

Company Registration 1518364
Charity No 510643

ST JOHN'S HOSPICE
TRUSTEES ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2008

ST JOHN'S HOSPICE

TRUSTEES REPORT

For the year ended 31 March 2008

| INDEX | PAGE |
|--|-------------|
| Report of the trustees | 1-11 |
| Independent auditors' report | 12-13 |
| Principal accounting policies | 14-16 |
| Consolidated statement of financial activities | 17 |
| Consolidated balance sheet | 18 |
| Company balance sheet | 19 |
| Consolidated cash flow statement | 20 |
| Notes to the accounts | 20-31 |
| Notice of meeting | 32 |

ST JOHN'S HOSPICE

TRUSTEE REPORT

FOR THE YEAR ENDED 31 MARCH 2008

The Trustees present their report together with the consolidated financial statements for the year ended 31 March 2008. The Trustees confirm that the financial statements comply with current statutory requirements, with those of the company's Memorandum and Articles of Association and those of the Statement of Recommended Practice 'Accounting and Reporting by Charities' (2005).

Reference and Administrative Details

| | |
|---------------------|--|
| Charity Number: | 510643 |
| Company Number: | 1518364 |
| Registered Office: | Mount Road Higher Bebington Wirral, CH63 6JE |
| Auditors: | McEwan Wallace 68 Argyle Street Birkenhead, CH41 6AF |
| Bankers: | HSBC Bank plc 52 Hamilton Square Birkenhead, CH41 5AE |
| Solicitors: | D P Roberts Hughes & Denye 59 Hamilton Square Birkenhead, CH41 5AT |
| Investment Manager: | Rensburg Sheppards Limited 100 Old Hall Street Liverpool L3 9AB |

Directors and Trustees

The Directors of the charitable company are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees serving during the year and since the year end were as follows:

| | |
|-------------------------|-----------------|
| Dr P J R Cuthbertson | Chairman |
| Mr A J Denye | Deputy Chairman |
| Mr G M Ridgway | Treasurer |
| Mr M G Greaney | |
| Mr J Taylor | |
| Mr C M Pope | |
| Mrs H R Staveley-Taylor | |
| Mr S Burrows | |
| Mrs P Hunter | |
| Rev P Benson | |

ST JOHN'S HOSPICE

TRUSTEE REPORT

FOR THE YEAR ENDED 31 MARCH 2008

Company Secretary J Gorry (Resigned 7th August 2008)
 J Pentland (Appointed 7th August 2008)

Chief Executive Officer J Gorry

| | | |
|-----------------|-------------------|--|
| Senior Managers | P Rushbrook | Human Resources and Operations Manager |
| | J Pentland | Finance Manager |
| | L Russell | Acting Modern Matron (until 30.7.07) |
| | C Wilcox | Modern Matron (appointed 30.7.07) |
| | L Woodhead | Fundraising and Marketing Manager |
| | Dr C Lewis- Jones | Consultant in Palliative Medicine |
| | Dr H Emms | Consultant in Palliative Medicine |

Structure, Governance and Management

Governing Document

St John's Hospice is a company limited by guarantee governed by its Memorandum and Articles of Association dated 2 September 1980. It is a registered charity engaged in the relief of illness and suffering by providing inpatient, outpatient and day care services.

Appointment of Trustees

Trustees are appointed by the Board, on the basis of perceived skill requirements. One third of the Trustees retire and seek re-appointment each year.

Trustee Induction and Training

The Trustees appointment and induction pack was updated in 2005 and will be reviewed in 2008.

The recruitment process for new Trustees includes:

- Completion of an application form and skills audit
- Two references
- Interview with Chairman and a Trustee.
- CRB Check

All new Trustees undergo an induction with the Chairman and Chief Executive to brief them on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Board and the decision making processes, the business plan and the recent financial performance of the Charity. During the induction day they meet key employees and other Trustees.

The Trustee Induction Pack covers the main topics about which a Trustee needs to know within St John's Hospice and directs the Trustee to other external links locally and nationally. A review and evaluation of the process takes place annually. Trustee appraisal will be considered during 2008.

Organisational Structure

The Board of Trustees has a maximum of 10 members who administer the Charity. The Board meets eight times annually. There are also four governance subcommittees which cover:

- Finance/Investment
- Clinical Service
- Operational Support (inc Human Resources)
- Fundraising and Marketing

ST JOHN'S HOSPICE

TRUSTEE REPORT

FOR THE YEAR ENDED 31 MARCH 2008

The Chief Executive is appointed by the Chairman and Board and is responsible for the day to day management of the Charity with the support of the Senior Managers.

To facilitate effective operations the Chief Executive has delegated authority in accordance with the delegated powers documents.

Related Parties

The Company's wholly owned subsidiary, St John's Hospice Enterprises Limited, is engaged in the sale of goods for the benefit of the charity.

Risk Management

The Trustees have a risk management policy which includes:

- Having a High Risk Action Plan, which is reviewed quarterly to include medium and low risks.
- The development of a Serious Untoward Incident Policy to ensure better emergency procedures and contingency plans will be completed in 2008.
- Reviewing policies and procedures governing income and expenditure.
- Continuing to employ good business practice. This includes a Financial Management Plan which is regularly updated and reviewed.
- Setting a reserves policy, with a regular review by the Finance Group.

These policies and procedures are designed to ensure the propriety and efficiency of the organisation's activities. The formal risk assessment for the organisation in 2007/08 is being further refined and developed by the Operational Governance group.

Risk management forms part of normal day to day activities and operations throughout the Hospice. A review of how this is communicated internally and externally has been undertaken in 2007. This looked at the systems and procedures used to manage risks to which we could become exposed and included actions we take to mitigate these risks. The Chairman and Trustees aim to ensure that all employees, be they clinical or non-clinical, benefit from regular professional development as suggested by their own professional body.

Healthcare Commission

In the past, the Healthcare Commission has been required to inspect registered establishments annually, regardless of their level of compliance with standards and regulations. New regulations permit the HCC to determine the frequency of inspection on the basis of risk assessments of establishments from April 2007. An HCC Self Assessment Document was submitted in July 2007 and we were subsequently advised that an inspection was not required during 2007/08 although a statutory minimum requirement of one visit in every five years remains. A risk assessment statement to this effect is displayed in reception. The Modern Matron was appointed as Registered Manager to the HCC in 2007.

Objectives and Activities

The Aims and Objectives of the Charity:

- St John's Hospice's aim is to meet the physical, psychological, social and spiritual needs of those with advanced and progressive illness and those of their carers without discrimination.
- The primary responsibility is to patients, families and carers in close liaison with the healthcare stakeholders.
- The Hospice responds to the needs of patients and their families and carers by providing a multi-professional team approach to Specialist Palliative Care that is tailored to meet the needs of the whole person.

