

Company Registration 1518364
Charity No: 510643

ST JOHN'S HOSPICE
TRUSTEES ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 MARCH 2007

ST JOHN'S HOSPICE

TRUSTEES REPORT

For the year ended 31 March 2007

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ST JOHN'S HOSPICE

TRUSTEES REPORT

For the year ended 31 March 2007

The Trustees present their report together with the consolidated financial statements for the year ended 31 March 2007. 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	

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For the year ended 31 March 2007

Company Secretary J Gorry

Chief Executive Officer J Gorry

Senior Managers	P Rushbrook	Human Resources and Operations Manager
	J Pentland	Finance Manager (appointed 29 August 2006)
	L Russell	Clinical Services Manager
	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 during 2007.

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 2007.

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 Services
- Fundraising and Marketing

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.

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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
- developing a Serious Untoward Incident Policy to ensure better emergency procedures and contingency plans.
- reviewing policies and procedures governing income and expenditure
- continuing to employ good business practice. This includes the adoption of a Financial Management Plan which is regularly updated and reviewed.
- setting a reserves policy, with a regular review by the Investment 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 2006/07 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. 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.

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.

Our Business Plan 2007/2008 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 is available from St John's Hospice.

For the year ended 31 March 2007

A Health Care Commission announced inspection against the 43 Standards (December 2006) acknowledged the responsive high-quality patient and family-focused service in all areas of care at St John's Hospice. No requirements or recommendations were required to be undertaken. The report is displayed at Reception. In all domains/areas of inspection that were undertaken the Hospice met the standard(s) and the standard was exceeded in C5 'the dying and death of patients is handled appropriately and sensitively', H8 'responsibility for obtaining, prescribing, storing, use, handling, recording and disposal of medicines' and H12 'medical gases are stored and supplied appropriately'.

The publication of the Department of Health 'Our Health, Our Care, Our Say 2006 – a new direction for communication services' White Paper – seeks to set out a new direction for the whole health and social care system. At the heart of this process is the belief that health care should be patient-led. St John's Hospice recognises that people want their local services to fit in with their lives, not the other way around. Our patients' needs are the most important factor and we have begun exploring the delivery of our services to meet these future needs.

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:
 - Resourcing 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.

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For the year ended 31 March 2007

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 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 380 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.

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, 2006/2007, we have also seen the following achievements, changes and activities take place:

Clinical Management Structure

During the absence of the Clinical Services Manager, an interim management structure has been put in place in order to define the allocation of duties/responsibilities within the existing role of Clinical Services Manager. This has led to the role of Modern Matron being identified.

Patient Survey 2006/07

St John's Hospice took part in the Help the Hospices Patient Survey from July 2006 to end February 2007. The questionnaires were developed by Help the Hospices and comply with the Healthcare Commission and are approved by the London Medical Research Ethics Committee. The benchmarking report, with other hospices, is due to be received shortly.

Infection Control

The prevention and control of Health Care Associated Infections (HCAI) is a high priority for St John's Hospice. The effective prevention and control of HCAI is to be introduced and embedded into everyday practice and applied consistently by staff, volunteers, patients and visitors. A Registered Nurse has been appointed 2 days per week to introduce the accumulating body of evidence that takes account of current Clinical practices.

Criminal Records Inspection

The Criminal Records Inspection was satisfied with the disclosure process within St John's Hospice. In particular it commended the checking procedures in place which accounts for the quality and accuracy of the disclosure application submitted to the CRB. Additional comments received relating to best practice have been incorporated into our policy.

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For the year ended 31 March 2007

Environmental Health Visit

From January 2006 new European Community Food Hygiene Regulations replaced the existing Food Safety (General Food Hygiene) Regulations of 1995. An unannounced Environmental Health Inspection was made on 12 October 2006. The report was very pleasing as well as being useful in separating the findings into legal requirements and a list of recommendations in the interest of Good Practice. All actions have been completed.

People

The past year has witnessed many changes for our employees, either in their own roles due to promotion or change of role, or as a result of evolving work practices. It is a credit to all of our team that the levels of Patient Care have been maintained at the highest level throughout this period.

