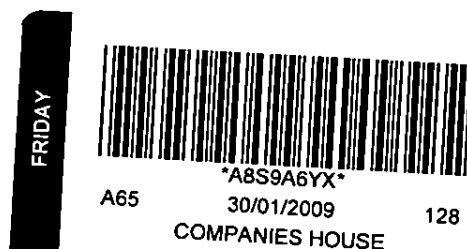


Walsall Hospice
(A Charitable Company Limited by Guarantee)

Group Report and Financial Statements

For the Year Ended 31 March 2008

Company Registration No. 2732307 (England & Wales)
Charity Registration No. 1022027



Walsall Hospice

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Walsall Hospice

Reference and Administrative Details

| | |
|--|--|
| Status | Walsall Hospice is a charitable company limited by guarantee, incorporated on 17 July 1992 and registered as a charity on 28 May 1993 |
| Governing Document | The organisation was established under a Memorandum of Association which established the objects and powers of the organisation and is governed under its Articles of Association. |
| Charity number | 1022027 |
| Company number | 2732307 |
| Registered office and Operational Address | Bentley Health Centre Churchill Road Walsall West Midlands WS2 0BA |
| Council of Management (Directors and Trustees) | Rev. Dr. Ian Poole (Chairman) Amanda Maisey (Vice Chairman) Cllr Tom Ansell Paul Kingston Simon Fisher Alison Fowler Dr Sumathy Nambisan Cllr Gary Perry Carol Reilly Margaret Wood |
| Operations Director and Company Secretary | Terry Robshaw |
| Auditors | Lancaster Clements Limited Stanley House 27 Wellington Road Bilston West Midlands WV14 6AH |
| Bankers and Investments | HSBC Bank Plc The Bridge Walsall West Midlands WS1 1LN |
| Solicitors | Cobbetts One Colmore Square Birmingham B4 6AJ |

Walsall Hospice

Group Report of the Council

The Council, who are the trustees of the charity and also directors of the company for the purposes of the Companies Act, present their report and the audited consolidated financial statements for the year ended 31 March 2008. The financial statements comply with the current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

Reference and Administrative Details

This information is set out on page 1 and forms part of this report.

Structure Governance and Management

Governing Document

Walsall Hospice is registered as a charity with the Charity Commission. It was founded in the late 1980's and converted to a charitable company limited by guarantee on 17 July 1992. It is governed by a Memorandum and Articles of Association, which were last amended on 8 April 2005. Anyone over the age of 18 is eligible to become a member of the company and there are currently 9 members (2007 - 8) each of whom agree to contribute £1 in the event of the charity winding up.

Appointment of Council of Management (Council)

As set out in the Articles of association there shall be a minimum of three members of Council but there is no maximum. When considering new Council members consideration is given to any specialist skills needed to contribute to the charity's development. They are nominated by existing members of the Council, interviewed by a panel consisting of the Chairman and at least two others who in turn make a recommendation to the full Council. If appointed they will retire at the next Annual General Meeting but will be eligible for re-election.

The Council as at 31 March 2008, all of whom were members for the whole of the year ended on that date, and until the date of this report, unless otherwise stated, are listed below:

| | |
|---------------------|-------------------------------|
| Cllr Tom Ansell | (Appointed 19 September 2007) |
| Paul Kingston | |
| Simon Fisher | (Appointed 19 November 2008) |
| Alison Fowler | (Appointed 19 November 2008) |
| Amanda Maisey | |
| Dr Sumathy Nambisan | |
| Cllr Gary Perry | (Appointed 19 September 2007) |
| Rev Dr Ian Poole | |
| Carol Reilly | |
| Amanda Walker | (Resigned 12 July 2007) |
| Margaret Wood | (Appointed 5 March 2008) |

Induction and Training

Upon appointment new members of Council are briefed on their legal obligations under charity and company law and receive an induction pack produced by Help the Hospices together with copies of the Memorandum and Articles of Association and the most recent Financial Statements. They are invited to meet key employees as part of their induction and encouraged to undertake other training as appropriate

Walsall Hospice

Group Report of the Council

Organisation

The council has increased the frequency of meetings from quarterly to monthly. There are no sub-committees. A Director of Operations has been appointed by Council to manage the day to day operations of the charity.

Related Parties

The charity holds 100% of the share capital of its trading subsidiary, Walsall Hospice Trading Ltd., which donates its excess taxable profits, from its operation of charitable retail outlets, to the company. The trustees have no beneficial interest in the Charity or its subsidiary.