ST JOHN'S HOSPICE

TRUSTEE REPORT

FOR THE YEAR ENDED 31 MARCH 2008

Our Business Plan 2008/2009 sets clear objectives in the areas of:

- Financial Governance
- Clinical Governance
- Human Resources
- Fundraising
- Marketing
- Administration
- Premises
- Training and Development and Audit

A copy of the Business Plan can be found on the St John's Hospice website www.stjohnshospice.org or upon request.

The Strategies Employed to Achieve the Charity's Objectives

- A performance management approach to measure the success of our objectives is undertaken quarterly. As well as reporting the quarterly objectives and detailing progress to the departments, the Trustees are given an outline of the main discussion points and recommendations which may include change in practice where appropriate.
- Subgroups meet regularly to identify best practice in the areas of finance, clinical services and operations. This enables a clearer focus and better corporate working for the multi professional team, ensuring that our objectives are achieved.
- A monthly team brief, compiled by the management team and circulated to all staff, outlines and informs about key issues which might impact on the organisation.
- The generation of key performance indicators (KPIs) on a monthly basis includes:
 - Headcount of all paid employees
 - Sickness of all paid employees
 - Staff turnover of all paid employees
 - Human Resources/Staff Support
 - Volunteers – indicating numbers of new/leavers
 - Risk Management – clinical/non clinical incidents
 - Training and Development
 - Customer Satisfaction
 - Call outs, required for incidents out of hours
 - The incidence of Methicillin Resistant Staphylococcus Aureus (MRSA) and Clostridium Difficile (CDiff).

This information is provided to the Trustees and provides a continuous quality improvement tool. It is supported by all staff and is seen as a valuable method of further enhancing our development.

We face a changing environment created by legislation and competition. This compels us constantly to be prepared to adapt our strategies, in order to meet the objectives of our business plan.

Trustees Visits

Our Trustees continue to undertake a quarterly rotational visit to the Hospice to meet and learn the views of patients, carers, volunteers and staff. Two Trustees attend on each visit, and this is followed up with a written report. This is presented to all Trustees. If necessary, the senior

ST JOHN'S HOSPICE

TRUSTEE REPORT

FOR THE YEAR ENDED 31 MARCH 2008

management team investigates and takes appropriate action on their findings. A copy of the report and actions is shared with the Health Care Commission.

All Trustees have commented on the importance of these visits for their understanding of the value and significance to St John's Hospice.

Volunteers

Our volunteers, numbering 388 on average, have always contributed significantly to St John's Hospice. They bring an extra dimension to the culture and atmosphere of the Hospice. Their skills and their very presence make an impact on the lives of patients and their families and our staff. They also raise awareness in the community of the quality of care and range of services provided in the Hospice. 8 volunteers were nominated for Wirral Volunteer of the Year 2007.

Closure of Seaview Road Shop

In June 2007 the difficult decision was taken to close the Seaview Road shop after a period of decreasing sales. A review of the Hospice's shops will be undertaken in 2008.

Achievements and Performance

At the hospice we have seen our staff continuing to care with professionalism and affection, the patients dealing bravely with fear and discomfort and their relatives coping with anxiety and grief. Over the past year, 2007/08, we have also seen the following achievements, changes and activities take place.

The past year has been both a challenge and a significant opportunity to strengthen and focus our position as Specialist Palliative Care Provider Services for Wirral.

Although organisational change has offered us the opportunity to strengthen the delivery of our services we have continued to ensure that our patients and their carers/relatives remain central to what we do and what we aspire to achieve.

2007/08 commenced with a major capital investment (supported by the Department of Health) in patient related areas. We are delighted that we have this support and are able to make these improvements which will enable not only better facilities for patients and carers, but also the opportunity to develop our services across the locality. The engagement and involvement of our Board, partners and local people has been integral to the way we have been able to take these initiatives forward.

Capital Development Programme - St John's Hospice Outpatient Services Unit

In April 2007 St John's Hospice received notification of a successful Capital Grant application to secure monies from the Department of Health's £40 million grant programme (Dignity in Care). The grant will be spent on extending the current Outpatients and Day Care wing enabling St John's to offer improved facilities for more patients and their carers, and it also provides the opportunity to develop our services in the community. Following successful planning permission, a meeting was held with Wirral University Teaching Hospital NHS Foundation Trust and Wirral Primary Care Trust who offered their support. Architects (Paddock Johnson Partnership), Quantity Surveyors (Todd & Ledson), Structural Engineers (The Alan Johnson Partnership) and Mechanical and Electrical Engineers (KGA Partnership) were appointed. A tender process then followed resulting in Mellwood Construction being awarded the contract for the development, and work commenced in January 2008. The Duke of Westminster laid the foundation stone on 27 February 2008. Funds will be raised to equip and furnish the building.

ST JOHN'S HOSPICE

TRUSTEE REPORT

FOR THE YEAR ENDED 31 MARCH 2008

Our partners and the people of Wirral have joined the Board of Trustees in supporting this exciting enhancement of our services.

Compliments

Positive feedback has been received through evaluations, letters, greeting cards and comment forms. Feedback is greatly valued especially when these thoughts and feelings are expressed at difficult times

Clinical Management Structure

In April 2007 we adopted a new clinical model with the appointment of a Modern Matron and a new post of Patient Services Manager which took effect from April 2007.

Criminal Records Bureau

A rolling 3 year programme of re-checks for all staff/trustees commenced in 2007 in line with 'best practice' recommendations.

Employee Forum

The inaugural meeting of the Employee Forum took place in April 2007 following a ballot process of election. The Forum now meets quarterly.

Employee Survey

A questionnaire to elicit views on 'improving working lives' was undertaken and the analysis of the results was shared with managers and staff. Consultation is ongoing and will contribute to improving services.

Health Acquired Infections

A business case for a designated Infection Control Registered Nurse was approved in January 2008.

The prevention and control of Healthcare Associated Infections remains a high priority for St John's Hospice. The action plan which addresses the Healthcare Commission Hygiene Audit is in progress and is regularly discussed in the HCC Infection Control governance group and Clinical governance group. The incidence of MRSA and CDifficile remains extremely low and invariably an infection has been introduced on admission of an infected patient.

Our Silver Anniversary

In recognition of the 25 year history of St John's, the hospice logo was adapted in April 2007. A programme of commemorative events has commenced to launch the 25th Anniversary Appeal to raise funds for the new Outpatient Services Unit. Celebratory events continue throughout 2008, our 25th year.

