refurbishment of Naomi House. We continue to improve the way we approach fundraising across our region by arranging our community 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.

The Supporter Services team (created in 2013) has gone from strength to strength providing customer services and support to people raising funds for the Trust whilst providing administrative support to the fundraising team and answering the main phone switchboard for the whole organisation. A cohort of Volunteer Ambassadors give presentations, attend cheque ceremonies and provide promotional material deliveries. This has enabled fundraisers to reorganise their work to focus on opportunities above £1,000. Our fundraising efforts are provided with Marketing and Communications support from a team which includes PR, Digital and Online Support along with traditional Marketing Services.

Inevitably we have had to carry vacancies and to arrange maternity leave cover within the team throughout the year but this has been less disruptive than in recent years. This has not prevented us from delivering a number of milestone events to celebrate the progress of the Naomi Refurbishment Project and the related Caterpillar Appeal. This included regular giving tree ceremonies, our annual corporate awards and the planning and launch of new mass participation events.

Legacy income performed above expectation and was the major contributor to the exceptional surplus for the year. Legacies are important to maintain our aspirations to provide new and enhanced care services as well as deliver major projects. 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.

Our Fundraising continues to thrive across many of our income streams. The growth in support from business was celebrated in our annual Corporate Awards held at the Winchester Science Centre. Highlights included Bayer's Newbury

## **Wessex Children's Hospice Trust**

### **Report of the trustees**

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to Paris cycle ride and Redrow's fundraising throughout the year including a "DIY SOS" challenge to transform our Eastleigh shop. The power of social media enhanced our new approach to mass participation events. This included our inaugural Rainbow Run in Southampton as well as the much loved Santa Fun Run and Clarendon Way Walk.

Lottery activity continues to grow reaching a new milestone of over 13,000 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 21 across the South of England and more in the pipeline.

#### **Statutory support**

Clinical Commissioning Groups (CCGs) in Dorset and Wiltshire remain very supportive and we continue to 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 will 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. This deadline has passed without such a system likely to be in place for the foreseeable future. In the meantime, the Grant from NHS England is expected to continue in lieu of a new tariff system, and we received £368,301 (2014: £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, as we can, 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.

#### **Financial Review**

There was a surplus on general funds of £540,813 and a surplus on restricted funds of £641,241 resulting in a consolidated net increase in funds for the year ended 31 March 2015 of £1,182,054.

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 £8,797,851 (2014: £7,304,656) in the year ended 31 March 2015. The main source of this funding was from donors including corporations and individuals. This included legacies totalling £2,070,228 (2014: £1,216,009). The Trust has several fundraising committees that work in

## Wessex Children's Hospice Trust

### Report of the trustees

#### For the year ended 31 March 2015

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the community raising money through events and other activities. The Trust received a £368,301 grant from NHS England during the year under the Grants for Children's Hospices scheme described in Statutory Support above.

The Trust operates 21 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 £1,747,405 (2014: £1,484,021).

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 £101,429 (2014: £82,542).

Included in the net income is an exceptional gain on investments of £58,087 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 82.5%.

Naomi House Children's Hospice Limited's turnover for the year was £405,444 (2014: £307,874) and the amount to be gift aided to the Trust in respect of the financial year will be £29,166 (2014: £29,805).

The capital value of the Trust's investment portfolio increased in the year resulting in net gain on investments of £745,513 (2014: Loss 7,693).

#### 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 2015 totalled £990,964 (2014: £934,158).

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

• Restricted income funds	£7,483,821
• Endowment funds	£10,000
• Unrestricted tangible fixed assets	£3,301,920
• Revaluation reserve	£737,857
• Funds designated for special purposes	£12,752,677

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 £7,452,677 of reserves for this purpose. This represents 32 months of charitable expenditure. £3,500,000 of funds have also been set aside to secure the current level of occupancy at Jackspace while continuing to develop new income streams and funding. Additionally the Trustees have earmarked £1,800,000 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.