Risk Management

The charity's main activity continues to be fundraising both for current operating funds and the fitting out equipping and running costs of a hospice in the Walsall area. The Trustees reviewed the risks to which the Charity is or would be exposed and a risk register setting out these risks and means of mitigating these risks were included within the Business Case prepared in 2007. The Council will continue to undertake regular reviews and generally adopt an informal but proactive approach to assessment and management of risk. The main risk at this time has been identified to be a failure to reach the fundraising targets contained within the Business Case in order to satisfy the terms of a working agreement with Walsall tPCT to be the preferred provider of in patient services at the proposed palliative Care Centre to be built on the former Goscote Hospital site.

In view of the size of the charity systems of internal control are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. In order to manage financial risk, as far as is practical, there is a delegation of authority and segregation of duties. Income figures are reviewed at each meeting whilst full financial figures are reviewed quarterly at Council Meetings.

Objectives and Activities

The object of the charity as set out in the Memorandum of Association is to relieve persons living in the Walsall Metropolitan Borough area, Staffordshire and the West Midlands who are suffering from any form of life-threatening illness or cancer. In furtherance of this object the charity has the following powers:

- to establish, provide, maintain and carry on, a day hospice and residential nursing home for the reception and care of such persons and to provide such other services and undertake such other activities as may be appropriate or ancillary to the care of persons resident and suffering as aforesaid.
- to provide to patients either as in patients or out patients such services to support patients with admission to the home from time to time.

The Council have decided to deliver this object by concentrating its focus on the in patient facility to be incorporated within the Palliative Care Centre to be built for Walsall tPCT and funded through a Local finance Initiative. The centre is due to be completed in 2010 at which time the Day Hospice will be relocated from Little Bloxwich and the in patient facilities should start to admit patients.

Walsall Hospice

Group Report of the Council

The other activity which continues to expand is the School of Natural Therapies. The principal, Elaine Cooper extended the range and number of courses offered. Many of the students trained through the school carry out voluntary sessions at the Day Hospice, Manor Hospital and other locations.

The Charity continues to depend on, and extends its thanks to, all its volunteers who also provide invaluable support in service delivery, administrative, fundraising, and trading roles. The Council are also grateful to Walsall tPCT for the secondment of Beryl Radford, Volunteer Services Manager, who recruits, assesses, trains, and places volunteers, ensuring they are an integral part of the team.

Achievements and Performance

It was reported last year that Walsall tPCT had disbanded its Hospice Development Team but has continued its support of the Charity. The Charity team are hosted within tPCT premises and moved from their Bloxwich base at the end of March 2008 to Bentley Health Centre where there is room to expand the team prior to moving to the Palliative Care Centre at Goscote in 2010.

In addition to the facility of a 12 bed in patient unit, the Palliative Care Centre will accommodate existing NHS services which will be consolidated and relocated to the centre. The Charity's revised Business Case to take on responsibility for the operation of the in patient unit was approved by the tPCT Board in November 2007 and consequently the Charity was granted Preferred Provider status. This establishes a unique Public/Voluntary Sector partnership for the delivery of Palliative care throughout the community.

A Memorandum of Understanding was signed with the Trustees of Katharine House Hospice in Stafford for the provision of advice in respect of the operation of in patient facilities. Their chief Executive, Dr. Richard Soulsby joins the Director of Operations, Terry Robshaw, as a member of the Palliative Care Project team

The charity is proud to be one of the very few hospices to run an accredited School of Natural Therapies and to have as its Principal Elaine Cooper, a Fellow of the Institute of Aromatic Medicine. The School continued to expand its provision of courses by offering not only accredited Aromatherapy, Reflexology and certificated Reiki courses but also a certified course on Auricular Acupuncture. A range of other basic workshops and courses are also offered.

Financial Review

This year the Charity has produced accounts that consolidate the activities of the trading company even though this has minimal impact on the overall funds of the Charity.

Voluntary Income actually received was held at the same level as 2007 the apparent shortfall arose from the donated services representing the secondment of the hospice Development team up until July 2006. The increase in donations and grants offset the decrease in legacies. The total income generated amounting to £300k was an increase of 5% from the previous year if donated services were to be excluded. Although still relatively small in relation to the overall figures it is pleasing to report a 150% increase in income from Complimentary Therapy tuition fees as a result of the extension of the range and frequency of courses offered.