Job Evaluation

Following on from the implementation of Agenda for Change within the Clinical area in April 2005, a similar framework was very successfully applied to the non-Clinical areas resulting in 'transparency' of pay for all employees. The latest initiative included a focus on Performance Management as an integral part of the process and this concept will be transferred to the Clinical areas in the forthcoming year.

Training and Development

Training and Development of Senior Managers/Managers was undertaken over twenty one training sessions. In addition, Awareness and Mandatory Training took place during October 2006 for all Hospice staff, encompassing Basic Life Support, Fire Safety, Health and Safety and Manual Handling, with outstanding attendance from all areas achieved. This format will continue through the forthcoming year. Identification and development needs, both organisational and individual, will be supported by the new Employee Review (Performance Management) process, and clear structured development opportunities will be more readily available in the year ahead.

Employee Forum

It is widely acknowledged that involving and consulting employees can help create a climate of trust where employees feel valued and committed. A staff informing and consulting group (Employee Forum) has been formed.

Volunteer Evening

As in previous years the special volunteer evening included the presentation of many Long Service Awards, reinforcing the commitment and dedication shown to St John's Hospice by our 380 strong team.

Facilities

A comprehensive programme of improvements was undertaken, many of which were aided by donations and grants. Routine maintenance continued, as required, to preserve the excellent environment of which we are all so proud. The highlight of the year was winning an award from the Wirral Investment Network in January. This was for our outstanding gardens which now include a fish pond. This was a wonderful acknowledgement of the effort and time donated by our volunteer gardeners.

Information Technology/Data and Information Management

2006/07 witnessed continual enhancements to our technology with an increased number of employees benefiting from electronic communication.

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For the year ended 31 March 2007

Capture of Minimum Data Sets is in the process of being made available to WHT enabling enhanced understanding as well as supporting requirements of Payment by Results. Work is also underway to provide PCIS access to our Inpatient and Outpatient areas.

Fundraising

Fundraising had a good year, in particular from legacy income. Our 10th anniversary of Light Up a Life was a great success, generating not only income but a higher profile for St John's Hospice. The sale of star pins to celebrate the event was highly successful. The lottery performed well with ambitious plans to develop in the future.

Wirral Palliative Care Strategy 2006-2009

The Wirral Palliative Care Strategy for 2006-09 sets out the developments that the Integrated Clinical Network and Interface groups will be embarking upon in the years ahead.

Objectives for the next 12 months have been devised to be undertaken with the three specialist teams – Hospice, Hospital and Community.

Financial Review

Income

Total income has increased by over £1.25 million this year. This is due principally to an increase in income from legacies. Grants from Wirral PCT covered 43% (2006: 47%) of our expenditure (excluding fundraising costs).

The turnover of the trading subsidiary this year was £107,000. Details of the subsidiary's performance, which we consider to be satisfactory, are set out in note 7 of the financial statements.

Expenditure

70% (2006: 66%) of costs relate to salaries, the total salary bill for the year being approximately £2.3m. Of these costs, approximately 75% relate to employees who are directly involved in clinical care.

Fund-raising and publicity costs include the costs of running our lottery (£253,000) and the charity shops (£130,000), which generated income of £509,000 and £174,000 respectively.

The Trustees continue to monitor all costs closely.

In summary, an operating surplus of £895,000 was generated in 2006/2007. This compares to a deficit of £260,000 last year and highlights the hospice's reliance on voluntary income and, particularly, legacies. The Hospice is grateful for the continuing support of its many friends in the local community.

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 minimal this year.

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There was an increase in the valuation of our quoted investments of almost £800,000 during the year, of which £600,000 relates to the transfer of bank balances.

The Hospice's realisable reserves at 31 March 2007 amounted to approximately £2.7m, 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 twelve and thirty-six months of anticipated net expenditure. Currently reserves amount to 19.4 (2006: 14.9) 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.

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 31st March 2007 the government stocks rose 0.6% compared to a rise of 1.8% in the FTA UK Government All Stocks Index.

Equity Investments

During the year to 31st March 2007 the equity funds rose 25.4% compared to a rise of 20.3% in the All Share Index.