## **Wessex Children's Hospice Trust**

### **Report of the trustees**

#### **For the year ended 31 March 2015**

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##### **Investment policy**

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

The Barings investment portfolio in the 12 months to 31 March 2015 achieved a positive return of 9.8% which was ahead of the objective of 6.1%. Since inception the fund has achieved a positive return of 6.1% compared to the objective of 7.8%.

The Trustees, in line with Charity Commission guidelines, conduct a regular review of professional advisors. The Finance Committee, on behalf of the Trustees, conducted a full investment review in Autumn/Winter 2014.

The review of investment advisors was carried out with assistance from Beeson Maisey. A number of investment firms were invited to submit their proposals and a shortlist of four firms was interviewed by the Finance Committee. As a result, the Board appointed Veritas Investment Management LLP as their investment advisors with effect from 29 April 2015. A new investment policy statement was agreed by the Board and from this a mandate was drawn up between Veritas and the Trust to ensure reasonable returns over time, with risk carefully contained.

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 have appointed Royal London Cash Management Ltd to manage the majority of the Trust's short term 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**

The Trustees hold Strategic Think Tanks twice a year separately from the quarterly board meetings. 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 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. The Oxford Healthcare Partnership were engaged to assist the internal steering group with this important review and the learning from this will inform the three year strategy that will be developed during the second half of 2015. The 2016-2019 Strategic Plan will be approved by the Board in January 2016.

The major construction work to refurbish Naomi House commenced in early July 2014 and it is thought that the majority of the work will be completed by August 2015. The fit out and commissioning of the refurbished hospice will take 4-6 weeks and the first overnight respite stays will take place in mid-September. The Trustees will consider the best use of the upper floor care area in Jackspace when the children move back into Naomi House. The Trustees intend to fully explore the possibilities of retaining this as a permanent care facility rather than converting it back to office and meeting accommodation.

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.

## **Wessex Children's Hospice Trust**

### **Report of the trustees**

#### **For the year ended 31 March 2015**

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##### **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.

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.

##### **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 28 July 2015 and it was signed on their behalf by

David Holmes CBE - Chair

## **Independent auditors' report**

### **To the members of**

#### **Wessex Children's Hospice Trust**

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We have audited the financial statements of Wessex Children's Hospice Trust for the year ended 31 March 2015 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 2015, 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**

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### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 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)

18 August 2015

for and on behalf of Sayer Vincent LLP, Statutory Auditors

Invicta House, 108-114 Golden Lane, London, EC1Y 0TL

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 2015

	Note	Unrestricted £	Restricted £	2015 Total £	2014 Total £
<b>Incoming resources</b>					
<i>Incoming resources from generated funds</i>					
Voluntary income	2	4,419,250	843,410	<b>5,262,660</b>	4,084,705
<i>Activities for generating funds</i>					
Fundraising events and Lotteries		1,022,492	124,297	<b>1,146,789</b>	1,068,520
Income from Shops and merchandising		1,747,405	-	<b>1,747,405</b>	1,484,021
Investment income		358,718	-	<b>358,718</b>	390,842
<i>Incoming resources from charitable activities</i>	3	280,548	-	<b>280,548</b>	271,718
<i>Other incoming resources</i>		1,731	-	<b>1,731</b>	4,850
<b>Total incoming resources</b>		<b>7,830,144</b>	<b>967,707</b>	<b>8,797,851</b>	<b>7,304,656</b>
<b>Resources expended</b>					
<i>Costs of generating funds:</i>					
Costs of generating voluntary income		1,565,735	-	<b>1,565,735</b>	1,468,472
Cost of operating shops		1,536,474	-	<b>1,536,474</b>	1,296,512
Costs of investments		21,267	-	<b>21,267</b>	21,416
<i>Charitable activities</i>					
Naomi House		1,982,973	144,755	<b>2,127,728</b>	2,242,803
Exceptional write down of Assets	21	1,047,666	-	<b>1,047,666</b>	-
Jacksplace		1,208,805	141,553	<b>1,350,358</b>	1,322,961
Community & Family Support		600,746	40,158	<b>640,904</b>	539,318
<i>Governance costs</i>		129,265	-	<b>129,265</b>	73,696
<b>Total resources expended</b>	4	<b>8,092,931</b>	<b>326,466</b>	<b>8,419,397</b>	<b>6,965,178</b>
<b>Net (outgoing)/incoming resources before other recognised gains and losses</b>	5	<b>(262,787)</b>	<b>641,241</b>	<b>378,454</b>	<b>339,478</b>
Realised gains on investment assets		55,830	-	<b>55,830</b>	-
Exceptional gain on investments	22	58,087	-	<b>58,087</b>	145,218
<b>Net income for the year</b>		<b>(148,870)</b>	<b>641,241</b>	<b>492,371</b>	<b>484,696</b>
Unrealised gains/(losses)		689,683	-	<b>689,683</b>	(7,693)
<b>Net movement in funds</b>		<b>540,813</b>	<b>641,241</b>	<b>1,182,054</b>	<b>477,003</b>
<b>Reconciliation of funds</b>					
Total funds brought forward		17,242,605	6,852,580	<b>24,095,185</b>	23,618,182
<b>Total funds carried forward</b>	16	<b>17,783,418</b>	<b>7,493,821</b>	<b>25,277,239</b>	<b>24,095,185</b>