Hospice Policies

Our Hospice policies continued to be reviewed, amended, updated or implemented during 2007/08. These policies are raised at the appropriate governance groups and disseminated to all staff accordingly.

Patient and Carer Group

A Patient and Carer Group was established in 2007. The HCC regulations suggest that patients and carers are consulted about planning and delivery of services. Terms of Reference have been agreed.

ST JOHN'S HOSPICE

TRUSTEE REPORT

FOR THE YEAR ENDED 31 MARCH 2008

Patient Satisfaction Survey

A report from the Help the Hospices 2006/07 Patient Satisfaction Survey was received in 2007. The next national survey is not expected to commence until 2008. During this time an internal Hospice survey has been used and results and actions shared with Clinical teams.

Policy Issues

The Department of Health NHS Operating Framework for 2007/08 sets out a local action for Primary Care Trusts to undertake. This involves carrying out a local End of Life Care Services Baseline Review in preparation for the EOLC Strategy which was due to be published late 2007 but this date has now been deferred.

Specialist Palliative Care Community Support Team

Additional investment from Wirral PCT has been received to enable two whole time equivalent Registered Nurses from St John's Hospice to work with the Community Specialist Palliative Care Team in 2007. They will support the Clinical Nurse Specialists in the Community service.

St John's Hospice Strategy 2009-2012

The review of Hospice services began in 2007/08 to consider:

- what has been achieved
- what is no longer relevant
- what 'health drivers' are impacting upon Specialist Palliative Care
- what needs to be discussed/considered.

Training and Development – "Investing in our Staff"

Our well-trained and efficient workforce is our most important resource. Training has continued throughout 2007/08.

Senior Managers, Managers and staff members attended a number of training sessions and all cleaning staff undertook and passed NVQ Level II training during the year.

All hospice staff undertook Awareness Training which includes the Mental Capacity Act, End of Life, Blood Transfusion, Fire/Health and Safety, Manual Handling, Protection of Vulnerable Adults, Child Protection and Spirituality.

Eight training sessions were held for volunteers on Manual Handling, Fire/Health and Safety and Infection Control training.

All Senior Managers and Trustees attended an Employment Law update on key employment issues and charity law.

Financial Review

Income

Total income has increased by over £500,000 this year. This is due principally to an increase in grants from Primary Care Trusts. These grants covered 55% (2007: 43%) of our expenditure (excluding fundraising costs).

The turnover of the trading subsidiary this year was £118,000. Details of the subsidiary's performance, which we consider to be satisfactory, are set out in note 7 of the financial statements.

ST JOHN'S HOSPICE

TRUSTEE REPORT

FOR THE YEAR ENDED 31 MARCH 2008

Expenditure

65% (2007: 70%) of costs relate to salaries, the total salary bill for the year being approximately £2.3m. Of these costs, approximately 80% relate to employees who are directly involved in clinical care.

Fund-raising and publicity costs include the costs of running our lottery (£256,000) and the charity shops (£105,000), which generated income of £523,000 and £157,000 respectively.

In summary, an operating surplus of £1.25 million was generated in 2007/2008, before losses on investments of £220,000. The Hospice's reliance on voluntary income and, particularly, legacies which totalled £1.25 million this year continues.

Balance Sheet

Our principal assets are our tangible fixed assets, our investment portfolios of quoted investments and our bank balances.

The bulk of our fixed assets consists of the Hospice premises. The net movement in the value of these fixed assets is £200,000 this year.

There was an increase in the valuation of our quoted investments of almost £1,200,000 during the year, of which £1,470,000 relates to the transfer of bank balances.

The Hospice's realisable reserves at 31 March 2008 amounted to approximately £3.5m, taking into account amounts set aside within the development fund.

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

Reserves Policy

Reserves are required because the on-going revenue expenditure of the Hospice exceeds the minimum anticipated income on an annual basis.

Due to the fundamental uncertainties surrounding the Hospice's income and the ever-increasing cost of its service commitment, the Trustees believe that the reserves should be equivalent to between 12 and 36 months of anticipated net expenditure. Currently reserves amount to 26.0 (2007: 19.4) months of anticipated expenditure.

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

Investment Policy

The overall investment policy is for a balanced return with orientation towards capital growth, taking a long-term view.

Investment can be made in Government stocks, loan stocks of blue chip equities and in unit trusts investing in gilts, and quality corporate bond funds.

Individual equity purchases are restricted to shares quoted in the FTSE 100 and 250 Indices. It is general policy not to hold more than 5% of the equity allocation in any one holding at the time of purchase. Smaller company shares may be acquired but only through unit or investment trusts and are not to exceed 10% of the equity portfolios.

ST JOHN'S HOSPICE

TRUSTEE REPORT

FOR THE YEAR ENDED 31 MARCH 2008

Investment in overseas equities can only be made through investment trusts and unit trusts and shall not exceed 25% of the total equity allocation. No more than 10% of the equity allocation may be invested in emerging markets.

There is a restriction on the purchase of tobacco shares.

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

Investment Performance

Fixed Interest Investments

During the year to 31 March 2008 the government stocks rose 2.5% compared to a rise of 2.3% in the FTA UK Government All Stocks Index.

Equity Investments

During the year to 31 March 2008 the equity funds fell 10.1% compared to a fall of 10.8% in the All Share Index.

Plans for Future Periods

External Influences

The Department of Health has outlined its service priorities for the year ahead. The Framework sets out the priorities within the context of the next three years. These reforms, for example the End of Life Care Strategy due 2008, are with a purpose to improve and transform services and improve outcomes. There is a need therefore for a strong emphasis on our partnerships with the Primary Care Trusts at a local level to ensure that the needs for Specialist Palliative Care are understood and addressed in partnership.

Wirral Primary Care Trust

Wirral Primary Care Trust has developed a strategic plan intended to take the services forward, including Palliative Care. Their intentions are to provide opportunities for providers to redesign their service needs to meet the population needs supported through the End of Life Care Steering Group of which representation of St John's Hospice sits.

St John's Hospice – Strategic Planning

St John's Hospice has commenced its strategic planning in 2008 to ensure that our philosophy and vision is underpinned by corporate values that will be measurable to ensure our service(s) delivery meets the needs of our local population.

Patient Satisfaction Survey 2008/09

In line with the National Minimum Standards (Healthcare Commission), we will once again commence in Summer 2008 the annual Help the Hospices Patient Questionnaire for Inpatient and Daycare patients. These surveys incorporate questions relating to a variety and wide range of areas including information giving, staff attitudes, patient involvement in care planning, privacy, respect and support when patients were discharged or died.

Patient/Carer Involvement

Our Patient and Carer Group involvement is helping us to gain a better understanding of patient/carers views in St John's Hospice, and will continue to serve as a valuable contribution to our service developments in the coming year.

