

DOROTHY HOUSE FOUNDATION LIMITED (THE)

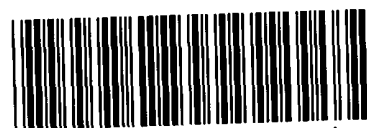
Annual Report and Accounts 2017/18

Company number 1360961

Charity registration number 275745

Principal address Winsley, Bradford-on-Avon, Wiltshire BA15 2LE

TUESDAY



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COMPANIES HOUSE

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The Trustees (who are directors of the Charity for the purposes of the Companies Act) present their report together with the financial statements of the Charity for the year ended 31 March 2018.

The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and SORP 2015

TRUSTEES' & STRATEGIC REPORT

INTRODUCTION

Following on from our 40th birthday, 2017/18 has been a year of consolidation and planning for the future.

Dorothy House Hospice Care (DH) has worked with Cass Business School to develop a new Strategic Plan – **“Everyday, Everyone” 2018-25** – which was formally launched in April 2018. The aim of this new Strategic Plan is to provide a framework to influence our thinking and positioning so we can better meet increasing patient need, grow as an organisation and generate more money for services, remaining ever true to our overall purpose.

Why seven years? Partly to have sufficient time to generate change and also to provide continuity of planning with our local area: This includes the Bath & North East Somerset (BaNES) Clinical Commissioning Group contract with Virgin Healthcare as prime provider of community services which lasts until 2025.

To inform the development of our Strategic Plan, our Information Management Team has worked hard on building a range of different demographic datasets, so we can understand clearly the profile of our area and plan accordingly.

Bringing the Strategic Plan to life has already started with the roll-out of a single point of clinical access to the Hospice including development of a new Clinical Coordination Centre (CCC), a multi-disciplinary team (MDT) approach to Hospice referrals and extended hours for referrals.

Our growing community partnerships work and alliances with other charities and care providers over the last year demonstrates that we are already working according to our Strategic Plan: We know that it is only through partnership-working, education and awareness-raising that we will be able to respond to future need for palliative care and ensure that everyone has access to the care they need.

Understanding our service activity each year is important if we are to plan and prioritise for the future. In FY17/18 we made 35% more Hospice at Home visits to patients, helping to contribute to 7% fewer DH patients dying in hospital compared to the previous year.

We have also seen a 51% increase in referrals to our Early Referral Clinics. Such increases help achieve our aims of enabling more people to be cared for and die at home and supporting more people earlier following their diagnosis.

We are increasingly caring for more non-cancer patients which for FY17/18 stood at around 21% of our patient cohort. In line with patient demand, we seek to increase these patient numbers further and this represents a key goal within our new Strategic Plan.

FY17/18 has seen growth in both retail and fundraising. Developing income from clinical contracts has been more challenging but the Greenhouse Business Development Team, formed in early 2017, is working hard to focus the organisation on smarter clinical contract negotiation, management and reporting. It is also exploring partnership opportunities with the wider health and social care sector. We continue to develop our understanding of different income streams, ensuring their sustainability and minimising undue reliance on individual revenue sources.

As set out below, our Strategic Plan now gives us a strong framework for our future work. Our focus for the year ahead will be to plan how we achieve our goals and measure our impact so that we can work towards our new vision – “A society where death is a part of life.”

OBJECTIVES AND ACTIVITIES

Overall purpose

As a charity, our work is driven by the following overarching aim:

“To promote the relief of sickness by such charitable means as the association shall from time to time think fit.”

(The Dorothy House Foundation Ltd, Charitable objects – see Charity Commission)

Our core philosophy:

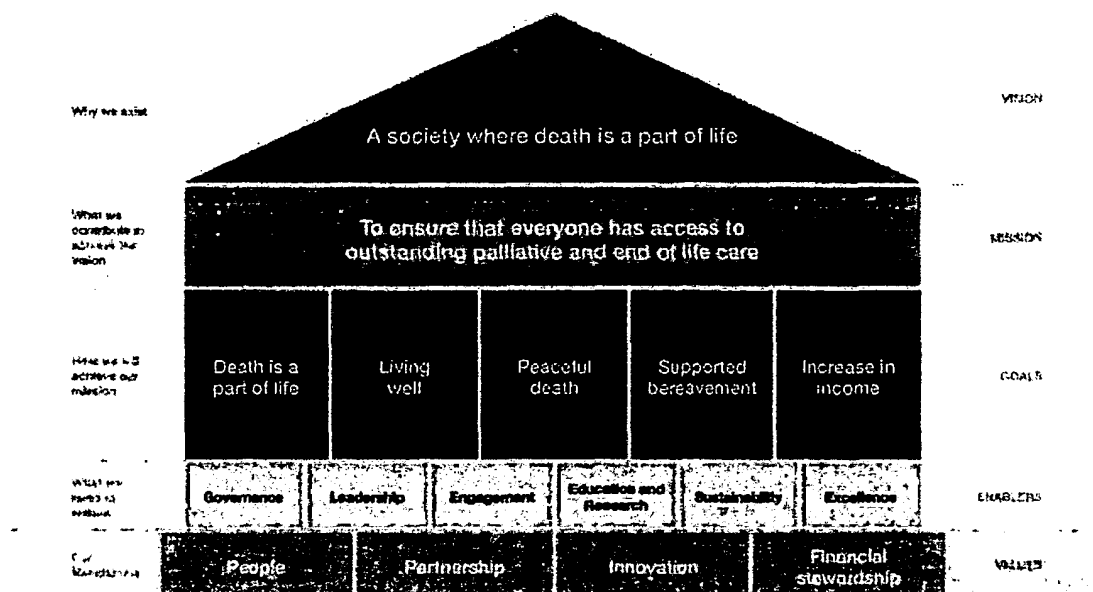
“You matter because you are you, and you matter until the last moment of your life. We will do all we can, not only to help you die peacefully, but also to live until you die.”

(Dame Cicely Saunders, 1918-2005 – Founder of the modern day hospice movement)

Everyday, Everyone: Dorothy House Strategic Plan 2018-2025

Over FY17/18, Dorothy House has worked with The Centre for Charity Effectiveness at Cass Business School to develop a new Strategic Plan for the organisation, formally launched in April 2018. From the Strategic Plan, we will be developing a set of long-term, ongoing organisational outcomes to report against each year including the number of patients offered an Advance Care Planning conversation and the number achieving their Preferred Place of Death:

Our strategic house



Objectives for the Financial Year (FY) 17/18

For FY17/18, we set out a number of focused, operational objectives to further the overall purpose of the Charity. These were approved by the Trustees in March 2017, as outlined in our Annual Report FY16/17:

- 1) Achieve significant cost efficiencies and deliver the forecast 2017/18 Deficit of ≤ (£418K) on revenue of ≥ £13m with Reserve cover between 6 and 7 Months**
- 2) That Dorothy House is effective in developing and implementing co-ordinated strategies and plans, ensuring that all parts of the business work together productively in pursuance of the objectives set out by the Board of Trustees (BoT) and Executive Team (ET)**
- 3) To develop a strong performance culture across the organisation– fit for future growth (2018 to 2025) – true to its visions and values, that is patient-focused and maintains a level of care rated as outstanding by the Care Quality Commission (CQC)**
- 4) To empower ET to develop new initiatives – that are charitable, patient-focused and income generative**
- 5) Review Dorothy House Governance so that it is recognised amongst its peers as leading, transparent and effective, ensure that all statutory, regulatory and legal obligations are met on behalf of the Board and to seek independent audit to assess performance**
- 6) Develop regional influence and active partnerships aligned to the future direction and intent of Dorothy House**
- 7) Deliver the capital expenditure programme**
- 8) Lead, adapt and develop Dorothy House so that it has an emboldened ET and an empowered Management Team (MT) developed in an environment where professional capability, integrity and talent can endure**

Measuring and assessing against our objectives

In all our work, it is important that we assess ourselves against our objectives – both long-term and short-term – to ensure that we are achieving our aims and making an impact with the services we provide. We need the right mechanisms in place to do this.

The **Board of Trustees (BoT)** meets quarterly and this is supplemented by the work of seven Trustee-led sub-committees who meet in advance of each Board meeting. Effective Governance has become a core component and driver of how the Hospice operates, reflected in the appropriate recruitment of subject matter experts who deliver a balance of knowledge across the committee process and the conduct of regular audit and inspections.

The **Executive Team (ET)** meets for a day each month and the newly developed **Leadership Team** meets on a monthly basis.

All these meetings are supported by the work of our Information Management Team who continue to develop our internal **real-time account reporting and organisational key measures dashboard** so that we can constantly assess our financial performance and core activity against the objectives we have set. This real-time flow of data and analysis helps to inform all managerial decision-making.

In terms of measuring and assessing our clinical services, we have an annual **Clinical Audit Plan** which contributes to the overall **Quality Improvement Plan** for DH. This provides a means to monitor the quality of our care in a systematic way and creates a framework to review our services and make continuous improvements where needed.

Our Activities

Below is a list of the **services we currently provide (FY17/18) at Winsley, our Outreach Centres or out in the community**. All of these help us to achieve our overall purpose and objectives and provide the best care we can for patients, their families and carers.

DH continually monitors the effectiveness of these services through number of patients seen and contacts made, clinical audit, patient/carers feedback and specific service reviews.

A Medical Team: Our doctors are involved in the assessment, treatment and management of complex symptoms/issues. They provide patient consultations on Hospice premises, at the Royal United Hospital (RUH) Bath and within the community. In addition they provide 24/7 availability of advice to other professionals about any palliative care issue. They are involved in the delivery of professional training and mentoring to medical students, junior doctors in training and qualified doctors working in the community and acute hospitals. They provide support to a neighbouring hospice through the provision of the Responsible Officer role. Dr Needham is the Responsible Officer for Medical Revalidation. In September 2017 DH

participated in the High Level Responsible Officer Quality Review process and our processes were endorsed.

An Inpatient Unit: The management and delivery of a 10-bed Inpatient Unit (IPU) using an MDT approach. The IPU provides assessment, treatment and management of complex symptoms/issues, planned or acute respite care and rehabilitation/adaptation to the effects of disease progression and terminal care.

Day Patient Services: Patients can attend a nurse-led unit on the same day each week to achieve planned goals based on initial assessment, at which they benefit from specialist MDT assessment and the management of their complex issues. DH also provides a growing range of informal wellbeing, relaxation, exercise and social groups across its 3 sites.

Clinical Nurse Specialists (CNSs) operating within the community: Our CNSs work in partnership with General Practitioners (GPs) and District Nurses across the region to support patients, families and carers in a variety of community settings through initial assessment, education and ongoing management of complex needs until discharge or death. The team also offers advice, information and support to professionals and assesses the initial bereavement needs of families and carers after the death of a DH patient.

Hospice at Home (H@H) Service: Our H@H service provides care delivered by highly trained healthcare assistants within the patient's home or residential care setting. We support patients with a palliative diagnosis in the last year of life. We provide;

- Respite Care: Two nights' overnight respite care per week in last 12 months of life.
- End of Life Care: Up to 24/7 care in last 2 weeks of life.
- Crisis Care: Up to 24/7 rapid response in last 12 months of life (max 28 days).

Our H@H service enables patients to be cared for and die at home, can help avoid hospital admissions and enable discharge from hospital. Our H@H team provides an Enhanced Discharge Service (EDS) in partnership with the Royal United Hospitals Bath NHS Foundation Trust (RUH) Specialist Palliative Care Team to facilitate patients' discharge from the RUH at end of life to their preferred place of care / death.

Family Support: Our holistic Family Support Team provides support to our patients and their families. Specialist skillsets include: • Social work, advocacy, arrangement of care, carers support groups, Carers' Course • Counselling and psychological support • Adult bereavement support 1:1 and groups • Children and young people's service offering support pre and post

bereavement. The Hospice continues to develop a range of more informal bereavement and psychological support groups.