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 no. 2601495

31 March 2015

	Note	Group		Charity	
		2015 £	2014 £	2015 £	2014 £
<b>Fixed assets</b>					
Tangible fixed assets	8	<b>10,751,024</b>	8,815,234	<b>10,751,024</b>	8,815,234
Investments	9, 10	<b>13,047,369</b>	13,481,943	<b>13,047,371</b>	13,481,945
		<b>23,798,393</b>	22,297,177	<b>23,798,395</b>	22,297,179
<b>Current assets</b>					
Stocks	12	<b>18,445</b>	13,319	-	-
Debtors	13				
Amounts falling due within one year		<b>1,123,924</b>	1,515,931	<b>1,107,885</b>	1,492,711
Amounts falling due after one year		-	-	<b>30,639</b>	25,714
Cash at Bank and in hand		<b>1,446,069</b>	830,477	<b>1,423,239</b>	809,434
		<b>2,588,438</b>	2,359,727	<b>2,561,763</b>	2,327,859
<b>Liabilities</b>					
Creditors: amounts due within one year	14	<b>1,109,592</b>	561,719	<b>1,090,930</b>	538,035
<b>Net current assets</b>		<b>1,478,846</b>	1,798,008	<b>1,470,833</b>	1,789,824
<b>Net assets</b>	15	<b>25,277,239</b>	24,095,185	<b>25,269,228</b>	24,087,003
<b>Funds</b>					
Restricted Funds		<b>7,483,821</b>	6,842,580	<b>7,483,821</b>	6,842,580
Endowment funds		<b>10,000</b>	10,000	<b>10,000</b>	10,000
Unrestricted funds					
Designated funds		<b>16,054,597</b>	16,260,273	<b>16,054,597</b>	16,260,273
Revaluation reserve		<b>737,857</b>	48,174	<b>737,857</b>	48,174
General funds		<b>982,953</b>	925,976	<b>982,953</b>	925,976
Trading subsidiary funds		<b>8,011</b>	8,182	-	-
<b>Total funds</b>		<b>25,277,239</b>	24,095,185	<b>25,269,228</b>	24,087,003

Approved by the Trustees on 28 July 2015 and signed on their behalf by

David Holmes )  
 )  
 )  
 ) Trustees  
 )  
 Stevo Radjen )  
 )

