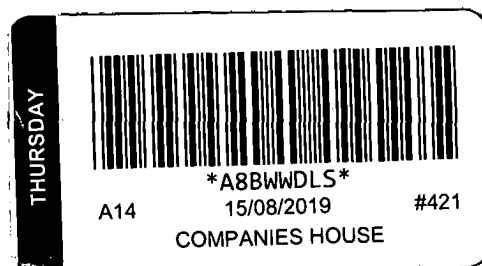


Charity Registration No. 1154835

Company Registration No. 08336116 (England and Wales)

HEALTHWATCH LINCOLNSHIRE LTD
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019
PAGES FOR FILING WITH REGISTRAR



HEALTHWATCH LINCOLNSHIRE LTD

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	Mr John Bains (Chairman) Mr David Carmichael OBE Mrs Barbara Dempster Mr David Gaskell Mr Clive Green Mr Michael Hill Mr Paul Martin Mrs Lyndia Moulder Mrs Pauline Mountain MBE Dr Maria Prior (Vice Chairman) Mr Paul Rhodes Dr Brian Wookey	(Appointed 11 May 2018)
Charity number	1154835	
Company number	08336116	
Principal address	Unit 12 1 - 2 North End Swineshead Boston Lincolnshire PE20 3LR	
Registered office	Unit 12 1 - 2 North End Swineshead Boston Lincolnshire PE20 3LR	
Independent examiner	Tracey Richardson BSc (Hons) FCA Ruthlyn House 90 Lincoln Road Peterborough Cambridgeshire PE1 2SP	
Bankers	Yorkshire Bank 10 High Street Grantham Lincolnshire NG31 6PU	
Solicitors	Wilkin Chapman LLP The Maltings 11-15 Brayford Wharf East Lincoln LN5 7AY	

HEALTHWATCH LINCOLNSHIRE LTD

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HEALTHWATCH LINCOLNSHIRE LTD

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

The trustees present their report and financial statements for the year ended 31 March 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's governing documents, the Companies Act 2006 and "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)".

Purpose, Vision, Mission and 3 core functions

Healthwatch Lincolnshire commenced activities on 1 April 2013 as the independent consumer champion to gather and represent the views of the public, to influence improvements in Health and Care service provision and share good practice in Lincolnshire.

- Our vision is for everyone in Lincolnshire to access and receive outstanding Health and Social Care services.
- Our mission is to be the consumer champion for all Health and Social Care services for everyone in Lincolnshire.

Our 3 core functions as set out by the Department of Health are:

- Influencing - helping to shape the planning of Health and Social Care.
- Signposting - providing information to help people access and make choices about available services.
- Watchdog - being a critical, supportive and accountable friend to everyone in Lincolnshire.

Health and Social Care Act 2012 – legal obligations of Healthwatch

The points below demonstrate the 8 statutory functions awarded to Healthwatch as part of the Health and Social Care Act 2012:

1. Promoting and supporting the involvement of local people in the commissioning, the provision and scrutiny of local care services.
2. Enabling local people to monitor the standard of provision of local care services and whether and how local care services could and ought to be improved.
3. Obtaining the views of local people regarding their needs for, and experiences of, local care services and importantly to make these views known.
4. Making reports and recommendations about how local care services could or ought to be improved. These should be directed to commissioners and providers of care services, and people responsible for managing or scrutinising local care services and shared with Healthwatch England.
5. Providing advice and information about access to local care services so choices can be made about local care services.
6. Formulating views on the standard of provision and whether and how the local care services could and ought to be improved; and sharing these views with Healthwatch England.
7. Making recommendations to Healthwatch England to advise the Care Quality Commission (CQC) to conduct special reviews or investigations (or, where the circumstances justify doing so, making such recommendations direct to the CQC); and to make recommendations to Healthwatch England to publish reports about particular issues.
8. Providing Healthwatch England with the intelligence and insight it needs to enable it to perform effectively.

HEALTHWATCH LINCOLNSHIRE LTD

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2019

Objectives and activities

The charity's objects (Objects) are specifically restricted to the following:

The advancement of health and social care and the relief of those in need by reason of youth, age, ill-health, disability or financial hardship by:

- a. providing information and advice to the general public about local health and social care services;
- b. making the views and experiences of members of the general public known to health and social care providers;
- c. enabling local people to have a voice in the development, delivery and equality of access to local health and care services and facilities; and
- d. providing training and the development of skills for volunteers and the wider community in understanding, scrutinising, reviewing and monitoring local health and care services and facilities.

