
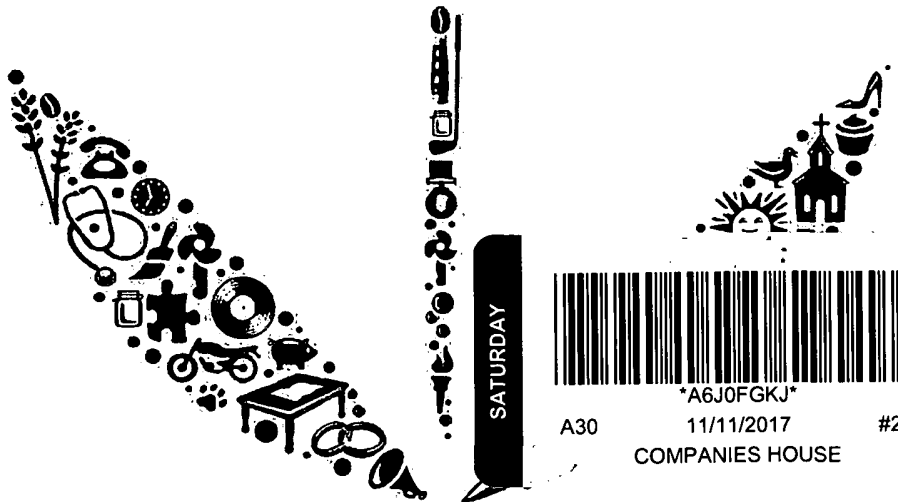




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The trustees (who are directors of the charity for the purposes of the Companies Act) present their report together with the financial statements of the charity for the year ended 31 March 2017.

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

# Trustees' and Strategic Report

## Introduction

2016/17 has been a remarkable year for Dorothy House Hospice Care. With our 40th birthday, an overall "outstanding" rating from the Care Quality Commission (CQC) and strong financial year end there has been good and well-deserved cause for celebration.

When Prue Dufour established Dorothy House Hospice Care (DHHC) 40 years ago, she started a journey based on a vision that no one should die alone or in pain. Since then DHHC has evolved and responded to advances in palliative care, changes in health and social care and increasing demand for our services. In 40 years we have cared for over 45,000 patients, their families and carers and now 28% of our end of life case load has a non-cancer diagnosis.

Further recognition of the distance we have travelled came when DHHC was rated as an "outstanding" care provider by the Care Quality Commission, putting it in the top 6% of social care providers. With its inspection of Dorothy House in September 2016, the CQC saw first-hand the progress and innovation we have made in the care and support we provide. Highlights from CQC's report include recognition of our care quality for those with dementia, our expertise in nutrition and our support services for bereaved children and young people.

We have had a strong financial year, enabling us to provide this recognised quality of care. Total DHHC revenue over FY16/17 increased by 29% from £10.9 to £14.0 million, largely due to increased Retail income, substantial legacies and the growth of our investments.

Now is not the time for complacency though. We have some significant challenges ahead of us: Health and Social care in England is complex and ever-changing with NHS cost savings to be made and significant public sector cuts in social care funding. There is a growing, elderly population with complex care needs and a need to do more for increasing numbers but with less public money.

Within this context, local health and social care commissioners are reviewing their contracting arrangements. Bath and North East Somerset's selection of Virgin Care to manage all community health and social care from 2017 demonstrates a growing role for the private sector. From this year, DHHC will be negotiating three separate NHS contracts across our area with Virgin Healthcare (for B&NES CCG), Wiltshire CCG and Somerset CCG. Added to this, we must be mindful of the requirements of the two Sustainability and Transformation Plans (STPs) which span our area, designed to facilitate better integration of health and social care across more demographic and economically sustainable regions.

Our services have to respond to all these pressures. Increasingly we have to demonstrate the needs of the community and our services provided in response to these. We are constantly looking at how we can help avoid hospital admissions, support earlier discharge from hospital and provide more care at home, enabling patients with their families and carers to choose where they die.

Our Thanksgiving Service at Bath Abbey in September 2016, with representation from so many of the communities we serve, was a wonderful opportunity to reflect on the vision of our founder and remember the 45,000 patients we have helped. As we look to the future, we continue to remind ourselves of our mission; **To work with our community to develop, influence and provide responsive palliative and end of life care that meets the needs of all people with a life limiting illness.** For our staff and volunteers, the patient has and always will be at the heart of what we do.

Now is the time for us to plan ahead and with this in mind, DHHC has commissioned a new 2018-2025 Strategy from The Centre for Charity Effectiveness at Cass Business School which will be published later this year. The aim of this new strategy is to provide a framework to influence our thinking and positioning so we can grow as a business and generate more money for services, remaining ever true to our mission. We must be mindful of the real demographic challenges the end of life care sector will have to address as the population becomes older and our exposure as a Hospice movement moves away from cancer to ever-increasing numbers of life-limiting illnesses diagnosed earlier and earlier.

The future is encouraging for Dorothy House Hospice Care. We have what it takes to overcome the challenges we face and plan properly for the future so that when it matters most, the right care and support is there for patients, their families and carers.

# Objectives and Activities

## Overall purpose

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

- 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)
- To work with our community to develop, influence and provide responsive palliative and end of life care that meets the needs of all people with a life limiting illness. (Dorothy House Hospice Care Mission)
- Together DHHC will be led in a manner that motivates and inspires the organisation and the community it serves. (Executive Team's commitment to Dorothy House Hospice Care)

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)

## Our Strategic Themes since 2012

- Theme 1:** To be the main provider of specialist palliative care services in the geographical area covered by our NHS contract(s).
- Theme 2:** To widen access to our services for patients, families and carers with specialist palliative care (complex) needs.
- Theme 3:** To increase our role to advise, support and educate all those involved in end of life care and to co-ordinate end of life care services.
- Theme 4:** To demonstrate clearly the quality and outcomes of our services.
- Theme 5:** To ensure that income matches the demand for our services.
- Theme 6:** To make the most effective use of our staff, volunteers and facilities and to develop our staff and volunteers.
- Theme 7:** To ensure that we have the organisational structure to deliver and support services and to generate income.
- Theme 8:** To develop external relationships.
- Theme 9:** To increase team working with primary care.

## Objectives for the Financial Year (FY) 16/17

To deliver our strategic themes, we set out for FY16/17 a number of focused, operational objectives to further the overall purpose of the Charity. These were approved by the Trustees in December 2015, as outlined in our Annual Report FY15/16:

- 1) To establish firm financial foundations, processes, capability, capacity and analysis to deliver financial stability and robustness FY 16 to 20 delivering a balanced budget by year end 16/17.
- 2) To position Dorothy House Hospice Care (DHHC) as the leading provider of palliative and end of life care within the South West recognised as the “most capable” provider.
- 3) To develop wider networks and partnerships that enable DHHC to influence and inform the palliative and end of life care agenda and the role of the third sector in future health and community care.
- 4) To provide inspirational and pioneering leadership, engaging all levels of DHHC to lead organisational change and growth.
- 5) To create a management and professional skill mix across the organisation that is appropriate, provides resilience /capability and is cost effective and capable of leading DHHC through 2020 and beyond.
- 6) To develop personal, reputational gravitas, within the sector.

## 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-lead 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 **Management Team (MT)** meets monthly.

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.

Over FY16/17, the Management Team has developed a comprehensive **Assessment and Risk Management Register (ARMR)**. Use of this register and the procedure to assessing, managing and reporting risk at DHHC now underpins all the work of the organisation.

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 DHHC. 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.

## Activities

Below are a list of the services we currently provide (FY16/17) 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:

### **A Medical Team:**

The medics chair the Multi-Disciplinary Team (MDT) and are involved in the assessment, treatment and management of complex symptoms/issues - providing patient consultations - on Hospice premises, at the Royal United Hospital and within the community, in addition to 24/7 availability to provide advice to other professionals about any palliative care issue. They are also 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. The annual medical appraisal and revalidation report 2016-17 has been completed and the Annual Organisational Audit submitted to NHS England.

### **An Inpatient Unit:**

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

### **A Day Patient Service:**

Patients 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.

### **Clinical Nurse Specialists (CNSs) operating with 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 DHHC patient.