ST JOHN'S HOSPICE

TRUSTEE REPORT

FOR THE YEAR ENDED 31 MARCH 2008

Quality Matters

We strive to plan for and implement quality improvements again in 2008/09 as part of the work undertaken by the Organisational Effectiveness Group(s) which aim to ensure our standards are maintained in accordance with the Healthcare Commission requirements.

Championing the Cause

It is imperative that we continue to promote our Hospice information in order to inform the public and supporters and those who may need to access our services, about our work. Last year's coverage has helped enormously in our 25th Anniversary Appeal, however in 2008/09 and beyond we aim to continue to promote our service provision and choices offered to those who access our services and continue to dispel myths associated with Hospice care.

Trustees' responsibilities for the financial statements

Company law requires the Trustees, who are also directors of the company, to prepare financial statements for each financial period, which give a true and fair view of the group's financial activities during the period and of the financial position of the group and the charity at the end of the period. In preparing those financial statements, the Trustees should follow best practice and:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on an going concern basis unless it is inappropriate to presume that the charity will continue in business.

In so far as the Trustees are aware:

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

The Trustees are responsible for keeping accounting records, which disclose with reasonable accuracy the financial position of the group and charitable company and which enable them to ascertain its financial position and to ensure that the financial statements comply with applicable law. They are also responsible for safeguarding the assets of the group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ST JOHN'S HOSPICE

TRUSTEE REPORT

FOR THE YEAR ENDED 31 MARCH 2008

Auditors

McEwan Wallace offer themselves for reappointment as auditors of the company in accordance with Section 385 of the Companies Act 1985.

BY ORDER OF THE TRUSTEES
28th July 2008

J Gorry
Company Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ST JOHN'S HOSPICE

We have audited the financial statements, which comprise the principal accounting policies, the Consolidated Statement of Financial Activities, the Consolidated Summary Income and Expenditure account, the Balance sheets, the Consolidated Cash Flow statement and notes 1 to 20.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state in an auditor's 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 responsibility of the trustees and auditors.

The responsibilities of the trustees (who are also the directors of St John's Hospice for the purposes of company law) for preparing the Annual Report and the financial statements in accordance with United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Auditing Standards (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We are not required to consider whether the statement in the trustee's report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

We read the trustees report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of opinion

We conducted our audit in accordance with International Auditing Standards (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ST JOHN'S HOSPICE

Opinion

In our opinion the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of affairs of the charity and the group as at 31 March 2008 and of the incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985, and the information given in the Trustees Report is consistent with the financial statements for the year ended 31st March 2008.

24th November 2008

McEwan Wallace
Registered Auditors
Chartered Accountants
Birkenhead
Wirral

PRINCIPAL ACCOUNTING POLICIES

ST JOHN'S HOSPICE

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention, except that investments are included at valuation, and have been prepared in accordance with the Statement of Recommended Practice: "Accounting and Reporting by Charities" (2005) and the Companies Act 1985.

The principal accounting policies of the group are set out below.

BASIS OF CONSOLIDATION

The group financial statements consolidate those of the company and of its subsidiary undertaking (see note 6), drawn up to 31 March 2008. Profits or losses on intra group transactions are eliminated in full.

FUND ACCOUNTING

Funds held by the charity are either:

Unrestricted general funds – these are funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds – these are unrestricted funds set aside by the trustees out of unrestricted general funds. The Development fund is a designated fund and represents a provision for future capital expenditure. Where the directors consider it appropriate, having regard to the intended use of the money, funds are transferred to the Development fund from the General fund.

Restricted funds – these are funds which can only be used for particular restricted purposes within the objects of the charity. The balance in the Restricted fund includes donations received specifically for the development of the new Hospice, less revenue costs and depreciation to date, and is represented on the balance sheet as a proportion of the net book amount of the new Hospice, and other restricted capital and income funds.

INCOME

Income from donations and grants are accounted for in the accounting year in which they are receivable, except as follows:

- When donors specify that donations and grants given must be used in future accounting periods, the income is deferred until those periods.
- When donors impose conditions, which have to be fulfilled before the charity becomes entitled to use such income, the income is deferred and not included in incoming resources until the pre-conditions have been met.

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

PRINCIPAL ACCOUNTING POLICIES

ST JOHN'S HOSPICE

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

Income derived from trading activities is accounted for in the accounting year in which it is received.

Lottery income is accounted for in respect of those weekly draws which have taken place during the year

INVESTMENTS

Investments are included at market value.

Unrealised gains and losses are transferred to the General fund.

OPERATING LEASES

Rentals payable under operating leases are charged to the Statement of Financial Activities as incurred over the term of the lease.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Individual fixed assets are capitalised at cost where they are identified as being for continuing use in the charity's activities.

Depreciation is calculated to write down the cost of all tangible fixed assets by equal annual instalments on a straight-line basis, as follows:

Impairment reviews are carried out on any assets where an indication is given that the recoverable amount is below the net book value. No assets have been subject to an impairment review.

| | |
|--------------------------------------|----------|
| Hospice premises | 50 years |
| Charity shops | 50 years |
| Fund-raising office/education centre | |
| - Equipment, fixtures and fittings | 7 years |
| - Building | 50 years |
| Medical and office equipment | 7 years |
| Computer equipment | 4 years |
| Motor vehicles | 4 years |

STOCK

Stock is stated at the lower of cost and net realisable value.

PRINCIPAL ACCOUNTING POLICIES

ST JOHN'S HOSPICE

CONTRIBUTIONS OF PENSION SCHEMES

Defined Contribution Schemes

The group operates a number of defined contribution pension schemes for the benefit of the employees. The assets of the schemes are administered by trustees in funds independent from those of the group.

The pension costs charged against profits, all of which relate to defined contribution schemes, represent the amount of contributions payable to the schemes in respect of the accounting period.

RESOURCES EXPENDED

Expenditure, which is charged on an accruals basis, is allocated between:

- expenditure incurred directly to the fulfilment of the charity's objectives (charitable activities);
- expenditure incurred directly in the effort to raise voluntary contributions (cost of generating funds);
and
- expenditure incurred on governance costs.

Items of expenditure involving more than one cost category are apportioned on the basis of staff time incurred in respect of each category.

Governance Costs

Governance costs include expenditure on administration of the charity and compliance with constitutional and statutory requirements.