Outgoing resources show a corresponding reduction in costs in particular, costs associated with the Day Hospice and Cancer Information Support services which formed part of the seconded Hospice Development Team's responsibilities. These activities have reverted back to be under the direct control of Walsall tPCT and hence no longer incorporated in the charity's figures. Complimentary Therapy increased costs by only 50% thereby substantially reducing the net cost of this service.

Walsall Hospice

Group Report of the Council

The new hospice project costs represent a full years allocation whereas the previous years allocation was from August when the Charity staff has took on the hospice developmental work previously carried out by the Hospice Development team. The net result was outgoing resources of £32k of which £24k arose from a reduction in restricted funds and £8k from general funds.

The Council remain satisfied with the charity's financial position.

Reserves Policy

When drawing up the Business case the Council considered that there would need to be a build up of reserves up to the point of the first admission of patients expected to be in the second half of 2010. In order assist with recruitment of staff and give confidence to Walsall tPCT who would be commissioners of the in patient facilities that it should hold unrestricted reserves i.e. those funds which are freely available, at a minimum of 12 months operating costs. As income streams develop it is planned to reduce those reserves but not below a minimum of six months expenditure.

Investment Policy

Under the Memorandum and Articles of Association, the charity has the power to make any investment that Council consider appropriate.

The level of funds available for investment is relatively small these are invested in Bank Deposit Accounts with the exception of £50,000 which has been invested in the HSBC Guaranteed Capital Fund.

Future Plans

The main objective is to work with Walsall tPCT to develop the Palliative Care Centre at Goscote.

The following actions are being taken:

- Implementation of the Corporate Strategy and Business Plan 2008 – 2015 which encompasses both the fitting out and operational phases
- The Charity now has two representatives on the project team to deliver the Palliative Care Centre in partnership with Walsall tPCT
- Since the financial year Steve Muxworthy has been appointed as Head of Fundraising. He will lead the appeal to raise funds in the community for beds and equipment and for the initial operating cost of the hospice once opened.
- Continue developing income streams to contribute towards the operational costs once patients are admitted
- Working in partnership with Katharine House Hospice to continue development of the infrastructure in order to be fully prepared for the operational phase.

In order to launch the appeal and develop ongoing operational income streams it will be essential to recruit and develop the charity's own dedicated fundraising team.

Walsall Hospice

Group Report of the Council

Councils' Responsibilities in relation to the Financial Statements

Company law requires the Trustees to prepare financial statements for each financial year, which give a true and fair view of the state of the affairs of the charity and of the incoming resources and application of resources, including the net income or expenditure of the charity for that year. In preparing these, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- make sound 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for ensuring that the Charity has appropriate systems of control, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, as the company directors, we certify that:

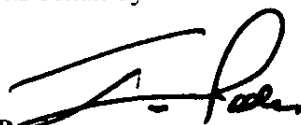
- so far as we are aware, there is no relevant audit information which the company's auditors are unaware; and
- we have taken all the steps that we ought to have taken in order to make ourselves aware of any audit information and to establish that the charity's auditors are aware of that information

Appointment of Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Lancaster Clements Limited be re-appointed as auditors of the charity will be put to the Annual General Meeting.

This report is prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 10 December 2008
and signed on its behalf by



Rev. Dr. Ian Poole
Chairman

Walsall Hospice

Independent auditors' report to the trustees of Walsall Hospice

We have audited the group and parent company financial statements (the 'financial statements') of Walsall Hospice for the year ended 31 March 2008, which comprise the statement of financial activities, the group and charity balance sheets and the related notes. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007), under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

This report is made solely to the charity's trustees, 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 charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As described in the statement of trustees' responsibilities the charity's trustees are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (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 trustees' 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 directors' remuneration and transactions with the charity is not disclosed.

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

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (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 group and charity'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.

We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standards – Provisions Available for Small Entities. Details of the assistance provided to the group and charity are disclosed within Note 18 of the financial statements.

Walsall Hospice

Independent auditors' report to the trustees of Walsall Hospice (continued)

Opinion

In our opinion the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Small Entities, of the state of the group's and charity's affairs as at 31 March 2008 and of their incoming resources and resources expended, including their income and expenditure, for the year then ended, have been properly prepared in accordance with the Companies Act 1985 and the information given in the Group Report of the Council (Trustees' Report) is consistent with the financial statements for the year ended 31 March 2008.