### **Hospice at Home (H@H) Service:**

Our H@H service provides nursing care by trained Health Care Assistants to support patients and their families and carers in the community within the last three months of life. This service includes:

- Respite care, including patients who fit the criteria for admission to the IPU but prefer to remain at home
- Terminal care
- First night home from hospital
- Short term crisis care to prevent admission or to facilitate discharge
- Short term crisis care in response to Continuing Health Care (CHC) requests

### **Enhanced Discharge Service (EDS):**

Following on from the success of the 72 hour Rapid Response Service, the H@H team, in partnership with the Royal United Hospitals Bath NHS Foundation Trust (RUH) Specialist Palliative Care Team, created an Enhanced Discharge Service (EDS) which started in July 2016 to facilitate discharge from the RUH for

Wiltshire patients at end of life to their preferred place of care / death. This is funded through the Wiltshire Better Care Plan.

#### **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 • Counselling and psychological support • Adult bereavement support 1:1 and groups • Children and young people's service offering support pre and post bereavement.

#### **Chaplaincy and Spiritual Care:**

DHHC'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 service, palliative and non-palliative, enables DHHC 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 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.

##### **Education**

Education remains a key pillar of our services, offering: • Support to all DHHC 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 national and international education programmes and visits as required by DHHC professionals.

The ambition to create a faculty for palliative research is strong and will progress in 2017/18.



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

### Social value

Although DHHC's services are provided for patients, their families and carers we know that DHHC provides broader social value.

Following the Public Services (Social Value) Act 2012, commissioners in public authorities are now 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.

DHHC delivers social value to its community, not just through the care we provide for 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 or our care for the local environment. We need to demonstrate better the difference we make so that our social value is properly recognised.

In FY16/17 we were awarded a grant from the Big Potential project to provide us with consultancy work in a number of areas including an examination of our impact or social value, how we map this and develop it further.

We are developing an account of the social value we provide. We can then consider how best to build on this and, as a health and social care provider, a charity, a retailer and community partner, the role we can play in helping to build a sustainable community.

### Volunteers

Our volunteering workforce of 1,100 - 423 within the Hospice and Outreach Centres and 677 within our Retail operation - makes a significant contribution to the care and support we can provide in our local community and, as mentioned above, to our social value.

We estimate that our Hospice and Outreach volunteers donate over 30,000 hours per year. Our volunteers remain central to the delivery of many of our services and during 2016/17 we have invited external scrutiny to ensure that our volunteer programme delivers quality for patients and families as well as for patients and carers. We were again awarded Investing in Volunteers Accreditation in May 2016 by the **National Council for Voluntary Organisations (NCVO)** and achieved Approved Provider Status for the Mentoring and Befriending Foundation. The contribution of volunteers was also a key factor in our achievement of an 'outstanding' CQC rating.

# Achievements and Performance - FY 2016/17

## ACHIEVEMENTS: Did we achieve our objectives?

### **1) To establish firm financial foundations, processes, capability, capacity and analysis to deliver financial stability and robustness FY 16 to 20 delivering a balanced budget by year end 16/17**

Our objective was to have a balanced budget by end of FY16/17 and this has been achieved. Total DHHC revenue over FY16/17 increased by 29% from £10.9 to £14.0 million. Reasons for this include a 16% increase in our Retail income and our investment returns increased by £1.3 million. As we celebrated our 40th year, we had an exceptional year for Legacy income with a contribution of £3.2 million, up 73% on the previous year.

Whilst we celebrate these achievements, we are mindful of the ongoing need for a balanced budget operationally without undue reliance on any one or two specific sources of income.

In our objectives last year, we aimed to establish firm financial foundations, processes, capability, capacity and analysis. We have addressed this by increasing resource to the Finance Team, reorganising the Retail structure across our catchment area and creating a "Greenhouse Team" dedicated to developing new income streams across the Hospice's interests. Our internal auditors oversee our governance and controls environment, thereby providing independent oversight and "best in class" comparisons.

### **2) To position Dorothy House Hospice Care (DHHC) as the leading provider of palliative and end of life care within the South West recognised as the "most capable" provider.**

Dorothy House Hospice Care is leading the way in palliative and end of life care in the region by smarter provision of existing care alongside development of new services.

#### **Care in the community**

Research suggests that, given the choice, many people prefer to die at home, and in recent years the proportion of people able to die at home has been slowly rising, reaching 52% in the South West. In 2016/17, 76% of those patients who we knew wanted to die at home were enabled to do so by Dorothy House. Of our 1,954 new or re-referrals to DHHC, only 12% were admitted to the IPU demonstrating clearly that the vast majority of our care is provided in the community.

#### **Early Referral Clinics**

We know that there is strong evidence of the benefits of early referral to hospice services and in FY 16/17 our new Early Referral Clinics run by DHHC nurses provided 169 patients, along with their families and carers practical and emotional support following diagnosis of a life-limiting illness.

Our support has helped patients to maximise their health and wellbeing, understand the help available and feel better prepared for the changes ahead. We have seen a steady increase in referrals to our ERCs making them the second service most referred to from our Contact Centre Team. Not only do ERCs service help patients, families and carers, but they free up our Nurse Specialists to provide more targeted, clinical work. They also help relieve GPs of some of the "lighter touch" and signposting work that is essential following diagnosis of a life-limiting illness. With each initial clinic visit taking around an hour, this service saved at least 169 hours of GP time last year.

#### **Enhanced Discharge Service**

Services such as our Enhanced Discharge Service (EDS) are designed to help patients as well as the health and social care system. Set up in July 2016, the EDS enables Wiltshire patients at the end of their lives to be discharged from the Royal United Hospital (RUH) Bath and to be cared for and to die in their preferred

place. In the last quarter of FY 16/17, 100% of patients discharged from hospital through the EDS service died in their place of choice.

In the first six months of the project from July – December 2016, 26 patients were supported by H@H through this service for an average of 14.3 days. This represents a saving of 372 hospital bed days, saving acute care £148,800.\*

The EDS H@H care is funded by the Wilts Better Care Plan, with the vision of care as close to home as possible. DHHC plans to augment and expand this service to support more patients and, in turn, support more cost savings to the health and social care system. DHHC will be providing an EDS for Bath and North East Somerset patients in our area from 1st June 2017.

\*Using the Department of Health average cost of a bed day at £400 - <https://data.gov.uk/data-request/nhs-hospital-stay>.

### **Patient Outcomes**

Over FY16/17, DHHC has developed its patient outcomes reporting significantly, adopting outcomes measure in the IPU from the **Outcome Assessment Complexity Collaborative (OACC)** suite of measures designed by the **Cicely Saunders Institute (CSI)**. These measures enable us to understand from patients what they are feeling and what matters most to them and measure progressively how we are helping them to address their symptoms. Results from the IPU trial show improvements in symptoms for all patients and we will be rolling out these measures progressively across our services so that we can ensure that we are responding to each patient's need.

Our Physiotherapy and Occupational Therapy Team also uses outcome assessment tools during the four week **COPE** courses we run for patients and carers. COPE offers advice to patients and carers on managing fatigue, sleep, diet and breathlessness along with the role of exercise and relaxation in coping with symptoms. Evaluating patients' progress over the course against the targets they have set is essential if we are to provide care based on the needs of each individual.

### **DHHC Nurse Specialist Non-Medical Prescribing Pilot**

In January 2017, we started a **Non-Medical Prescribing pilot** with one of our Nurse Specialists in collaboration with the Frome Medical Practice. Early evidence suggests that patients involved with this pilot are receiving medication in a timely fashion, that it reduces the burden on carers and relieves pressure on GPs. Clearly though there is a need for strong communication with GPs and other community prescribers and we will be analysing the pilot results in detail which will feed into our Nurse Specialist Review to take place FY17/18.

### **Coffee Clubs**

Over the last year, **DHHC Coffee Clubs, Tea@3 and similar services** have seen a huge increase in attendance and we are leading the way in provision of these informal, attendee-lead services. Our Contact Centre and Early Referral Clinics have been critical in signposting patients, families, carers and community members more generally to these gatherings which provide essential peer to peer support. Our Peasedown St John Outreach Centre has seen over 1,400 people at its Coffee Club over FY16/17.

### **Piloting psychological support models**

Over FY 16/17, our Family Support Team (FST) has piloted a number of new psychological support models. This has included workshops for parents / carers to understand better how they can support pre-bereaved or bereaved children in their care. FST has also worked with a group of bereaved teenagers to understand better their needs. Over the last year, a fortnightly Young Adults Group has been set up to provide psychological and peer-to-peer support for younger patients coming to terms with a life-limiting illness.