VAT

The irrecoverable element of VAT is included with the item of expense to which it relates

ST JOHN'S HOSPICE

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

For the year ended 31 March 2008

| | Note | Unrestricted Funds £ | Restricted Funds £ | Year ended 31.03.2008 Total Funds £ | Year ended 31.03.2007 Total Funds £ |
|--|------|-------------------------|-----------------------|--|--|
| Incoming resources | | | | | |
| Incoming resources from generated funds: | | | | | |
| Voluntary income | 7 | 1,675,027 | 273,037 | 1,948,064 | 1,892,569 |
| Activities for generating funds | 7 | 1,023,682 | - | 1,023,682 | 1,011,625 |
| Investment income | 7 | 172,051 | - | 172,051 | 123,311 |
| | | <u>2,870,760</u> | <u>273,037</u> | <u>3,143,797</u> | <u>3,027,505</u> |
| Incoming resources from charitable activities | 7 | 1,223,924 | 394,138 | 1,618,062 | 1,177,805 |
| Total incoming resources | | <u>4,094,684</u> | <u>667,175</u> | <u>4,761,859</u> | <u>4,205,310</u> |
| Resources expended | | | | | |
| Costs of generating funds | | | | | |
| Costs of generating voluntary income | 2(a) | 28,281 | - | 28,281 | 30,091 |
| Fundraising costs | 2(b) | 696,968 | - | 696,968 | 690,944 |
| Investment management costs | | 17,423 | - | 17,423 | 15,960 |
| Charitable activities | 1 | 2,618,302 | 100,119 | 2,718,421 | 2,551,938 |
| Governance costs | 4 | 55,964 | - | 55,964 | 20,992 |
| | | <u>3,416,938</u> | <u>100,119</u> | <u>3,517,057</u> | <u>3,309,925</u> |
| Net incoming/(outgoing) resources before other recognised gains | | 677,746 | 567,056 | 1,244,802 | 895,385 |
| Gains on investments | 9 | (219,604) | - | (219,604) | 190,270 |
| | | <u>458,142</u> | <u>567,056</u> | <u>1,025,198</u> | <u>1,085,655</u> |
| Net movement in funds | 14 | 458,142 | 567,056 | 1,025,198 | 1,085,655 |
| Reconciliation of Funds | | | | | |
| Total funds brought forward | | <u>5,300,619</u> | <u>829,495</u> | <u>6,130,114</u> | <u>5,044,459</u> |
| Total funds carried forward | | <u>5,758,761</u> | <u>1,396,551</u> | <u>7,155,312</u> | <u>6,130,114</u> |

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

ST JOHN'S HOSPICE

CONSOLIDATED BALANCE SHEET

As at 31 March 2008

| | Note | 2008 | 2008 | 2007 | 2007 |
|--|------|------------------|------------------|-------------|------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 8 | | 2,584,008 | | 2,393,604 |
| Investments | 9 | | 4,464,246 | | <u>3,283,609</u> |
| | | | 7,048,254 | | 5,677,213 |
| Current assets | | | | | |
| Stocks | 10 | 10,357 | | 15,864 | |
| Debtors | 11 | 27,906 | | 1,181,853 | |
| Cash at bank and in hand | 12 | 505,108 | | 639,459 | |
| | | | 543,371 | 1,837,176 | |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 13 | | (436,313) | (1,384,275) | |
| Net current assets | | | 107,058 | | <u>452,901</u> |
| Net assets | | | 7,155,312 | | <u>6,130,114</u> |
| The funds of the charity | | | | | |
| Restricted income funds | 14 | | 1,396,551 | | 829,495 |
| Unrestricted income funds | 14 | | | | |
| General | | 4,758,761 | | 4,300,619 | |
| Designated | | 1,000,000 | | 1,000,000 | |
| Total unrestricted funds | | | 5,758,761 | | 5,300,619 |
| Total charity funds | | | 7,155,312 | | <u>6,130,114</u> |

The notes at pages 19 to 28 form part of these accounts.

The directors approved the financial statements on 28th July 2008

Dr P J R Cuthbertson

Director

G M Ridgway

Director

ST JOHN'S HOSPICE

BALANCE SHEET

As at 31 March 2008

| | Note | 2008 | 2008 | 2007 | 2007 |
|--|------|------------------|------------------|--------------------|------------------|
| | | £ | £ | £ | £ |
| Fixed assets | | | | | |
| Tangible assets | 8 | | 2,584,008 | | 2,393,604 |
| Investments | 9 | | 4,464,248 | | <u>3,283,611</u> |
| | | | 7,048,256 | | 5,677,215 |
| Current assets | | | | | |
| Debtors | 11 | 84,186 | | 1,227,684 | |
| Cash at bank and in hand | 12 | 432,750 | | <u>590,488</u> | |
| | | 516,936 | | 1,818,172 | |
| Liabilities | | | | | |
| Creditors: amounts falling due within one year | 13 | (409,880) | | <u>(1,365,273)</u> | |
| Net current assets | | | 107,056 | | <u>452,899</u> |
| Net assets | | | 7,155,312 | | <u>6,130,114</u> |
| The funds of the charity | | | | | |
| Restricted income funds | 14 | | 1,396,551 | | 829,495 |
| Unrestricted income funds | 14 | | | | |
| General | | 4,758,761 | | 4,300,619 | |
| Designated | | 1,000,000 | | <u>1,000,000</u> | |
| Total unrestricted funds | | | 5,758,761 | | <u>5,300,619</u> |
| Total charity funds | | | 7,155,312 | | <u>6,130,114</u> |

The notes at pages 19 to 28 form part of these accounts.

The directors approved the financial statements on 28th July 2008

Dr P J R Cuthbertson

Director

G M Ridgway

Director

ST JOHN'S HOSPICE

CONSOLIDATED CASH FLOW STATEMENT

As at 31 March 2008

| | 2008 £ | 2008 £ | 2007 £ |
|--|------------------|--------------------|-------------------|
| Net cash (outflow)/inflow from operating activities (see below) | | 1,576,007 | (31,626) |
| Capital expenditure and financial investment | | | |
| Purchase of tangible fixed assets | 310,117 | | 35,305 |
| Proceeds from sale of fixed assets | - | | - |
| Purchase of investments | 269,739 | | 242,252 |
| Increase/(decrease) in cash held by stockbrokers | 1,468,776 | | 511,885 |
| Proceeds from sale of investments | (338,274) | | (135,075) |
| Net cash outflow from capital expenditure and financial investment | | (1,710,358) | (654,367) |
| Decrease in cash in the year (see below) | | (134,351) | (685,993) |
| Reconciliation of changes in resources to net cash inflow from operating activities | | | |
| | | 2008 £ | 2007 £ |
| Changes in resources before revaluations | | 1,325,442 | 930,500 |
| Depreciation | | 119,713 | 127,042 |
| Profit on disposal of fixed assets | | (80,640) | (35,115) |
| Increase in creditors | | (947,962) | 52,791 |
| (Increase)/decrease in debtors | | 1,153,947 | (1,120,809) |
| Decrease/(increase) in stocks | | 5,507 | 13,965 |
| | | 1,576,007 | (31,626) |
| Reconciliation of net cash flow | | | |
| | At 1.4.2007 £ | Cash flow £ | At 31.3.2008 £ |
| Bank balances | 639,459 | (134,351) | 505,108 |