Chaplaincy and Spiritual Care: DH's Chaplaincy Team delivers spiritual support to all, regardless of faith, culture or community. The Chaplain and spiritual care volunteers help patients, family and carers to explore multi-faith, holistic, spiritual, religious and emotional needs, linking as appropriate, with local clergy and faith leads.

Therapies

Physiotherapy Service: This service is offered to patients to provide ways to help maintain and improve independence and manage symptoms. Our approach to patient rehabilitation, resilience and longevity of quality of life has been commended by NHS England (NHSE) and is recognised as a pioneering approach to patient care.

Occupational Therapy (OT): The team offers help to patients in order to address problems that impact on independence, safety and quality of life. They provide assessment in the home environment for equipment and adaptation, setting priorities and promoting independence and choice.

Lymphoedema Service: Our palliative and non-palliative service enables DH to provide nurse-led services at local clinics, our three hospice sites and a range of community settings.

Complementary Therapy (CT): Our CT team provides a range of complementary therapies to patients, families, carers and bereaved clients. The service, designed to complement conventional treatments and promote wellbeing, is led by a Registered Nurse who is also a qualified complementary therapies practitioner. Therapies are given by qualified volunteer therapists and include reiki, aromatherapy and reflexology.

Creative Arts: The Creative Arts Team give patients, their families and carers the chance to explore a variety of creative arts which can provide focus and diversion at a difficult time and can also help address practical, psychological social and spiritual needs. Activities include the making of creative keepsakes, hand casts and life stories.

Nutrition: DH clinical staff undertake on-going nutrition assessments and provide advice and support to patients, their families and carers. Complex cases are referred to the DH Dietitian.

Education, Research & Professional Development

Education remains a key pillar of our services, offering:

- Support to all DH clinical staff in their professional development and palliative care updates
- A range of educational programmes to enable colleagues across all health and social care settings to increase their knowledge and understanding of caring for people with a life-limiting illness and at end of life
- Research, debate and publication
- The facility to host education programmes and visits as required by DH professionals.

Social value

Following the Public Services (Social Value) Act 2012, commissioners in public authorities are required to have regard to economic, social and environmental wellbeing when buying public services over a certain threshold. Even under this threshold, public bodies are now encouraged to consider social value and contract with providers who do not just deliver a contract but can also deliver value to the community for no extra or minimal cost.

Dorothy House delivers social value to its community, not just through the care we provide to patients, their families and carers but in broader ways such as our support for the local economy, the social isolation we combat through our volunteering programmes, the community partnerships we help forge and our care for the local environment.

Our community partnerships work over FY17/18 highlights clearly the difference we are making locally. Working closely with organisations such as Health Connections in Frome and the National Citizen Service enables us not only to raise awareness of DH services but also to provide opportunities for local young people to support each other, gain new skills and play a part within their community.

Workforce management is another area which highlights the difference we make to our community. In FY17/18 we signed up to Working for Carers, an organisation that provides resources to support both employers and their employees who have carer responsibilities. Around 12 DH employees were supported with a staged return to work through reduced hours or amended duties and we have provided employees with specialised equipment and independent counselling when required.

We continue to develop an account of our social value and consider how best to build on this so that as a health and social care provider, a charity, a retailer and community partner, we can play a pivotal role in helping to build a sustainable community.

Volunteers

Our volunteering workforce continues to make a significant contribution to the care and support we provide to our local community and our wider social value. At the end of FY17/18, there were 388 volunteers working in the Hospice and Outreach Centres and 761 retail volunteers.

Under new leadership, Volunteer Services now produces monthly reports with information on numbers of volunteers, demographics and work areas. Last year, there were 56 volunteers who volunteered in more than one role.

Our Volunteer Forum has developed over the year with representation from volunteers across our whole area, keen to play a part in supporting the organisation. This proactivity and support from volunteers has been instrumental in the development of our "one workforce" approach.

The Retail Team has worked on measuring its unmet need for volunteers so that it can develop a more planned approach to volunteer recruitment. The impact of this work will be measured in the coming year to help inform volunteer recruitment across the wider organisation.

Other new initiatives introduced include a monthly Volunteer Managers Forum to share information about Volunteer Services, improve expertise on volunteer management and consult with staff who manage volunteers.

ACHIEVEMENTS AND PERFORMANCE - FY 2017/18

ACHIEVEMENTS: Did we achieve our objectives?

- 1) Achieve significant cost efficiencies and deliver the forecast 2017/18 Deficit of ≤ (£418K) on revenue of ≥ £13m with Reserve cover between 6 and 7 Months.**

In FY17/18, we balanced the books on total revenue of £13.3m and exceeded our financial objective by delivering a surplus of £17k. The budgeted deficit for FY17/18 was £418k to allow for much-needed investment in our infrastructure – people, facilities and technology. We also knew there would be additional expenditure required in areas including clinical services, information management and facilities. Another strong year for legacy income helped result in a break-even financial position for FY17/18. (See p.30, Financial Review)

In terms of cost efficiencies, we have achieved effective savings within Fundraising and Retail and have confidence in our capability going forward. Within our clinical services there is a growing awareness amongst all teams of cost bases and the importance of delivering to budget. Teams such as Therapies are working hard to deliver their services more smartly by providing more clinics as opposed to home visits, thereby treating more people. We continue to develop our use and access of technology to help provide more care within the community.

At year end, DH held reserves cover of 7 months but from FY18/19 we are moving away to a risk-based reserves approach. (See p.33)

- 2) That Dorothy House is effective in developing and implementing co-ordinated strategies and plans, ensuring that all parts of the business work together productively in pursuance of the objectives set out by the Board of Trustees and Executive Team**

Seven Year Strategic Plan

Over FY17/18, the development of a new, seven year Strategic Plan for the organisation has been a crucial part of providing direction to DH departments, thereby ensuring that all operational plans going forward are co-ordinated.

Although the new Strategic Plan was only launched in April 2018, its development has helped shape departmental work over FY17/18.

Clinical Coordination Centre

A key tool for achieving many of the goals from the new Strategic Plan has been the development of a single point of access to the Hospice's clinical services via the new Clinical Coordination Centre (CCC).

One telephone number for access to Dorothy House's clinical services will help ensure a single pathway of care – coordinated and without duplication. The accompanying new systems within CCC include a more holistic, patient-centred referral system, extended working hours for taking referrals and a new integrated MDT model to support referrals. As a result, DH will be able to handle more referrals and collect more robust information about the difference we make to patients, families and carers.

The development of CCC with a single point of access is pivotal to ensuring more collaborative, joined up working across all clinical services. As part of the development of CCC, DH now has a full directory of services on the BaNES Map of Medicine, an information resource used by all BaNES GPs in day-to-day work.

Medical Services Review

Alongside the development of the seven year Strategic Plan, DH has conducted a Medical Services Review over FY17/18 to understand better how we can meet an anticipated increase in patient numbers and become more responsive to patient need 24/7, both within the Inpatient Unit and out in the community. Led by the DH Medical Director, the review has sought the views of neighbouring hospice, St Margaret's, thereby helping to ensure a collaborative and joined-up approach to medical services in our region going forward.

Following on from the Medical Services Review, we will be developing our clinical workforce for the future. This will include, over FY18/19, the recruitment of two Advanced Nurse Practitioners (ANPs) to complement and support the work of our medics and further investigation into the future of non-medical prescribing within the organisation.

- 3) To develop a strong performance culture across the organisation– fit for future growth (2018 to 2025) – true to its visions and values, that is patient-focussed and maintains a level of care rated as outstanding by the Care Quality Commission (CQC)**

Hospice at Home Service

In January 2018, we introduced a strengthened Hospice at Home (H@H) service so that we can respond to growing need in the last 12 months of life (previously last 3 months). Using charitable funds, we have invested an additional £136k in our service to provide access to H@H much earlier for patients, to increase our care provision and to help avoid hospital

admission or enable hospital discharge. In late 2018, we will be reviewing the outcomes and impact of this piloted, wider H@H service.

Funding channels for H@H are complex including main NHS contracts with our 3 CCGs and separate contracts with Wilts and BaNES for an Enhanced Discharge Service. However, as we roll out our pilot year of a revised H@H service, we have agreed with our NHS commissioners to map outcomes and impact with a view to greater NHS funding.

Non-Palliative Lymphoedema Service

Over FY17/18, we have examined our non-palliative lymphoedema service to understand better the need for this service, increase referrals and drive efficiencies. We know that there is a need in our area and will build further on the work already done to ensure that we can care for more people.

Performance management systems

DH has introduced a digital strategy across HR, Education and Facilities to enable us to report in a more accurate and timely manner which will allow for better decision-making. New systems will be introduced over FY18/19 including an HR and payroll database and a facilities management database.

Workforce Conference

DH held its first Workforce Conference at Center Parcs in October 2017 for staff and volunteers to bring teams together and present annual awards in recognition of staff and volunteers who had demonstrated strong performance and gone the extra mile this year. It was also an opportunity for the workforce to engage with senior management about our plans for the future.

Change Management

Over FY17/18, HR has been rolling out a change management programme across the organisation, in preparation for the new seven year Strategic Plan. This is designed to give all people in the organisation an understanding of the impact of introducing new initiatives, minimise uncertainty and help develop a strong performance culture within the organisation.

4) To empower ET to develop new initiatives – that are charitable, patient-focused and income-generative

Developing Psychological Support Models

We continue with our development of psychological support models. The Teens Group for bereaved teenagers piloted last year meets monthly and the Young Adults Group which provides psychological and peer-to-peer support for younger patients (30s-50s) with a life-limiting illness now meets every other week.

Our Bereavement Service, run by a Bereavement Co-ordinator and staffed by Volunteer Bereavement Support Practitioners, continues to expand with plans developed for a Malmesbury "Friends in Grief" bereavement drop-in service to be launched in July 2018.

Our well-established DH Companions Service has developed a partnership with RUH's Forever Friends Appeal to provide companionship and support to RUH patients at the end of life who do not want to die alone. The 3 year pilot starts in July 2018.

New Clinical Initiatives

FY17/18 has been a strong year for developing new clinical initiatives. Over the year we have developed a three way partnership with **Macmillan Cancer Care** and the RUH for the recruitment of a **Live Well Partnership Coordinator** based at the RUH. Funded by a grant from Macmillan Cancer Care, this new post will help to support patients at the point of metastatic cancer diagnosis, signposting or managing their referrals either to Dorothy House or to other community support, thereby ensuring earlier access to palliative care.

Our partnership with the Motor Neurone Disease Association and the RUH continued successfully last year with provision and joint- funding of a **Motor Neurone Disease Specialist Nurse** who meets patients at diagnosis and can provide them with specific MND palliative and end of life care and a single point of contact for both patients and professionals. We continue to seek funding in partnership with the RUH to make this position permanent.

Our Therapies Team continues to work closely with the RUH to support end of life patients with **heart failure**, with a view to setting up a combined clinic in the future.

Role of Greenhouse Team in developing new initiatives

Formed in 2017, the new Business & Strategic Development Team (Greenhouse Team) has helped with the development of many new initiatives across the Hospice – patient-focused, charitable or income generative.

The Greenhouse Team has been instrumental in the development of existing clinical services including Hospice at Home and the Non-Palliative Lymphoedema Service. It also involved in new projects such as the use of technology to deliver efficient and effective clinical services (RIVIAM), maximising Continuing Healthcare income for the Hospice and the potential of IV health clinics.

In partnership with Retail, the Greenhouse Team has developed a proposition for the Charity's shops based in Central Bath to drive more footfall / income and form the basis for scalable retail models of the future. The Team has supported both the corporate and trusts and grants functions within DH and is also exploring entirely new ideas for income generation in areas such as skincare, nutrition and funeral services.