### **Single Point of Access (SPA)**

Since 2016, the **Single Point of Access (SPA) Steering Group** has been developing plans for better coordination of referrals both into and within the Hospice. Once in place this will be the gateway into Dorothy House services and the foundation stone for all contact with patients, their families and carers.

The tools to achieve this include a single telephone number for all services, a new referral system, a Single Assessment Tool (SAT) and a multidisciplinary approach ensuring that the care process is better joined-up and integrated with the needs of patients, families and carers at its heart. It is anticipated that SPA will be launched in spring 2018.

### **3) To develop wider networks and partnerships that enable DHHC to influence and inform the palliative and end of life care agenda and the role of the third sector in future health and community care.**

At DHHC we understand that we need to work with our fellow hospices, care providers, hospices, charities and more if we are collectively to inform the palliative and end of life care agenda and work together to tackle the inequality of access to care.

### **Commissioners and Health and Social Care Providers**

In 2016, Dorothy House Hospice Care was one of five organisations which formed a partnership known as **LiNK** to put in a bid to coordinate community health and social care services in Bath & North East Somerset. Although unsuccessful in winning this contract which was awarded to Virgin Care, being part of LiNK helped us forge strong relationships with our consortium partners - Avon and Wiltshire Mental Health Partnership NHS Trust (AWP), B&NES Enhanced Medical Services Plus (BEMS+), RUH and Sirona care & health CIC (Sirona).

We are developing our relationship with **Virgin Care** as the prime provider for B&NES. From this year, we will also be negotiating separate contracts with the two other CCGs in our area, namely Wiltshire and Somerset.

### **Community and Local Partnerships**

Building on the review of our public engagement by Leeds Beckett University in 2016, we are developing a Community Partnerships Team who will develop a strategy focussed on involving our community in the reviewing and developing of our services to best meet their needs. **Healthwatch Wiltshire** has developed a user group on our behalf which is already closely involved with the re-development of some of our services. Highlights from our FY16/17 public engagement include our work with Bath University Student Union to produce a **Before I Die Wall**. A giant four-sided chalkboard was set up enabling students, staff and passers-by to record on it what was important to them – reflect on their life and share their aspirations.

We have an ongoing partnership with **Wiltshire Mind** who provide help and support for people at risk of or experiencing mental health issues. Wiltshire Mind holds "You in Mind" peer support groups at our Trowbridge Outreach Centre every Friday.

Each May we work with local, regional and national partners to support national **Dying Matters Week** and in 2016 the theme for this was "The Big Conversation" to raise public awareness about the importance of talking more openly about dying, death and bereavement and of planning ahead. For May 2017, we have started work on this year's theme which will be "Digital Legacy" – each person's on-line footprint and what happens to this when they die.

Dementia is a key and growing area for DHHC. We are working with our partners in local **Dementia Action Alliances** to achieve the seven outcomes in the National Dementia Declaration, including making our premises more dementia-friendly, training staff and volunteers in dementia awareness, publicising our services and developing joint projects with dementia care homes. We continue to work with the **Alzheimer's Society** to hold Dementia Friends sessions for DHHC staff across our sites.

### **Other Third Sector Partnerships**

We continue to build a strong relationship with **Marie Curie** and current proposals include a system-wide enhanced home care service working with other providers.

Our work with **Macmillan** has included community engagement on palliative and end of life care and the development of volunteers. We are working with Macmillan to co-develop a new role supporting end of life patients in the RUH and with the **Motor Neurone Disease Association (MNDA)** to joint fund a Motor Neurone Disease Nurse Specialist.

Our Chair of the BoT has been elected to represent the Forum of Hospice Chairmen on the Hospice UK Board and our Chief Executive chairs the **South West Forum of Hospice Chief Executives**. Working with neighbouring hospices such as **St Peter's, Prospect and St Margaret's** is essential to having a joined-up approach to providing care for our communities in the South West and we value our partnerships. This year we look forward to working with **Julia's House** as they start to provide children's hospice services in Wiltshire for the first time, ensuring that there is a smooth transition of care for young adults moving onto DHHC services.

Our partnerships also span overseas and we have a **twinning project with Hospiz Leer** in Germany who visited the UK in March and were hosted by two members of the DHHC team. We are considering joint projects to progress this relationship. In 2017 we welcomed to DHHC visiting palliative care specialists from Kumamoto University in Japan with whom we have a partnership.

### **4) To provide inspirational and pioneering leadership, engaging all levels of DHHC to lead organisational change and growth.**

#### **Executive Team**

Executive Team members have attended King's Fund courses on leadership including a Clinical Directors annual course for leadership with 26 national clinical leaders attending from around the country. The course afforded opportunities for networking, sharing best practice, discussions and challenging thinking on how to take forward NHS England's vision. As a result, our Executive Clinical Director for Community Services has been invited to become a member of the Queen's Nursing Institute's Community Nursing Senior Leaders Network – DHHC is the first hospice to join this network.

Mindful of the role external expertise can bring in terms of peer thinking and new ideas DHHC has developed strong relationships with two external consultants. One focuses on developing a high performance culture and works seamlessly between the Executive and Management Teams. The second brings extensive Health and Hospice sector experience and is focusing on skills knowledge with specific reference to Continuous Improvement and Project Management. Our commitment to continuous improvement was recognised by the CQC:

**"The service was committed to continuous improvement...People received consistently high quality care because the leadership had high expectations of staff, and encouraged staff to take on new developments and innovate"**

CQC Inspection Report, Jan 2017

### **Development of Management Team**

Over FY 16/17, a strong Management Team has developed at DHHC which now meets monthly as a group to share knowledge, work together and collaborate on pan-organisational issues. Phase one of our Leadership and Management programme has been delivered, with individual and group training from a range of subject matter experts – internally and externally to Dorothy House Hospice Care. Subjects covered included finance, project management, leadership, marketing and communications. Members of the Management Team are working towards the CMI level 5 Certificate in Management and Leadership.

### **Creation of Greenhouse Team**

In early 2017, a new Business & Strategic Development Team was created with the objective to help secure £4m additional revenue over and above 16/17 levels by FY 2023. To do this the team will work across the organisation to nurture and grow existing activities, germinate new ideas that drive innovation and revenue, support our strategic development and demonstrate organisational impact and wider social value.

### **South West Leadership event**

A team of directors and managers from DHHC was selected to take part in a high-level NHS South West Leadership Academy event in May 2016, as the only hospice and voluntary sector representatives.

### **5) To create a management and professional skill mix across the organisation that is appropriate, provides resilience /capability and is cost effective and capable of leading DHHC through 2020 and beyond.**

Both within DHHC and working externally with our partners, we are extending our skills mix to respond to patient need. Across our operations, we are developing smarter ways of working to provide maximum impact in our work.

### **The right skills mix**

At DHHC we understand that patients, families and carers' needs must drive the skills sets we are seeking to develop as an organisation. This year we have started a reciprocal education and training relationship with AWP. We provide Trust staff with high quality end of life care for people living with dementia, enabling people with complex mental health needs to stay where they are and receive care from the staff they know. In return staff from AWP are training DHHC staff on caring for people living with dementia and this learning is disseminated across the organisation.

Motor Neurone Disease is a complex condition and we are working with the RUH and the MNDA to provide and joint-fund a Motor Neurone Disease Specialist Nurse who meets patients at diagnosis and can provide them with specific Motor Neurone Disease palliative and end of life care and a single point of contact for both patients and professionals.

### **Increasing capacity in specific areas/Smarter working**

Referrals to our Dietetics Team have increased over the last year by 90%. This has only been possible with extra resourcing for the team over the last couple of years. The Dietetics team are also working smartly. They are able to meet the growing demand for dietetics through using a telephone advisory service, providing a range of dietetics resources for staff including a video and attending MDT meetings thereby identifying those that need advice from the specialist dietitian.

### **Recruiting from other sectors**

At DHHC, we are keen to recruit staff from other sectors as this can help sharing of best practice and learning. Key external recruitments have taken place within the BoT, to introduce subject matter expertise from business, law, primary and secondary healthcare and fundraising. In the last year, we have recruited

two new members of the Executive Team with strong, corporate backgrounds. We will be recruiting a new Head of Education in the coming financial year. Individually they bring subject matter expertise and collectively, significant diversity and knowledge from outside the Hospice and Third Sectors.