The Grant awarded by Lincolnshire County Council for the Healthwatch Lincolnshire Service is restricted under the terms of the contract to the activities of delivering this service. To protect the financial stability of our organisation we have planned unrestricted reserves at year end of £161,934 and a further £152,900 designated funds which has been designated to support promotional developments, informatics, structure and support.

There are proposals to expand the objects of the charity. See the section on page 5 entitled 'New financial year 2019/20'.

We have a comprehensive range of policies and procedures in place adopted in furtherance of these objects.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Details of the activities of the charity during the year

The charity's activities focused on our 3 core functions (as set out above).

Our countywide engagement includes a significant amount of general and targeted promotional activities, talks, events, meetings and other relevant partner work. Our face to face engagement work provides some of the most important individual patient, carer and service user experiences we shared with health and care services, much of this engagement work being carried out by our volunteers. This information along with specially created surveys and wider intelligence gathered is used by Healthwatch Lincolnshire to produce our monthly, themed and annual reports. Our reports are shared with NHS Trusts, Lincolnshire Health and Wellbeing Board, Lincolnshire Health Scrutiny Committee, primary care providers, commissioners, Lincolnshire County Council, Healthwatch England, NHS England and CQC, our reports are one of our key methods of influencing health and care services.

Our Enter and View activity is now focusing towards supporting CQC with concurrent visits along with CCG Quality Visits to gather important patient experiences as part of their organisations overall service intelligence gathering.

Our Information and Signposting work continues to be one of our most important core functions. The service provided support to over 1,933 individuals and families during the year, helping them to identify where to go to help them manage their everyday health and care needs, make a complaint, signposting as an unpaid carer or for other general signpost advice. Whilst this service is not intended to take on individual complaint cases, it does provide an important service helping people with a wide range of information, advice and guidance to assist them.

Representation and liaison work is completed by our Trustees, Chief Executive Officer, Partnership and Development Manager, and where appropriate other members of staff and volunteers and is important to our influencing and informing role as it enables us to present the voice of the patient, carer and service user.

HEALTHWATCH LINCOLNSHIRE LTD

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2019

We provide an equal opportunities working environment and actively support volunteers and employees by adapting working environments around their personal needs.

Achievements and performance

Lincolnshire County Council is required to provide a local Healthwatch function and has contracted out the service to Healthwatch Lincolnshire LTD as an independent body. During the financial year we were successful in applying for the new Healthwatch Lincolnshire contract which was awarded on 1 October 2018 for a 3 year term with a possibility of a further 3 year extension. Lincolnshire County Council has the responsibility of monitoring our activities to ensure we are performing against our contract requirements. Monitoring is via a monthly dashboard and quarterly performance meetings with Lincolnshire County Council. **We would like to take this opportunity to thank Lincolnshire County Council for their continued support during this financial year.**

Healthwatch Lincolnshire is statutorily required to produce an Annual Report. This report is delivered (as a minimum) to Healthwatch England, the Department of Health, CQC, Lincolnshire Health and Wellbeing Board, Lincolnshire Health Scrutiny & Public Health and 4 Lincolnshire Clinical Commissioning Groups.

This year we have successfully delivered against our strategic priorities through the following activities:

- We completed 220 visits and activities during the year, and as a result received 2,999 individual health and care experiences
- Engaged with 8,445 people from across Lincolnshire
- Our volunteers supported us with 2,233 volunteering hours
- 1,933 people were helped through our Information Signposting service
- We produced and circulated 539 reports – the largest number of reports by any local Healthwatch in England
- We raised 638 questions on behalf of patients, service users and carers.
- Most importantly, we received 729 provider responses to questions raised, many of these responses were shared with the person that initially raised concerns and comments
- Our website reached over 153,000 people
- Delivered a large 2020 Vision event with a panel of system leaders and 90 audience members

Our focused work has included some of the following:

- Gypsy Travellers – during the year we have worked with a group of gypsy travellers from Gainsborough area of Lincolnshire. Our Engagement Officer identified a number of health issues they were facing especially the women from the group. As a result of the work this community received specially designed and delivered Mental Health First Aid Certificate training; breast and cervical screening for the first time. We received a letter of thanks from the Director of the Lincolnshire Traveller Initiative for this work.
- Pain services – changes to the commissioning of pain management services in Lincolnshire certainly caused a great deal of concern for a large number of patients in Lincolnshire. As a result we worked for over a year to continually feedback patient experiences and challenge commissioners and providers. Because of this we were asked to be part of the commissioning moderation from a patient's perspective for the new service. We continue to keep a watching brief on how the new service is developing.
- 8 day removals – having been approached by BBC Look North with concerns about one patient who had been removed from a GP surgery without seemingly any notice, we decided to work behind the scenes to find out how many patients were removed from GP Practice Lists through the 8 day removal process. As a result of this work we were surprised to learn that the number of patients was quite high in a small number of surgeries and escalated our concerns to NHS England, Lincolnshire Medical Committee (LMC) and the 4 Lincolnshire CCGs. Following this both NHS England and LMC treated the situation very seriously and have agreed a number of steps to improve the situation for both patients and GP practices.

HEALTHWATCH LINCOLNSHIRE LTD

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2019

Financial review

The annual budget was approved by the Board in May 2018. The Finance Committee monitored financial performance against budget during the year. The Finance Committee oversees all financial performance and its Chairman who is also the Treasurer of our Charity provides a financial report at each board meeting.

Careful financial management has ensured that the agreed budgets have been met during the year. The most significant area of expenditure is staffing which is essential to enable us to deliver our core functions and objectives. Lincolnshire is a large rural county and requires a great deal of travel, therefore travel costs remain a significant element of our expenditure.

At the year end the charity's reserves were £314,834. All expenditure was in line with our budgeted projections. In addition, £140,000 has been agreed by the trustees as designated funds (see note 17 of these annual accounts). The charity has budgeted its expenditure for 2019/20.

As part of our Finance Committee responsibility we have in place a Sustainability Working Group which considers future funding requirements of the charity over the longer term. Trading opportunities as well as other sources of funding are being considered as part of future funding of the charity to make it less dependent on its single source of grant income.

Risks

The charity has in place a formal risk policy and risk register which ensures it is able to identify major risks to which it may be exposed. The 4 permanent committees (namely HR, Governance, Finance and Public Experience) are tasked with identifying and reporting on such risks. Governance Committee is tasked with regularly managing the register. The Board ensure that proper control is exercised over risk and any necessary mitigating work to reduce such risks is undertaken. The Board annually approve our Risk Register. The Risk Register along with a Risk Statement was formally recorded in December 2018 as approved by the Board. The trustees have assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Investment policy

The charity's funding is mainly from government sources and is for expenditure on its activities in the short term. The funding is received on a quarterly basis to meet immediate expenditure. As set out in our 'Reserves policy' the charity has worked towards building longer term reserves to fund exceptional requirements. These reserves are currently held in immediate accessible cash deposits. The Finance Committee continues to review the charity's investment policy to distinguish short and longer term reserve requirements, in light of current financial conditions and reflecting the need to preserve capital value with minimum level of risk whilst seeking to produce a satisfactory financial return.

Reserves policy

The Trustees believe that in order to operate effectively and be a responsible employer the charity should have at its disposal reserves of funds that can be used in extraordinary circumstances. The Trustees consider that they must balance this requirement against the duty to utilise funds in pursuit of the charity's objectives. The reserves policy considers the circumstances for which reserves should be held, the amounts required, and sets limits on these amounts.

The charity strives to ensure unrestricted funds are maintained at a level of no less than 6 months expenditure. The trustees consider that reserves at this level will ensure that in the event of a loss of or significant drop in funding the charity will be able to continue its activities while the Trustees implement ways to provide funds.

The Finance Committee have reviewed the Reserves Policy and have made the necessary changes to ensure we are operating reserves in line with Charity Commission Guidance and they are reflecting our organisation's needs.

HEALTHWATCH LINCOLNSHIRE LTD

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2019

Designated funds

The Trustees have utilised some of the designated funds during the year and agreed where further designated and unrestricted funds will be allocated for use with future projects, activities or commitments. Details are set out in note 17 to the annual accounts.