Greenhouse will continue to nurture and grow existing activities, germinate new ideas that drive innovation and revenue, support DH's strategic development and demonstrate organisational impact and wider social value.

- 5) Review Dorothy House governance so that it is recognised amongst its peers as leading, transparent and effective, ensure that all statutory, regulatory and legal obligations are met on behalf of the Board and to seek independent audit to assess performance**

Governance

Governance at Dorothy House has been a key focus in FY17/18. Both an Assurance Review by internal auditors and a Governance Review by external consultants were undertaken and confirmed that good governance arrangements are in place at Dorothy House, with improvements made over the last few years.

A number of recommendations were made in the Governance Review, aligning with best practice as set out in the Charity Governance Code, and these are now in the process of being implemented at Dorothy House. (See p. 32)

GDPR Preparation

In preparation for the introduction of the General Data Protection Regulation (GDPR) in May 2018, we undertook a review of data handling across the organisation to identify any changes we need to make to ensure we can comply with the principles of the new regulation. (See p. 33)

Additionally, we launched our '**Staying In Touch**' campaign, contacting all our existing fundraising supporters to ask for their preferences on how we make contact to keep them updated about our news and forthcoming events.

Fraud and Cyber Security

Fraud and Cyber Security are viewed as growing threats to the organisation and increasing training and awareness in this area is seen as key to safeguarding the assets of Dorothy House.

Added to this, in May 2017, Dorothy House was subjected to an incidence of fraud when £130k was withdrawn from our bank account. Nottinghamshire Police Force continues to investigate the incident and the case has been taken up by the Organised Crime Squad, highlighting the sophistication of the offence. (See p.32)

DH has been transparent about the incident and we have shared our learning across the hospice sector via Hospice UK's communications channels.

6) Develop regional influence and active partnerships aligned to the future direction and intent of Dorothy House

Strategic Partnerships

Our partnership work with Hospice UK (HUK) continues and gives us a voice in palliative care both regionally and nationally: DH Chief Executive, John Davies, chairs the group of

Chief Executives for Hospice UK South West and DH Chair of the Board of Trustees (BoT) Kate Tompkins is Chair of the Forum of Hospice Chairmen and representative as a Trustee on the Board of Hospice UK. Executive Clinical Director Wayne de Leeuw was, over FY17/18, a member of the steering group for the new HUK demographic working tool, PopNAT, helping to lead development of this influential tool.

Hospice engagement with our local elected representatives is growing and the DH CEO meets regularly with leaders from CCGs in our area and fellow health and social care providers.

Our influence locally is growing: Head of Community Partnerships, Steve Dale, has held the role of Chair of the Bath and North-East Somerset Third Sector Group since September 2017. The DH Finance Director provides financial advice to Frome Medical Practice to help them understand growing challenges in primary care provision and to explore opportunities for greater partnership working between primary care and the Third Sector.

Educational Partnerships

The development of our strategic partnership with The University of Bath continues and we are working together to create a Centre of Excellence for research, education, professional and skills development in end of life care.

We already have a strong relationship with the University of the West of England and local colleges of education and we will continue to work closely with our partners to ensure they are part of any future Centre of Excellence.

Growing community partnerships work

The Community Partnerships team has become established over the last year and is pivotal in bringing Dorothy House work to new audiences, harnessing new thinking, fresh contacts and representing DH within the community. Over the year, the team has engaged indirectly with almost 5000 people from over 250 organisations.

Development of partnerships include our well-established link with **Bath Ethnic Minority Senior Citizens Association (BEMSCA)** with whom we now meet monthly at their day centre and bereavement group to understand better their needs.

DH clinicians continue to work alongside the **Macmillan Information Team** on their “**Bertie**” bus which visits towns across our catchment area, providing advice and support to people who drop-in. Staff from both organisations have found working together so valuable that DH has now committed to providing a clinician to support joint working on an ongoing basis.

The Community Partnership Team works closely with the well-publicised **Health Connections** based at **Frome Medical Practice** who map, promote and fill gaps in local health and wellbeing services in partnership with the community. Alongside **Health Connections**, we have delivered training sessions on end of life and advance care planning conversations and network mapping. Volunteer facilitators from the Hospice have also supported **Death Cafés** hosted by Frome Medical Practice.

Over the year, we have developed a **new relationship with Fire & Rescue Services** and our work continues to grow with the **National Citizen Service** which supports 15-17 year olds to learn new skills, gain exciting new experiences and contribute to their local communities.

We continue to play a part in key, national awareness-raising events. During **Dementia Awareness Week In May 2017**, we hosted a well-attended performance of a powerful play exploring the impact of early onset dementia on family life. For **Dying Matters Week**, also in May 2017, we focused on **Digital Legacy** and the issues surrounding digital footprints after someone dies.

7) Deliver the capital expenditure programme

Winsley Car Park

With approximately 14,000 visitors per year to our Winsley site, our current car park is not sufficient to meet demand. As a result, we submitted a planning application to Wiltshire County Council in 2016 for the reconfiguration and expansion of our Winsley Car Park in a build of four stages. Planning permission was granted in July 2017 and as at year end, some initial phases of work have started and we are reviewing tenders for the appointment of an experienced local contractor for the later phases. As part of our consultation with the local community, we have set up a dedicated website including FAQs and updates to answer any queries.

Live Well

In March 2018, the Board of Trustees approved a budget for re-purposing the lodges at Winsley. Before any work commences, we are investigating the demand for some of the proposed services – for example a purpose-built bereavement suite and a new centre for “live well” services and support - so that we can plan accordingly in line with our Strategic Plan.

IT Capital Expenditure

We continue to roll out our “Caring Smarter” Information Management and Technology Strategy 2016-20. Over FY17/18 we have strengthened our network capability so that it now covers all three DH sites and 28 shops.

Mobile working with more laptops, smart phones and remote access to IT systems for our staff and volunteers continues as a focus. Over the year, all our Nurse Specialists’ laptops were upgraded to help drive efficiency and effectiveness in our care.

The **Exchange Service** was upgraded as we moved from Office 2007 to Office 2013 which is fully supported and safe. We also replaced all our **printers** to a system which is both more cost-effective and confidential.

Clinical Co-ordination Centre

To achieve a single point of access into the hospice, a new Clinical Co-ordination Centre (CCC) was set up and launched in April 2018 which has involved moving the CCC Team to a larger, more suitable office at Winsley. Over FY18/19, the CCC team will be relocated into a purpose-built environment.

- 8) Lead, adapt and develop Dorothy House so that it has an emboldened ET and an empowered MT developed in an environment where professional capability, integrity and talent can endure**

Leadership and Management Development

In FY17/18, the Management Team at DH evolved to become a Leadership Team. This has broadened the team to include not only managers but those in the organisation with leadership skills and the ability to make a difference. Regular Leadership Team development sessions take place to enable sharing of knowledge / learning, greater team

working and organisational communication. Encouraging the development of these Change Champions can help support and facilitate change amongst teams.

As part of our commitment to investing in our workforce, we use a number of external coaches to mentor and support individuals within our Executive and Leadership Teams. Over FY17/18, our external coaches have worked in particular on consistency of style and messaging from the Executive to Leadership Teams.

Internal Communications

Developments in internal communications over FY17/18 have helped empower both the leadership teams and staff and volunteers more widely at DH. Our new Dot2Dot intranet was launched in June 2017. It is a more effective platform for internal communications, providing information to staff and volunteers and enabling each team to "own" and edit relevant sections of the intranet.

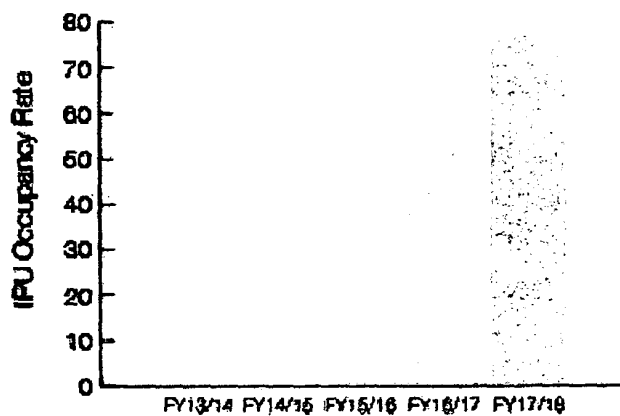
The Communications Team has worked hard on developing plans for the internal roll out of the seven year Strategic Plan, ensuring that all staff and volunteers have been properly engaged and briefed on our plans for the future.

Over FY18/19, we aim to roll out Brand Stencil – a fully branded self-service publishing tool to enable staff and volunteers to communicate more effectively and consistently about the Hospice.

PERFORMANCE

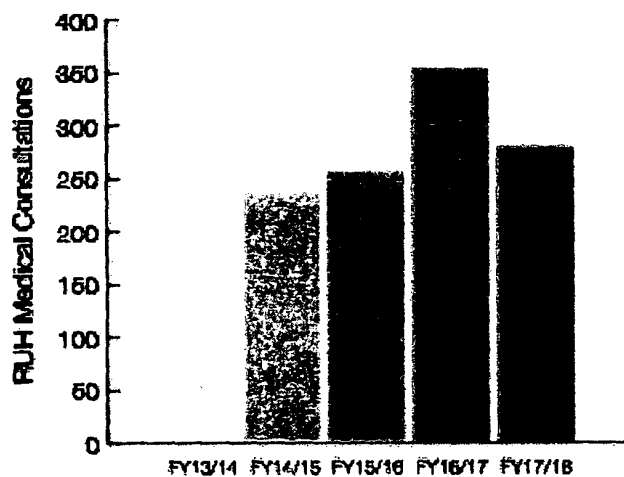
Key Services Activity

Every year we try to understand the peaks and troughs in our service activity. Set out below are our activity figures over the last 5 years, grouped into main service areas:



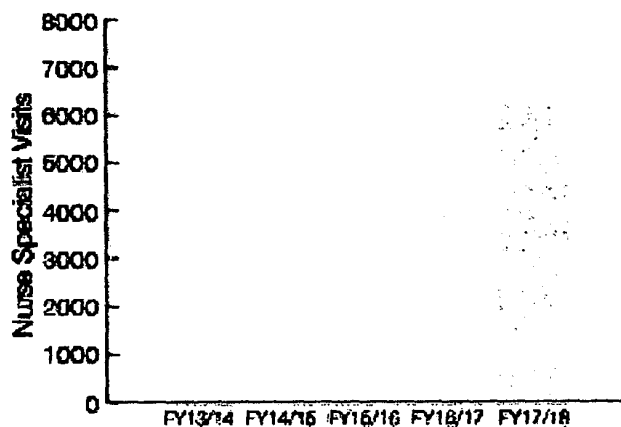
IPU Occupancy Rate

77% for FY17/18, up 2% on the previous FY. With a maximum occupancy goal of 80%, we continue to operate efficiently in this area.



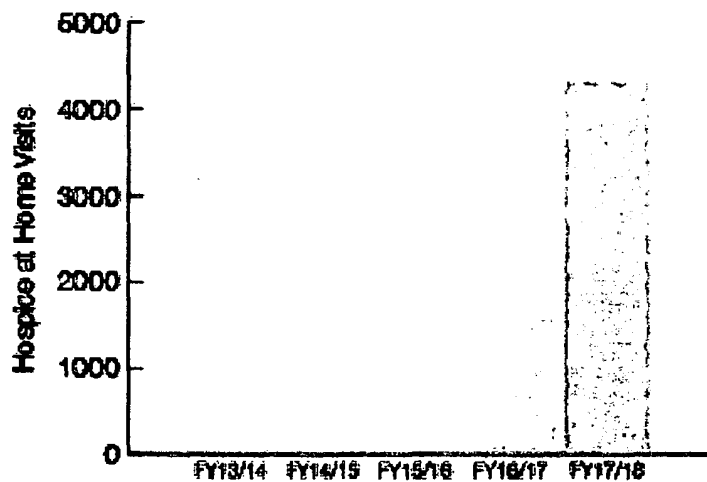
RUH Medical Consultations

Consultations have grown by 33% over 5 years, reflecting our investment in providing palliative care consultant resource within RUH. Medical consultations decreased in FY17/18, in part due to staffing considerations and also due to the development of less "medicalised" services which are more appropriate for many of our patients, particularly those referred early.