#### **6) To develop personal, reputational gravitas, within the sector.**

##### **"Outstanding" – Care Quality Commission**

DHHC was inspected by the Care Quality Commission in September/October 2016 and received an 'Outstanding' rating. Outstanding is the highest available rating and places DHHC in the top 6% of adult social care providers nationally.

The inspection included an unannounced three-day visit by four inspectors to Winsley and our Outreach Centres in Trowbridge and Peasedown St John. The inspectors assessed patients' personal care records and talked to patients, carers, family members and staff as well as measuring DHHC performance against five essential standards of quality; that it is safe, effective, caring, responsive and well-led.

The CQC reported that DHHC was **"committed to continuous improvement"**. It also noted the improvements that DHHC had made in terms of end of life care for people living with dementia and its move to full use of electronic records (SystmOne) on the Inpatient Unit – completed in January 2017. Both of these were Future Improvement Priorities in last year's Quality Account and show that we are serious about continually improving our services for patients, families and carers and demonstrate our growing reputation within the sector.

Deborah Ivanova, Deputy Chief Inspector of Adult Social Care, CQC said:

**"We found that Dorothy House Hospice Care is providing an outstanding and very caring service and the staff had the expertise to provide individualised care to the people they support in a way that suits them. The team should be extremely proud of the work they do."**

##### **Royal Visit**

HRH The Princess Royal visited DHHC for a Garden Party at our Winsley site on Tuesday 21st June to mark our 40th birthday and celebrate our ongoing legacy of care and support of over 45,000 patients to date in the community.

The Princess Royal enjoyed the first viewing of our touring birthday exhibition supported by the National Lottery through the Heritage Lottery Fund. The exhibition highlights our mission from our conception by Prue Dufour 40 years ago to today, and beyond. The Princess Royal also met patients and their carers, DHHC staff and volunteers and supporters from across our 700sq mile community.

HRH The Princess Royal agreed to be DHHC's Royal Visitor in December 1987. Since then she has consistently taken an interest in our work and visited us on a number of occasions.

##### **Hospice UK South West**

In September 2016, DHHC Chief Executive John Davies became the Chair of Chief Executives for Hospice UK South West. This gives DHHC the opportunity to lead the regional voice for Hospice UK in the South West and in turn influence the palliative and end of life care agenda nationally.

DHHC Chair of the BoT Kate Tompkins was elected by the Forum of Hospice Chairmen as their Chair and representative as a Trustee on the Board of Hospice UK – the national Membership Body for the Hospice Sector. Until February 2017 she represented the South West Chairs on the Forum of Hospice Chairmen and chaired the South West Regional meetings of Chairs and Chief Executives.

### **Involvement in the annual Prostate Cancer UK patient guide**

DHHC's Executive Clinical Director of Community Services, Wayne de Leeuw, is one of the named reviewers for the annual Prostate Cancer UK patient guide. In the first 6 months of FY16/17, this publication was read 50,000 times by 38,000 people.

## **Performance**

### **Patient and client care**

Over FY 16/17, patient and client numbers across all our services demonstrate our continued strong performance. Many of these services saw a significant increase in numbers from last year:

- DHHC cared for 2,919 patients and clients
- Our Contact Centre managed 1,629 new and re-referrals (patients)
- We admitted 242 patients to our Inpatient Unit
- Our Nurse Specialist team managed 1,495 patient and client referrals with an average case load of 21 patients per Nurse
- We delivered 449 medical consultations outside the Hospice and in the community
- Our 24/7 Advice Line handled 1,611 calls
- We managed 1,059 attendances at our Day Patient Unit
- Our Lymphoedema team received 288 new referrals and delivered 2,303 contacts relating to their patients and patient care
- Our Dietetic team received 217 referrals
- Our Complementary Therapy team received 538 referrals and delivered 1,550 treatments to patients, carers and bereaved
- Our Chaplaincy team received 334 referrals and managed 1,407 visits to patients and carers
- Our Hospice at Home Team provided around 25,000 hours of care.

**Over FY16/17, we have seen a 5% increase in non-cancer referrals.**

A full commentary on our services can be read within our Quality Account 2016/17.

<https://www.dorothyhouse.org.uk/wp/wp-content/uploads/2017/07/Dorothy-House-Hospice-Care-QualityAccount-1617.pdf>

### **Education & Training**

In 2016/17 our specialist education team delivered nearly 5,000 hours of free or subsidised training to 1,100 health and social care professionals and others, helping different groups and agencies offer the best possible end of life care. Issues covered ranged from advanced care planning to symptom management, with participant satisfaction averaging 99%.

135 registered nurses 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. All those taking part were either very satisfied (84.5%) or satisfied, with many saying it had helped them reflect on, and enhance, their own practice.

34 domiciliary staff from 17 residential care homes learned more about palliative and end of life care through study days as part of our Residential Care Home Network. Again, all those attending were either very satisfied (70.5%) or satisfied with the input they received.



*"This is the first course I've attended dealing with death. I'm going away feeling much more confident and will no longer run away from answering the door when the deceased's family is there"*

Our training for **Homeless Support workers** in late 2016 / early 2017 in Chippenham and Salisbury helped support staff feel more confident of recognising signs and symptoms that a homeless person may be nearing end of life, more knowledgeable about the help and support available and more aware of their own role in providing end of life support.

### **Information and Workforce Development**

FY16/17 has seen the continued roll out of our **"Caring Smarter"** Information Management and Technology Strategy 2016-20. The basis of this is to empower our staff and volunteers with the right skills and technology for their work both now and in the future.

This year we have worked specifically on our **IT infrastructure** and have improved interoperability with and between our shops. We have been working on upgrading our Wide Area Network across our sites which not only benefits our current working practice but lays the foundation for future-proofing our IT such as a move to running our telecommunications through WiFi.

**Mobile working** with more laptops, smart phones and remote access to IT systems for our staff and volunteers has been an important focus for the year. Having a more mobile workforce is already driving efficiency and effectiveness in the system.

**SystemOne** has now been rolled out across the organisation as far as possible ensuring continuity of care and saving clinicians' time. On the IPU we have also introduced an upgraded and more efficient nurse call system.

In line with the **NHS Information Governance toolkit**, we have ensured that our IT systems which contain sensitive client data are properly secure. Within the organisation we continue to raise awareness of cyber security alongside helping to educate staff on use of IT through our regular, thematic "Lunch and Learn" sessions.

With new electronic rather than printed payslips, we are saving DHHC time and resources. The focus for this year will be a review of the workforce management IT system, i.e.. Snowdrop.

The future is based in technology and we are exploring **new clinical applications to drive innovative practice**. For example, we are starting to develop a wound care app which clinicians can use to assess improvement or deterioration in pressure ulcers.

We continue to develop our **employment offer**, from the development of employee forums (staff and volunteers), to review of benefits and the inclusion of apprenticeship, graduate and professional returners. As we look to extend our reach we are also looking at the mobility and upskilling of employees as we diversify our clinical and care offer. Movement between the professional bands is encouraged and the introduction of a Management Development Programme – in Sept 2016 – is the first step to providing a continuum of learning for all our staff.

### **Retail and commercial ventures**

2016/17 has seen a strategic review of DHHC Retail with a key focus on restructuring operations to ensure the team can deliver ambitious targets for FY 2017/18.

In the last year we have concentrated on maximising contribution from the Retail estate and preparing the team for new and exciting initiatives in 2018. With a focus on driving contribution at the heart of all activity in the latter part of the year we are delighted to announce a 16% increase in contribution year on year and an uplift of sales of 8%, which is encouraging given the changing landscape of Retail.

The new initiatives that we embarked on last year are proving fruitful and many lessons have been learnt, particularly in terms of joint venture activity (a shop with Goldies in Keynsham and with Salisbury Hospice in Salisbury) that will put us in a good position to develop further initiatives that broaden our reach.

Our **Coffee House in Bath – Coffee House 76** - has developed a solid customer base and we are excited about entering Phase 2 of development to enhance our offering and drive revenue to further support patient care.

The **DHHC furniture shop in Frome** has achieved steady growth over the year and has shown that the furniture model is one worth investing in.

We have also focused on listening to customers and donors and embarked on an exciting stage within the Retail journey, further developing our boutique offerings including Bridge St, Vintage and Styled clothing shops as well as extending our reach and accessibility to markets in Frome which has proved successful.