Lancaster Clements Limited

Lancaster Clements Limited

Chartered Certified Accountants and Registered Auditors

23 January 2009

Walsall Hospice

Consolidated Statement of Financial Activities for the year ended 31 March 2008 (Incorporating the Income and Expenditure Account)

| | Notes | Unrestricted Funds £ | Restricted Funds £ | Total 2008 £ | Total 2007 £ |
|--|-----------|----------------------------|--------------------------|--------------------|--------------------|
| Incoming Resources | 2 | | | | |
| Incoming Resources from Generated Funds | | | | | |
| Voluntary Income | | | | | |
| Donations and Gifts | | 43,770 | 25,641 | 69,411 | 57,334 |
| Grants | | 1,500 | 7,604 | 9,104 | - |
| Legacies | | 3,025 | - | 3,025 | 24,650 |
| Donated Services, Facilities and Gifts in Kind | | - | - | - | 97,411 |
| | | <u>48,295</u> | <u>33,245</u> | <u>81,540</u> | <u>179,395</u> |
| Activities for Generating Funds | | | | | |
| Raffles, Competitions and Promotional | | 619 | - | 619 | 1,479 |
| Gross Income Retail Subsidiary | | 175,031 | - | 175,031 | 183,491 |
| Investment Income | | 13,387 | - | 13,387 | 12,313 |
| Incoming Resources from Charitable Activities | | | | | |
| Complementary Therapy | | 9,040 | - | 9,040 | 3,674 |
| Other Incoming Resources | | 19,941 | - | 19,941 | 500 |
| Total Incoming Resources | | <u>266,313</u> | <u>33,245</u> | <u>299,558</u> | <u>380,852</u> |
| Resources Expended | | | | | |
| Costs of Generating Funds | | | | | |
| Costs of Generating Voluntary Income | | 48,596 | 11,039 | 59,635 | 65,537 |
| Fundraising Trading: Costs of Goods Sold and Other Costs | | 37,556 | 1,246 | 38,802 | 54,103 |
| Cost of Operating Retail Subsidiary | | 159,159 | - | 159,159 | 163,403 |
| Charitable Activities | | | | | |
| Day Hospice | | - | 4,900 | 4,900 | 22,032 |
| Information and Support Services | | - | 1,054 | 1,054 | 50,639 |
| Complementary Therapy | | 11,909 | - | 11,909 | 8,201 |
| New Hospice Project Costs | | - | 39,303 | 39,303 | 25,234 |
| Support Costs | | | | | |
| Governance Costs | | 18,013 | - | 18,013 | 18,347 |
| Total Resources Expended | 3 | <u>275,233</u> | <u>57,542</u> | <u>332,775</u> | <u>407,496</u> |
| Net Incoming Resources/(Resources Expended) and Net Income/(Expenditure) for the Year | | (8,920) | (24,297) | (33,217) | (26,644) |
| Taxation | | 319 | - | 319 | (319) |
| Total Funds Brought Forward | | <u>100,917</u> | <u>313,716</u> | <u>414,633</u> | <u>441,596</u> |
| Total Funds Carried Forward | 14 | <u>92,316</u> | <u>289,419</u> | <u>381,735</u> | <u>414,633</u> |

Walsall Hospice
Balance Sheets
as at 31 March 2008

| | | Group | | Charity | |
|---|--------------|----------------|----------------|----------------|----------------|
| | Notes | 2008 | 2007 | 2008 | 2007 |
| | | £ | £ | £ | £ |
| Fixed Assets | | | | | |
| Tangible Fixed Assets | 10 | 56,933 | 66,179 | 46,982 | 55,731 |
| Investments | 11 | 50,000 | 50,000 | 75,000 | 80,000 |
| Total Fixed Assets | | <u>106,933</u> | <u>116,179</u> | <u>121,982</u> | <u>135,731</u> |
| Current Assets | | | | | |
| Stock | | 12,023 | 10,005 | 7,925 | 6,838 |
| Debtors | 12 | 90,996 | 42,178 | 64,329 | 23,255 |
| Cash at Bank and in Hand | | 220,880 | 321,530 | 211,234 | 299,036 |
| Total Current Assets | | <u>323,899</u> | <u>373,713</u> | <u>283,488</u> | <u>329,129</u> |
| Creditors: Amounts Due Within One Year | 13 | (49,097) | (75,259) | (27,270) | (59,537) |
| Net Current Assets | | <u>274,802</u> | <u>298,454</u> | <u>256,218</u> | <u>269,592</u> |
| Net Assets | | <u>381,735</u> | <u>414,633</u> | <u>378,200</u> | <u>405,323</u> |
| The Funds of the Charity | | | | | |
| Unrestricted Funds | 14 | 92,316 | 100,917 | 88,781 | 91,607 |
| Restricted Funds | 14 | 289,419 | 313,716 | 289,419 | 313,716 |
| Total Charity Funds | | <u>381,735</u> | <u>414,633</u> | <u>378,200</u> | <u>405,323</u> |

The financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective January 2007) relating to small companies.