Plans for Future Periods

Payment by Results

One of the greatest challenges faced by the hospice movement concerns sustainable funding and, in particular, the level of NHS funding for essential hospice services. The government has pledged to bring hospice care into "payment by results" initially by 2008/2009, although this is likely to be later than this period. This is the new funding framework that is being introduced across the NHS. This should mean that there will be agreed national prices for certain services and that hospices will be paid for providing them. However, it is still not certain how the system will be applied to St John's Hospice.

Financial Controls/Management

A finance management plan has been developed to identify across all departments where costs can be reduced and income can be increased. Work towards these objectives will continue to be discussed at the finance group in 2007/08.

Serious Untoward Incident Plan (SUIP)

A first draft of the Serious Untoward Incident Plan has now been completed and will be finalised/distributed mid 2007/08.

St John's Hospice Strategy 2004-2009

A review of the Hospice's current strategy 2004-2009 will be undertaken over the next year, incorporating:

- what has been achieved?
- what are the national/local strategic influences for Specialist Palliative Care?
- what needs to be discussed/considered?

Department of Health £40 million Grant Programme

The Department of Health announced a £40 million Grant Programme on 13 September 2006. Help the Hospices were chosen to work with the Department of Health. The money has been made available through the Government's Dignity in Care Programme. All the money, which is capital funding, is intended to help adult hospices undertake a wide range of refurbishment, modernisation or enhancement works, intended to enhance the physical environment for the direct benefit of older people. A bid on behalf of St John's Hospice was submitted, and we were notified of our success in April 2007. The Board of Trustees have given their full support to the capital bid.

Minimum Data Sets and the Future

Recognising the changes that have taken place and the need for refinement of the data sets used, the National Council for Palliative Care, with the help of Marie Curie Palliative Care Institute Liverpool, proposed changes to data collection. St John's Hospice piloted Outpatient and Daycare data sets as part of this process.

Patient User Group

A Patient User Group is to be set up in 2007. The Healthcare Commission regulations (private and voluntary) suggest that patients, and their relatives, if appropriate, are consulted about the planning and delivery of services provided to them which includes taking into account their preferences and requests.

Out of Hours Access to Advice and Information

Out of Hours Access to Advice and Information for Non Specialist Palliative Care health professionals is required for those medical and nursing personnel who are providing Palliative

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Care twenty four hours a day, seven days a week. St John's Hospice will examine its systems to respond to requests for advice and information at the earliest opportunity.

Fundraising

The team has been refocused and restructured to prepare for the challenges ahead in an increasingly competitive market. We have taken the opportunity to review our fundraising activities for future periods, and are now focusing our efforts on our 25th Anniversary in 2008.

25th Anniversary Appeal

2008 marks the 25th Anniversary of St John's Hospice. The 25th Anniversary Appeal will be launched at an event in June 2007, and all our fundraising efforts from this date will be focused on this special appeal. Various events and activities will take place during 2008.

Website

St John's Hospice has updated its website. The site promotes the Hospice's services and will publicise all its activities and events. This development is ongoing.

Staff Support 2007

A staff/employee questionnaire to seek views, in particular looking at areas to "improve working lives", will be undertaken. The analysis and interpretation of these findings will be shared with the staff and priorities identified.

Educational Facilities

St John's Hospice has an annual development review process. A review involves identifying the needs of individual staff members for knowledge and skills related to their respective roles. The review process shapes the development and delivery of an educational strategy.

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.

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

27th September 2007

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 to them 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

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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 2007 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 2007.

1st October 2007

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 2007. 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

