

Wiltshire Health and Care LLP

Wiltshire Health and Care LLP

Annual Report and Accounts 2017 to 2018

**Presented to Parliament pursuant to Schedule 7, paragraph
25 (4) (a) of the National Health Service Act 2006**

Ordered by the House of Commons to be printed 5 July 2018



Limited Liability Partnership Registration No. OC399656

Wiltshire Health and Care LLP

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Officers and Professional Advisers

Designated Members

Great Western Hospitals NHS Foundation Trust

Royal United Hospitals Bath NHS Foundation Trust

Salisbury NHS Foundation Trust

Registered Office

Chippenham Community Hospital,
Rowden Hill,
Chippenham,
SN15 2AJ

Independent Auditor

KPMG LLP
66 Queen Square
Bristol
BS1 4BE

Bank

Lloyds Bank plc
Chippenham Branch
PO Box 1000
BS1 1LT

The members are pleased to present their report and the audited financial statements for the year to 31 March 2018

Members' report

Principal Activity

Wiltshire Health and Care LLP is a public benefit entity whose principal activity is the provision of adult community health services across Wiltshire.

Results

The results for the year are an overall breakeven position, as outlined on page 6.

Business Review

The LLP has continued to deliver adult community services for the people of Wiltshire during the financial year 2017/18. This has involved responding to increased demand for services and continuing to improve the way in which community services support the needs of the population. The LLP was assessed as 'Good' by the Care Quality Commission during 2017/18.

2017/18 was the first full year of operational delivery and the LLP continued to break even at the financial year and grew its income base in a sustainable manner related to development of additional commissioned services.

In terms of risks and uncertainties, the LLP's highest strategic risk is related to continued supply of adequate workforce to deliver commissioned services. Whilst overall vacancy levels have reduced during the financial year, there are specific services or geographic areas in which workforce challenges are a risk to sustainable service delivery, in common with similar services in other areas of the country.

Designated Members

The designated members who served during the year and to the date of this report are set out on page 1.

Charitable Donations

The staff made a number of donations during the year, although the LLP itself did not directly contribute.

Policy regarding Members' Drawings and Capital

All contributions of Capital made by a Member shall be recorded by the LLP. No interest shall be payable on any Capital Contribution unless the Members agree otherwise. There have been no contributions made to date.

Should any Member provide any services to the LLP, the Member shall not make any profit on any elements of those services with all risks managed in line with the relevant regulatory framework. Arrangements are subject to periodical review by the Board.

Members' report

In the event that the LLP makes any Profits a reserve shall be formed and will only be divided and converted into a debt to the Members if and when the Board (acting on behalf of the Members) has agreed to distribute those Profits among the Members as per section 8 of the Members Agreement.

The amounts transferred in the year were £0 (2016/17: £0).

Disclosure of information to auditor

The members who held office at the date of approval of this members' report confirm that, so far as they are each aware, there is no relevant audit information of which the LLP's auditor is unaware; and each member has taken all the steps that they ought to have taken as a member to make themselves aware of any relevant audit information and to establish that the LLP's auditor is aware of that information.

Auditor

The independent auditors of WH&C LLP are KPMG LLP.

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Members
and signed on behalf of the Members



Douglas Blair

Managing Director

Registered office address: Chippenham Community Hospital, Rowden Hill, Chippenham, Wiltshire, SN15 2AJ

Statement of members' responsibilities in respect of the Members' report and the financial statements

The members are responsible for preparing the financial statements in accordance with applicable law and regulations and have elected to prepare a Members' Report.

The members are responsible for the maintenance and integrity of the corporate and financial information included on the LLP's website.

The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 require the members to prepare the financial statements for each financial year. Under that law the members have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under Regulation 8 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008 the members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the LLP and of the profit or loss of the LLP for that period. In preparing these financial statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the LLP will continue in business.

Under Regulation 6 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008, the members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP's transactions and disclose with reasonable accuracy at any time the financial position of the LLP and enable them to ensure that its financial statements comply with those regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the LLP and to prevent and detect fraud and other irregularities.

Independent Auditor's report to the members of Wiltshire Health and Care LLP

We have audited the LLP's financial statements ("the financial statements") of Wiltshire Health and Care LLP ('the LLP') for the year ended 31 March 2018 set out on pages 7 to 19. 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 members of the LLP, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as required by Regulation 39 of the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

As explained more fully in the Members' Responsibilities Statement set out on page 4, the members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB'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.