The financial statements were approved by the Trustee Board on 10 December 2008 and signed on its behalf by

Amanda Maisey
Trustee



Walsall Hospice

Notes to the Financial Statements for the Year Ending 31 March 2008

1. Accounting Policies

1.1. Accounting Convention and Basis of Consolidation

The financial statements are prepared under the historical cost convention and comply with the special provisions of Part VII of the Companies Act 1985 relating to small companies. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP) Accounting and Reporting by Charities published in March 2005, and the Financial Reporting Standard for Smaller Entities (effective January 2007). The consolidated financial statements incorporate the financial statements of the Charity and its trading subsidiary undertaking, Walsall Hospice Trading Limited. All inter-group transactions, balances, income and expenditure are eliminated on consolidation.

1.2. Incoming Resources

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. For pecuniary legacies, income is recognised when the Charity receives notification of the amount. For residual legacies entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received.

Seconded staff and donated facilities are included at the value to the Charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

1.3. Resources Expended

All expenditure, including irrecoverable VAT, is accounted for on an accruals basis and has been listed under headings that aggregate all the costs related to that activity. Where costs cannot be directly attributed they have been allocated to activities on a basis consistent with the use of the resources.

Direct costs, including directly attributable salaries, are allocated on an actual basis to the key strategic areas of activity. Overheads and other salaries are allocated between expense headings on the basis of time spent.

Governance costs are those incurred in connection with the management of the charity's assets, organisational administration and compliance with constitutional and statutory requirements.

1.4. Tangible Fixed Assets and Depreciation

Depreciation is provided with the intention of writing off costs of Tangible Fixed Assets over their useful economic lives. The provision is calculated using the straight-line method over the following periods:

| | |
|----------------------------------|------------|
| Freehold Buildings | - 25 years |
| Fixtures, Fittings and Equipment | - 5 years |
| Motor Vehicles | - 5 years |

No depreciation is provided on Freehold Land

Walsall Hospice

Notes to the Financial Statements for the Year Ending 31 March 2008

1. Accounting Policies (continued)

1.5. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6. Stock

Stock is valued at the lower of cost and net realisable value. Cost represents the purchase price on a first in first out basis. Net realisable value is the estimated selling price in the ordinary course of business.

1.7. Leasing

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

1.8. Fund Accounting

Funds held by the charity are either:

Unrestricted - these funds are available for use at the discretion of the Trustees in furtherance of the Charity's objectives

Designated - these are unrestricted funds for which the Trustees have specifically designated the purpose for which they can be applied. The amounts in the funds represent the monies that still remain for future expenditure

Restricted - these are funds subject to specific restrictions imposed by donors or by the purpose of an appeal. The amounts in the funds represent monies still remaining for future expenditure, or funds represented by assets purchased partly or full from restricted funds.

1.9. Legal Status of the Charity

The charity is a company limited by guarantee and has no share capital. The members of the company are the trustees named on Page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

1.10. Pensions

The pension costs charged in the financial statements represent the contribution payable by the charity during the year.

Walsall Hospice

Notes to the Financial Statements for the Year Ending 31 March 2008

2. Incoming Resources

The total incoming resources of the group and the charity for the year have been derived from their respective principal activities wholly undertaken in the United Kingdom

2.1 Donated Services, Facilities and Gifts in Kind.

The income represents the actual costs to Walsall NHS tPCT of seconded staff and associated costs for Capacity Building within the charity.

| | 2008 £ | 2007 £ |
|-------------|-----------|---------------|
| Staff Costs | - | 87,700 |
| Other Costs | - | 9,711 |
| | <u>-</u> | <u>97,411</u> |

2.2 Investment Income

| | 2008 £ | 2007 £ |
|---------------|---------------|---------------|
| Bank Interest | 13,199 | 12,094 |
| Rental Income | 188 | 219 |
| | <u>13,387</u> | <u>12,313</u> |