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

For the year ended 31 March 2007

	Note	Unrestricted Funds £	Restricted Funds £	Year ended 31.03.2007 Total Funds £	Year ended 31.03.2006 Total Funds £
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	7	1,888,394	4,175	1,892,569	599,214
Activities for generating funds	7	1,011,625	-	1,011,625	1,099,210
Investment income	7	123,311	-	123,311	113,875
		<u>3,023,330</u>	<u>4,175</u>	<u>3,027,505</u>	<u>1,812,299</u>
Incoming resources from charitable activities	7	1,142,232	35,573	1,177,805	1,118,092
Total incoming resources		<u>4,165,562</u>	<u>39,748</u>	<u>4,205,310</u>	<u>2,930,391</u>
Resources expended					
Costs of generating funds					
Costs of generating voluntary income	2(a)	30,091	-	30,091	27,501
Fundraising costs	2(b)	690,944	-	690,944	784,909
Investment management costs		15,960	-	15,960	15,203
Charitable activities	1	2,487,423	64,515	2,551,938	2,349,710
Governance costs	4	20,992	-	20,992	13,634
		<u>3,245,410</u>	<u>64,515</u>	<u>3,309,925</u>	<u>3,190,957</u>
Net incoming/(outgoing) resources before other recognised gains		920,152	(24,767)	895,385	(260,566)
Gains on investments	9	190,270	-	190,270	435,078
		<u>1,110,422</u>	<u>(24,767)</u>	<u>1,085,655</u>	<u>174,512</u>
Net movement in funds	14	1,110,422	(24,767)	1,085,655	174,512
Reconciliation of Funds					
Total funds brought forward		<u>4,190,197</u>	<u>854,262</u>	<u>5,044,459</u>	<u>4,869,947</u>
Total funds carried forward		<u>5,300,619</u>	<u>829,495</u>	<u>6,130,114</u>	<u>5,044,459</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 2007

	Note	2007	2007	2006	2006
		£	£	£	£
Fixed assets					
Tangible assets	8		2,393,604		2,485,341
Investments	9		<u>3,283,609</u>		<u>2,474,277</u>
			5,677,213		4,959,618
Current assets					
Stocks	10	15,864		29,829	
Debtors	11	1,181,853		61,044	
Cash at bank and in hand	12	<u>639,459</u>		<u>1,325,452</u>	
		1,837,176		1,416,325	
Liabilities					
Creditors: amounts falling due within one year	13	<u>(1,384,275)</u>		<u>(1,331,484)</u>	
Net current assets			<u>452,901</u>		<u>84,841</u>
Net assets			<u>6,130,114</u>		<u>5,044,459</u>
The funds of the charity					
Restricted income funds	14		829,495		854,262
Unrestricted income funds	14				
General		4,300,619		3,190,197	
Designated		<u>1,000,000</u>		<u>1,000,000</u>	
Total unrestricted funds			<u>5,300,619</u>		<u>4,190,197</u>
Total charity funds			<u>6,130,114</u>		<u>5,044,459</u>

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

The directors approved the financial statements on 27th September 2007

Dr P J R Cuthbertson

Director

G M Ridgway

Director

ST JOHN'S HOSPICE

BALANCE SHEET

As at 31 March 2007

	Note	2007	2007	2006	2006
		£	£	£	£
Fixed assets					
Tangible assets	8		2,393,604		2,485,341
Investments	9		3,283,611		<u>2,474,279</u>
			5,677,215		4,959,620
Current assets					
Debtors	11	1,227,684		119,484	
Cash at bank and in hand	12	590,488		<u>1,284,819</u>	
		1,818,172		1,404,303	
Liabilities					
Creditors: amounts falling due within one year	13	(1,365,273)		<u>(1,319,464)</u>	
Net current assets			452,899		<u>84,839</u>
Net assets			6,130,114		<u>5,044,459</u>
The funds of the charity					
Restricted income funds	14		829,495		854,262
Unrestricted income funds	14				
General		4,300,619		3,190,197	
Designated		1,000,000		<u>1,000,000</u>	
Total unrestricted funds			5,300,619		<u>4,190,197</u>
Total charity funds			6,130,114		<u>5,044,459</u>

