

2040989

NORTH HERTS HOSPICE CARE
ASSOCIATION

(A Company limited by guarantee
and not having a Share Capital)

REPORT & ACCOUNTS

FOR THE YEAR ENDED

31ST MARCH 2007

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NORTH HERTS HOSPICE CARE ASSOCIATION
(A Company limited by guarantee and not having a Share Capital)

TRUSTEES	MRS. D.G WILLIAMS	Chairman
	(known professionally as DR M B JUDD)	
	MR. J PROCTER	Vice Chairman
	MRS. S O BALL	
	MR. D.R C. HEYMANS	
	MR T S. BENTHAM	
	MRS. M. GUENIER	
	MR. P W WILLMOTT	
	MR G. COOK	
	MR J S BUSH	
SECRETARY	MR. D.R C. HEYMANS	
TREASURER	MR G. COOK	
REGISTERED AUDITORS	S McCOMBIE & CO FIRST FLOOR OFFICES, 99, BANCROFT, HITCHIN, HERTFORDSHIRE.	
BANKERS	YORKSHIRE BANK PLC , 96/97, HERMITAGE ROAD, HITCHIN, HERTFORDSHIRE	
	LLOYDS TSB BANK PLC , 1, BANCROFT, HITCHIN, HERTFORDSHIRE.	
	THE CHARITIES AID FOUNDATION, KINGS HILL, WEST MALLING, KENT	
	NATWEST BANK, STATION PLACE, LETCWORTH GARDEN CITY, HERTFORDSHIRE	
	CARTER MANNING, 5, PAYNES PARK, HITCHIN, HERTFORDSHIRE SG5 1EH.	
HONORARY CHARTERED BUILDING SURVEYORS	GARDEN HOUSE HOSPICE, GILLISON CLOSE, LETCWORTH GARDEN CITY, HERTFORDSHIRE.	
REGISTERED OFFICE		
COMPANY NUMBER	2040989	
REGISTERED CHARITY NUMBER	295257	

NORTH HERTS HOSPICE CARE ASSOCIATION
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REPORT OF THE TRUSTEES

The Association, being a company limited by guarantee and a registered charity, have adopted the practice that the Directors (Council Members) be called Trustees and the Board of Directors (Council of Management) be the Board of Trustees

The Trustees submit their Annual Report and Accounts for the year ended 31st March 2007

Structure, Governance and Management

Governing Document

The Association is a company limited by guarantee incorporated on 25th July 1986 (Company Number 2040989, Registered Office Gillison Close, Letchworth, Herts SG6 1QU) and registered as a charity on 23rd September 1986 (Charity Number 295257 Principal Office Gillison Close, Letchworth, Herts SG6 1QU.) Its Memorandum and Articles of Association govern the Association. In the event of the Association being wound up the members are required to contribute an amount of £1 each

The Trustees comply with objects of, and work within the scope of the powers set out in the Memorandum of Association. The Trustees follow the seven principles of good governance as set out in the Good Governance Code for the Voluntary and Community Sector

Recruitment and Appointment of Trustees

The Board considers trustees for appointment after being duly proposed usually by existing Trustees, associated professionals or staff. Trustees are selected from the membership of the Association. The Trustees seek to ensure that all proposed Trustees enhance the existing committed and diverse body of Trustees and are able to provide the necessary commitment before being elected.

New trustees may be appointed by the existing Trustees but this must be approved by the Association membership at the first AGM following their initial appointment.

The Articles of Association stipulate that one third of the Trustees must retire annually by rotation beginning with those trustees who have been longest in office. Trustees retiring by rotation may offer themselves for re-election at the Annual General Meeting.

No Trustee receives any remuneration for services as a Trustee.

Trustees' Induction and Training

All potential Trustees undergo a period of induction during which they familiarize themselves with all aspects of the Association's work, attend all relevant meetings and identify with their area of particular interest or expertise.