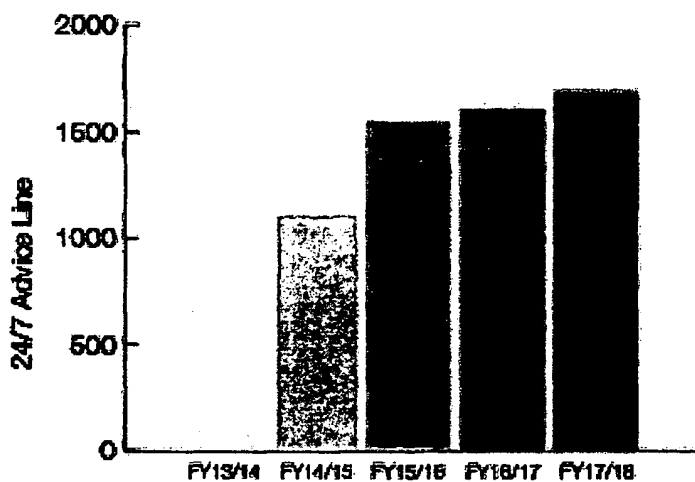
Nurse Specialist Visits

Similarly to RUH medical consultations, with the development of our "lighter touch" services, we have seen slightly less demand for more specialist support. By contrast we have seen a 51% increase in numbers at our Early Referral Clinics in FY17/18.



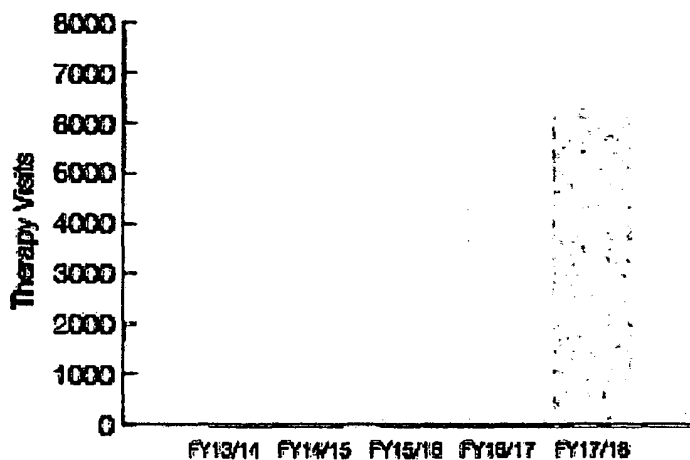
Hospice at Home (H@H) Visits

Our H@H service continues to grow in line with rising demand. Hours of care delivered remains at around 25,000 hours for the last two years. However, we are reaching more people with a 35% rise in patient visits on previous year, in part due to Enhanced Discharge Service and in part due to the piloted, strengthened H@H service. (See p. 13) This year H@H has helped contribute to 7% fewer DH patients dying in hospital on previous year.



24/7 Advice Line

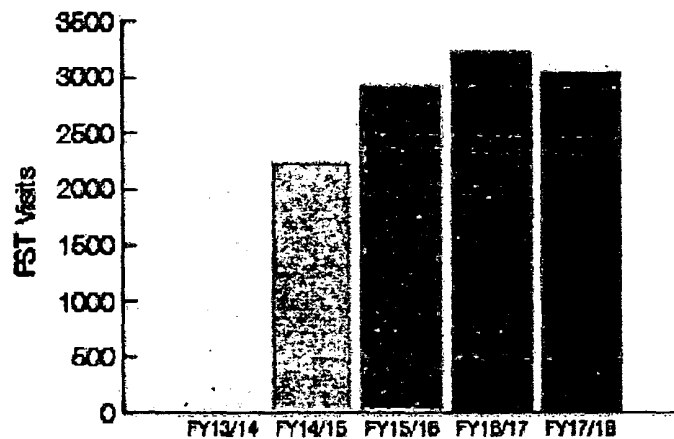
Accessible to professionals, patients, families, carers and the wider public, this has grown steadily over the last 5 years. In FY17/18, we have seen a 5% increase in calls on previous year, and a 65% increase since FY 13/14.



Therapy Visits

Whilst our overall number of therapy visits for patients and / or families and carers remains static, in FY17/18 we have seen increases in some of these services including physiotherapy at our Winsley site and hydrotherapy, as we continue to develop our rehabilitative care. We continue to deliver an average of over 120 therapy visits per week.

Therapy visits comprise the following for patients and or their families / carers: Palliative Lymphoedema, Occupational Therapy, Physiotherapy, Complementary Therapy, Creative Arts, Nutrition, Hydrotherapy, COPE course.



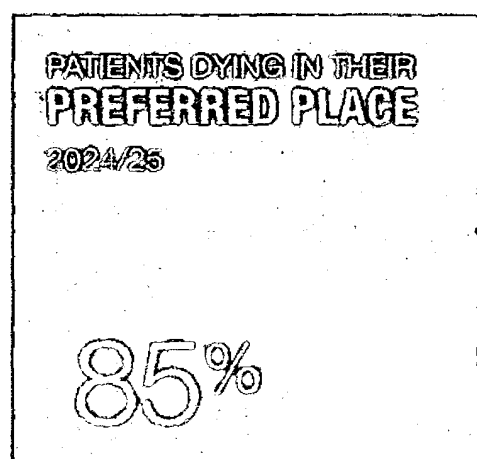
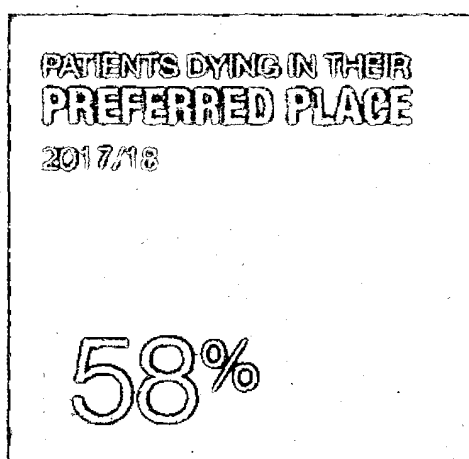
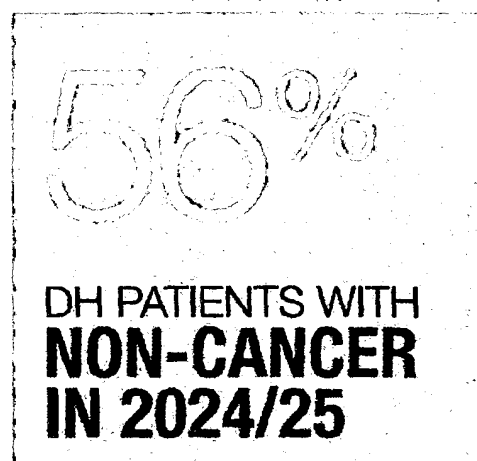
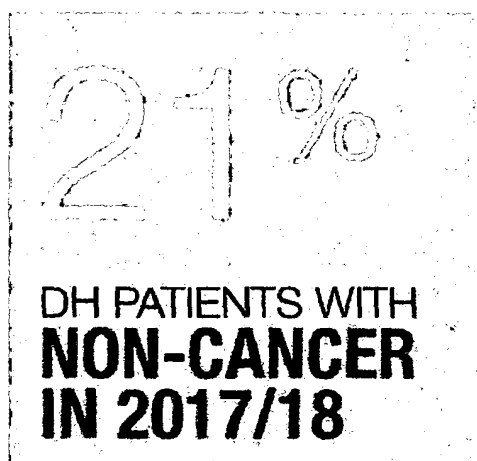
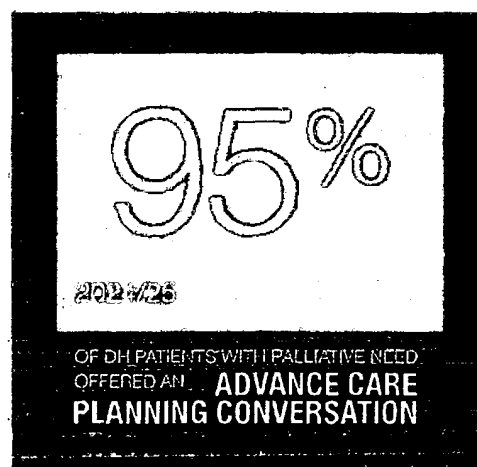
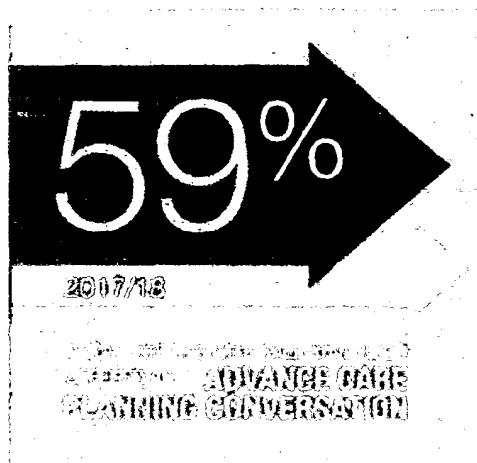
Family Support Team (FST) Visits

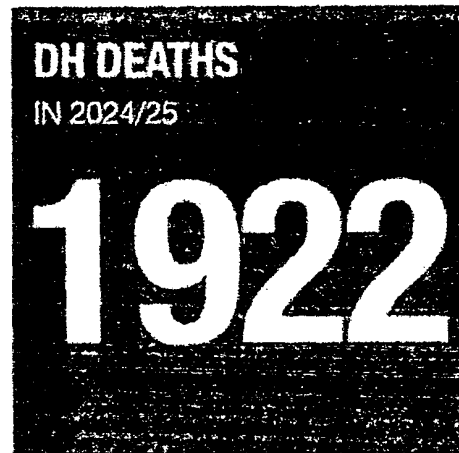
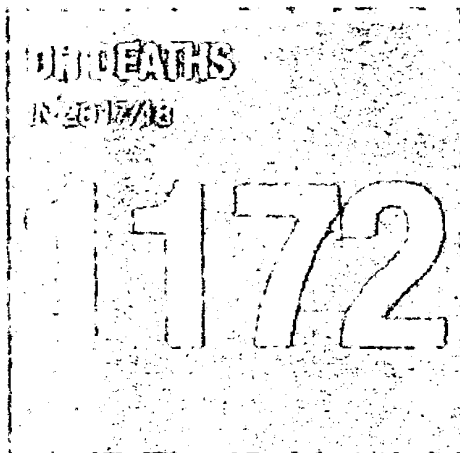
We have seen an overall 42% rise in activity from FST over the last 5 years. Overall FST activity may have dipped slightly in the last year but in FY17/18 we provided around 33% more bereavement visits to patients, families and carers on previous year.

FST visits comprise the following for patients and / or their families / carers: Adult Social Work, Children and Young People's Service support, psychological support, Bereavement, Chaplaincy.

Key Organisational Outcomes

With the launch of our Strategic Plan in April 2018, we seek to measure not only outputs but also outcomes and ultimately, long-term impact. We have therefore identified, and will develop further, a set of key organisational outcomes against which we will measure our performance and aim for improvement each year over the life of the seven year Strategic Plan. Please see below key outcomes for FY17/18 and our targets for 2024/25:





Each year we recognise the growing, wider support we can provide through informal DH support groups where a referral is not required. In FY17/18 we saw 5,140 attendances at such groups including Coffee Club, Qi Gong, Carers' Course, Tea@3, Sewing Bee, Choir and Plot to Plate. In just two years, we have seen a 46% rise in attendance at these more informal methods of support which can also help to explain the dip in numbers for services such as our Day Patient Unit.