3. Total Resources Expended

| | Staff Costs £ | Other Direct Costs £ | Support Costs £ | Total 2008 £ | Total 2007 £ |
|-------------------------------------|---------------------|-------------------------------|-----------------------|--------------------|--------------------|
| Cost of Generating Funds | | | | | |
| Voluntary Income | - | 7,963 | 51,672 | 59,635 | 65,537 |
| Fundraising Trading | - | 15,627 | 23,175 | 38,802 | 54,103 |
| Cost of Operating Retail Subsidiary | 58,690 | 100,469 | - | 159,159 | 163,403 |
| Charitable Activities | | | | | |
| Day Hospice | - | 4,900 | - | 4,900 | 22,032 |
| Information and Support Services | - | 1,054 | - | 1,054 | 50,639 |
| Complementary Therapy | 1,961 | 4,990 | 4,958 | 11,909 | 8,201 |
| New Hospice Project Costs | - | 4,604 | 34,699 | 39,303 | 25,234 |
| Governance Costs | - | 7,135 | 10,878 | 18,013 | 18,347 |
| Support Costs | 115,953 | 9,429 | (125,382) | - | - |
| Total Resources Expended | <u>176,604</u> | <u>156,171</u> | <u>-</u> | <u>332,775</u> | <u>407,496</u> |

Walsall Hospice

Notes to the Financial Statements for the Year Ending 31 March 2008

4. Net (Resources Expended)/Incoming Resources

These are stated after charging:

| | 2008 | 2007 |
|--|---------------|---------------|
| | £ | £ |
| Depreciation and other amounts written off tangible assets | 12,826 | 13,032 |
| Auditors' remuneration: | | |
| Audit Services | 7,150 | 4,900 |
| Non-Audit Services | - | 60 |
| | <u>12,826</u> | <u>13,032</u> |

5. Staff Numbers and Costs

Numbers

There were eight full time employees during the year (2007 – 8). No employees were seconded by Walsall NHS tPCT as part of their Capacity Building Support (2007 – 1)

| Costs | 2008 | 2007 |
|-----------------------------|----------------|----------------|
| | £ | £ |
| Salaries | 114,452 | 102,175 |
| Wages | 35,439 | 38,523 |
| Pensions and Life Assurance | 13,212 | 11,378 |
| Social Security Costs | 13,501 | 11,823 |
| | <u>176,604</u> | <u>163,899</u> |

No employees received emoluments (excluding pension contributions) in excess of £60,000 (2007 – none).

6. Trustees' Emoluments and Expenses

No Trustee received any emoluments during the year (2007 none). One Trustee received reimbursement of travel expenses amounting to £63 (2007 £171).

7. Pension Costs

The group operates a defined contribution pension scheme in respect of the staff. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the group and amounted to £11,250 (2007 £9,438).

8. Taxation

| | 2008 | 2007 |
|-------------------------------|--------------|------------|
| | £ | £ |
| Analysis of charge in period: | | |
| Current Tax | | |
| UK corporation tax | (319) | 319 |
| | <u>(319)</u> | <u>319</u> |

This represents the tax on profit on ordinary activities of the trading subsidiary undertaking.

Walsall Hospice

Notes to the Financial Statements for the Year Ending 31 March 2008

9. Net Resources Expended of Parent Company

The directors have taken advantage of the exemption available under Section 230 of the Companies Act 1985 and not presented a Statement of Financial Activities/Income and Expenditure Account for the Charity company alone. Of the net resources expended for the financial year £27,123 (2007 £26,739) relates to the Charity company and is included within these financial statements.

10. Tangible Fixed Assets - Group

| | Land and Buildings Freehold | Fixtures, Fittings and Equipment | Motor Vehicles | Total |
|------------------------|-----------------------------------|--|-------------------|---------|
| Cost | £ | £ | £ | £ |
| At 1 April 2007 | 60,457 | 28,951 | 37,426 | 126,834 |
| Additions | - | 3,580 | - | 3,580 |
| Disposals | - | (693) | - | (693) |
| At 31 March 2008 | 60,457 | 31,838 | 37,426 | 129,721 |
| Depreciation | | | | |
| At 1 April 2007 | 12,792 | 20,607 | 27,256 | 60,655 |
| Charge for the Year | 1,467 | 3,874 | 7,485 | 12,826 |
| On Disposals | - | (693) | - | (693) |
| At 31 March 2008 | 14,259 | 23,788 | 34,741 | 72,788 |
| Net Book Values | | | | |
| At 31 March 2008 | 46,198 | 8,050 | 2,685 | 56,933 |
| At 31 March 2007 | 47,665 | 8,344 | 10,170 | 66,179 |

The freehold land and buildings were sold at a value of £92,500 in October 2008.