Trustees must receive CRB clearance, provide two referees and must prove their eligibility for Trusteeship.

All existing and potential trustees are issued with a copy of "The Essential Trustee". They have access to national training opportunities specifically for trustees. Links with Trustees from other hospices are fostered and opportunities for training found within the wider hospice movement can be accessed as appropriate. All Trustees have easy access to all policy and report documents relating to the Association's activities. Personal copies of key documents such as the Memorandum and Articles of Association are provided.

Risk Management

The Trustees and senior managers continually review and update all the major risks to which the Association is exposed.

Systems and procedures are promptly established or updated to mitigate new risks as they are identified.

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REPORT OF THE TRUSTEES

Risk Management Continued

All staff and volunteers are required to train to ensure they are familiar with the operating systems of the Association and the risks of the activities in which they are involved

The key threats to the Association and its work are -

- Insufficient income generation to meet rising costs of services
- The recruitment and retention of professional staff
- Frequent changes to the commissioning and contracting system adopted by the NHS
- Competition from other charitable demands especially major disasters worldwide
- The short-term need to raise a capital sum to complete the cornflower project without jeopardizing the revenue income from the local community and other supporters

Organisational Structure

The Trustees meet every six weeks throughout the year. The Senior Managers attend and provide reports for all meetings. Each meeting is arranged so that part of the time can be devoted to work 'in camera' although this is rarely required. Additional meetings are scheduled if/when necessary. Minutes of the previous meeting together with the agenda and relevant papers for the forthcoming meeting are circulated a week in advance. The nine Trustees who are from a variety of backgrounds relevant to the work and management of the Association individually represent the Board on a number of internal forums. These include Quality and Audit, Fundraising, Finance, Building Development, which currently has two sub-forums, and the Hospice Managers and Trustees forum. Three of the Trustees are also directors of the trading subsidiary undertaking.

The Trustees establish the strategic plan and approve policies. A scheme of delegation is in place whereby three senior managers are responsible for the overall day to day management of the organisation and for ensuring that policies are adhered to and plans brought to fruition.

The post holders during the year were

Medical Director	Dr Vivian Lucas
Matron	Mrs Trudy Bunday - retired 21 st January 2007
	Mrs Sally Alford - appointed 25 th June 2007
General Manager	Mrs Jenny Lupton

None of these post holders had any beneficial interest in any contract with the Association during the year other than their contracts of employment.

The Medical Director is a consultant specialist in palliative care medicine, whose role is to select and lead the doctors who provide treatment and care under the hospice's umbrella. He is responsible for maintaining clinical standards, external relationships with professionals in other organizations, and contributing to education and to service planning and development.

The Matron is a qualified and experienced nursing practitioner with expertise in the field of palliative care and management skills. She is responsible for the selection, deployment and professional leadership of all staff providing patient care and family support. This includes the therapists and family support services. She also has a role in maintaining external relationships with other organisations, groups and individuals involved in cancer care, with education and with planning and development. The Matron is also the registered manager for the purpose of maintaining our registration with the Health Commission.

The General Manager is both experienced and accredited through examination. She has overall responsibility for support services, catering, cleaning and maintenance, fundraising, including retail trading and the lottery, administration, accounting, human resources including volunteer recruitment, training and support and the new building project.

NORTH HERTS HOSPICE CARE ASSOCIATION
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REPORT OF THE TRUSTEES

Organisational Structure Continued

She also has a role in maintaining external relationships with other organisations, groups and individuals involved in the funding of specialist palliative care

All three managers together are responsible for the effective and efficient running of the organisation. They attend the Trustees meetings but do not have voting rights. From time to time other members of staff, independent advisers, or experts in various fields are invited to attend meetings for specific purposes to support or facilitate the Trustees' decisions.

The senior managers are supported by 120 staff and 300 volunteers whose contribution is crucial to the success of the charitable work and fundraising. Donated services, in the form of voluntary help, are not reflected in the Statement of Financial Activities as the financial cost borne by the donors is not quantifiable. The Association is an equal opportunities employer.