A full commentary on our services can be read within our Quality Account 2017/18 which also contains detailed information on our patient demographics including age, gender, ethnicity and religious beliefs. For FY17/18, we had a record of ethnicity for 61% of our new patient referrals. Last year, over 50% of our new patient referrals were 75+ and 55% were male. With our revised referral process, we aim to improve our data collection on patient profile from the point of referral.

Education & Training

Dorothy House continued to run its suite of educational programs in FY17/18 providing expert knowledge and teaching in delivering 59 different courses for its staff and throughout the community.

In the year to March 2018, 929 professionals attended programs of education with 732 external participants. This represented 4,472 teaching hours of which 3,629 was delivered to external participants and achieved a satisfaction rating of 99%.

Participants came from a variety of care homes and agencies, acute hospitals, hospices, charities, housing associations, schools and universities.

128 registered nurses from 33 nursing homes benefitted from our **Link Nurse scheme**, set up to foster links with local nursing homes, share good practice, build staff skills and confidence and support delivery of high quality end of life care in other residential settings. Also 26 domiciliary staff from 13 residential care homes learned more about palliative and end of life care through study days as part of our **Residential Care Home Network**.

The variety of courses delivered are designed to help carers to understand better the complexity of end of life care and to be better equipped to care for patients in their home. We ran three new courses in FY17/18: Two on clinical skills and one in dementia and end of life care. Eight more are under development for FY18/19.

We also continued to provide education for staff in schools on how to support children through grief and loss; educational programs to break down barriers around end of life within families and communities; and study days led by the Specialist Dietitian and a Specialist Nurse on the topic of 'Diet in Palliative and End of Life Care'.

We continued to develop working partnerships within the community to develop further our educational support. Over FY18/19, we look to strengthen our joint working across several areas including Research and Higher Education programs. We are at an advanced stage of negotiations with The University of Bath to create a Centre of Excellence in End of Life Care by September 2018.

Retail and commercial ventures

In spite of a challenging landscape, our retail estate performed well, delivering **19% growth in contribution on the previous year**. This performance was driven mainly by cost savings including the closure of our Newbridge shop. Our overall sales revenue grew by 1.3% to budget, however like for like sales grew by 4.8%, removing the Newbridge sales forecast and closures due to snow.

A focus on our **furniture stores** delivered a good performance with sales revenues up 9% on the previous year. Our **central Bath stores** have struggled but are now being supported by the Greenhouse team, to drive a differentiated consumer proposition from FY 18/19.

Quarter 4, was a particular challenge, with low consumer footfall, snow impact and poor conversion due to ineffective stock planning across the period. The appointment of a new Logistics Manager responsible for stock will address this issue of supply and differentiation.

Our **Joint Venture stores, Goldies in Keynsham and Hospice Shop in Salisbury**, both continued to perform with sales up 18%, in the coming financial year we will look to expand these brands further.

E-commerce and the sale of new goods are opportunities we have yet to exploit and will be key drivers for the coming year once our infrastructure is in place.

Whilst the primary function of retail is to generate income for patient care, we are conscious of our presence and role in the community and will be developing this in the coming year.

Fundraising

We continue to receive fantastic support from the communities we serve, with total fundraising income, excluding Legacies, growing 15% year on year.

Legacy income for FY17/18 was £3.25m. The generosity of our legators and the importance of their gifts to our income cannot be understated. We continue to improve our legacy reporting and have strengthened the team as we seek to develop further our understanding and development of legacy giving.

The appointment of a **full-time Trusts & Grants Fundraiser**, initially seconded to and supported by our Greenhouse Team has been very successful, with a record year both in applications made and awards received. Further focus and support to this key area in 18/19 we hope will only strengthen our Trust income further.

Our partnership with **Local Hospice Lottery** step changed its delivery this year, with income of £298k and we hope for similar progress in the coming year. **Corporate fundraising** has seen growth of 25% on previous years but in a competitive space to operate, it did not achieve its budget. With a new approach to corporates and accompanying materials, we expect to see greater growth in FY18/19.

Our **Light Up a Life Appeal** over the festive season, was once again successful both in terms of fundraising but also supporting families and their loved ones. Our community

fundraising team delivered growth year on year, with Dorothy's Tea Parties and Challenge events enhancing their portfolio.

It has been a tough year for our major events. Snow forced the cancellation of the Bath Half Marathon, but the generosity of our runners and their sponsors has meant our losses were minimal. The Bubble Rush, Mens Walk and Moonlight Walk were well attended, but income from sponsorship has not been as strong as in previous years. We have taken the decision to remove gender specific events from our portfolio from April 2018 and have appointed a new Head of Corporate, Community & Events to drive these income streams.

We have used the introduction of **GDPR** as an opportunity to engage with our supporters on their preference as to how we communicate with them going forward. This exercise we hope will reaffirm the relationship with our supporters whom are so vital to our continued success and mission.

Information on Fundraising Agreements with Third Parties *(As required by the Charities Act 2016)*

Dorothy House continued to work with Local Hospice Lottery, a hospice lottery provider (a wholly owned subsidiary of Farleigh Hospice). Activities from both initiatives were monitored by Dorothy House through regular meetings.

Twelve complaints were received about Dorothy House fundraising activity through the Local Hospice Lottery for FY17/18. The Local Hospice Lottery adheres to the Institute of Fundraising guidelines for dealing with vulnerable people.

FINANCIAL REVIEW

Overview

The financial position of the Charity is set out in the attached financial statements.

We benefitted from strong growth in revenue from our supporters in FY17/18 following our 40th birthday. Most noteworthy increases in donations were from Trusts, fundraising events, and contribution from our shops. We once again benefitted from being remembered in peoples' Wills - about 1% of deaths, leaving £3.3m – for which we are very grateful. Unfortunately, in Q4, the stock markets experienced a 4% reduction in investment returns, diluting an otherwise solid growth in income.

This has allowed us to accelerate our plans of investing in solid foundations to extend our services.

We have exceeded our financial objective, delivering a small Net Surplus of £17k. At year end we held £5.7m of unrestricted and undesignated funds (free reserves). Given expenditure levels of £13.2m (2017: £12.7m), these free reserve levels provide appropriate resilience against short-term income fluctuations in line with Charity Commission guidelines.

After fixed asset additions of £640k (2017: £307k), the net decrease in cash and investment balances was £230k (2017: increase £327k). From the Statement of Financial Activities, net operational income, being Total income minus Total Expenditure, of £213k (2017: £245k). There was a net loss on the realised and unrealised movements in investments of £196k (2017: net gain £1,030k), which led to the overall increase in funds for the year of £17k (2017: £1,275k).

Income increased by £492k (2017: £1,887k increase) during the year, with an increase in Donations and Legacies of £165k (2017: £1,419k increase) and increased retail sales of £60k (2017: £365k increase) and NHS England contracts and grants of £48k (2017: £50k increase).

Expenditure on charitable activities increased by £530k (2017: £354k) and expenditure on raising funds decreased by £5k (2017: £556k increase).

Principal Funding Sources

The Charity is funded from four principal sources:

1. Clinical Commissioning Groups £2,416k (2017: £2,362K, 2% increase)
2. Voluntary Donations, Events and Legacies £5,476k (2017: £5,307K, 3% increase)
3. Lottery income £298k (2017: £29k, 928% increase)
4. Net income from 28 shops £849k (2017: £713K, 19% increase)
5. Net Investment Income £21k (2017: £1,262K)

Investment Policy

The Charity has the power to make any investments which the Trustees see fit. In applying this, the Trustees have formulated and approved an Investment Policy. Day to day management of the investments is delegated to an external advisor, who invests a proportion of the Charity's funds in equity, fixed interest and other funds within guidelines set by the Trustees. The external advisors are prohibited from investing funds directly in tobacco companies, are guided on the amounts that can be invested in one institution and in the proportion of cash that can be held in relation to other investments.

Rathbones continues to deliver growth on our investments in the long-term and exceeds benchmark expectations. We have recently seen greater short-term volatility in returns, most notably in the last three months January to March 2018, which drove the overall losses for the year. Subsequent recovery supports their belief that the global economic environment is still positive.

Key Risks and Uncertainties

Following best practice guidelines, including those of the Charity Commission, DH constantly reviews all risks through its **Assessment and Risk Management Register (ARMR)** database. It is key that risk is owned and understood at all levels within the Charity.

Key risks identified within FY17/18 were as follows:

Income: This includes fluctuations in fundraising (including legacy) and retail income. It also includes the move in April 2017 from Dorothy House holding one main NHS contract for its

area to holding three, locally bespoke contracts with Virgin Care (Bath & North East Somerset), Wiltshire and Somerset CCGs. Whilst challenging, this situation presents us with an opportunity to lead the development of palliative and end of life care in the emerging Sustainability Transformation Partnerships for BaNES, Wiltshire and Swindon. Although we have a smaller presence in Somerset, we work closely with other palliative care providers in the area.

Investment Returns: Every year, the returns from investments are a large contributor to the Charity's overall performance and as such are always a significant risk factor. Investment performance is regularly reviewed and an active relationship maintained with the external advisors to mitigate investment risk.

Governance: In April 2017 the organisation's internal auditors, TIAA, conducted an Assurance Review of the governance arrangements at Dorothy House. In Q3 of 2017/18, external consultants carried out a root and branch Governance Review of DH using the new Charity Governance Code (published in July 2017) as the framework for the assessment. This Governance Review included an assessment of the organisation's compliance with statutory, regulatory and legal obligations.

The Governance Review found that, consistent with the internal Assurance Review, good governance arrangements are in place at Dorothy House. Notable areas of good practice include a shared understanding and the promotion of the vision, mission and values; clinical governance; and a robust complaints procedure. Improvements have been made in a number of areas over the past few years. These include the working culture between the Board of Trustees and the Executive Team, the recruitment, training and induction process for Trustees, the Trustee skills matrix, the improved Board reporting framework, the risk management policy and process, and the process for managing updates and changes to policies.

There were a number of recommendations arising from the Governance Review, aligning with best practice as set out in the Charity Governance Code. These recommendations were approved by the Governance Committee in February 2018 and are now in the process of being implemented. DH continues to review its committee structures and Articles of Association.

Fraud and Cyber Security: These remain an increasing threat. In May 2017, Dorothy House was subjected to an incidence of fraud when £130k was withdrawn from our bank account. £42k was recovered due to prompt action within the clearing system. DH continues to pursue action to recover the £88k unaccounted for.

A high-level security review took place in January 2018 and cyber security consultants have advised us on priorities going forward with a view to achieving Cyber Essential Plus, a higher level UK government accreditation to ensure security of our Information. DH has focused on communicating and educating staff in this area.

Information Governance: Data protection legislation in the UK has been given a major overhaul and the General Data Protection Regulation (GDPR) will come into force from May 2018. During FY17/18 we undertook a review of data handling across the organisation to identify any changes we need to make to ensure we can comply with the principles of the new legislation. GDPR guidance has been a key focus for DH and the newly formed Information Governance Steering Group has been focused on delivering the improvements needed.

With regard to clinical information, we continue to comply with the NHS Information Governance Toolkit, a standard set for the largest healthcare providers.