Wessex Children's Hospice Trust

Cashflow statement

For the year ended 31 March 2015

	2015		2014	
	£	£	£	£
<b>Net cash flow from operating activities</b>		<b>2,443,861</b>		283,093
<b>Returns on investments &amp; servicing of finance</b>				
Income from investments held	<b>327,757</b>		359,730	
Income from cash held	<b>30,961</b>		31,112	
		<b>358,718</b>		390,842
<b>Capital expenditure &amp; financial investment</b>				
Acquisition of tangible fixed assets	<b>(3,369,851)</b>		(495,231)	
Disposal of tangible fixed assets	<b>2,777</b>		4,850	
Purchase of fixed asset investments	-		-	
Disposal of fixed asset investments	<b>155,830</b>		-	
		<b>(3,211,244)</b>		(490,381)
<b>Movement of liquid resources</b>		<b>1,024,257</b>		(16,838)
<b>Net cash flow</b>		<b>615,592</b>		166,716

Notes to the cashflow statement

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

	2015	2014
	£	£
<b>Net incoming resources for the year</b>		
Net incoming resources	<b>378,454</b>	339,478
Exceptional gain	<b>58,087</b>	145,218
Investment income	<b>(327,757)</b>	(359,730)
Interest received	<b>(30,961)</b>	(31,112)
Decrease/(increase) in debtors	<b>392,007</b>	(340,211)
(Increase) in stock	<b>(5,126)</b>	(923)
Increase in creditors	<b>547,873</b>	169,996
Depreciation of tangible fixed assets	<b>385,349</b>	365,227
Profit on sale of tangible fixed assets	<b>(1,731)</b>	(4,850)
Exceptional write down of Assets	<b>1,047,666</b>	-
<b>Net cash flow from operating activities</b>	<b>2,443,861</b>	283,093

B. Analysis of change in net funds

	At 1 April		At 1 April		At 31 March
	2014	Cash flows	2015	Cash flows	2015
	£	£	£	£	£
Cash at bank and in hand	<b>663,761</b>	<b>166,716</b>	<b>830,477</b>	<b>615,592</b>	<b>1,446,069</b>

## Wessex Children's Hospice Trust

### Notes to the financial statements

#### For the year ended 31 March 2015

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##### 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	21%
Naomi House	29%
Jacksplace	18%
Community & Family Support	9%
Governance costs	2%

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 2015

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#### 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	2015 Total	2014 Total
	£	£	£	£
Donations	1,380,879	684,599	<b>2,065,478</b>	1,491,314
Legacy Income	2,070,228	-	<b>2,070,228</b>	1,216,009
Grants and Trusts	<u>968,143</u>	<u>158,811</u>	<b><u>1,126,954</u></b>	<u>1,377,382</u>
Total	<u><u>4,419,250</u></u>	<u><u>843,410</u></u>	<b><u><u>5,262,660</u></u></b>	<u><u>4,084,705</u></u>

#### 3. Incoming resources from charitable activities

	Unrestricted	Restricted	2015 Total	2014 Total
	£	£	£	£
Naomi House	106,893	-	<b>106,893</b>	132,656
Jacksplace	<u>173,655</u>	<u>-</u>	<b><u>173,655</u></b>	<u>139,062</u>
	<u><u>280,548</u></u>	<u><u>-</u></u>	<b><u><u>280,548</u></u></b>	<u><u>271,718</u></u>