ST JOHN'S HOSPICE

NOTES TO THE ACCOUNTS

As at 31 March 2008

1. CHARITABLE ACTIVITIES

| | 2008 | 2007 |
|------------------------|------------------|------------------|
| | £ | £ |
| Salaries | 1,863,492 | 1,743,245 |
| Depreciation | 106,720 | 112,429 |
| Medical supplies | 184,254 | 134,390 |
| Food | 24,338 | 26,578 |
| Heat and lighting | 46,123 | 44,661 |
| Repairs and renewals | 60,339 | 81,451 |
| Cleaning | 18,400 | 13,318 |
| Other | 22,563 | 35,450 |
| Support costs (note 3) | 392,192 | 360,416 |
| | <u>2,718,421</u> | <u>2,551,938</u> |

2. COST OF GENERATING FUNDS

| | 2008 | 2007 |
|---|----------------|----------------|
| | £ | £ |
| (a) Costs of generating voluntary income – salaries | <u>28,281</u> | <u>30,091</u> |
| (b) Fundraising costs : | | |
| Salaries | 132,328 | 119,281 |
| Depreciation | 12,994 | 14,612 |
| Charity shop costs (including salaries £77,094) | 105,243 | 129,607 |
| Purchase of promotional goods | 56,439 | 44,835 |
| Lottery costs (including salaries £64,413) | 256,142 | 252,559 |
| Printing, stationery and advertising | 14,600 | 27,519 |
| Postage and telephone | 4,956 | 13,652 |
| Fundraising expenditure | 104,503 | 85,481 |
| Other | 9,763 | 3,398 |
| | <u>696,968</u> | <u>690,944</u> |

3. SUPPORT COSTS

| | 2008 | 2007 |
|--------------------------------------|----------------|----------------|
| | £ | £ |
| Salaries | 338,819 | 276,092 |
| Printing, stationery and advertising | 9,939 | 36,149 |
| Postage and telephone | 9,411 | 9,333 |
| Accountancy and payroll charges | 7,884 | 13,913 |
| Insurance | 26,139 | 24,929 |
| | <u>392,192</u> | <u>360,416</u> |

ST JOHN'S HOSPICE

NOTES TO THE ACCOUNTS

As at 31 March 2008

4. GOVERNANCE COSTS

| | 2008 | 2007 |
|------------------------------|----------------------|---------------|
| | £ | £ |
| Audit fees | 8,460 | 6,129 |
| Legal and professional costs | 40,757 | 8,437 |
| Salaries | 6,747 | 6,426 |
| | <u>55,964</u> | <u>20,992</u> |

5. DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows

| | 2008 | 2007 |
|-----------------------|-------------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,991,221 | 2,054,665 |
| Social security costs | 152,715 | 117,501 |
| Other pension costs | 133,779 | 146,831 |
| | <u>2,277,715</u> | <u>2,318,997</u> |

| | | |
|-----------------------------|-------------------|------------|
| Average number of employees | <u>136</u> | <u>132</u> |
|-----------------------------|-------------------|------------|

The analysis of employees by category is as follows:

| | 2008 | 2007 |
|-------------------------------|------------------|-----------|
| | Number | Number |
| Direct charitable | 93 | 92 |
| Fund-raising and publicity | 20 | 19 |
| Management and administration | 13 | 11 |
| Directors | <u>10</u> | <u>10</u> |

The number of employees whose emoluments as defined for taxation purposes amounted to over £50,000 in the year was as follows:

| | 2008 | 2007 |
|-------------------|-----------------|----------|
| | Number | Number |
| £50,000 - £60,000 | 1 | - |
| £60,000 - £70,000 | <u>1</u> | <u>1</u> |

The employee earning over £60,000 participated in a defined benefit pension scheme.

No employee earned more than £70,000 in the year.

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

ST JOHN'S HOSPICE

NOTES TO THE ACCOUNTS

As at 31 March 2008

The group operates a number of defined contribution pension schemes for the benefit of the employees. The assets of the schemes are administered by trustees in funds independent from those of the group.

The Charity has a number of employees who are not paid through the company payroll, but through a recharging agreement with third parties. The arrangements are in place to ensure continuity of service and protection of benefits for those employees whose careers are within the Health Service and the Church. The total amount paid under such agreements in 2008 was £204,410. The posts and third parties involved are as follows:

Consultant and Medical Officers
Chaplain

Wirral Hospital Trust
Mersey Synod

6. TAXATION

The company has been granted charitable status and is thus generally exempt from Corporation Tax. All taxable trading income is now received by the company's subsidiary undertaking, which transfers its net income to the company by means of a gift-aid payment.

ST JOHN'S HOSPICE

NOTES TO THE ACCOUNTS

As at 31 March 2008

7. NET INCOME FOR THE YEAR

The net income for the year is stated after charging:

| | 2008 | 2007 |
|--|-------------------------|-------------------|
| | £ | £ |
| Depreciation | 119,713 | 127,042 |
| Auditors remuneration | 8,460 | 6,129 |
| | <u> </u> | <u> </u> |
| and after crediting: | | |
| | £ | £ |
| Voluntary income: | | |
| Legacies | 1,264,192 | 1,471,684 |
| In memoriam | 207,114 | 165,753 |
| General donations | 406,835 | 205,684 |
| Gift Aid | 69,923 | 49,448 |
| | <u>1,948,064</u> | <u>1,892,569</u> |
| | £ | £ |
| Investment income from: | | |
| Listed investments | 72,128 | 68,900 |
| Bank deposits | 99,923 | 54,411 |
| | <u>172,051</u> | <u>123,311</u> |
| | £ | £ |
| Income from charitable activities: | | |
| Grants from Wirral Primary Care Trusts | 1,200,043 | 1,125,012 |
| Department of Health Grant | 358,420 | - |
| Sundry income | 59,599 | 52,793 |
| | <u>1,618,062</u> | <u>1,177,805</u> |
| | £ | £ |
| Activities for generating funds: | | |
| Fund-raising events | 223,815 | 221,280 |
| Charity shop sales | 157,540 | 173,821 |
| Subsidiary's turnover | 118,555 | 107,140 |
| Lottery income | 523,772 | 509,384 |
| | <u>1,023,682</u> | <u>1,011,625</u> |

The Charity has one wholly owned trading subsidiary, which is incorporated in England and Wales. St John's Hospice Enterprises Limited is engaged in the sale of goods for the benefit of St John's Hospice. St John's Hospice Enterprises Limited has transferred its profits to the Charity.