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

The directors approved the financial statements on 27th September 2007

Dr P J R Cuthbertson

Director

G M Ridgway

Director

ST JOHN'S HOSPICE

CONSOLIDATED CASH FLOW STATEMENT

As at 31 March 2007

	2007 £	2007 £	2006 £
Net cash (outflow)/inflow from operating activities (see below)		(31,626)	301,904
Capital expenditure and financial investment			
Purchase of tangible fixed assets	35,305		164,097
Proceeds from sale of fixed assets	-		-
Purchase of investments	242,252		552,581
Increase/(decrease) in cash held by stockbrokers	511,885		(5,803)
Proceeds from sale of investments	<u>(135,075)</u>		<u>(301,081)</u>
Net cash outflow from capital expenditure and financial investment		(654,367)	(409,794)
Decrease in cash in the year (see below)		<u>(685,993)</u>	<u>(107,890)</u>
Reconciliation of changes in resources to net cash inflow from operating activities			
		2007 £	2006 £
Changes in resources before revaluations		930,500	(188,546)
Depreciation		127,042	143,859
Profit on disposal of fixed assets		(35,115)	(72,020)
Increase in creditors		52,791	196,768
(Increase)/decrease in debtors		(1,120,809)	223,868
Decrease/(increase) in stocks		<u>13,965</u>	<u>(2,025)</u>
		<u>(31,626)</u>	<u>301,904</u>
Reconciliation of net cash flow			
	At 1.4.2006 £	Cash flow £	At 31.3.2007 £
Bank balances	<u>1,325,452</u>	<u>(685,993)</u>	<u>639,459</u>

ST JOHN'S HOSPICE

NOTES TO THE ACCOUNTS

As at 31 March 2007

1. CHARITABLE ACTIVITIES

	2007	2006
	£	£
Salaries	1,743,245	1,576,989
Depreciation	112,429	129,132
Medical supplies	134,390	153,131
Food	26,578	28,267
Heat and lighting	44,661	43,692
Repairs and renewals	81,451	71,548
Cleaning	13,318	12,531
Other	35,450	40,813
Support costs (note 3)	360,416	293,607
	<u>2,551,938</u>	<u>2,349,710</u>

2. COST OF GENERATING FUNDS

	2007	2006
	£	£
(a) Costs of generating voluntary income – salaries	<u>30,091</u>	<u>27,501</u>
(b) Fundraising costs :		
Salaries	119,281	137,622
Depreciation	14,612	14,725
Charity shop costs (including salaries £80,698)	129,607	132,137
Purchase of promotional goods	44,835	58,641
Lottery costs (including salaries £56,468)	252,559	251,056
Printing, stationery and advertising	27,519	17,152
Postage and telephone	13,652	12,906
Fundraising expenditure	85,481	156,302
Other	3,398	4,368
	<u>690,944</u>	<u>784,909</u>

3. SUPPORT COSTS

	2007	2006
	£	£
Salaries	276,092	212,313
Printing, stationery and advertising	36,149	39,027
Postage and telephone	9,333	12,812
Accountancy and payroll charges	13,913	7,050
Insurance	24,929	20,630
Other administrative costs	-	1,775
	<u>360,416</u>	<u>293,607</u>

ST JOHN'S HOSPICE

NOTES TO THE ACCOUNTS

As at 31 March 2007

4. GOVERNANCE COSTS

	2007	2006
	£	£
Audit fees	6,129	7,251
Legal and professional costs	8,437	6,383
Salaries	6,426	-
	<u>20,992</u>	<u>13,634</u>

5. DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows

	2007	2006
	£	£
Wages and salaries	2,054,665	1,745,593
Social security costs	117,501	130,175
Other pension costs	146,831	101,959
	<u>2,318,997</u>	<u>1,977,727</u>

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

The analysis of employees by category is as follows:

	2007	2006
	Number	Number
Direct charitable	92	93
Fund-raising and publicity	19	23
Management and administration	11	10
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:

	2007	2006
	Number	Number
£50,001 - £60,000	-	1
£60,000 - £70,000	<u>1</u>	<u>-</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 2007

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 2007 was £212,573. 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 2007

7. NET INCOME FOR THE YEAR

The net income for the year is stated after charging:

	2007	2006
	£	£
Depreciation	127,042	143,859
Auditors remuneration	6,129	7,251
	<u> </u>	<u> </u>
and after crediting:		
	£	£
Voluntary income:		
Legacies	1,471,684	169,413
In memoriam	165,753	155,136
General donations	205,684	231,712
Gift Aid	49,448	42,953
	<u>1,892,569</u>	<u>599,214</u>
	£	£
Investment income from:		
Listed investments	68,899	64,557
Bank deposits	54,411	49,318
	<u>123,310</u>	<u>113,875</u>
	£	£
Income from charitable activities:		
Grants from Wirral Primary Care Trusts	1,125,012	1,107,035
Sundry income	52,793	11,057
	<u>1,177,805</u>	<u>1,118,092</u>
	£	£
Activities for generating funds:		
Fund-raising events	221,280	293,756
Charity shop sales	173,821	181,469
Subsidiary's turnover	107,140	118,754
Lottery income	509,384	505,231
	<u>1,011,625</u>	<u>1,099,210</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 2007