Salary policy

To ensure the charity is providing a transparent policy of paying and reviewing its staff, our HR Committee have a HWL Base Salary Structure and annual action plan which sets out the timetable for annual reviews, pay structures, and identify the principles which guide pay decisions.

New financial year – 2019/20

During the application process for the new Healthwatch Lincolnshire contract we were made aware that our current charity structure was at risk due to the link to national branding regulations by Healthwatch England. As a result our Directors and CEO have spent time during mobilisation period for the new contract, agreeing a new identity and revised Articles of Association for our charity. In May 2019 we submitted to the Charities Commission proposed changes to our Articles and a new name HWLincs Ltd. Both were approved in principle and are dependent upon members voting at a Special General Meeting.

Healthwatch 2019/20 – during this year we are focusing on a smaller number of projects which will enable us to work much closer with patients throughout their health journey. To start with we are working on stroke pathways and expect this work to last a minimum of 12 months. Our project plans also include care services, personal health budgets and mental health. Later in the year we will be reviewing previous work such as our GP Appointment project to consider what impact our work has made in Lincolnshire. In addition, we are continuing to develop our volunteer base, create PPG (linked to GP surgeries) Patient Information Toolkit and engaging with the general public throughout the county.

Structure, governance and management

The charity is a company limited by guarantee and is governed by Articles of Association. During the year the Board met 6 times, 4 were planned internal Board meetings and 2 (Feb and Oct) were open public meetings. We have 4 permanent committees that have been given devolved responsibilities (by the Board), these committees include Governance, Finance, HR and Public Experience, each of these committees has a Terms of Reference and met a minimum of 4 times during the year.

In accordance with the new requirement to have a register of persons or entities with significant control over the charity. The Trustees have examined the membership and considered whether any member, trustee, employee or other body has such control. The charity's register has recorded no such party presently existing. The Trustees monitor this on an on-going basis.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

Mr John Bains (Chairman)

Mr David Carmichael OBE

Mrs Barbara Dempster

Mr David Gaskell

Mr Clive Green

Mr Michael Hill

Mrs Julie Judd

(Resigned 6 September 2018)

Mr Paul Martin

Mrs Lyndia Moulder

Mrs Pauline Mountain MBE

Dr Maria Prior (Vice Chairman)

Mr Paul Rhodes

(Appointed 11 May 2018)

Dr Brian Wookey

HEALTHWATCH LINCOLNSHIRE LTD

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2019

At our Annual General Meeting (AGM) on 6 September 2018 held in Stamford, in accordance with our governing documents (see paragraph below for more information), 3 Trustees stood down for election and were duly elected by our members. In addition, 2 Additional Directors were required to stand for election and were duly elected by our members.

The Trustees have the power to co-opt individuals onto the board to fill vacancies which arise. One third of the elected Trustees and all co-opted trustees are required to retire from office at the AGM after the date on which they came into office but may, if they wish, stand for re-election or re-appointment by the members.

The process for the selection and election of Trustees is set down in the charity's articles and bye-laws. Trustees serve for a period not exceeding 3 years but may, if they wish, stand for re-election or re-appointment by the members. The Trustees have the authority to appoint additional Trustees to fill vacancies which arise during the period between AGMs; such additional directors are required to retire from office at the AGM following the date on which they took office and may stand to be elected by the members. Trustees have equal status and authority within the board and no permanent committee has any additional powers that would result in the participants having any additional controls over the charity. The Board has in place Terms of Reference for all permanent committees which sets out the scope of their devolved responsibilities. All final decisions which has either a significant financial or legal requirement of the charity must be approved by the Board.

Details of organisational structure

Day to day operational activities are delivered by the employee team. The Board together with the Chief Executive Officer have set clear lines of decision making, responsibilities and accountability. The employee team includes Partnership and Development Manager, Engagement Officer, Project Officer, Information, Signposting & Safeguarding Officer, Research, Data and Communications Officer, Volunteer Officer and PA to the Board and CEO.


Details of related parties

Payments relating to the trustees are set out in note 8. These relate to reimbursement of expenses specifically travelling expenses. Trustees provide a significant amount of representational support during the year, monthly at Lincolnshire Health and Wellbeing Board, Health Scrutiny and 4 Clinical Commissioning Groups, as well as a number of other one off meetings, across the county and region.