Activities and Objectives

The North Herts Hospice Care Association exists to provide specialist palliative care, for adults with advanced cancer, motor neurone disease or other terminal illness. Support and care is also offered to the families, friends and colleagues in the Stevenage North Herts and Mid-Beds geographical area.

All treatment and care is offered without discrimination and free of charge.

The Charity provides

- 1 Residential Care: the in patient unit provides specialist palliative care.
- 2 Home Care: Hospice at home nurses provide hands on care in the patient's home. This service is expanding as demand increases.
- 3 Day Care: this operates on three days per week with a 'drop in service' and outpatient clinic on a fourth day. The range and scope of services provided will change with the opening of the Sir Nigel Hawthorne Centre in May 2007.
- 4 Family Support offers a range of services including bereavement counselling, spiritual care and advice.
- 5 Education: the Association provides an education program for hospice staff that is open to all healthcare professionals. The organization supports placements and training for junior staff in all relevant fields. Individual staff members contribute to the training of student nurses, junior doctors and other professionals undertaking training in other fields e.g. General Practice and District Nursing.

Volunteers all complete an induction course appropriate to their area of work.

The Association's objectives are

- Ensuring that all activities are carried out within an appropriate legal, financial, and administrative framework.
- The provision of appropriate resources, staff, buildings and equipment to fulfil the Charity's mission.
- Ensuring that the appropriate monetary resources are available from contracts, direct fundraising and trading to meet the care needs of the hospice patients and their families.
- Ensuring that the resources of the organization are managed and maintained providently.
- Maintaining strategic and operational plans in accordance with the Association's charitable interest.

The principal activities of the subsidiary undertaking are as general merchants, traders and operators of a weekly lottery.

NORTH HERTS HOSPICE CARE ASSOCIATION
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REPORT OF THE TRUSTEES

Achievements and Performance

To achieve the organisational goals the Trustees together with the senior managers supported with help and advice from management consultants carried out a situational analysis and risk assessment and then developed and adopted a five-year business plan spanning the calendar years 2004-2008

A review of progress for year two was carried out in October 2006 The following targets were reviewed -

1 To maintain high quality hospice and allied services -

- a) Maintain Investors in People recognition -
Initial Investors in People health check undertaken for the subsidiary trading company
Decision taken not to continue.
- b) Complete Quality by Peer Review action plan -
Action plan updated
Achieved
- c) Implement pilot for clinical supervision -
Awareness sessions and a training day for supervisors took place
Ready for implementation early 2007.
- d) Develop standards in all services -
Programme of education sessions for Team Leaders on standard setting completed
First standard for each hospice team completed December 2006
Two further standards for each hospice team to be completed in 2007.
- e) Liverpool Care Pathway -
Implementation January 2006
Achieved
- f) Establish user involvement -
Engaged with users throughout 2006
Ongoing

2 To maintain level of funding required to support hospice services -

Develop Public Relations post
Develop post in early 2007
Achieved maintenance level of funding
Ongoing.

3 To establish a website for all aspects of the Association -

Being developed
To be operational and live January 2007

4 To explore expanding hospice services in the community -

- a) Support (non financial) for recognition from the Acute Trust for a specialist palliative care pharmacist -
Achieved.

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REPORT OF THE TRUSTEES

Achievements and Performance Continued .