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

	2007	2006
	£	£
Turnover	107,140	118,754
Cost of sales	(44,835)	(58,641)
Gross profit	62,305	60,113
Administrative expenses	(33,339)	(46,298)
Transfer to Hospice	(28,966)	(13,815)
Profit retained	-	-

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

	2007	2006
	£	£
Current assets	66,110	72,528
Current liabilities	(66,108)	(72,526)
	2	2
Share capital	2	2
Profit and loss account	-	-
	2	2

ST JOHN'S HOSPICE

NOTES TO THE ACCOUNTS

As at 31 March 2007

8. TANGIBLE FIXED ASSETS**The Group and the Company**

	Hospice premises £	Computer, medical & office equipment £	Charity shops £	Motor vehicles £	Total £
Cost					
At 1 April 2006	2,756,202	789,645	68,750	72,362	3,686,959
Additions	10,372	24,933	-	-	35,305
Disposals	-	(1,500)	-	-	(1,500)
At 31 March 2007	<u>2,766,574</u>	<u>813,078</u>	<u>68,750</u>	<u>72,362</u>	<u>3,720,764</u>
Depreciation					
At 1 April 2006	428,158	688,828	32,462	52,170	1,201,618
Charge for the year	55,332	57,883	3,732	10,095	127,042
On disposals	-	(1,500)	-	-	(1,500)
At 31 March 2007	<u>483,490</u>	<u>745,211</u>	<u>36,194</u>	<u>62,265</u>	<u>1,327,160</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>
Net book amount at 31 March 2006	<u>2,328,044</u>	<u>100,817</u>	<u>36,288</u>	<u>20,192</u>	<u>2,485,341</u>

The net book amount at 31 March 2007 in respect of land and buildings comprises freehold property of £2,304,784

The net book amount at 31 March 2007 represents fixed assets used for:

	Hospices premises £	Computer, medical & office equipment £	Charity shops £	Motor vehicles £	Total £
Charitable activities	2,089,836	47,969	-	10,097	2,147,902
Fund-raising	193,248	19,898	-	-	213,146
Charity shops	-	-	32,556	-	32,556
	<u>2,283,084</u>	<u>67,867</u>	<u>32,556</u>	<u>10,097</u>	<u>2,393,604</u>

The net amount at 31 March 2007 in respect of Charity shops comprises freehold property £21,699, and fixtures and fittings £10,857

ST JOHN'S HOSPICE

NOTICE OF MEETING

9. INVESTMENTS

	The Group		The Company	
	2007	2006	2007	2006
	£	£	£	£
Quoted investments at market value	2,733,568	2,436,121	2,733,568	2,436,121
Cash held by stockbrokers	550,041	38,156	550,041	38,156
Investment in subsidiary undertaking at cost	-	-	2	2
	<u>3,283,609</u>	<u>2,474,277</u>	<u>3,283,611</u>	<u>2,474,279</u>
Quoted investments			£	£
Market value				
At 1 April 2006			2,436,121	1,749,543
Additions at cost			242,252	552,581
Disposal proceeds			(135,075)	(301,081)
Profit on disposals			35,115	72,020
Increase in unrealised gain			<u>155,155</u>	<u>363,058</u>
At 31 March 2007			<u>2,733,568</u>	<u>2,436,121</u>
Cost			<u>2,044,391</u>	<u>1,902,099</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 £2,271,779 and gilts £461,789.

The historical cost amount of quoted investments is £2,044,391 (2006: £1,902,099). The total unrealised gain to date amounts to £689,177 (2006: £534,022). 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

NOTICE OF MEETING

10. STOCKS

	The Group		The Company	
	2007	2006	2007	2006
	£	£	£	£
Fund-raising goods	<u>15,864</u>	<u>29,829</u>	<u>-</u>	<u>-</u>

11. DEBTORS

	The Group		The Company	
	2007	2006	2007	2006
	£	£	£	£
Tax recoverable	68,939	33,987	67,664	33,987
Prepayments and accrued income	10,902	10,218	10,902	10,218
Due from subsidiary undertaking	-	-	47,106	60,506
Other debtors	1,102,012	16,839	1,102,012	14,773
	<u>1,181,853</u>	<u>61,044</u>	<u>1,227,684</u>	<u>119,484</u>