Our **online sales** continue to provide us with opportunities as well as focusing on logistics and stock management to enable us to provide our customers with an enhanced buying experience.

With an extended Retail team in place we are focused on delivering operational excellence across the estate whilst innovating in the sector to meet customer needs and ultimately deliver additional contribution to support ever growing patient needs.

## **Fundraising**

In our 40th year, Fundraising has played a key role in achieving our objective of having a balanced budget by year end. We have seen incredible support from our donors with 23,966 financial gifts.

2016/17 was an exceptional year for Legacy income, which amounted to a £3.2m contribution (including one very substantial entire residuary estate). We improved our legacy pipeline reporting and forecasting and continue to analyse this significant income stream. The legacy focus for 2017/18 will be continued through increased levels of analysis, internal and external education around its importance to DHHC, and sensitive and appropriate development and marketing.

Over the year we have seen a growth of 28% in funding from **trust and grant making bodies** and 24% growth in **corporate fundraising**.

Fundraising also saw growth in a number of other key revenue lines such as **Events**: Last summer, DHHC's first Bubble Rush took place, a new family event, which saw 1,400 people walk and jog 5k through a rainbow of bubbles and raise £65k. Fifty beautiful gardens were open for DHHC as part of our Open Gardens event, raising over £29k and DHHC's 10th Midnight Walk – rebranded the Moonlight Walk – made £96k as well as a Guinness World Record.

Using our 40th birthday event resources, our community has continued to raise significant funds for the Charity through a great mix of different initiatives and a lot of hard work. Last year we welcomed our first youth ambassador to DHHC - Jo Muir a modern pentathlete and member of Team GB. Other community

fundraising initiatives over the year included our pilot Christmas tree recycling scheme which raised £6k – the highest sum by any organisation in its first year.

We marked our 40 years of care with the community in a Thanksgiving Service at Bath Abbey in September 2016. The service celebrated the life of our founder, the Reverend Prue Dufour (formerly Clench), and we were joined by representatives from across the 700 miles we serve. The Abbey was filled with music and readings as a diverse community celebrated her vision.

Our participation in the **Local Hospice Lottery** started in early 2014 and at the end of the financial year approximately 10,000 players were taking part.

2017/18 will bring a number of challenges and opportunities to Fundraising such as the implementation of the **General Data Protection Regulation (GDPR)**. In accordance with GDPR, we will obtain consent for communications where necessary and consult more generally with our donors on how we communicate with them in the future.

In the year ahead we will focus on rebuilding the income streams which were down in 2016/17 as a result of increased charity competition in the area. In the face of forthcoming political uncertainty, we will continue to find new ways of engaging with existing and new supporters.

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

In FY 16/17 the Fundraising Department contracted the services of professional fundraiser Owen McNeir (bound by the regulatory system for fundraising) to support in high-net worth fundraising efforts. DHHC also 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 DHHC through regular meetings. Seven complaints were received about DHHC fundraising activity through the Local Hospice Lottery for calendar year 2016. (As contained in Fundraising Regulator Annual Complaints Return 2017). Local Hospice Lottery adhere 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.

Our 40th year has been remarkable thanks to the fantastic contribution from our donors and supporters, either through fundraising participation, donations to our shops, trust and corporate giving, legacies or additional funding from our commissioners. We have also benefitted from the strong, global, economic environment delivering excellent returns on our investments.

We have far surpassed our financial objective of delivering a balanced budget this year, realising a Net Surplus of £1,275k. We have £6.6m of unrestricted and undesignated funds. Given expenditure levels of £12.7m (2016: £11.8m), these free reserve levels provide appropriate resilience against short term income fluctuations in line with Charity Commission guidelines.

After fixed asset additions of £307k (2016: £382k), the net increase in cash and investment balances was £327k (2016: 312k). The Statement of Financial Activities shows net operational income of £245k (2016: deficit £625k). There was a net gain on the realised and unrealised movements in investments of £1,030k (2016: net loss £218k), which led to the overall increase in funds for the year of £1,275k (2016: decrease £950k).

Income increased by £1,887k (2016: £291k increase) during the year, with an increase in Donations and Legacies of £1,419k (2016: £242k decrease) and increased retail sales of £365k (2016: £314k increase) and NHS England contracts and grants of £50k (2016: £205k increase).

Expenditure in charitable activities increased by £354k (2016: £7k) and raising funds by £556k (2016: £262k).

## Principal Funding Sources

The charity is funded from four principal sources:

1. Clinical Commissioning Groups £2,362k (2016: £2,371K, 0% increase)
2. Voluntary Donations, Events and Legacies £5,307k (2016: £3,863K, 37% increase)
3. Net income from 30 shops £713k (2016: £725K, 2% decrease)
4. Net Investment Income £1,262k (2016: 18K)

## 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.

Overall performance has been very strong and in line with benchmark returns of 19.6% (FTSE WMA Balanced Index). UK and Overseas equity markets have performed particularly strongly, bolstered by post Brexit devaluation of sterling.

Although we have recently seen greater short term volatility in returns, Rathbones continue to deliver growth on our investments and believe the global economic environment is still positive.

## **Key Risks and Uncertainties**

Dorothy House has undertaken a complete review of its risk assessment. Following best practice guidelines, including those of the Charity Commission, the team has reviewed all risks and through its ARMR database is now constantly reviewing these at every level of the organisation. It is key that risk is owned and understood at all levels of the organisation.

The health, social and charitable sectors are experiencing significant challenges.

In regard to health, NHS England (NHSE) is required to make significant savings across every arm of its operations by 2021. This challenge directly affects DHHC. With effect 1st April 2017 the NHSE contract which DHHC has been aligned to since 2009 will come to an end. In its place will be more bespoke local models.

DHHC views this as an opportunity to influence the palliative and end of life care agenda and is now working separately with three commissioners: Virgin Care in B&NES, Wiltshire and Somerset CCGs. DHHC is the first hospice to be carrying out financial modelling of palliative and end of life care. At the heart of this work is capability, resource, interoperability and income. This work is transformational, could be applied across the region and has gained wide acceptance.

As in each year, the returns from investments are a large contributor to the Charity's overall performance and as such are always a significant risk factor, as are fluctuations in legacy and fundraising income.

In meeting these challenges, the Charity continues to drive improvement:

- The relationship that DHHC has to its community and donors is paramount. The Trustees are acutely aware of their responsibility to ensure that the Executive Team is active in promoting best practice. A number of working groups continue to review data management and access, campaign construct, audit, campaign management and the monitoring of industry best practice.
- In terms of financial management, the development of real-time account reporting and performance dashboard, provides credible performance information and critical evidence to trends and market behaviour. This is the evidence that informs the Executive Team and Trustees' decision making.
- The entire process of risk management and architecture has recently been reviewed and is now a significant project embedded within DHHC under the guidance of its former Finance Director. DHHC is determined to be ahead of the game with a focus on agility and relevance, not template and bureaucracy.
- Investment performance is regularly reviewed and an active relationship maintained with the external advisors to mitigate investment risk.
- Fraud and Cyber Security are an increasing threat. Compliance to the NHS Information Governance Toolkit was achieved April 2016, a standard set for the largest healthcare providers. Increasing training and awareness in this area is key to safeguarding the assets of the organisation.

## **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 £15,838,189 is made up from:

**1. Restricted Funds:** £3,511,685. This value represents the investment and funding of the Winsley site, assets purchased from subsequent Capital Grants and net new building appeal funds. The increase in funds this year derives from a Private Capital Grant – earmarked for the development of an Educational facility, and private trust and grant donations.

**2. Designated Funds:** £5,703,059. 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 strategy 2018-2025 £2,165,000 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:** £6,623,445. This represents 6.3 months of expenditure deemed by the Board of Trustees and charitable best practice 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 reserve policy of DHHC directs the Board of Trustees to hold reserves equal to at least six month's expenditure including retail costs.

## Plans for the Future

Within the context of our Strategic Objectives (see p. 3/4) and following on from last year's aims, our objectives for FY17/18 are as follows:

- 1) Achieve significant cost efficiencies and deliver the forecast 2017/18 Deficit of  $\leq$  (£418K) on revenue of  $\geq$  £13m with Reserve cover between 6 and 7 Months.
- 2) That DHHC 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 BoT and 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 focus and maintains a level of care rated as outstanding by CQC.
- 4) To empower ET to develop new initiatives – that are Charitable, Patient focused and Income Generative.
- 5) Review DHHC 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 DHHC.
- 7) Deliver the capital expenditure programme.
- 8) Lead, adapt and develop the DHHC so that it has an emboldened ET and an empowered MT developed in an environment where professional capability, integrity and talent can endure.