- b) Introduction of volunteers into Hospice at Home -
Achieved.
- 5 To introduce -
 - a) Reiki into practice
Implemented March 2006
Achieved
Two in house education sessions delivered
 - b) Volunteer Therapists
Role Profiles established for potential volunteers
Achieved
- 6 To establish a Human Resources post and prioritise key tasks -

Human Resources Manager appointed January 2006 - priorities established
 - a) Issuing new contracts and supporting policies across the organization -
Some policies adopted
Work in progress.
 - b) Implement the Key Skills Framework -
Following the resignation of the Quality and Practice Development Facilitator in the early Autumn this awaits the new facilitator taking up post in January 2007.
 - c) Recruitment and retention policy -
Achieved - including new supporting documentation.
 - d) Formalise consultant cover -
Achieved
Pilot year being evaluated June 2007.
- 7 To complete Phase 1 of the Cornflower project -

Phase 1 – Sir Nigel Hawthorne Centre has commenced
Achieved
Completed March 2007, occupied May 2007.
- 8 Family Support Team to -
 - a) Evaluate Bereavement Service -
Meeting held with Team Leaders
Timescale for recommendations to be set following further discussions with Hospital Management Team.
 - b) Develop a Family Support Services leaflet -
Completion June 2007.
- 9 To explore the development of establishing a breathlessness clinic at Garden House Hospice -
Out patient clinics to be included in the review of Day Hospice Services
- 10 To review support mechanisms available to the Hospice Team -
Survey completed and analysis currently being undertaken.

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REPORT OF THE TRUSTEES

Achievements and Performance Continued.

- 11 To formalise Garden House Hospice as the first point of contact for out of hours advice/support across North Herts -
Achieved - first months audit carried out.
- 12 To develop a more formalised programme specifically looking at carers' needs -
Family Support Team looking at assessing carers' needs – implementing tool June 2007
Review again in April 2007
- 13 To establish a contract for continuing care funding for hospice services -
Ongoing.
- 14 To develop an environmental policy -
Meeting for the Association's wide team members to be organised early 2007.
- 15 To explore the implications of:-
 - a) Assisted Dying Bill
Debate held jointly with Isabel Hospice Position statement was to be developed
Bill did not go through, statement not needed.
 - b) Mental Capacity Act -
Effective April 2007
Paper on implications of the act has been circulated
Advanced Directive / Living Will policy
Work in progress.
- 16 To promote a corporate image and culture across the Association -
 - a) Human Resources' policies and procedures being developed
Ongoing
 - b) Attendance on induction course
New staff members of the subsidiary trading company attending induction courses
Introduction to Hospice sessions planned for the subsidiary trading company
volunteers in 2007.
 - c) Moving and handling training sessions across the Association
Achieved
 - d) Use of Distribution Centre for training purposes
Achieved
 - e) Cross working between Fundraising Team of the Association and Lottery Office of the subsidiary trading company
Ongoing – progress being achieved
- 17 Work towards team leaders having a delegated level of budgetary control
Implemented where appropriate

Following this review, objectives for the third year of the plan have been established containing 19 targets each of which have been allocated to a lead person responsible for achieving a result within an agreed timescale Progress should be reviewed at the end of year 3, October 2007

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REPORT OF THE TRUSTEES

Financial Review

(a) Association

The local Primary Care Trusts (PCT's) continue to provide a substantial part of the funding required by the Association. However, it is only with the continued support of the public, through donations, grants, attending fund-raising events and sales through the subsidiary undertaking, that a positive financial outcome for the year resulted, with a net increase in unrestricted general funds of £231,339.

In line with the Trustees' objectives of providing increased and appropriate facilities by extending the building on its present site, an appeal was launched in the previous year called the "Cornflower Appeal". Donations of £635,474 were received during the year which, with interest of £49,556 and donations received in the previous years of £1,130,655, enabled the first stage of a phased building programme, a purpose built day hospice, outpatient facilities and education centre, to be completed at a cost of £1,774,903.