12. BANK BALANCES

	The Group		The Company	
	2007	2006	2007	2006
	£	£	£	£
Bank balances	638,934	1,325,071	590,082	1,284,558
Petty cash	525	381	405	261
	<u>639,459</u>	<u>1,325,452</u>	<u>590,488</u>	<u>1,284,819</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	The Group		The Company	
	2007	2006	2007	2006
	£	£	£	£
Trade creditors	114,248	130,170	96,996	119,900
Social security and other taxes	48,763	53,861	48,763	53,861
Other creditors and accruals	18,419	40,887	16,669	39,137
Deferred income	1,202,845	1,106,566	1,202,845	1,106,566
	<u>1,384,275</u>	<u>1,331,484</u>	<u>1,365,273</u>	<u>1,319,464</u>

ST JOHN'S HOSPICE

NOTICE OF MEETING

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 2006	1,106,566	1,035,000	67,466	4,100
Released to income in the year	(1,106,566)	(1,035,000)	(67,466)	(4,100)
Deferred in the year	1,202,845	1,120,403	76,752	5,690
	<u>1,202,845</u>	<u>1,120,403</u>	<u>76,752</u>	<u>5,690</u>
As at 31 March 2007	<u>1,202,845</u>	<u>1,120,403</u>	<u>76,752</u>	<u>5,690</u>

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 2006	3,190,197	1,000,000	854,262	5,044,459
Surplus for the year	1,110,422	-	(24,767)	1,085,655
Transfers	-	-	-	-
As at 31 March 2007	<u>4,300,619</u>	<u>1,000,000</u>	<u>829,495</u>	<u>6,130,114</u>

Represented by:

Tangible fixed assets	1,686,678	-	706,926	2,393,604
Investments	2,197,112	1,086,497	-	3,283,609
Cash at bank and in hand	516,890	-	122,569	639,459
Other net current liabilities	(100,061)	(86,497)	-	(186,558)
	<u>4,300,619</u>	<u>1,000,000</u>	<u>829,495</u>	<u>6,130,114</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 £1,085,655 (2006: surplus £174,512), which is dealt with in the financial statements of the company.

ST JOHN'S HOSPICE

NOTICE OF MEETING

15. RESTRICTED FUNDS

	At 1.4.06	Incoming Resources	Resources Expended	At 31.03.07
	£	£	£	£
Sunrise Appeal	695,045	-	(17,617)	677,428
Minibus	7,378	-	(7,378)	-
Fundraising Vehicles	5,635	-	(2,818)	2,817
Specialist Palliative Care	100,049	35,573	(28,291)	107,331
Wish List	46,155	4,175	(8,411)	41,919
	<u>854,262</u>	<u>39,748</u>	<u>(64,515)</u>	<u>829,495</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 2007 or 31 March 2006

18. CAPITAL COMMITMENTS

There were no capital commitments as at 31.03.06 or 31.03.07

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	
	2007	2006	2007	2006
	£	£	£	£
Within one year	12,620	5,200	12,620	5,200
Between one and two years	-	7,420	-	7,420
Over five years	7,000	7,000	7,000	7,000
	<u>19,620</u>	<u>19,620</u>	<u>19,620</u>	<u>19,620</u>

ST JOHN'S HOSPICE

NOTICE OF MEETING

20. RELATED PARTY TRANSACTIONS

During the year, the company paid accountancy fees amounting to £4,700, including VAT, 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.

21. POST BALANCE SHEET EVENTS

The company received the following legacy income after the balance sheet date:

£73,411 was received on 4th April 2007

£291,473 was received on 24th April 2007

ST JOHN'S HOSPICE

NOTICE OF MEETING

The twenty-fifth Annual General Meeting of this Company will be held at St John's Hospice, on 26th November 2007

To transact the following business.

- 1 To receive and adopt the Accounts for the year ended 31 March 2007, together with the Reports of the Trustees and Auditors thereon.
- 2 To re-appoint the directors for the coming year.
- 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.

27th September 2007

J. Gorry

Secretary