Reserves Policy

Reserves are the Charity's funds. They are categorised as "restricted", "unrestricted" and "designated". Restricted funds are those funds for which a clear instruction has been received around their use. Unrestricted funds are charitable funds which the Charity, subject to its Articles of Association, is free to invest in order to further the Charity's activities. Designated funds are those funds earmarked within the "unrestricted" portfolio, that will be released to deliver a specific task or purpose, and that can no longer be considered as part of the "unrestricted reserve". The cumulative total of £15,855,143 is made up from:

1. **Restricted Funds: £3,428,770.** This value represents the investment and funding of the Winsley site, assets purchased from subsequent capital grants and net new building appeal funds. Additional new funds derived from many sources with a range of aims including piloting telehealth with care homes and providing care in the Chippenham community.

2. Designated Funds: £6,688,715. These funds, whilst given without any restriction, have been formally designated by the Board of Trustees to enhance and develop the Winsley site since 2006 (Space to Care Appeal). The designated funds also include funds for service development (Hospice @ Home and Outreach Services). In line with the new Strategic Plan (2018-2025) £2,901,000 has been designated to fund future service development and capability which will be required in order to meet the demographic demand and advances in Palliative and End of Life Care.
3. Unrestricted Funds: £5,737,659. This represents 5.2 months of expenditure and is deemed by the Board of Trustees as a prudent level of reserves to offset the ongoing volatility of Health and Social Care funding, protection against cash flow volatility and changes in income stream outside the Charity's direct control, i.e. legacies, interest payments. This level of reserves is regularly reviewed by the Board of Trustees in line with our Charitable Charter re Patient Services, guidance from the Charity Commission and the political and economic environment in which we operate.
4. The Reserves Policy of DH directs the Board of Trustees to hold reserves adequate to protect against risks identified in its risk register (see above), contingencies and adequate working capital cover. Reserve levels are monitored throughout the year to ensure ongoing appropriateness.

PLANS FOR THE FUTURE

Within the context of our new Strategic Plan and following on from last year's aims, our organisational objectives for FY18/19 are as follows:

- 1) To deliver FY18/19 budget to an agreed year end deficit of \leq £589k, unrestricted and service development reserves of \geq £7.5m and an emphasis on a sustainable, balanced portfolio of income streams.
- 2) To provide leadership and clear guidance around the new Strategic Plan, ensuring its effective and integrated delivery and reporting quarterly against the five key goals.
- 3) To deliver revised structures and improve operational capability for our clinical services, enabling Dorothy House to have wider reach and impact within the community.
- 4) To provide excellent governance across the organisation whilst driving appropriate levels of innovation.

- 5) To develop and lead effective networks and partnerships with stakeholders locally, regionally and nationally, to reinforce the strategic intent of both Dorothy House and the wider Hospice sector.
- 6) To develop presence and gravitas within the hospice, health and social care sectors in order to influence the NHS community and other palliative and professional organisations, on both a UK and international basis.

STRUCTURE, GOVERNANCE and MANAGEMENT

Governing Documents and Structure

The Charity was created in 1976 by a Trust Deed and incorporated in 1978 as a company limited by guarantee, not having share capital. At this point, the Memorandum of Association established the objectives and powers of the company, and the Articles of Association set out its operations. The Charity's main objective is "to promote the relief of sickness by such charitable means as the Association shall from time to time think fit".

In the event of the company being wound up, each member is required a maximum of £1. In order to sell a small range of bought in goods as part of the retail operations, the Charity has a wholly owned trading subsidiary, Dorothy House Trading Ltd (Reg. Company no: 2259911). The Charity's Trustees appoint the Directors of the subsidiary company and all of its profits are remitted to its parent.

A schedule of delegated powers allows the Trustees to devolve certain activities and decisions to the specialist committees on which they sit, the Chief Executive and the Executive Team.

Whilst main board and most committees meet quarterly, the Executive Team meets monthly.

Public Benefit

The Charities Act 2011 explicitly includes public benefit in the definition of a charitable purpose, which every charity must have. The Act sets out 13 different charitable purposes, of which DH meets 3:

1. The advancement of health
2. The relief of those in need by ill health or disability; and

3. The advancement of education

In reviewing our aims and objectives, we have referred to the Charity Commission Guidance on Public Benefit. In particular, all of the services provided to patients and their families are free of charge and education programmes are provided for health and social care professionals in order to promote excellence in end of life care.

Trustees: Recruitment and Appointment

The members of the Charity are automatically members of the Board and Trustees, and there must be at least 5 and not more than 15 Trustees at any time. The term of office is three years, and a member can serve up to three consecutive terms. The names of the Trustees in this year are set out on page 38.

The Trustees recruit new members by open advertisement and interview. The Chair and Vice Chair undertake Trustee annual evaluations including a skills matrix. Each vacancy is reviewed to ensure the Board has a wide representation of skills and experience reflecting the needs of the organisation.

Trustees: Induction and Training

There is a core induction programme for new Trustees, accompanied by a handbook which incorporates statutory, regulatory, financial and specialist sector information and clearly sets out the Trustee's responsibilities.

Senior Management Team Remuneration Policy

The Trustees consider that the Executive Team are the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. All Trustees give of their time freely and no Trustee received remuneration in the year. Details of Trustees' expenses and related party transactions are disclosed in note six to the accounts.

The pay of the senior staff is reviewed annually and normally increased in accordance with the NHS's Agenda for Change, in line with the rest of the organisation. Any reviews of Executive Team pay have to be discussed and approved by the Remuneration Committee.

Trustees' Responsibilities for 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 charity's financial activities during the year and of its financial position at the year end. In preparing these financial statements the Trustees should follow best practice and:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charity will continue in operation.

The Trustees are responsible for keeping accounting records which disclose with reasonable accuracy the financial position of the charity and ensuring that the financial statements comply with applicable laws. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware, there is no relevant audit information of which the Foundation'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.

This report, incorporating the Strategic Report, was approved by the Trustees, in their capacity as company directors and signed on their behalf by:



Kate Tompkins

Chair of Trustees

Date 03/07/18



John P A Davies

Chief Executive

Date 03/07/18

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Name: The Dorothy House Foundation Ltd

Working name: Dorothy House Hospice Care ("DH")

Registered Company Number: 1360961

Registered Charity Number: 275745

Registered and Principal Address: Winsley, Bradford on Avon, BA15 2LE, UK

Trustees in the period:

B, D, F (Chair), G (Chair)	Kate Tompkins	Chair
A, C, H	Christine Davis	
B (Chair), D, G & F	Diane Hall	Treasurer (March 2018)
C, E (Chair), G, H	Ian Lafferty	Interim Vice Chair of Trustees
A (Chair), E	John Waldron	
E	Brian Mansfield	
C (Chair), D	Tim Stacey	
A, C	Simon Burrell	
D (Chair), E, F	Warren Reid	
A, B, G	David Cavaliero	
A, E	Charlotte Parkin	
B, E	Mark Hunt	
A	Francesca Thompson	
C, D	Josette Crane	
	Garry Peagam	Retired 13.03.18

Committees:

A	Member of Patient and Family Services Committee
B	Member of Finance, Investment and Information Management Committee
C	Member of Audit and Risk Committee
D	Member of People and Development Committee

E	Member of Income Generation, Brand and Communications Committee
F	Member of Remuneration Committee
G	Member of Governance Committee
H	Director of Dorothy House Trading Ltd

Executive Team:

	John Davies	Chief Executive
	Dr Patricia Needham	Medical Director
	Ruth Gretton	Executive Clinical Lead: Inpatient Services
	Wayne de Leeuw	Executive Clinical Lead: Community Services
H	Tony De Jaeger	Director of Finance, New Business Development and Information Management
	David Badger	Director of Income Generation and Communications
	Haylie Carr	Director of HR and Services

Principal Bankers	NatWest plc, Bath
Auditor	Bishop Fleming LLP, Bristol
Investment Advisers	Rathbones, London
Solicitors	Thrings, Swindon and Bath
Adviser to Finance, Investment and IM Committee	Simon Coombe
Director of Dorothy House Trading Ltd	Catherine Chambers

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

OPINION

We have audited the financial statements of The Dorothy House Foundation Limited (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheet, the Consolidated Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 March 2018 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

CONCLUSIONS RELATING TO GOING CONCERN

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's or the parent charitable company's ability to continue as a going concern.

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report (incorporating the Strategic Report) for which the financial statements are prepared is consistent with the financial statements.

- the Strategic Report and the Trustees' Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Bishop Fleming LLP

Joseph Scaife FCA DChA (Senior statutory auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date: *13/7/18*

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	Unrestricted Funds Unassigned £	Designated £	Restricted Funds £	Group 2018 £	Group 2017 £
Income and endowments from:						
Donations and Legacies	1/10	4,776,751	-	-	4,776,751	4,611,831
Charitable activities	3/12	2,568,037	-	161,338	2,729,375	2,719,838
Other trading activities	3A	5,729,687	-	-	5,729,687	5,396,447
Investments		216,312	-	-	216,312	231,622
Total income and endowments		13,290,787	-	161,338	13,452,125	12,959,737
Expenditure on:						
Raising funds	4	(5,035,647)	-	-	(5,035,647)	(5,040,325)
Charitable activities	4/12	(7,959,625)	-	(244,252)	(8,203,877)	(7,674,479)
Total expenditure		(12,995,271)	-	(244,252)	(13,239,524)	(12,714,804)
Net gains/(losses) on investments	9	(195,647)	-	-	(195,647)	1,030,368
Net income/(expenditure)	4	99,869	-	(82,914)	16,954	1,275,301
Transfers between funds		(985,656)	985,656	-	-	-
Other recognised gains/ (losses)		-	-	-	-	-
Net movement in funds		(885,787)	985,656	(82,914)	16,954	1,275,301
Reconciliation of funds:						
Total funds brought forward		6,623,445	5,703,059	3,511,685	15,838,189	14,562,888
Total funds carried forward		5,737,658	6,688,715	3,428,771	15,855,143	15,838,189

The above results relate wholly to continuing activities; there were no other recognised gains or losses in the year.
The accompanying accounting policies and notes form an integral part of these financial statements.

Registered Company number: 1360961

**CONSOLIDATED AND CHARITY BALANCE SHEET
AT 31 MARCH 2018**

		At 31 March 2018	Charity	At 31 March 2017	Charity
		Group	£	Group	£
		£		£	
Fixed assets					
Tangible fixed assets	8	7,201,697	7,201,697	7,034,956	7,034,956
Investments - subsidiary	2	-	2	-	2
Investments - portfolio	9	7,230,197	7,230,197	6,765,015	6,765,015
		<u>14,431,894</u>	<u>14,431,896</u>	<u>13,799,971</u>	<u>13,799,973</u>
Current assets					
Stock	2	8,173	-	20,428	-
Debtors	10	1,984,832	1,988,594	3,239,388	3,239,407
Cash at bank and in hand		469,086	454,318	523,865	514,674
		<u>2,462,090</u>	<u>2,443,912</u>	<u>3,783,781</u>	<u>3,754,080</u>
Liabilities					
Creditors: falling due within one year	11	(1,038,840)	(1,035,453)	(1,714,889)	(1,699,979)
Net current assets		<u>1,423,250</u>	<u>1,408,459</u>	<u>2,068,892</u>	<u>2,054,101</u>
Total assets less current liabilities		<u>15,855,143</u>	<u>15,840,354</u>	<u>15,868,863</u>	<u>15,854,074</u>
Creditors: due in more than one year	11	-	-	(30,674)	(30,674)
Net assets		<u>15,855,143</u>	<u>15,840,354</u>	<u>15,838,189</u>	<u>15,823,400</u>
Income funds					
Restricted	12	3,428,770	3,428,770	3,511,685	3,511,685
Unrestricted:					
Designated - funding fixed assets	13,14	3,772,926	3,772,926	3,523,270	3,523,270
Designated - Service Develop't	13,14	2,901,000	2,901,000	2,165,000	2,165,000
Charitable funds	13,14	5,737,659	5,737,659	6,623,445	6,623,445
Designated - trading funds	2	14,789	-	14,789	-
Total unrestricted funds		<u>12,428,373</u>	<u>12,411,584</u>	<u>12,326,504</u>	<u>12,311,715</u>
Total funds		<u>15,855,143</u>	<u>15,840,354</u>	<u>15,838,189</u>	<u>15,823,400</u>

The financial statements were approved and authorised for issue by the Trustees and are signed on their behalf by

Kate Tompkins
Chairman

Date: 03/07/18

Diane Hall
Treasurer

Date: 03/07/18

The accompanying accounting policies and notes form an integral part of these financial statements.