How our activities deliver Public Benefit

All of our activities are open to every resident of Lincolnshire and focus on the improvements, safety and quality of all statutory funded health and care services in Lincolnshire. We also provide a support to residents (signposting) by helping them to navigate the right health and care services to meet their needs.

On behalf of the board of trustees



Mr John Bains (Chairman)

Trustee

Dated: 9 August 2019

HEALTHWATCH LINCOLNSHIRE LTD

INDEPENDENT EXAMINER'S REPORT

TO THE TRUSTEES OF HEALTHWATCH LINCOLNSHIRE LTD

I report on the financial statements of the charity for the year ended 31 March 2019, which are set out on pages 8 to 20.

Respective responsibilities of trustees and examiner

The charity's trustees, who are also the directors of Healthwatch Lincolnshire Ltd for the purposes of company law, are responsible for the preparation of the financial statements. The trustees consider that an audit is not required for this year under section 144(2) of the Charities Act 2011 (the 2011 Act) and that an independent examination is needed. The charity's gross income exceeded £250,000 and I am qualified to undertake the examination being a qualified member of The Institute of Chartered Accountants.

Having satisfied myself that the charity is not subject to audit under company law and is eligible for independent examination, it is my responsibility to:

- (i) examine the financial statements under section 145 of the 2011 Act;
- (ii) to follow the procedures laid down in the general Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act; and
- (iii) to state whether particular matters have come to my attention.

Basis of independent examiner's report

My examination was carried out in accordance with the general Directions given by the Charity Commission. An examination includes a review of the accounting records kept by the charity and a comparison of the financial statements presented with those records. It also includes consideration of any unusual items or disclosures in the financial statements, and seeking explanations from you as trustees concerning any such matters. The procedures undertaken do not provide all the evidence that would be required in an audit and consequently no opinion is given as to whether the financial statements present a 'true and fair view' and the report is limited to those matters set out in the next statement.

Independent examiner's statement

In connection with my examination, no matter has come to my attention:

- (a) which gives me reasonable cause to believe that in any material respect the requirements:
 - (i) to keep accounting records in accordance with section 386 of the Companies Act 2006; and
 - (ii) to prepare financial statements which accord with the accounting records, comply with the accounting requirements of section 396 of the Companies Act 2006 and with the methods and principles of the Statement of Recommended Practice: Accounting and Reporting by Charities;have not been met or
- (b) to which, in my opinion, attention should be drawn in order to enable a proper understanding of the financial statements to be reached.



Tracey Richardson BSc (Hons) FCA
Chartered Accountant

Dated: 13/8/19

HEALTHWATCH LINCOLNSHIRE LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
<u>Income and endowments from:</u>			
Grants receivable	3	306,507	313,409
Income from investments	4	433	128
Other income	5	29,351	1,138
Total income and endowments		336,291	314,675
<u>Expenditure on:</u>			
Expenditure on charitable activities	6	357,920	314,163
Total expenditure		357,920	314,163
Net (expenditure)/income for the year/ Net movement in funds		(21,629)	512
Fund balances at 1 April 2018		336,463	335,951
Fund balances at 31 March 2019		314,834	336,463

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

HEALTHWATCH LINCOLNSHIRE LTD

BALANCE SHEET

AS AT 31 MARCH 2019


	Notes	2019 £	£	2018 £	£
Fixed assets					
Intangible assets	10		-		3,600
Tangible assets	11		973		1,297
Investments	12		1		1
			<u>974</u>		<u>4,898</u>
Current assets					
Debtors	14	25,441		-	
Cash at bank and in hand		366,655		338,736	
		<u>392,096</u>		<u>338,736</u>	
Creditors: amounts falling due within one year	15	(78,236)		(7,171)	
Net current assets			313,860		331,565
Total assets less current liabilities			<u>314,834</u>		<u>336,463</u>
Income funds					
<u>Unrestricted funds - general</u>					
Designated funds	17	140,000		152,900	
General unrestricted funds		174,834		183,563	
		<u>314,834</u>		<u>336,463</u>	

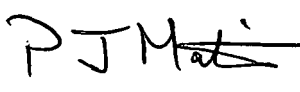
The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2019. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these financial statements.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 9 August 2019 and are signed on its behalf by:


Mr John Bains (Chairman)
Trustee


Mr Paul Martin
Trustee

Company Registration No. 08336116

HEALTHWATCH LINCOLNSHIRE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Charity information

Healthwatch Lincolnshire Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is Unit 12, 1 - 2 North End, Swineshead, Boston, Lincolnshire, PE20 3LR.