ST JOHN'S HOSPICE

NOTES TO THE ACCOUNTS

As at 31 March 2008

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

| | 2008 | 2007 |
|-------------------------|-----------------|----------|
| | £ | £ |
| Turnover | 118,555 | 107,140 |
| Cost of sales | (56,439) | (44,835) |
| Gross profit | 62,116 | 62,305 |
| Administrative expenses | (24,335) | (33,339) |
| Transfer to Hospice | (37,781) | (28,966) |
| Profit retained | - | - |

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

| | 2008 | 2007 |
|-------------------------|-----------------|----------|
| | £ | £ |
| Current assets | 83,990 | 66,110 |
| Current liabilities | (83,988) | (66,108) |
| | 2 | 2 |
| Share capital | 2 | 2 |
| Profit and loss account | - | - |
| | 2 | 2 |

ST JOHN'S HOSPICE

NOTES TO THE ACCOUNTS

As at 31 March 2008

8. TANGIBLE FIXED ASSETS

The Group and the Company

| | Hospice premises £ | Computer, medical & office equipment £ | Charity shops £ | Motor vehicles £ | Total £ |
|---|-----------------------------------|---|--------------------------------|---------------------------------|-------------------------|
| Cost | | | | | |
| At 1 April 2007 | 2,766,574 | 813,078 | 68,750 | 72,362 | 3,720,764 |
| Additions | 280,910 | 29,207 | - | - | 310,117 |
| Disposals | - | (4,825) | - | - | (4,825) |
| At 31 March 2008 | <u>3,047,484</u> | <u>837,460</u> | <u>68,750</u> | <u>72,362</u> | <u>4,026,056</u> |
| Depreciation | | | | | |
| At 1 April 2007 | 483,490 | 745,211 | 36,194 | 62,265 | 1,327,160 |
| Charge for the year | 55,522 | 50,362 | 3,732 | 10,097 | 119,713 |
| On disposals | - | (4,825) | - | - | (4,825) |
| At 31 March 2008 | <u>539,012</u> | <u>790,748</u> | <u>39,926</u> | <u>72,362</u> | <u>1,442,048</u> |
| Net book amount at 31 March 2008 | <u>2,508,472</u> | <u>46,712</u> | <u>28,824</u> | <u>-</u> | <u>2,584,008</u> |
| Net book amount at 31 March 2007 | <u>2,283,084</u> | <u>67,867</u> | <u>32,556</u> | <u>10,097</u> | <u>2,393,604</u> |

The net book amount at 31 March 2008 in respect of land and buildings comprises freehold property of £2,505,990

The net book amount at 31 March 2008 represents fixed assets used for:

| | Hospices premises £ | Computer, medical & office equipment £ | Charity shops £ | Motor vehicles £ | Total £ |
|-----------------------|------------------------------------|---|--------------------------------|---------------------------------|--------------------|
| Charitable activities | 2,311,849 | 29,345 | - | - | 2,341,194 |
| Fund-raising | 196,626 | 17,364 | - | - | 213,990 |
| Charity shops | - | - | 28,824 | - | 28,824 |
| | <u>2,508,475</u> | <u>46,709</u> | <u>28,824</u> | <u>-</u> | <u>2,584,008</u> |

The net amount at 31 March 2008 in respect of Charity shops comprises freehold property £21,167, and fixtures and fittings £7,657

ST JOHN'S HOSPICE

NOTES TO THE ACCOUNTS

As at 31 March 2008

9. INVESTMENTS

| | The Group | | The Company | |
|--|-------------------------|------------------|-------------------------|------------------|
| | 2008 | 2007 | 2008 | 2007 |
| | £ | £ | £ | £ |
| Quoted investments at market value | 2,445,429 | 2,733,568 | 2,445,429 | 2,733,568 |
| Cash held by stockbrokers | 2,018,817 | 550,041 | 2,018,817 | 550,041 |
| Investment in subsidiary undertaking at cost | - | - | 2 | 2 |
| | <u>4,464,246</u> | <u>3,283,609</u> | <u>4,464,248</u> | <u>3,283,611</u> |
| Quoted investments | | | £ | £ |
| Market value | | | | |
| At 1 April 2007 | | | 2,733,568 | 2,436,121 |
| Additions at cost | | | 269,739 | 242,252 |
| Disposal proceeds | | | (338,274) | (135,075) |
| Profit on disposals | | | 80,640 | 35,115 |
| (Decrease) / Increase in unrealised gain | | | (300,244) | 155,155 |
| At 31 March 2008 | | | <u>2,445,429</u> | <u>2,733,568</u> |
| Cost | | | <u>2,056,495</u> | <u>2,044,391</u> |

All investments held represent investments listed on the UK stock exchange and have been acquired in accordance with the powers available to the trustees. The portfolio comprises equities £1,967,000 and gilts £478,429

The historical cost amount of quoted investments is £2,056,495 (2007: £2,044,391). The total unrealised gain to date amounts to £388,933 (2007: £689,177). This amount is included within the Hospice's general fund.

Investment in subsidiary undertaking

The investment in subsidiary undertaking represents a 100% holding in the Ordinary share capital of St John's Hospice Enterprises Limited. The company holds 2 Ordinary shares, being 100% of the subsidiary's issued share capital. The purpose of the company, which is incorporated in England and Wales, is to undertake the trading activities of the Hospice (buying and selling Christmas cards and other goods).

ST JOHN'S HOSPICE

NOTES TO THE ACCOUNTS

As at 31 March 2008

10. STOCKS

| | The Group | | The Company | |
|--------------------|------------------|---------------|--------------------|----------|
| | 2008 | 2007 | 2008 | 2007 |
| | £ | £ | £ | £ |
| Fund-raising goods | <u>10,357</u> | <u>15,864</u> | <u>-</u> | <u>-</u> |

11. DEBTORS

| | The Group | | The Company | |
|---------------------------------|----------------------|------------------|----------------------|------------------|
| | 2008 | 2007 | 2008 | 2007 |
| | £ | £ | £ | £ |
| Tax recoverable | 11,916 | 68,939 | 10,641 | 67,664 |
| Prepayments and accrued income | 13,427 | 10,902 | 13,427 | 10,902 |
| Due from subsidiary undertaking | - | - | 57,555 | 47,106 |
| Other debtors | 2,563 | 1,102,012 | 2,563 | 1,102,012 |
| | <u>27,906</u> | <u>1,181,853</u> | <u>84,186</u> | <u>1,227,684</u> |