# 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 DHHC 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 26.

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 Pay and 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

23.10.17.

  
John P A Davies  
Chief Executive

Date

10<sup>th</sup> October 2017.

## Reference and Administrative Details

Registered Name: The Dorothy House Foundation Ltd  
 Working name: Dorothy House Hospice Care (DHHC)  
 Registered Company Number: 1360961  
 Registered Charity Number: 275745  
 Registered and Principal Address: Winsley, Bradford on Avon, BA15 2LE

### **Trustees in the period:**

B, D, F (Chair), G (Chair)	Kate Tompkins	Chair
B (Chair), F, G	Garry Peagam	Treasurer
A, C, H	Christine Davis	
B, D	Diane Hall	Sabbatical July 2016 - July 2017
C (Interim Vice Chair - July 2016 - July 2017), E (Chair), G, H	Ian Lafferty	
A (Chair), E	John Waldron	
E	Brian Mansfield	
C (Chair), D	Tim Stacey	
A, C	Simon Burrell	Appointed 20.09.16
D (Chair), E, F	Warren Reid	Appointed 20.09.16
A, B, G	David Cavaliero	Appointed 20.09.16
A, E	Charlotte Parkin	Appointed 13.12.16
B, E	Mark Hunt	Appointed 20.06.17
A	Francesca Thompson	Appointed 20.06.17
C, D	Josette Crane	Appointed 20.06.17
	Reverend Roger Nunn	Retired 20.06.17
	Sir Rupert Dewey Bt	Retired 20.09.17
	Dr Helen Kingston	Retired 20.06.17
	Professor Helen Young	Retired 23.01.17

### **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 and Communications Committee
F	Member of Pay and Remuneration Committee
G	Member of Appointments and 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 (appointed 01.04.17)
	Haylie Carr	Director of HR and Services (appointed 01.04.17)
	Pam Barbato	Interim Director of Retail, Fundraising and Communications (01.08.16 - 01.04.17)
	James McDonald	Director of Retail (Resigned 07.07.16)
	Phillippa Watson	Head of Fundraising (31.07.15 - 01.08.16)
	Tony Rees	Interim Director of HR (03.11.16 - 01.04.17)
	Helen Scamell	Director of People and Development (Resigned 03.11.16)

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

# Auditor's Report

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS FOR THE YEAR ENDED 31 MARCH 2017**

We have audited the financial statements of The Dorothy House Foundation Limited for the year ended 31 March 2017 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 (United Kingdom Generally Accepted Accounting Practice) including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

## **RESPECTIVE RESPONSIBILITIES OF THE MEMBERS OF THE BOARD OF TRUSTEES AND THE AUDITOR**

As explained more fully in the Trustees' Responsibilities Statement (set out on page 34), the trustees (who are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

## **OPINION ON FINANCIAL STATEMENTS**

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2017, 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 Companies Act 2006.

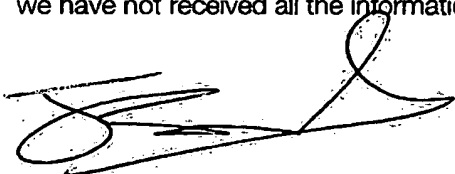
## **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Strategic Report and Report of the Board of Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Joseph Scaife FCA DChA (Senior Statutory Auditor)

For and on behalf of

**BISHOP FLEMING LLP**

Chartered Accountants

Statutory Auditor

16 Queen Square

Bristol, BS1 4NT

Date: 3/11/17

# Financial Statements

Registered Company Number: 1360961

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2017

	Note	Unrestricted Funds Unassigned £	Designated £	Restricted Funds £	Group 2017 £	Group 2016 £
<b>Income and endowments from:</b>						
Donations and Legacies	1/10	4,511,832	-	100,000	4,611,832	3,193,232
Charitable activities	3	2,595,668	-	124,170	2,719,838	2,846,000
Other trading activities	3A	5,386,447	-	-	5,386,447	4,997,237
Investments		231,622	-	-	231,622	236,342
<b>Total income and endowments</b>		<b>12,735,568</b>	<b>-</b>	<b>224,170</b>	<b>12,959,738</b>	<b>11,072,611</b>
<b>Expenditure on:</b>						
Raising funds	4	(5,040,325)	-	-	(5,040,325)	(4,483,650)
Charitable activities	4	(7,660,191)	-	(14,288)	(7,674,479)	(7,320,462)
<b>Total expenditure</b>		<b>(12,700,516)</b>	<b>-</b>	<b>(14,288)</b>	<b>(12,714,804)</b>	<b>(11,804,112)</b>
Net gains/(losses) on Investments	9	1,030,368	-	-	1,030,368	(218,465)
<b>Net income/(expenditure)</b>	<b>4</b>	<b>1,065,420</b>	<b>-</b>	<b>209,881</b>	<b>1,275,302</b>	<b>(949,766)</b>
Transfers between funds		(1,089,044)	1,089,044	-	-	-
Other recognised gains/ (losses)		-	-	-	-	-
<b>Net movement in funds</b>		<b>(23,264)</b>	<b>1,089,044</b>	<b>209,881</b>	<b>1,275,301</b>	<b>(949,766)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		6,661,858	4,599,226	3,301,804	14,562,888	15,512,654
Total funds carried forward		6,638,594	5,688,270	3,511,685	15,838,189	14,562,888

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 2017**

		At 31 March 2017	Charity	At 31 March 2016	Charity
		Group	£	Group	£
		£		£	
<b>Fixed assets</b>					
Tangible fixed assets	8	7,034,956	7,034,956	7,222,241	7,222,241
Investments - subsidiary	2	-	2	-	2
Investments - portfolio	9	6,765,015	6,765,015	6,528,103	6,528,103
		<u>13,799,971</u>	<u>13,799,973</u>	<u>13,750,344</u>	<u>13,750,346</u>
<b>Current assets</b>					
Stock	2	20,429	-	13,420	-
Debtors	10	3,239,388	3,239,407	1,630,156	1,630,156
Cash at bank and in hand		523,965	514,674	440,480	434,994
		<u>3,783,781</u>	<u>3,754,080</u>	<u>2,084,056</u>	<u>2,065,150</u>
<b>Liabilities</b>					
Creditors: falling due within one year	11	(1,714,889)	(1,899,979)	(1,213,297)	(1,209,182)
<b>Net current assets</b>		<u>2,068,892</u>	<u>2,054,101</u>	<u>870,759</u>	<u>855,968</u>
<b>Total assets less current liabilities</b>		<u>15,868,863</u>	<u>15,854,074</u>	<u>14,621,103</u>	<u>14,608,314</u>
Creditors: due in more than one year	11	(30,674)	(30,674)	(58,215)	(58,215)
<b>Net assets</b>		<u>15,838,189</u>	<u>15,823,400</u>	<u>14,562,888</u>	<u>14,548,099</u>
<b>Income funds</b>					
Restricted	12	3,511,685	3,511,685	3,301,804	3,301,804
Unrestricted:					
Designated - funding fixed assets	13,14	2,568,580	2,568,580	2,965,747	2,965,747
Designated - Space to Care	13,14	954,690	954,690	954,690	954,690
Designated - Service Developm	13,14	2,165,000	2,165,000	664,000	664,000
Charitable funds	13,14	6,638,234	6,638,234	6,681,858	6,681,858
Designated - trading funds	2	-	-	14,789	-
<b>Total unrestricted funds</b>		<u>12,326,504</u>	<u>12,326,504</u>	<u>11,261,084</u>	<u>11,248,295</u>
<b>Total funds</b>		<u>15,838,189</u>	<u>15,838,189</u>	<u>14,562,888</u>	<u>14,548,099</u>