1.1 Accounting convention

The accounts have been prepared in accordance with the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The accounts have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the Statement of Recommended Practice for charities applying FRS 102 rather than the version of the Statement of Recommended Practice which is referred to in the Regulations but which has since been withdrawn.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

All grants and voluntary income are included in the Statement of Financial Activities in the year in which they are receivable, except for monies which are for specific periods crossing over the year end.

1.5 Resources expended

All resources expended are accounted for gross, and in the period in which they are incurred. VAT is not recoverable by the charity and as such is included in the relevant costs in the Statement of Financial Activities.

HEALTHWATCH LINCOLNSHIRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Information management patient system	(sold during the year)
---------------------------------------	------------------------

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Office equipment	33% per annum on a straight line basis
Furniture and fixtures	25% per annum on a reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Impairment of fixed assets

At each reporting end date, the charity reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

HEALTHWATCH LINCOLNSHIRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

1.11 Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

HEALTHWATCH LINCOLNSHIRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Grants receivable

	Unrestricted funds general 2019 £	Total 2018 £
Donations and gifts	6,707	13,409
Grants receivable	299,800	300,000
	<u>306,507</u>	<u>313,409</u>
Grants receivable for core activities		
Lincolnshire County Council	299,800	300,000
	<u>299,800</u>	<u>300,000</u>

4 Income from investments

	Unrestricted funds general 2019 £	Total 2018 £
Interest receivable	433	128
	<u>433</u>	<u>128</u>

HEALTHWATCH LINCOLNSHIRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

5 Other income

	Unrestricted funds general 2019 £	Total 2018 £
Net gain on disposal of intangible fixed assets	9,111	-
Other income	20,240	1,138
	<u>29,351</u>	<u>1,138</u>

6 Expenditure on charitable activities

	2019 £	2018 £
Staff costs	257,929	242,081
Depreciation and impairment	324	553
Locality groups and hubs	3,181	1,885
Travel expenses	16,008	20,636
Premises costs	20,327	20,274
Advertising and promotion	12,945	462
Telephone	6,277	5,555
Printing, postage and stationery	7,625	8,682
Computer costs	9,887	2,841
Training costs	355	291
Professional fees	7,539	938
Bank charges	229	224
Other costs	2,113	1,128
	<u>344,739</u>	<u>305,550</u>
Share of governance costs (see note 7)	13,181	8,613
	<u>357,920</u>	<u>314,163</u>

HEALTHWATCH LINCOLNSHIRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

7 Support and governance costs

	Support costs	Governance costs	2019	2018
	£	£	£	£
Legal and professional fees	-	4,654	4,654	-
Board travel costs *	-	583	583	110
Board meeting costs	-	4,576	4,576	4,358
Board training costs	-	836	836	1,499
Independent examiner fees	-	2,532	2,532	2,646
	-	13,181	13,181	8,613
Analysed between				
Charitable activities	-	13,181	13,181	8,613

* This includes travel costs to external meetings as well as board meetings.

8 Trustees

Eight trustees were reimbursed a total of £4,576 (2018 - Nine trustees reimbursed a total of £4,358) for travelling expenses.

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2019 Number	2018 Number
	9	9
Employment costs	2019	2018
	£	£
Wages and salaries	232,909	218,251
Social security costs	18,197	17,473
Other pension costs	6,823	6,357
	257,929	242,081

There were no employees whose annual remuneration was £60,000 or more.

The total amount of employee benefits received by key management personnel is £51,622 (2018 - £49,627). The charity considers its key management personnel comprises of the Chief Executive Officer.