Wessex Children's Hospice Trust

Notes to the financial statements

For the year ended 31 March 2015

4. Total resources expended

	Costs of generating Income	Costs of operating shops	Cost of Investments	Naomi House	Jacksplace	Community & Family Support	Governance Costs	Support Costs	2015 Total	2014 Total
	£	£	£	£	£	£	£	£	£	£
Payroll costs (Note 6)	551,529	657,689	-	1,529,345	745,397	406,697	86,926	396,763	<b>4,374,346</b>	3,865,181
Other staff costs	42,570	19,234	-	139,961	64,565	6,921	-	22,014	<b>295,265</b>	469,866
Direct costs	697,575	14,199	-	41,553	29,674	143,857	-	6,430	<b>933,288</b>	888,724
Facilities & maintenance	61,439	443,121	-	96,718	202,911	31,335	-	1,857	<b>837,381</b>	817,370
Depreciation	23,151	70,278	-	101,042	173,443	1,146	-	16,289	<b>385,349</b>	365,227
Overhead costs	89,006	233,365	-	82,583	47,722	9,824	34,045	28,290	<b>524,835</b>	537,394
Write down of Assets (Note 21)	-	-	-	1,047,666	-	-	-	-	<b>1,047,666</b>	-
Cost of Investments	-	-	21,267	-	-	-	-	-	<b>21,267</b>	21,416
	<u>1,465,270</u>	<u>1,437,886</u>	<u>21,267</u>	<u>3,038,868</u>	<u>1,263,712</u>	<u>599,780</u>	<u>120,971</u>	<u>471,643</u>	<b><u>8,419,397</u></b>	<u>6,965,178</u>
Support costs	<u>100,465</u>	<u>98,588</u>	<u>-</u>	<u>136,526</u>	<u>86,646</u>	<u>41,124</u>	<u>8,294</u>	<u>(471,643)</u>	<u>-</u>	<u>-</u>
<b>Total resources expended</b>	<b><u>1,565,735</u></b>	<b><u>1,536,474</u></b>	<b><u>21,267</u></b>	<b><u>3,175,394</u></b>	<b><u>1,350,358</u></b>	<b><u>640,904</u></b>	<b><u>129,265</u></b>	<b><u>-</u></b>	<b><u>8,419,397</u></b>	<b><u>6,965,178</u></b>
Costs of Care				2,127,728	1,350,358	640,904			4,118,990	4,105,082
Write down of Assets (Note 21)				1,047,666	-	-			1,047,666	-
Charitable expenditure				<u>3,175,394</u>	<u>1,350,358</u>	<u>640,904</u>			<b><u>5,166,656</u></b>	<u>4,105,082</u>



Notes to the financial statements

For the year ended 31 March 2015

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

This is stated after charging /(crediting):

	2015	2014
	£	£
Profit on disposal of fixed assets	1,731	4,850
Depreciation	385,349	365,227
Exceptional Write Down of Assets	1,047,666	-
Trustees' indemnity insurance	3,748	3,748
Trustees' expenses	-	-
Trustees' remuneration	-	-
Auditors' remuneration:		
▪ Audit	9,600	9,600
Operating lease rentals:		
▪ Property	328,374	281,188
	<u>328,374</u>	<u>281,188</u>

6. Staff costs and numbers

Staff costs were as follows:

	2015	2014
	£	£
Salaries and wages	3,798,845	3,396,914
Social security costs	337,371	300,511
Pension contributions	238,130	167,756
	<u>4,374,346</u>	<u>3,865,181</u>

Number of employees earning in excess of £60,000

	2015	2014
£60,000 to £70,000	3	2
£80,000 to £90,000	-	1

Pension contributions of £14,148 (2014: £13,611) were made in relation to employees earning in excess of £60,000.

At the balance sheet date £35,170 (2014: £24,718) 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:

	2015	2014
	No.	No.
Fundraising	19.4	15.7
Retail	32.0	26.4
Charitable activities	75.6	73.6
Support	9.5	9.5
Governance	1.2	0.7
	<u>137.7</u>	<u>125.9</u>

Wessex Children's Hospice Trust

Notes to the financial statements

For the year ended 31 March 2015

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 and charity

	Assets under construction £	Leasehold buildings £	Equipment and vehicles £	Totals £
<b>Cost</b>				
At the start of the year	213,951	9,767,812	1,384,196	<b>11,365,959</b>
Additions in year	3,105,665	94,364	169,822	<b>3,369,851</b>
Disposals in year	-	<u>(1,724,789)</u>	<u>(753,449)</u>	<b><u>(2,478,238)</u></b>
At the end of the year	<u>3,319,616</u>	<u>8,137,387</u>	<u>800,569</u>	<b><u>12,257,572</u></b>
<b>Depreciation</b>				
At the start of the year	-	1,619,534	931,191	<b>2,550,725</b>
Charge for the year	-	224,747	160,602	<b>385,349</b>
Disposals in year	-	<u>(745,918)</u>	<u>(683,608)</u>	<b><u>(1,429,526)</u></b>
At the end of the year	-	<u>1,098,363</u>	<u>408,185</u>	<b><u>1,506,548</u></b>
<b>Net book value</b>				
<b>At the end of the year</b>	<u><b>3,319,616</b></u>	<u><b>7,039,024</b></u>	<u><b>392,384</b></u>	<u><b>10,751,024</b></u>
At the start of the year	<u>213,951</u>	<u>8,148,278</u>	<u>453,005</u>	<u>8,815,234</u>