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

  
 Kate Tompkins  
 Chairman

Date: 23.10.17

  
 Garry Peagam  
 Treasurer

Date: 10<sup>th</sup> October 2017

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

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2017

	Note	2017 £	2016 £
<b>Cash flows from operating activities</b>			
<b>Net cash used in operating activities</b>	Note A	(634,163)	(694,196)
<b>Cash flows from investing activities</b>			
Dividends, interest and rents from investments	9	231,622	236,342
Purchase of property, plant and equipment	8	(307,431)	(381,800)
Cash withdrawn from investment portfolio	9	950,000	570,000
Net additions to the investment portfolio		(156,543)	(152,266)
<b>Net cash provided by investing activities</b>		717,648	272,276
<b>Change in cash in the reporting period</b>		83,485	(421,920)
<b>Cash at the beginning of the reporting period</b>		440,480	862,400
<b>Cash at the end of the reporting period</b>	Note B	523,965	440,480

### Note A) Reconciliation of cash flows from operating activities

	£	£
<b>Net income/(expenditure) for the reporting period</b> (as per the statement of financial activities)	1,275,301	(949,766)
<b>Adjustments for:</b>		
Net losses/(gains) on investments	(1,030,368)	218,465
Depreciation charges	481,983	485,321
Dividends, interest and rents from investments	(231,622)	(236,342)
Loss/(profit) on the sale of fixed assets	12,733	-
(Increase)/decrease in stocks	(7,009)	(1,299)
(Increase)/decrease in debtors	(1,609,232)	(93,600)
(Increase)/decrease in creditors	474,050	(116,975)
<b>Net cash inflow/(outflow) from operating activities</b>	(634,163)	(694,196)

### Note B) Analysis of net cash resources

	At 1 April 2016 £	Net cash inflow £	At 31 March 2017 £
<b>Bank and petty cash balances</b>	440,480	83,485	523,965



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

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 change 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.

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

**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.

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.

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:

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### 3. ANALYSIS OF INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted Funds	Restricted Funds	Group 2017	Group 2016
	£	£	£	£
Contracts and operating income:				
NHS contracts and grants	2,350,823	124,170	2,474,992	2,425,145
Catering and other similar income	63,143	-	63,143	91,797
Education and training income	181,702	-	181,702	129,058
	<b>2,595,668</b>	<b>124,170</b>	<b>2,719,838</b>	<b>2,646,000</b>

### 3A. OTHER TRADING ACTIVITIES

	Group 2017	Group 2016
Shops Income	4,672,370	4,307,425
Fundraising events	694,873	689,312
Lottery	29,203	20,500
	<b>5,396,447</b>	<b>4,997,237</b>

#### 4. ANALYSIS OF RESOURCES EXPENDED

	Staff costs	Other costs (including depreciation)	Support costs	Total 2017	Total 2016
<b>Cost of raising funds</b>	£	£	£	£	£
Charity shop costs	1,837,662	1,688,034	426,139	3,951,835	3,562,222
Fundraising and publicity	475,768	330,017	120,050	925,835	732,178
Expenses of subsidiary - Note 2	-	108,313	-	108,313	105,310
Lottery costs	-	8,750	-	8,750	8,750
Investment Management Costs	-	45,593	-	45,593	55,191
	<b>2,313,430</b>	<b>2,180,707</b>	<b>546,189</b>	<b>5,040,325</b>	<b>4,483,650</b>
<b>Direct charitable activities</b>					
Patient Services costs	5,385,373	988,486	867,999	7,251,868	6,916,107
Education services	249,871	83,712	46,911	380,494	363,854
	<b>5,635,244</b>	<b>1,082,208</b>	<b>914,910</b>	<b>7,632,362</b>	<b>7,279,961</b>
<b>Governance Costs</b>	<b>21,088</b>	<b>21,049</b>	<b>-</b>	<b>42,117</b>	<b>40,501</b>
	<b>5,656,312</b>	<b>1,103,257</b>	<b>914,910</b>	<b>7,674,479</b>	<b>7,320,482</b>
<b>Total resources expended: 2017</b>	<b>7,969,741</b>	<b>3,283,965</b>	<b>1,461,099</b>	<b>12,714,804</b>	<b>11,804,112</b>
<b>Total resources expended: 2016</b>	<b>7,680,274</b>	<b>3,191,646</b>	<b>932,182</b>	<b>11,804,112</b>	

Included in the Governance Costs above are the following costs:

	2017	2016
	£	£
Auditors remuneration (inc. applicable VAT) :	10,129	10,135
External audit	-	-
Non-audit services	-	-
Internal Auditors (inc. applicable VAT):	7,340	8,855

Governance Costs also include an apportionment of Senior Management costs.

Charitable Activities	Staff Costs	Other Direct Costs	Support Costs	Total 2017	Total 2016
	£	£	£	£	£
In Patient Unit	1,382,040	331,476	188,278	1,891,793	1,702,700
Day Patient Unit/Comp Therapy	312,552	152,197	71,352	536,100	510,757
Lodges	27,408	34,826	1,605	63,839	247,517
Nurse Specialists	1,019,937	155,831	173,289	1,349,058	1,254,692
Hospice at Home	983,836	58,848	178,926	1,221,710	1,186,138
Lymphoedema & Physiotherapy	628,960	117,330	98,911	845,200	787,485
Medical Services	581,009	54,221	87,859	703,188	620,057
Family Support	469,532	93,768	77,680	640,978	606,760
Education	249,671	83,712	46,911	380,494	363,854
<b>TOTAL</b>	<b>5,635,244</b>	<b>1,082,208</b>	<b>914,910</b>	<b>7,632,362</b>	<b>7,279,961</b>

Support Costs Breakdown	Administration & Telecoms Staff Numbers (excl. shops)	IM Number of PCs	Finance & Personnel Staff Numbers	Provisions/Non recurring costs Staff Numbers	Total 2017	2016
	£	£	£	£	£	£
In Patient Unit	90,898	22,470	76,308	8,602	198,278	129,335
Day Patient Unit/Comp Therapy	26,933	18,260	22,610	2,549	71,352	46,055
Lodges	-	1,605	-	-	1,605	1,769
Nurse Specialists	57,232	62,596	48,046	5,416	173,289	107,155
Hospice at Home	87,531	9,630	73,482	8,283	178,926	120,482
Lymphoedema & Physiotherapy	37,033	27,285	31,088	3,504	98,911	63,767
Medical Services	20,200	28,890	16,857	1,911	67,859	42,503
Family Support	23,566	32,100	19,783	2,230	77,680	49,587
Education	13,466	20,865	11,305	1,274	46,911	27,451
Charitable Activities	356,859	224,703	288,579	33,789	914,910	588,103
Retail	18,112	115,562	262,838	29,627	426,139	271,457
Fundraising	47,132	28,890	39,567	4,460	120,050	72,633
<b>Total</b>	<b>422,104</b>	<b>369,155</b>	<b>601,984</b>	<b>67,857</b>	<b>1,461,099</b>	<b>932,192</b>

## 5. EMPLOYEE INFORMATION

	2017	2016
	£	£
Wages and salaries	7,746,541	7,407,071
Social security costs	641,808	557,012
Pension costs	594,245	563,041
	<b>8,982,594</b>	<b>8,527,124</b>

£1,012,853 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:

	2017	2016
Patient services	94	94
Nursing staff		
Medical	5	6
Chaplain	1	1
Social worker	7	7
Support staff	16	17
	<b>123</b>	<b>124</b>
Education	5	5
Fundraising	16	14
Management and administration	29	26
Dorothy House shops	86	86
	<b>260</b>	<b>254</b>

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

	2017	2016
£60,000 - £70,000	2	1
£70,000 - £80,000	1	2
£80,000 - £90,000	2	1
£90,000 - £100,000	1	1

Of these, 4 (2016 2) are Clinical staff. Pension contributions for all 6 employees amounted to £53,205 (2016 £40,584). Employee benefits of £17,919 (2016 £21,583) consisting of pension contributions only were paid on behalf of key management staff not included in the bandings.

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.

The total salaries and employer pension contributions of the key management personnel of the charity were £539,208 (2016 £530,817).

## 6. TRUSTEES' REMUNERATION AND EXPENSES

The Trustees of the charity received no remuneration but travel expenses totalling £809 (2016: £185) were reimbursed to 1 (2016: 1) Trustee.

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 in apart from one Trustee who donated £1,427 (2016 all donations less than £500 per Trustee).

The charity has insurance costing £689 (2016: £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.

Previously, the charity offered the Flexiplan pension scheme (FPS) to employees ineligible to join the NHS Pension Scheme. However, contributions to the FPS ceased in December 2009 and the FPS scheme is closed to new entrants and contributions are frozen.