**Independent Auditor's report to the members of Wiltshire Health and Care LLP
(continued)**

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of affairs of the LLP as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, as applied to limited liability partnerships by the Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

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 as applied to limited liability partnerships requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Rees Batley

Rees Batley
Senior Statutory Auditor
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
66 Queen Square,
Bristol,
BS1 4BE,
United Kingdom

Date: 01 June 2018.

**Statement of comprehensive income
For the year ended 31 March 2018**

	Note	2018 £000	2017 £000
Turnover	1	45,228	31,288
Operating Expenses	2	(45,229)	(31,290)
Operating loss		<u>(1)</u>	<u>(2)</u>
Net interest receivable	5	1	2
Profit for the financial year available for discretionary division among members		<u>0</u>	<u>0</u>
Other comprehensive income		0	0
Total comprehensive income		<u>0</u>	<u>0</u>

All results relate to continuing activities.

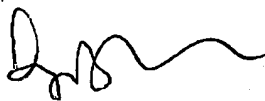
Notes on pages 10 to 17 form part of the financial statements.

**Statement of financial position
As at 31 March 2018**

	Note	2018 £000	2017 £000
Current assets			
Debtors	9	978	459
Cash at bank and in hand	10	2,659	498
		3,637	
Creditors: amounts falling due within one year	11	(2,746)	(957)
Net current assets		891	0
Total assets less current liabilities		891	0
Provisions for liabilities	12	(891)	0
NET ASSETS ATTRIBUTABLE TO MEMBERS		0	0
REPRESENTED BY:			
Equity			
Members' other interests – other reserves classified as equity	13	0	0
TOTAL MEMBERS' INTERESTS		0	0

The financial statements of Wiltshire Health and Care LLP, registered number OC399656, were approved by the Members on 25 May 2018

Signed on behalf of the Members



Douglas Blair
Managing Director

Date: 31st May 2018

Notes on pages 10 to 17 form part of the financial statements.

Statement of cash flows
Year ended 31 March 2018

	2018 £000	2017 £000
Net cash inflow from operating activities	0	0
Profit for the financial year after members profit shares charged as an expense	0	0
Adjustments for:		
Increase in creditors	1,789	957
Increase in debtors	(519)	(459)
Increase in provisions	891	0
Net cash flows from operating activities before transactions with members	2,161	498
Net cash from investing activities	0	0
Net cash from financing activities	0	0
Net increase in cash and cash equivalents	2,161	498
Cash and cash equivalents at 1 April	498	0
Cash and cash equivalents at 31 March	2,659	498

Notes on pages 10 to 17 form part of the financial statements.

Notes to the Financial Statements
Year ended 31 March 2018

1. Accounting policies

The principal accounting policies used in the preparation of the financial statements, which have been consistently applied in the current and preceding financial years, are as follows:

1.1 Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("*FRS 102*") and The Statement of Recommended Practice, 'Accounting by Limited Liabilities Partnerships' with the consideration that the LLP is a public benefit entity. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

Due to the LLP not having recorded any losses or profits, the statement of changes in equity has not been included in the financial statements given that it would not provide any additional information.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the members, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.7.

1.2 Going concern

The LLP is funded by the cash flow that it generates from trading activities and robust working capital management. At 31 March 2018, the LLP had cash reserves of £2.659m.

The Board have considered future trading performance and expenditure for the next twelve months and expects the LLP to operate within its available financial facilities for the foreseeable future. Accordingly the members believe it is appropriate to prepare the financial statements on the going concern basis.

In the event that the LLP expenditure cannot be covered by current, or any agreed adjustments, to Commissioning income the Board shall notify the Members who shall make a decision on the next steps in line with the Members Agreement.

1.3 Turnover

Turnover represents amounts chargeable to customers for services provided during the year excluding Value Added Tax.

**Notes to the Financial Statements
Year ended 31 March 2018**

1. Accounting policies (continued)

1.4 Employee benefits

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable public bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the public body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years".

1.5 Cash and cash equivalents

Cash and cash equivalents comprise all cash balances.

1.6 Financial instruments and financial liabilities

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the LLP's normal sale or usage requirements, are recognised when, and to the extent which, performance occurs, i.e. when receipt or delivery of the goods or services is made. These assets and liabilities are categorised as fair value through income and expenditure and loans and debtors.

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

The LLP's loans and receivables comprise: cash; debtors; and creditors.

**Notes to the Financial Statements
Year ended 31 March 2018**

1. Accounting policies (continued)

1.7 Critical Accounting estimates and judgements

Provisions, including legal claims and restructuring, are considered and reviewed periodically to ensure that it accurately reflects the current position in providing for potential future costs from past events at each balance sheet date. There are £891k provisions at 31 March 2018 (31 March 2017: £0).