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash used in operating activities	Note A	1,029,663	(631,163)
Cash flows from investing activities			
Dividends, interest and rents from investments	9	216,312	231,622
Purchase of property, plant and equipment	8	(640,025)	(307,431)
Cash added to investment portfolio	9	(500,000)	950,000
Net additions to the investment portfolio		<u>(160,829)</u>	<u>(156,543)</u>
Net cash provided by investing activities		(1,084,542)	717,648
Change in cash in the reporting period		(54,879)	83,485
Cash at the beginning of the reporting period		523,965	440,480
Cash at the end of the reporting period	Note B	469,086	523,965

Note A) Reconciliation of cash flows from operating activities

	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	18,954	1,275,301
Adjustments for:		
Net losses/(gains) on investments	195,647	(1,030,368)
Depreciation charges	473,285	481,983
Dividends, interest and rents from investments	(216,312)	(231,622)
Loss/(profit) on the sale of fixed assets	-	12,733
(Increase)/decrease in stocks	12,256	(7,009)
(Increase)/decrease in debtors	1,254,556	(1,609,232)
Increase/(decrease) in creditors	(706,724)	474,050
Net cash inflow/(outflow) from operating activities	1,029,663	(631,164)

Note B) Analysis of net cash resources

	At 1 April 2017 £	Net cash (outflow) £	At 31 March 2018 £
Bank and petty cash balances	523,965	(54,879)	469,086

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

The Dorothy House Foundation Ltd is a company limited by guarantee and a charity registered at the Charity Commission in England and Wales. The Principal address is Winsley, Bradford on Avon, BA12 2LE.

1. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of Preparation - The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), and the Companies Act 2006. The charity constitutes a public benefit entity as defined by FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The charity's functional and presentational currency is the pound sterling.

Basis of consolidation - The group financial statements consolidate the results of the charity and its wholly-owned subsidiary Dorothy House Trading Ltd. on a line by line basis. A separate Statement of Financial Activities, or income and expenditure account, for the charity itself is not presented because the charity has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006.

Incoming resources

* All monetary donations and gifts are included in full in the Statement of Financial Activities when receivable;

* Contract and grant income is included when receivable, provided conditions for receipt have been complied with, unless they relate to a specific future period in which case they are deferred;

* Legacies are included when the charity is advised that payment will be made or property transferred, and the amount involved can be quantified;

* When donors specify that donations and grants, including grants for the purchase of fixed assets, are for particular restricted purposes, the income is included in incoming resources of restricted funds when receivable;

* Intangible income, which comprises donations in kind, are included at the Trustees' valuation when known;

* No amounts are included in the financial statements for services donated by volunteers.

* Charity shop sales include donations arising from the charity's Gift Aid scheme for donated goods.

Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Apart from those judgments involving significant estimates as detailed in the accounting policies, there are no judgments to note that have had a significant effect on amounts recognised in the financial statements

Resources expended - Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered. Expenditure which can be directly attributed to specific activities has been included in appropriate cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion attributable to each activity.

Operating leases - Rentals in respect of assets held under operating leases are charged against revenue on a straight line basis over the term of the lease. Financial commitments arising from such leases are disclosed in note 15.

Pensions - The charity operates a contributory group personal pension scheme for the benefit of the staff. The scheme's funds are administered by Independent Trustees and are independent of the charity's finances. Benefits under the scheme are dependent on contributions paid and the charity is not committed to the provision of a pension related to final salary. The charity also makes contributions for eligible employees to the National Health Service Pension Scheme which is a multi-employer defined benefit pension scheme where pensions payable are based on final pensionable salary. As the charity is unable to identify its share of the assets and liabilities of the scheme on a consistent and reasonable basis, the scheme is treated by the charity as if it were a defined contribution scheme, as permitted by FRS 102. For all active schemes, the charity's contributions are charged against income in the year in which they are made.

Financial instruments - Financial instruments are recognised in the Charity's balance sheet when it becomes a party to the contractual provisions of the financial instrument.

Trade debtors - Trade debtors are non interest bearing and are stated at original invoiced amount less an appropriate allowance for irrecoverable amounts. Such allowances are based on known customer exposures.

Cash - Cash comprises cash at bank and in hand.

Trade creditors - Trade creditors are non interest bearing and are stated at the original invoiced amount.

Income from financial instruments - Interest is accrued and credited to the profit and loss account in the period to which it relates.

Dividend Income from investments - Dividend Income is recognised when the shareholders' rights to receive payment have been established.

Tangible Fixed Assets - Freehold properties

Freehold property is included at original cost plus subsequent costs of additions.

No depreciation is provided on freehold properties. It is the charity's practice to maintain these assets in a continual state of sound repair and accordingly the Trustees consider that the lives of these assets are so long and residual values so high, based on prices prevailing at the time of acquisition, that any charge for depreciation is immaterial. In the absence of any depreciation charge an annual impairment review is undertaken and any permanent diminution in the value of such properties is charged to the Statement of Financial Activities as appropriate.

Tangible Fixed Assets - other assets

Tangible fixed assets costing more than £1,000 are capitalised and included at cost.

Depreciation is calculated to write off the cost, less estimated residual values, of tangible fixed assets over their estimated useful lives to the charity. The annual depreciation rates and methods are as follows:

Leasehold properties	Evenly over the term of the lease
Fixtures, equipment and ICT	10 - 33 1/3% straight line, as appropriate
Motor vehicles	25% straight line

Investments - The investments held by the charity are stated at their open market value at the Balance Sheet date. Gains and losses on disposal and revaluation of investments are credited or charged to the Statement of Financial Activities. Deposit accounts previously accounted for as Fixed Asset Investments are now shown with Cash, as they are not used for investment purposes.

Stock - Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. FRS 102 recommends that goods donated for resale are valued. However, estimating the fair value of donated goods for resale is impractical for the charity because of the high volume of low value items received and the absence of a detailed stock control system. The trustees have therefore determined that no meaningful valuation can practicably take place.

Fund Accounting

Funds held by the charity are either:

- Restricted funds - these can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by donors or by the purpose of the appeal.
- Unrestricted general funds - these can be used in accordance with the charitable objects at the discretion of the Trustees.
- Designated funds are unrestricted funds which have been Designated for specific purposes by the Trustees.

2. COMMERCIAL TRADING ACTIVITIES AND INVESTMENT IN TRADING SUBSIDIARY

The charity has a wholly-owned subsidiary, Dorothy House Trading Limited incorporated in England and Wales, which sells mainly food and beverages through its coffee shop outlet and calendars and greetings cards. The company covenants its profit to the charity. A summary of the trading results and details of its assets and liabilities is shown below:

	Note	2018 £	2017 £
Summary Profit and Loss Account			
Turnover		200,926	267,205
Cost of sales and administrative costs	4	(62,291)	(90,227)
Management charge from Dorothy House Foundation	4	(23,405)	(18,086)
Net income		<u>115,230</u>	<u>158,892</u>
Amount gifted to the charity under deed of covenant		<u>(115,230)</u>	<u>(158,892)</u>
Profit retained in the subsidiary		<u>-</u>	<u>-</u>
Summary Balance sheet			
	Note	2018 £	2017 £
Stock		8,173	20,429
Bank balances		14,767	9,291
Debtors/(creditors)-due from/(to) Dorothy House	11	(4,762)	(19)
Other creditors		(3,387)	(14,910)
Total net assets		<u>14,791</u>	<u>14,791</u>
Share Capital		2	2
Profit and Loss Account		<u>14,789</u>	<u>14,789</u>
		<u>14,791</u>	<u>14,791</u>

3. ANALYSIS OF INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds £	Restricted Funds £	Group 2018 £	Group 2017 £
Contracts and operating income:				
NHS contracts and grants	2,361,720	161,338	2,523,058	2,474,992
Catering and other similar income	70,059	-	70,059	63,143
Education and training income	136,258	-	136,258	181,702
	<u>2,568,037</u>	<u>161,338</u>	<u>2,729,375</u>	<u>2,719,838</u>

3A. OTHER TRADING ACTIVITIES

	Group 2018	Group 2017
Shops' Income	4,732,790	4,672,370
Fundraising events	699,228	694,873
Lottery	297,668	29,203
	<u>5,729,687</u>	<u>5,396,447</u>

4. ANALYSIS OF RESOURCES EXPENDED

	Staff costs	Other costs (including depreciation)	Support costs	Total 2018	Total 2017
	£	£	£	£	£
Cost of raising funds					
Charity shop costs	1,864,835	1,552,631	466,053	3,883,520	3,951,835
Fundraising and publicity	542,957	323,123	147,744	1,013,824	925,835
Expenses of subsidiary - Note 2	-	85,696	-	85,696	108,313
Lottery costs	-	8,750	-	8,750	8,750
Investment Management Costs	-	43,856	-	43,856	45,593
	2,407,792	2,014,057	613,798	5,035,647	5,040,325
Direct charitable activities					
Patient Services costs	5,576,036	1,038,212	1,071,189	7,685,438	7,251,868
Education services	290,176	116,818	70,050	477,044	380,494
	5,866,213	1,155,030	1,141,239	8,162,482	7,632,362
Governance Costs					
	22,311	19,084	-	41,395	42,117
	5,888,523	1,174,114	1,141,239	8,203,877	7,674,479
Total resources expended: 2018	8,286,315	3,188,171	1,755,037	13,239,524	12,714,804
Total resources expended: 2017	7,969,741	3,283,965	1,461,099	12,714,804	

Included in the Governance Costs above are the following costs:

	2018	2017
	£	£
Auditors remuneration	10,425	10,129
(inc. applicable VAT):		
External audit	10,730	-
Non-audit services		
Internal Auditors (inc. applicable VAT):	9,587	7,340

Governance Costs also include an apportionment of Senior Management costs.

Charitable Activities	Staff Costs	Other Direct Costs	Support Costs	Total 2018	Total 2017
	£	£	£	£	£
In Patient Unit	1,301,194	337,664	227,890	1,866,748	1,891,793
Day Patient Unit/Comp Therapy	354,628	162,810	102,193	619,432	536,100
Lodges	28,087	36,565	-	64,652	63,839
Nurse Specialists	1,039,005	145,583	182,513	1,367,082	1,349,058
Hospice at Home	1,105,801	84,832	234,204	1,424,837	1,221,710
Lymphoedema & Physiotherapy	678,363	123,756	138,728	940,846	845,200
Medical Services	655,499	43,764	79,119	778,382	703,188
Family Support	413,459	103,457	108,542	625,458	640,978
Education	290,176	116,818	70,050	477,044	380,494
TOTAL	5,866,213	1,155,030	1,141,239	8,162,482	7,632,361

Support Costs Breakdown	Administration & Telecoms	IM	Finance & Personnel	Provisions/Non recurring costs	Total 2018	2017
Basis of Allocation:	Staff Numbers (excl. shops)	Number of PCs	Staff Numbers	Staff Numbers		
	£	£	£	£	£	£
In Patient Unit	86,768	47,664	91,158	2,300	227,890	198,278
Day Patient Unit/Comp Therapy	29,006	41,944	30,474	769	102,193	71,352
Lodges	-	0	-	-	0	1,605
Nurse Specialists	62,168	53,383	65,313	1,648	182,513	173,289
Hospice at Home	106,330	13,346	111,709	2,819	234,204	178,926
Lymphoedema & Physiotherapy	49,350	36,224	51,846	1,308	138,728	98,911
Medical Services	24,323	28,598	25,553	645	79,119	67,959
Family Support	30,182	43,851	31,709	800	106,542	77,680
Education	19,957	28,598	20,966	529	70,050	46,911
Charitable Activities	408,084	293,608	428,728	10,819	1,141,239	914,910
Retail	25,238	142,991	290,494	7,330	466,053	426,139
Fundraising	56,444	30,505	59,299	1,496	147,744	120,050
Total	489,766	467,104	778,521	18,646	1,755,037	1,461,099

5. EMPLOYEE INFORMATION

	2018	2017
	£	£
Wages and salaries	8,195,871	7,746,541
Social security costs	697,046	641,808
Pension costs	620,833	594,245
	<u>9,513,650</u>	<u>8,982,594</u>

£1,217,335 of the above are included in Support and Other Costs shown in Note 4.