The FPS is a defined benefit pension scheme. However, because of the non associated multi-employer nature of the Plan the Company is unable to identify its share of the underlying assets and liabilities of the Plan on a consistent and reasonable basis and therefore, as permitted by FRS 17 "Retirement Benefits", it accounts for the Plan as if it were a defined contribution scheme. As a result, the amount charged to the income and expenditure account represents the Company's contributions payable to the Plan in respect of the accounting period. The Plan closed to further accrual in January 2010 and following two Court hearings, for interpretation of the Plan rules, the entitlement of members has been definitively established.

Following the triennial valuation dated 31st March 2015, Dorothy House has contributed £38,412 this year as set out under the Recovery Plan. The Recovery Plan was established at a rate to fully recover Plan deficits by 31st March 2019.

The charity's contributions to pension schemes in the year amounted to £706,561 (2016: £562,151); the amount of contributions due by the charity to the schemes at the year end was £79,461 (2016: £101,029).

## 8. FIXED ASSETS - GROUP AND CHARITY

	Land and Buildings:		Fixtures and Equipment	Motor Vehicles	Total
	Freehold	Leasehold			
<b>Cost</b>	£	£	£	£	£
At start of year	5,779,380	570,063	3,426,580	107,025	9,883,058
Additions	-	-	307,431	-	307,431
Disposals	-	-	(50,494)	-	(50,494)
At end of year	5,779,380	570,063	3,683,527	107,025	10,139,995
<b>Depreciation</b>					
At start of year	-	159,312	2,423,375	78,130	2,660,817
Charge for the year	-	38,780	429,487	13,716	481,983
Depreciation on Disposals	-	-	(37,762)	-	(37,762)
At end of year	-	198,092	2,815,100	91,846	3,105,039
<b>Net Book Value</b>					
At end of year	5,779,380	371,971	868,426	15,179	7,034,956
At start of year	5,779,380	410,751	1,003,215	28,895	7,222,241

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	5,466,376	210,228	312,980	-	5,889,583
Other purposes:			167,507	-	167,507
Management			387,940	15,179	877,868
Charity shops	313,004	161,743			
	5,779,380	371,971	868,426	15,179	7,034,956

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

	2017 £	2017 £	2016 £	2016 £
Market value at the start of the year		6,528,103		7,164,301
Net additions to the investment portfolio:				
Movement in cash balances invested: (reduction)/increase		(950,000)		(570,000)
Portfolio investment income held by brokers		195,934		191,529
Investments received from legacies				
Management fees charged		(40,390)		(39,263)
Gains or (losses) in the year:				
Realised - on sale of investments	670,129		283,120	
Unrealised - change in value of portfolio in the year	380,239		(501,585)	
		1,030,368		(218,465)
Market value at the end of the year		6,765,015		6,528,103
The investments are held as follows:				
		£		£
Managed by brokers:				
Fixed interest stocks		1,063,344		1,147,378
Equities - UK		2,638,610		1,640,172
Equities - non-UK		2,263,884		2,578,422
Other investments		834,819		1,141,784
Uninvested cash balances		64,458		20,347
		6,765,015		6,528,103
Investment in joint venture (Salisbury shop)		-		-
		6,765,015		6,528,103
Investment in subsidiary		2		2

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

The investment in the Salisbury shop joint venture was written off over 5 years in line with current depreciation policy.

## 10. DEBTORS

	At 31 March 2017		At 31 March 2016	
	Group	Charity	Group	Charity
	£	£	£	£
Trade debtors	502,495	502,495	140,143	140,143
Legacies	2,162,548	2,162,548	900,601	900,601
Other accrued income	19,809	19,809	60,520	60,520
Other debtors	370,992	370,992	324,611	324,611
Amount owed by subsidiary	2	19	-	-
Prepayments	183,545	183,545	204,280	204,280
	3,239,388	3,239,407	1,630,156	1,630,156

## 11. LIABILITIES

	At 31 March 2017		At 31 March 2016	
	Group	Charity	Group	Charity
	£	£	£	£
<b>AMOUNTS DUE IN LESS THAN ONE YEAR</b>				
Trade creditors	159,700	159,700	284,161	273,141
Taxes and social security	182,350	182,350	168,648	168,648
Amount owed to subsidiary	-	-	-	7,842
Other creditors	439,095	424,185	593,982	593,982
Accruals and deferred income	933,744	933,744	166,506	165,589
	<b>1,714,889</b>	<b>1,699,979</b>	<b>1,213,297</b>	<b>1,209,182</b>
<b>AMOUNTS DUE IN MORE THAN ONE YEAR</b>				
Other creditors	<b>30,674</b>	<b>30,674</b>	<b>58,215</b>	<b>58,215</b>

	Group	Group
	2017	2016
	£	£
<b>DEFERRED INCOME</b>		
Deferred income at 1 April	12,927	8,681
Resources deferred during the year	566,575	12,927
Amounts released from previous years	(12,927)	(8,681)
Deferred income at 31 March	<b>566,575</b>	<b>12,927</b>

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:

	At 31 March 2016	Incoming resources	Outgoing resources	At 31 March 2017
	£	£	£	£
<b>Capital Funds:</b>				
Winsley Hospice Appeal	1,389,449	-	-	1,389,449
Space to Care Appeal	1,311,459	-	-	1,311,459
PCT Capital Grant	181,015	-	-	181,015
Department of Health Capital Grants	1,082,431	-	-	1,082,431
CCG Capital Grants	67,740	-	-	67,740
Private Grants, Trusts and Legacies	6,510	224,170	-	230,680
Depreciation on Capital Grant items	(736,800)	-	(14,288)	(751,089)
	<b>3,301,804</b>	<b>224,170</b>	<b>(14,288)</b>	<b>3,511,685</b>

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 1996.

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 PCT Capital Grant was the element of grant for 2006/7 and 2007/8 specifically for Capital Expenditure. 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.

The CCG Capital Grant was provided to develop community services in North Somerset.

The restricted amounts in 2016/17 include a legacy for £100,000 for education facilities.

### 13. DESIGNATED FUNDS

The bulk of the charity's fixed assets have been funded from unrestricted income, mainly donations and legacies; at 31 March 2017 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 £2,165,000 and this amount has therefore been shown as a designated reserve.

### 14. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

Fund balances at 31 March 2017 are held as follows:

	Restricted Funds	Designated - fixed assets	Designated - Space to Care	Designated - DHTrading Ltd	Designated - Service Develop	Unrestricted & Unassigned	Total 2017
	£	£	£	£	£	£	£
Tangible fixed assets	3,511,685	2,568,580	854,690	-	-	-	7,034,955
Investment portfolio	-	-	-	-	2,165,000	4,600,015	6,765,015
Current assets	-	-	-	-	-	3,783,781	3,783,781
Liabilities	-	-	-	-	-	(1,745,563)	(1,745,563)
	<b>3,511,685</b>	<b>2,568,580</b>	<b>854,690</b>	<b>0</b>	<b>2,165,000</b>	<b>6,638,234</b>	<b>15,838,169</b>

### 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	£
	691,812		87,254		4,626
	595,217		87,254		-
	1,134,853		261,762		-
	232,827		21,814		-
	<b>2,654,608</b>		<b>458,084</b>		<b>4,626</b>

### 16. CAPITAL COMMITMENTS

Contracted for  
Authorised but not yet contracted for

2017	2016
£	£
83,828	60,000
<b>809,372</b>	<b>340,000</b>

### 17. EVENTS AFTER THE END OF THE REPORTING PERIOD

Dorothy House was subject to an external fraud attack on 16th May 2017 which has been reported to our regulatory bodies including the Charity Commission. Although it is hoped we can recover further funds, the net loss is estimated at £88k

## 18. FINANCIAL INSTRUMENTS

	2017	2016
	£	£
<b>Financial assets</b>		
Financial assets that are measured at fair value through profit or loss:		
- Listed securities	6,700,557	6,507,756
- Deposit accounts	64,458	20,347
- Cash at bank and in hand	523,965	440,480
Financial assets that are measured at amortised cost:		
- Trade debtors	502,495	140,143
- Other debtors	2,553,348	1,285,732
	<u>10,344,823</u>	<u>8,394,458</u>
<b>Financial liabilities</b>		
Financial assets that are measured at amortised cost:		
- Trade creditors	159,700	284,161
- Accruals	367,169	153,579
	<u>526,869</u>	<u>437,740</u>