## Notes to the financial statements

For the year ended 31 March 2015

## 9. Investments

	Group		Charity	
	2015	2014	2015	2014
Market value at the start of the year	<b>13,481,943</b>	13,472,798	<b>13,481,945</b>	13,472,800
Additions at historic cost	-	-	-	-
Disposals at opening book value	<b>(100,000)</b>	-	<b>(100,000)</b>	-
Increase/(Decrease) in cash held	<b>(1,024,257)</b>	16,838	<b>(1,024,257)</b>	16,838
Net unrealised (loss)/gain	<b>689,683</b>	(7,693)	<b>689,683</b>	(7,693)
Market value at the end of the year	<b>13,047,369</b>	13,481,943	<b>13,047,371</b>	13,481,945
Historic cost at the year end	<b>12,309,512</b>	13,433,769	<b>13,433,771</b>	13,433,771

Investments comprise:

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
UK Common investment funds	<b>8,973,580</b>	8,448,899	<b>8,973,580</b>	8,448,899
Shares listed on the London Stock Exchange	<b>54</b>	52	<b>54</b>	52
Investment properties in the UK	<b>465,000</b>	400,000	<b>465,000</b>	400,000
Investment in subsidiary	-	-	<b>2</b>	<b>2</b>
Total investments	<b>9,438,634</b>	8,848,951	<b>9,438,636</b>	8,848,953
Cash available for investment	<b>3,608,735</b>	4,632,992	<b>3,608,735</b>	4,632,992
	<b>13,047,369</b>	13,481,943	<b>13,047,371</b>	13,481,945

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 2015.

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

	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Barings Targeted Return Fund	<b>8,973,580</b>	8,448,899	<b>8,973,580</b>	8,448,899

**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:

	2015 £	2014 £
Turnover	405,444	307,874
Cost of sales	<u>(49,971)</u>	<u>(38,914)</u>
Gross profit	<u>355,473</u>	<u>268,960</u>
Distribution costs	-	-
Administrative expenses	(326,360)	(239,009)
Other operating income	<u>23</u>	<u>15</u>
Operating profit	29,136	29,966
Interest payable	<u>(141)</u>	<u>(200)</u>
Profit on ordinary activities	28,995	29,766
Amount gift aided to parent undertaking	<u>(29,166)</u>	<u>(29,805)</u>
Loss for financial year	<u><u>(171)</u></u>	<u><u>(39)</u></u>
The aggregate of the assets, liabilities and funds was:		
Assets	57,314	61,674
Liabilities	<u>(49,301)</u>	<u>(53,490)</u>
Funds	<u><u>8,013</u></u>	<u><u>8,184</u></u>

**11. Parent charity**

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

	2015 £	2014 £
Gross income	8,392,407	7,232,257
Results for the year	<u><u>1,182,225</u></u>	<u><u>477,042</u></u>

**12. Stocks**

	Group		Charity	
	2015 £	2014 £	2015 £	2014 £
Goods for resale	<u>18,445</u>	<u>13,319</u>	<u>-</u>	<u>-</u>

**13. Debtors****Due within one year**

	Group		Charity	
	2015 £	2014 £	2015 £	2014 £
Prepayments and accrued income	<u>1,123,924</u>	<u>1,468,930</u>	<u>1,107,885</u>	<u>1,454,305</u>
Other Debtors	<u>-</u>	<u>47,001</u>	<u>-</u>	<u>38,406</u>
	<u>1,123,924</u>	<u>1,515,931</u>	<u>1,107,885</u>	<u>1,492,711</u>