Tangible Fixed Assets - Charity

| | Land and Buildings Freehold | Fixtures, Fittings and Equipment | Motor Vehicles | Total |
|-----------------------------------|-----------------------------------|--|-------------------|---------|
| Cost | £ | £ | £ | £ |
| At 1 April 2007 and 31 March 2008 | 60,457 | 21,129 | 24,000 | 105,586 |
| Depreciation | | | | |
| At 1 April 2007 | 12,792 | 17,863 | 19,200 | 49,855 |
| Charge for the Year | 1,467 | 2,482 | 4,800 | 8,749 |
| At 31 March 2008 | 14,259 | 20,345 | 24,000 | 58,604 |
| Net Book Values | | | | |
| At 31 March 2008 | 46,198 | 784 | - | 46,982 |
| At 31 March 2007 | 47,665 | 3,266 | 4,800 | 55,731 |

The freehold land and buildings were sold at a value of £92,500 in October 2008.

Walsall Hospice

Notes to the Financial Statements for the Year Ending 31 March 2008

11. Fixed Asset Investments - Group

| | Subsidiary Undertakings | Other | Total |
|------------------------|----------------------------|-------------|--------|
| | Shares | Investments | |
| | £ | £ | £ |
| Cost | | | |
| At 1 April 2007 | - | 50,000 | 50,000 |
| Loan Stock Redeemed | - | - | - |
| At 31 March 2008 | - | 50,000 | 50,000 |
| Net Book Values | | | |
| At 31 March 2008 | - | 50,000 | 50,000 |
| At 31 March 2007 | - | 50,000 | 50,000 |

Fixed Asset Investments - Charity

| | Subsidiary Undertakings | Other | Total |
|------------------------|----------------------------|-------------|---------|
| | Shares | Investments | |
| | £ | £ | £ |
| Cost | | | |
| At 1 April 2007 | 30,000 | 50,000 | 80,000 |
| Loan Stock Redeemed | (5,000) | - | (5,000) |
| At 31 March 2008 | 25,000 | 50,000 | 75,000 |
| Net Book Values | | | |
| At 31 March 2008 | 25,000 | 50,000 | 75,000 |
| At 31 March 2007 | 30,000 | 50,000 | 80,000 |

Trading Subsidiary

The Charity holds 100% of the £1 Ordinary Share Capital of its Trading Subsidiary, Walsall Hospice Trading Limited, a company registered in England and Wales and whose principal activity is the sale of donated goods through retail outlets. That company donates its taxable profits to the Charity and Audited accounts have been filed with the Registrar of Companies. The aggregate amount of Capital and Reserves and the results of this undertaking for the last relevant financial year were as follows:

| | 2008 | 2007 |
|---|---------|--------|
| | £ | £ |
| Share Capital | 20,000 | 20,000 |
| Reserves – Profit and Loss Account | | |
| Balance at 1 April 2007 | 9,310 | 9,215 |
| (Loss) Profit for the year | (5,775) | 95 |
| Balance 31 March 2008 | 3,535 | 9,310 |
| Total Capital and Reserves | 23,535 | 29,310 |