12. BANK BALANCES

| | The Group | | The Company | |
|---------------|-----------------------|----------------|-----------------------|----------------|
| | 2008 | 2007 | 2008 | 2007 |
| | £ | £ | £ | £ |
| Bank balances | 504,503 | 638,934 | 432,265 | 590,082 |
| Petty cash | 605 | 525 | 485 | 405 |
| | <u>505,108</u> | <u>639,459</u> | <u>432,750</u> | <u>590,488</u> |

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | The Group | | The Company | |
|---------------------------------|-----------------------|------------------|-----------------------|------------------|
| | 2008 | 2007 | 2008 | 2007 |
| | £ | £ | £ | £ |
| Trade creditors | 149,371 | 114,248 | 149,394 | 96,996 |
| Social security and other taxes | 73,488 | 48,763 | 47,692 | 48,763 |
| Other creditors and accruals | 66,142 | 18,419 | 65,482 | 16,669 |
| Deferred income | 147,312 | 1,202,845 | 147,312 | 1,202,845 |
| | <u>436,313</u> | <u>1,384,275</u> | <u>409,880</u> | <u>1,365,273</u> |

ST JOHN'S HOSPICE

NOTES TO THE ACCOUNTS

As at 31 March 2008

Deferred income

The Group and the Company

| | Total | Activities in furtherance of the charity's objects | Lottery income | Donations and legacies |
|--------------------------------|----------------|---|---------------------------|-----------------------------------|
| | £ | £ | £ | £ |
| As at 1 April 2007 | 1,202,845 | 1,120,403 | 76,752 | 5,690 |
| Released to income in the year | (1,202,845) | (1,120,403) | (76,752) | (5,690) |
| Deferred in the year | 147,312 | 74,347 | 70,855 | 2,110 |
| | <u>147,312</u> | <u>74,347</u> | <u>70,855</u> | <u>2,110</u> |
| As at 31 March 2008 | 147,312 | 74,347 | 70,855 | 2,110 |

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

14. RESERVES

| | Unrestricted General funds | Unrestricted Development funds | Restricted Funds | Total |
|----------------------|---------------------------------------|---|-----------------------------|------------------|
| | £ | £ | £ | £ |
| As at 1 April 2007 | 4,300,619 | 1,000,000 | 829,495 | 6,130,114 |
| Surplus for the year | 458,142 | - | 567,056 | 1,025,198 |
| Transfers | - | - | - | - |
| As at 31 March 2008 | <u>4,758,761</u> | <u>1,000,000</u> | <u>1,396,551</u> | <u>7,155,312</u> |

Represented by:

| | | | | |
|--|------------------|------------------|------------------|------------------|
| Tangible fixed assets | 1,891,802 | - | 692,206 | 2,584,008 |
| Investments | 3,485,558 | 978,688 | - | 4,464,246 |
| Cash at bank and in hand | (199,237) | - | 704,345 | 505,108 |
| Other net current assets / (liabilities) | (419,362) | 21,312 | - | (398,050) |
| | <u>4,758,761</u> | <u>1,000,000</u> | <u>1,396,551</u> | <u>7,155,312</u> |

The parent undertaking has taken advantage of Section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements.

The group surplus for the year includes a surplus of £1,024,930 (2007: surplus £1,085,655), which is dealt with in the financial statements of the company.

ST JOHN'S HOSPICE

NOTES TO THE ACCOUNTS

As at 31 March 2008

15. RESTRICTED FUNDS

| | At 1.4.07 | Incoming Resources | Resources Expended | At 31.03.08 |
|----------------------------|----------------|-----------------------|-----------------------|------------------|
| | £ | £ | £ | £ |
| Sunrise Appeal | 677,428 | - | (17,617) | 659,811 |
| Fundraising Vehicles | 2,817 | - | (2,817) | - |
| Specialist Palliative Care | 107,331 | 35,718 | (57,683) | 85,366 |
| Wish List | 41,919 | 2,000 | (8,864) | 35,055 |
| Anniversary Appeal | - | 629,457 | (13,138) | 616,319 |
| | <u>829,495</u> | <u>667,175</u> | <u>(100,119)</u> | <u>1,396,551</u> |

The above funds represent amounts received to finance, in the main, capital expenditure.

16. LIMITED LIABILITY

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

17. CONTINGENT LIABILITIES

Neither the group nor the company had any contingent liabilities at 31 March 2008 or 31 March 2007

18. CAPITAL COMMITMENTS

The company is committed to the construction of an extension to house a new outpatient services centre. Expenditure to 31st March 2008 of £271,397 is included in the capital expenditure in the accounts. Further expenditure of circa £610,727 is forecast to be made within the 12 months to 31st March 2009.

19. OPERATING LEASE COMMITMENTS

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

| | The Group | | The Company | |
|----------------------------|---------------|---------------|---------------|---------------|
| | 2008 | 2007 | 2008 | 2006 |
| | £ | £ | £ | £ |
| Within one year | 5,200 | 12,620 | 5,200 | 12,620 |
| Between one and two years | - | - | - | - |
| Between two and five years | 14,172 | | 14,172 | |
| Over five years | - | 7,000 | - | 7,000 |
| | <u>19,372</u> | <u>19,620</u> | <u>19,372</u> | <u>19,620</u> |

ST JOHN'S HOSPICE

NOTES TO THE ACCOUNTS

As at 31 March 2008

20. RELATED PARTY TRANSACTIONS

During the year, the company paid £1762.50 including VAT and £5698.75 including VAT, for accountancy services and VAT advice respectively, to Grant Thornton.

G M Ridgway, the company's Treasurer, is an employee of Grant Thornton. There was no outstanding balance at the year-end.

ST JOHN'S HOSPICE

NOTICE OF MEETING

As at 31 March 2008

The twenty-seventh Annual General Meeting of this Company will be held at St John's Hospice, on Monday 24 November 2008

To transact the following business.

- 1 To receive and adopt the Accounts for the year ended 31 March 2008, together with the Reports of the Trustees and Auditors thereon.
- 2 To re-appoint the following directors for the coming year :

Mr G M Ridgway
Mr J Taylor
Mr C M Pope
Mrs P A Hunter
- 3 To appoint the auditors for the coming year.
- 4 All existing Vice Presidents retire from office each year. Those Vice Presidents wishing to continue in office offer themselves for re-election.
- 5 To transact any other business which may lawfully be transacted at an Annual General Meeting.

A member entitled to attend and vote at the above meeting may appoint a proxy to attend and vote instead of him. A proxy need not be a member of the Company.

BY ORDER OF THE BOARD

28th July 2008

J Gorry
Company Secretary