**Due after one year**

	2015 £	2014 £	2015 £	2014 £
Amount due from subsidiary	<u>-</u>	<u>-</u>	<u>30,639</u>	<u>25,714</u>

**14. Creditors: amounts due within one year**

	Group		Charity	
	2015 £	2014 £	2015 £	2014 £
Tax and social security	<u>125,658</u>	<u>115,878</u>	<u>125,658</u>	<u>115,878</u>
Other creditors and accruals	<u>983,934</u>	<u>445,841</u>	<u>965,272</u>	<u>422,157</u>
	<u>1,109,592</u>	<u>561,719</u>	<u>1,090,930</u>	<u>538,035</u>

**15. Analysis of group net assets between funds**

	Restricted funds £	Designated funds £	Revaluation reserve £	General funds £	Total funds £
Tangible fixed assets	7,449,104	3,301,920	-	-	<b>10,751,024</b>
Investments	10,000	12,299,512	737,857	-	<b>13,047,369</b>
Net current assets	<u>34,717</u>	<u>453,165</u>	<u>-</u>	<u>990,964</u>	<b>1,478,846</b>
<b>Net assets at the end of the year</b>	<u><b>7,493,821</b></u>	<u><b>16,054,597</b></u>	<u><b>737,857</b></u>	<u><b>990,964</b></u>	<u><b>25,277,239</b></u>

## 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 £
<b>Restricted funds:</b>					
Fixed Asset Fund - Jacksplace	5,888,010	-	(133,958)	-	<b>5,754,052</b>
Fixed Asset Fund - Naomi House	213,951	-	-	1,481,101	<b>1,695,052</b>
Jacksplace Fund	580	10,987	(10,668)	-	<b>899</b>
Caterpillar Appeal	704,874	789,027	-	(1,481,101)	<b>12,800</b>
Bereavement Support	737	24,996	(25,733)	-	-
Hospice Running Costs	5,483	77,328	(82,811)	-	-
Buildings & Facilities	16,546	-	(6,885)	-	<b>9,661</b>
Diversion Therapies	12,399	65,369	(66,411)	-	<b>11,357</b>
Endowment Fund	10,000	-	-	-	<b>10,000</b>
<b>Total restricted funds</b>	<b>6,852,580</b>	<b>967,707</b>	<b>(326,466)</b>	<b>-</b>	<b>7,493,821</b>

Restricted funds can only be expended in accordance with the donors' specific instructions. The designated purpose of each restricted fund is as follows:

**Fixed Asset Fund - Jacksplace:** The net book value of restricted fixed assets purchased with restricted funds & is predominantly relates to the Jacksplace hospice.

**Fixed Asset Fund - Naomi House:** This represents the refurbishment cost funded by restricted funds.

**Jacksplace Fund:** Funds received specifically to meet the running costs of Jacksplace.

**Caterpillar Appeal:** Represents donations specifically received to fund the refurbishment of Naomi House, transferred to the Naomi House fixed asset fund against expenditure incurred in the year.

**Bereavement Support:** This represents funds specifically related to the cost of running the bereavement suites and family support services.

**Hospice Running Costs:** This denotes donations received to pay for care staff and the direct costs of running both hospices.

**Building & Facilities:** This fund relates to donations received explicitly to meet the costs of improving & maintaining hospice facilities.

**Diversion Therapies:** This covers the cost of the wide range of therapies, play & activities which enrich the children & young adults stays.