Walsall Hospice

Notes to the Financial Statements for the Year Ending 31 March 2008

| | | | | | |
|-----|--|---------------|------------------|----------------|---------------|
| 12. | Debtors | Group | | Charity | |
| | | 2008 | 2007 | 2008 | 2007 |
| | | £ | £ | £ | £ |
| | Amounts owed by subsidiary undertaking | - | - | 12,781 | 6,889 |
| | Other debtors | 48,401 | 17,266 | 43,852 | 10,589 |
| | Prepayments and accrued income | 42,595 | 24,912 | 7,696 | 5,777 |
| | | <u>90,996</u> | <u>42,178</u> | <u>64,329</u> | <u>23,255</u> |
| 13. | Creditors: Amounts Falling Due Within One Year | Group | | Charity | |
| | | 2008 | 2007 | 2008 | 2007 |
| | | £ | £ | £ | £ |
| | Bank overdraft | 10,739 | - | 10,739 | - |
| | Trade creditors | 26,718 | 54,194 | 8,865 | 51,911 |
| | Other taxation and social security costs | 4,124 | 3,682 | 3,085 | 2,894 |
| | Other creditors, accruals and deferred income | 7,516 | 17,064 | 4,581 | 4,732 |
| | Corporation tax | - | 319 | - | - |
| | | <u>49,097</u> | <u>75,259</u> | <u>27,270</u> | <u>59,537</u> |
| 14. | Statement of Funds – Group | General Funds | Restricted Funds | Total | |
| | | £ | £ | £ | |
| | Total Funds | | | | |
| | At 1 April 2007 | 100,917 | 313,716 | 414,633 | |
| | Incoming Resources | 266,313 | 33,245 | 299,558 | |
| | Resources Expended | (275,233) | (57,542) | (332,775) | |
| | Taxation | 319 | - | 319 | |
| | At 31 March 2008 | <u>92,316</u> | <u>289,419</u> | <u>381,735</u> | |
| | Analysis of Funds | | | | |
| | General | 92,316 | - | 92,316 | |
| | New Hospice Appeal | - | 289,419 | 289,419 | |
| | | <u>92,316</u> | <u>289,419</u> | <u>381,735</u> | |
| | Analysis of Net Assets between Funds | | | | |
| | Fixed Assets | 10,095 | 46,838 | 56,933 | |
| | Net Current Assets | 82,221 | 242,581 | 324,802 | |
| | | <u>92,316</u> | <u>289,419</u> | <u>381,735</u> | |

The New Hospice Appeal Fund represents the net book value of a freehold property acquired at Bloxwich and other equipment, with the balance being held on Bank Deposit.

Walsall Hospice

Notes to the Financial Statements for the Year Ending 31 March 2008

14. Statement of Funds (continued) - Charity

| | General Funds £ | Restricted Funds £ | Total £ |
|---|-----------------------|--------------------------|----------------|
| Total Funds | | | |
| At 1 April 2007 | 91,607 | 313,716 | 405,323 |
| Incoming Resources | 113,248 | 33,245 | 146,493 |
| Resources Expended | (116,074) | (57,542) | (173,616) |
| At 31 March 2008 | <u>88,781</u> | <u>289,419</u> | <u>378,200</u> |
| Analysis of Funds | | | |
| General | 88,781 | - | 88,781 |
| New Hospice Appeal | - | 289,419 | 289,419 |
| | <u>88,781</u> | <u>289,419</u> | <u>378,200</u> |
| Analysis of Net Assets between Funds | | | |
| Fixed Assets | 144 | 46,838 | 46,982 |
| Net Current Assets | 88,637 | 242,581 | 331,218 |
| | <u>88,781</u> | <u>289,419</u> | <u>378,200</u> |

The New Hospice Appeal Fund represents the net book value of a freehold property acquired at Bloxwich and other equipment, with the balance being held on Bank Deposit.

15. Related Party Transactions

During the year the Charity received interest from the 5% Redeemable/Convertible Loan Stock held in Walsall Hospice Trading Limited amounting to £500 (2007 £750). At the balance sheet date Walsall Hospice Trading Limited owed the charity £12,781 (2007 £6,889) in relation to inter-company loans and £5,000 (2007 £10,000) in relation to loan stock. On 31 March 2008 the subsidiary undertaking redeemed £5,000 of 5% Redeemable/Convertible loan stock from the Charity in accordance with the terms of the loan stock agreement.

16. Post Balance Sheet Events

On 16 July 2008 the parent company acquired, at par value, 25,000 £1 ordinary shares from the subsidiary undertaking, Walsall Hospice Trading Limited.

Walsall Hospice

Notes to the Financial Statements for the Year Ending 31 March 2008

17. Financial Commitments

At 31 March 2008 the group had annual commitments under non-cancellable operating leases as follows:

| | 2008 £ | 2007 £ |
|----------------------------|---------------|---------------|
| Expiry Date: | | |
| Within one year | - | 8,332 |
| Between one and five years | 30,000 | 30,000 |
| In over five years | 10,000 | 10,000 |
| | <u>40,000</u> | <u>48,332</u> |

The Charity company has no individual commitments.

18. Other Services Provided by Auditors

In common with many other charities of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

19. Contingent Liabilities

The Other Investments detailed in note 11 to the financial statements relates to a Fixed Term Capital Growth Fund. This is guaranteed to return a minimum of the sum invested (i.e. £50,000) at maturity if no withdrawals are made. The market value at the balance sheet date was £46,227 and thus a potential impairment in value of £3,773 would exist if the funds were withdrawn.