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

	2018	2017
Patient services		
Nursing staff	97	94
Medical	7	5
Chaplain	2	1
Social worker	8	7
Support staff	18	16
	<u>131</u>	<u>123</u>
Education	5	5
Fundraising	19	18
Management and administration	34	29
Dorothy House shops	84	86
	<u>272</u>	<u>260</u>

The numbers of employees who earned more than £60,000 per annum was:

	2018	2017
£60,000 - £70,000	2	2
£70,000 - £80,000	3	1
£80,000 - £90,000	2	2
£90,000 - £100,000	1	1
£100,000 - £110,000	1	0

Of these, 5 (2017: 4) are Clinical staff. Pension contributions for all 9 employees amounted to £73,863 (2017: 6 employees, £53,205). Pension contributions of £314 (2017: £17,919) were paid on behalf of key management staff not included in the bandings above.

Senior Management pay complies with Agenda For Change and is regulated by the Pay and Remuneration Committee.

The charity considers that the key management personnel comprise the Trustees and the Executive team - who are the Chief Executive and 6 other Heads of Department.

Changes in key management personnel, to include filling vacancies, was completed this year. Their total salaries and employer pension contributions were £614,514 (2017: £539,208).

6. TRUSTEES' REMUNERATION AND EXPENSES

The Trustees of the charity received no remuneration but travel expenses totalling £1,195 (2017: £809) were reimbursed to 3 (2017: 1) Trustees. In addition to their time, the trustees often provide support to the charity in the form of monetary donations and the donation of goods for sale in the charity's shops. The value of such donations was less than £500 per trustee (2017: all donations less than £500 per Trustee apart from one Trustee who donated £1,427).

The charity has insurance costing £317 (2017: £689) to indemnify the Trustees from any loss arising from their neglect or default.

7. PENSION COSTS

The charity makes contributions for eligible employees to the National Health Service Pension Scheme which is a multi-employer defined benefit pension scheme where pensions payable are based on final pensionable salary. As the charity is unable to identify its share of the assets and liabilities of the scheme on a consistent and reasonable basis, the scheme is treated by the charity as if it were a defined contribution scheme, as permitted by FRS 102 section 28 "Employee Benefits". Contributions are charged to the Statement of Financial Activities in the year in which they are made.

For employees who are ineligible to join the NHS scheme, the charity also operates two defined contribution pension schemes - a "Group Personal Pension" scheme and an "Auto Enrolment" scheme both through Aviva. The schemes' funds are administered by independent trustees and are independent of the charity's finances. Benefits under the scheme are dependent on contributions paid and the charity is not committed to the provision of a pension related to final salary.

The charity's frozen Flexiplan pension scheme (FPS) was bought-out last year by Aviva. All employer liabilities are now fully discharged to the effect of no further contributions being due.

The charity's contributions to pension schemes in the year amounted to £620,934 (2016: £594,295); the amount of contributions due by the charity to the schemes at the year end was £80,206 (2017: £79,461).

8. FIXED ASSETS - GROUP AND CHARITY

Cost	Land and Buildings:		Fixtures and Equipment	Motor Vehicles	Total
	Freehold	Leasehold			
	£	£	£	£	£
At start of year	5,779,380	570,063	3,683,527	107,025	10,139,995
Additions	-	-	627,009	13,017	640,025
Disposals	-	-	-	-	-
At end of year	5,779,380	570,063	4,310,536	120,042	10,780,020
Depreciation					
At start of year	-	198,092	2,815,100	91,846	3,105,039
Charge for the year	-	38,780	423,087	11,417	473,285
Depreciation on Disposals	-	-	-	-	-
At end of year	-	236,872	3,238,188	103,264	3,578,324
Net Book Value					
At end of year	5,779,380	333,191	1,072,348	16,778	7,201,697
At start of year	5,779,380	371,971	868,427	15,179	7,034,956

The net book value at the end of the year represents assets used for the following purposes:

		Land and Buildings:		Fixtures and Equipment	Motor Vehicles	Total
		Freehold	Leasehold			
		£	£	£	£	£
Patient services		5,468,376	173,183	312,980	-	5,952,539
Other purposes:	Management	-	-	371,429	-	371,429
	Charity shops	313,004	160,007	387,941	16,778	877,730
		5,779,380	333,190	1,072,349	16,778	7,201,697

The freehold property shown under patient services is the charity's property at Winsley. Parts of this property are used for management, administration and educational purposes, and part is let; the Trustees do not believe it is practical to try and apportion the net book value between these various uses.

9. INVESTMENTS

	2018 £	2018 £	2017 £	2017 £
Market value at the start of the year		6,765,015		6,528,103
Net additions to the investment portfolio:				
Movement in cash balances invested: (reduction)/increase		500,000		(950,000)
Portfolio investment income held by brokers		202,817		196,934
Management fees charged		(41,987)		(40,390)
Gains or (losses) in the year:				
Realised - on sale of investments	73,488		670,129	
Unrealised - change in value of portfolio in the year	(269,135)		360,239	
		(195,647)		1,030,368
Market value at the end of the year		7,230,197		6,765,015
The investments are held as follows:				
		£		£
Managed by brokers:				
Fixed interest stocks		1,172,025		1,083,344
Equities - UK		2,628,505		2,538,610
Equities - non-UK		2,179,277		2,263,984
Other Investments		931,523		834,619
Uninvested cash balances		320,867		84,458
		7,230,197		6,765,015
Investment in subsidiary		2		2

One investment, SPDR Series Trust (S&P 500) ETF accounted for 8.97% (2017: 9.23%) of the portfolio managed by the investment advisers at 31 March 2018. There were no other investments accounting for more than 5% of the value of the portfolio.

The Salisbury shop joint venture finished in November 2017.

10. DEBTORS

	At 31 March 2018		At 31 March 2017	
	Group £	Charity £	Group £	Charity £
Trade debtors	327,140	327,140	502,495	502,495
Legacies	956,950	956,950	2,162,548	2,162,548
Other accrued income	15,079	15,079	19,809	19,809
Other debtors	489,226	489,226	370,992	370,992
Amount owed by subsidiary	2	4,762	-	19
Prepayments	198,437	198,437	183,545	183,545
	1,984,832	1,989,594	3,239,388	3,239,407

11. LIABILITIES

	At 31 March 2018		At 31 March 2017	
	Group	Charity	Group	Charity
	£	£	£	£
AMOUNTS DUE IN LESS THAN ONE YEAR				
Trade creditors	28,458	28,458	159,700	159,700
Taxes and social security	236,069	236,069	182,350	182,350
Other creditors	604,035	600,648	439,095	424,185
Accruals and deferred income	170,278	170,278	933,744	933,744
	1,038,840	1,035,453	1,714,889	1,699,979
AMOUNTS DUE IN MORE THAN ONE YEAR				
Other creditors	-	-	30,674	30,674

	Group	Group
	2018	2017
	£	£
DEFERRED INCOME		
Deferred income at 1 April	566,575	12,927
Resources deferred during the year	803	566,575
Amounts released from previous years	(566,575)	(12,927)
Deferred income at 31 March	803	566,575

Deferred income represents amounts paid in advance for clinical services.

12. RESTRICTED FUNDS

The funds of the charity include restricted funds comprising the following donations and grants held on trust to be applied for specific purposes:

	Historic	At 31 March '17	Incoming	expense	At 31 March '18
		£	£	£	£
Winsley Hospice Appeal	1,389,449	1,389,449	-	-	1,389,449
Space to Care Appeal	1,311,459	1,311,459	-	-	1,311,459
Regional Commissioner Grants	248,755	165,729	12,350	(49,751)	128,328
Department of Health Capital Grants	1,082,431	545,048	-	(45,513)	499,535
Private Capital Grants, Trusts & Legacies	230,680	100,000	-	-	100,000
Restricted Income	-	-	148,988	(148,988)	-
	4,262,774	3,511,685	161,338	(244,252)	3,428,771

The Winsley Appeal was established in 1994 to provide for the purchase and refurbishment of the charity's hospice at Winsley - the Appeal was formally closed in 1986.

The Space to Care Appeal was commenced in 2004, and was for the building of two extensions to the Winsley building, to expand Day Care and In-patient facilities and improve Education facilities- the Appeal was formally closed on 31st March 2007.

The Department of Health Capital Grants were given in 2007/8, 2010/11 and 2013/14 for capital projects designed to improve the quality of services.

Regional and Private Capital Grants were provided to develop community services and education within North Somerset, Wiltshire & B&NES

13. DESIGNATED FUNDS

The bulk of the charity's fixed assets have been funded from unrestricted income, mainly donations and legacies; at 31 March 2018 this funding amounted to £2,568,580. As these funds are not available for expenditure on future charitable objects the Trustees believe it appropriate to show these amounts as designated reserves, separate to the main charitable funds of the charity.

The Trustees also set aside £804,690 of reserves and designated a legacy of £150,000 towards the costs of the Space to Care building project in previous years.

As a result of legacies and the level of Reserves in previous years, in 2014-15 the Trustees decided to increase and develop services in order to utilise some of these reserves. Over the next three financial years, this is forecast to result in a deficit of £2,901,000 and this amount has therefore been shown as a designated reserve.

14. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Fund balances at 31 March 2018 are held as follows:

	Restricted Funds	Designated - fixed assets	Designated - DHTrading Ltd	Designated - Service Devell't	Unrestricted & Unassigned	Total 2018
	£	£	£	£	£	£
Tangible fixed assets	3,428,771	3,772,926	-	-	-	7,201,697
Investment portfolio	-	-	-	2,901,000	4,329,197	7,230,197
Current assets	-	-	14,789	-	2,447,301	2,462,090
Liabilities	-	-	-	-	(1,038,840)	(1,038,840)
	3,428,771	3,772,926	14,789	2,901,000	5,737,659	15,855,144

15. COMMITMENTS UNDER OPERATING LEASES

The total commitments under operating leases were:

Payments falling due:

Less than one year
One to two years
Two to five years
More than five years

Shop leases	Outreach Centres	Other Leases
£	£	£
697,725	87,254	12,400
615,275	87,254	-
460,375	87,254	-
129,700	-	-
1,903,075	261,762	12,400

16. CAPITAL COMMITMENTS

Contracted for
Authorised but not yet contracted for

2018	2017
£	£
18,729	83,628
1,055,271	809,372

17. FINANCIAL INSTRUMENTS

Financial assets

Financial assets that are measured at fair value through profit or loss:

- Listed securities
- Deposit accounts

Financial assets that are measured at amortised cost:

- Cash at bank and in hand
- Trade debtors
- Other debtors

2018	2017
£	£
6,909,330	6,700,557
320,867	64,458
469,086	523,965
327,140	502,495
1,481,256	2,553,348
9,487,678	10,344,823

Financial liabilities

Financial assets that are measured at amortised cost:

- Trade creditors
- Accruals

2018	2017
£	£
28,458	159,700
169,475	367,169
197,933	526,869