**Endowment Fund:** This 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	2,713,273	-	(251,391)	840,038	<b>3,301,920</b>
Naomi House Fund	7,469,000	-	(368,301)	351,978	<b>7,452,677</b>
Refurbishment Fund	2,875,000	-	-	(1,075,000)	<b>1,800,000</b>
Jacksplace Fund	3,203,000	-	-	297,000	<b>3,500,000</b>
<i>Total designated funds</i>	16,260,273	-	(619,692)	414,016	<b>16,054,597</b>
Revaluation reserve	48,174	-	-	689,683	<b>737,857</b>
<b>General funds</b>	<b>934,158</b>	<b>7,830,144</b>	<b>(7,841,540)</b>	<b>(300,099)</b>	<b>990,964</b>
<b>Total unrestricted funds</b>	<b>17,242,605</b>	<b>7,830,144</b>	<b>(8,461,232)</b>	<b>803,600</b>	<b>17,783,418</b>
<b>Total funds</b>	<b>24,095,185</b>	<b>8,797,851</b>	<b>(8,787,698)</b>	<b>803,600</b>	<b>25,277,239</b>

**16. Movements in funds (continued)**

The Designated Funds as at 31 March 2015 comprises:

**Fixed Asset Fund**

This is the net book value of unrestricted Tangible Fixed Assets as at 31 March 2015. 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 2015 charitable expenditure of £2,768,632. The balance at 31 March 2015 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, and has been partially used towards this in the year.

**Jacksplace Fund**

This is to secure three years running costs of Jacksplace hospice to ensure continuity in the event of a large variation in income. This would normally represent three times the 2015 charitable expenditure of £1,350,358. The balance at 31 March 2015 represents 31 months of charitable expenditure.

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:

	<b>2015</b>	2014
	Land and buildings £	Land and buildings £
Less than 1 year	<b>119,543</b>	86,543
1 - 2 Years	<b>157,000</b>	-
2 - 5 Years	<b>157,900</b>	163,000
Over 5 years	<b>25,000</b>	112,775
	<b><u>459,443</u></b>	<b><u>362,318</u></b>

**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.

The refurbishment of Naomi House Children's Hospice was in progress at year end. The total value of the main construction contract still to be completed and not recognised at 31 March 2015 was £1.4m.

**21. Exceptional write down of assets**

This adjustment reflects the depreciation of the original capital cost of Naomi House hospice to indicate the parts of the building that were taken away or removed by the strip out during the Naomi House refurbishment building works.

This was calculated by the Trust's surveyor in two stages as below.

1. The proportion of the building that was demolished was considered on a footprint basis.
2. The parts of the building that remained were considered by the proportion of average construction cost for this type of building, which would have related to the elements that were stripped out.

These two calculations resulted in a net write down of £1,047,666 of the original construction cost.

**22. Kaupthing Singer & Freidlander Limited in Administration**

Included in the accounts is an exceptional gain on investments of £58,087 relating to a distribution received on 10 December 2014 from the KSF administrators.

The total recovery of £4,792,203 to 10 December 2014 represents 82.5% 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.



**23. NHS Pension Scheme**

The NHS Pension Scheme is an unfunded occupational scheme backed by the Exchequer, which is open to all NHS employees and certain employees of other approved organisations. Wessex Children's Hospice Trust Hospice is an approved organisation. The Scheme provides pensions, based on final salary, in varying circumstances for employees of participating employers. The Scheme receives contributions from employees and employers to defray the costs of pensions and other benefits.

From 1 April 2006, the NHS Business Services Authority (the Authority) have been the body responsible for the administration of the NHS Pension Scheme for England and Wales. In support of the Authority, NHS employers are required to explain the Scheme to the employees. In addition, they submit pension data to the NHS Business Services Authority (NHSBSA). To ensure proper administration the Hospice outsources the management of this Scheme.

Every four years the Government Actuary conducts a full actuarial review of contribution rates, the last one being March 2012 which concluded:

- a) that the employer contribution rate payable from April 2014 would be 14.3% of pensionable pay, to be reassessed at the actuarial valuation carried out for March 2016
- b) that the notional fund value at the time of the valuation stood at £230 billion, with scheme liabilities of £240 billion, producing a net deficit for the scheme of £10 billion

The increase in employer contribution was introduced to help reduce this notional deficit. Participating employees contribute on a tiered scale from 5% - 14.5% of their pensionable pay. The charity has no further liability arising from its participation in this scheme, over and above its employer contributions.

Further information on benefits can be obtained from the NHS Pension Scheme website.