HEALTHWATCH LINCOLNSHIRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

10 Intangible fixed assets

	Information management patient system £
Cost	
At 1 April 2018	3,600
Disposals	(3,600)
	<u> </u>
At 31 March 2019	-
	<u> </u>
Amortisation and impairment	
At 1 April 2018 and 31 March 2019	-
	<u> </u>
Carrying amount	
At 31 March 2019	-
	<u> </u>
At 31 March 2018	3,600
	<u> </u>

11 Tangible fixed assets

	Office equipment £	Furniture and fixtures £	Total £
Cost			
At 1 April 2018	19,244	4,210	23,454
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2019	19,244	4,210	23,454
	<u> </u>	<u> </u>	<u> </u>
Depreciation and impairment			
At 1 April 2018	19,244	2,913	22,157
Depreciation charged in the year	-	324	324
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2019	19,244	3,237	22,481
	<u> </u>	<u> </u>	<u> </u>
Carrying amount			
At 31 March 2019	-	973	973
	<u> </u>	<u> </u>	<u> </u>
At 31 March 2018	-	1,297	1,297
	<u> </u>	<u> </u>	<u> </u>

HEALTHWATCH LINCOLNSHIRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

12 Fixed asset investments

			Other investments
Cost or valuation			
At 1 April 2018 & 31 March 2019			1
			<u>1</u>
Carrying amount			
At 31 March 2019			1
			<u>1</u>
At 31 March 2018			1
			<u>1</u>

	Notes	2019 £	2018 £
Other investments comprise:			
Investments in subsidiaries	22	1	1
		<u>1</u>	<u>1</u>

13 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Other debtors	25,441	-
Bank and cash	366,655	338,736
	<u>392,096</u>	<u>338,736</u>
Measured at cost		
	<u>392,096</u>	<u>338,736</u>
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
Trade creditors	558	3,204
Accruals and deferred income	2,778	2,646
Other creditors	-	900
	<u>3,336</u>	<u>6,750</u>
Measured at cost		
	<u>3,336</u>	<u>6,750</u>

14 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Other debtors	25,441	-
	<u>25,441</u>	<u>-</u>

HEALTHWATCH LINCOLNSHIRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

15 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Deferred income	16	74,900	-
Trade creditors		558	3,204
Other creditors		-	1,321
Accruals and deferred income		2,778	2,646
		<u>78,236</u>	<u>7,171</u>

16 Deferred income

	2019 £	2018 £
Other deferred income	<u>74,900</u>	<u>-</u>

Deferred income consists of the payment for the period April - June 2019 for the Healthwatch Lincolnshire contract that was received in March 2019.

17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2018 £	Movement in funds		Balance at 31 March 2019 £
		Incoming resources £	Resources expended £	
Promotional developments	5,500	-	-	5,500
Structure and support fund	144,000	-	(12,900)	131,100
Informatics and report	3,400	-	-	3,400
	<u>152,900</u>	<u>-</u>	<u>(12,900)</u>	<u>140,000</u>

Promotional developments – these funds are earmarked for the development of seeking host organisations for promotional activities.

Structure and support fund - includes support for the development of a trading arm, contingency for any future grant reduction and other specialist work we identify during the year.

Informatics and reporting - these funds have been designated to source a new information collation and reporting system.

HEALTHWATCH LINCOLNSHIRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

18 Analysis of net assets between funds

	Unrestricted funds £	Designated funds £	Total £
Fund balances at 31 March 2019 are represented by:			
Tangible assets	973	-	973
Investments	1	-	1
Current assets/(liabilities)	173,860	140,000	313,860
	<u>174,834</u>	<u>140,000</u>	<u>314,834</u>

19 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	1,536	1,780
Between two and five years	-	1,536
	<u>1,536</u>	<u>3,316</u>

20 Related party transactions

During the year a donation of £6,707 (2018 - £13,409) was received from HWL Services Limited, a subsidiary company.

Included in other creditors is £nil (2018 - £421) due to HWL Services Limited.

Included in other debtors is £25,441 (2018 - £nil) due from HWL Services Limited

21 Control

No one individual has overall control of the charitable company.

22 Subsidiaries

These financial statements are separate company financial statements for Healthwatch Lincolnshire Ltd.

Details of the charity's subsidiaries at 31 March 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
HWL Services Limited (formerly Healthwatch Lincolnshire Trading Company Limited)	England and Wales	Consultation services	Ordinary	100.00

HEALTHWATCH LINCOLNSHIRE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

22 Subsidiaries

(Continued)

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
HWL Services Limited (formerly Healthwatch Lincolnshire Trading Company Limited)	-	1