Fixed assets would be accounted for as per FRS 102, with the useful lives of property, plant and equipment being reviewed at least annually to assess the impact of usage; anticipated wear and tear; and technical or commercial obsolescence. The assets would be depreciated on a straight-line basis over the determined useful life.

**Notes to the Financial Statements
Year ended 31 March 2018**

2. Total operating expenditure

	2018	2017
	£000	£000
Staff costs (note 4)	273	148
Chair and Non-Executive Costs	38	14
Commissioned Service Costs	44,774	31,048
Other operating charges	144	80
	<u>45,229</u>	<u>31,290</u>

3. Operating profit

	2018	2017
	£000	£000
Operating profit is after charging :		
Auditor's remuneration		
Audit of these financial statements	9	9

**Notes to the Financial Statements
Year ended 31 March 2018**

4. Staff costs and employee information

	2018 £000	2017 £000
Employee costs during the year amounted to:		
Wages and salaries	205	144
Social security costs	23	2
Pension costs (note 13)	25	2
Temporary staff	20	0
	<u>273</u>	<u>148</u>

The staff costs consist entirely of amounts relating to key management personnel. The highest paid role was the Managing Director, the total costs amounting to £148k (2016-17: £118k, PYE 9 months).

Average Headcount Numbers

	2018 No	2017 No
Support staff	4	2
	<u>4</u>	<u>2</u>

5. Net interest receivable

	2018 £000	2017 £000
Bank interest receivable	1	2
Net interest receivable	<u>1</u>	<u>2</u>

6. Members' share of profits

The average number of members during the year was 3 (2016-17: 3).

No profits were distributed to members for the year to 31 March 2018.

7. Members' remuneration charged as an expense

Members did not receive any remuneration in respect to Wiltshire Health and Care LLP.

8. Profit of the Limited Liability Partnership

The profit for the year available for discretionary division among members reflected in the individual profit and loss account of the LLP for the year ended 31 March 2018 was £0 (2016/17: £0).

**Notes to the Financial Statements
Year ended 31 March 2018**

9. Debtors

	2018 £000	2017 £000
Trade debtors	50	174
Accrued Income	928	284
Prepayments	0	1
	978	459

All amounts are due within one year.

10. Cash and cash equivalents

	2018 £000	2017 £000
Cash at bank and in hand	2,659	498

11. Creditors: amounts falling due within one year

	2018 £000	2017 £000
Trade payables	915	4
Other taxes and social security	17	9
Deferred income	444	0
Accruals	1,370	944
	2,746	957

12. Provisions

	Other £000	Total £000
At 1 April 2017	0	0
Arising during the year	891	891
At 31 March 2018	891	891

Other Provisions

Provision has been made for potential additional estates related costs arising from the transfer of properties to NHS Property Services on 1 July 2017.

13. Total members' interests

On the creation of the LLP and during the 12 months to 31 March 2018 no Member made any financial investment into the LLP. Members have not received any revenue or capital remuneration.

**Notes to the Financial Statements
Year ended 31 March 2018**

14. Employee benefits

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows.

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2018 is based on valuation data as 31 March 2017, updated to 31 March 2018 with summary global member and accounting data. In undertaking this actuarial assessment, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account their recent demographic experience), and to recommend contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

**Notes to the Financial Statements
Year ended 31 March 2018**

15. Related parties

Expenditure with Great Western Hospitals NHS Foundation Trust was £42,365k (£30,901k 2016/17 PYE) in respect to community healthcare services provided on behalf of the LLP.

Expenditure with Salisbury NHS Foundation Trust was £152k (£124k 2016/17) in respect to lymphoedema and geriatric services provided on behalf of the LLP

Expenditure with Royal United Hospitals Bath NHS Foundation Trust was £172k (£23k 2016/17) for financial services and dietetics services.

Expenditure with NHS Property Services Ltd was £1,399k (£0k 2016/17) for rent.

Income of £44,907k (£31,082k 2016/17) was received from Wiltshire CCG, £139k (£101k 2016/17) from BANES CCG, £127k (£13k 2016/17) from South Gloucestershire CCG.

Payments were made to NHS Business Services in relation to NHS Pensions of £25k (£3k 2016/17), with tax and NI creditors totalling £23k (£5k 2016/17).

There are no transactions with management.

16. Financial instruments

Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities include:

	2018 £000	2017 £000
Assets measured at fair value through profit or loss	50	174
Liabilities measured at fair value through profit or loss	(932)	(8)
	(882)	166

The LLP has no derivative financial instruments.

17. Events after the reporting period

As of the 1st April 2018 1,031 staff transferred from Great Western Hospitals NHS Foundation Trust to Wiltshire Health and Care LLP.