Principal Funding Sources

The principal funding sources for the Association are -

- Contracts with East and North Herts Primary Care Trust and Bedfordshire Heartlands Primary Care Trust. Overall the core funding increased by 3.5% from East and North Herts Primary Care Trust and 3% from Bedfordshire Heartlands Primary Care Trust. The percentage increase from East and North Herts Primary Care Trust was the same as the previous year, whereas there was an 0.08% decrease in the funding from Bedfordshire Heartlands Primary Care Trust.
- Donations and grants. Restricted donations decreased by £83,651. Unrestricted donations and grants, including legacies, increased by £19,417. This included a decrease in legacies of £84,658, and increases in general donations of £91,524 and grants of £12,551.
- Fund raising events. These increased during the year by £14,565.
- A deed of covenant from the subsidiary undertaking. The subsidiary provides much needed support with an increase in the deed of covenant of £47,370 to £316,811.
- Investment income increased due to monies being collected in respect of the "Cornflower Appeal" and being placed in commercial investment funds that are fairly easily accessible.

Principal Items Expended

The cost of providing charitable services in the form of in-patient care, day hospice and hospice at home services continued to absorb the majority of funds expended.

Overall resources expended by the Association increased by £65,956, an increase of 3.8% as compared to the previous year.

The main increase has been in staff costs.

All costs have been managed and controlled and were within or close to predetermined limits.

(b) Subsidiary Undertaking

An overall increase in turnover together with a reduction in costs resulted in an overall profit for the year of £316,811 which was covenanted to the Association.

The subsidiary undertaking turnover and profits from shop trading increased whereas the lottery turnover and profits decreased.

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Financial Review Continued

The directors of the subsidiary undertaking are aware of the loss of lottery members and are reviewing and planning how to address the problem

The Trustees are satisfied with the results, state of affairs and reserves of the Association and the subsidiary undertaking

Investment Policy

The Association has established a reserves policy whereby unrestricted funds are maintained at a certain level, whilst restricted funds are retained and used as specified

Having considered the investment options available and the future plans for the restricted funds and excess unrestricted funds, the Trustees have decided to retain surplus funds in commercial investment funds that are fairly easily accessible

Reserves Policy

The Association relies upon funding from its contracts with East and North Herts Primary Care Trust and Bedfordshire Heartlands Primary Care Trust and on its investments, donations, legacies, fundraising and net income from its subsidiary undertaking to fund its charitable activities

Funds are regarded as

- Unrestricted funds, although various contributions have been designated, are to be used in the provision of services for which the charity has been established

The Trustees consider the general unrestricted funds to be available for -

Four to five months' running costs of the Hospice, together with reserves for contingencies and unexpected problems estimated at £800,000

And therefore approximately £1,800,000 are regarded as freely available

- Restricted funds, where the use has been specified by the donor or raised for a particular restricted purpose, such as the new extension to the building

The position on reserves continues to be closely monitored by the Trustees

The Trustees, at the balance sheet date had authorized capital expenditure of £1,341,526, excluding professional fees. The "Cornflower Appeal" continues and significant funds have been raised towards the authorized capital expenditure. A successful application has also been made for a grant of £500,000 towards the authorized capital expenditure. Should there be any shortfall in raising the funds for the capital expenditure, this would be accounted for from freely available unrestricted funds, although while the "Cornflower Appeal" continues, no funds have been designated

Plans for Future Periods

These will focus on

- Maintaining high quality hospice and allied services
- Maintaining the level of funding required to support the hospice services and associated charitable work. In particular the opportunity for raising further funds by increasing membership of the subsidiary undertaking's lottery will be explored

NORTH HERTS HOSPICE CARE ASSOCIATION
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REPORT OF THE TRUSTEES

Plans for Future Periods Continued...

- Completing Phase 2 of the building programme which commenced in May 2007 and is expected to be completed in March 2008 and developing the plans for Phases 3/4, which will complete the refurbishment and upgrading of facilities in the remainder of the old building
- Planning for the closure of the Cornflower Appeal when sufficient funds have been collected
- Fully implementing the annual calendar of Board reports for Governance purposes

The Trustees have approved a business plan for year 3 (calendar year 2006) which sets 19 objectives in addition to the outstanding work from year 2 (calendar year 2005) and the ongoing goals of the Association

Trustees

The Trustees who served during the year were -

Mrs D G Williams (known
professionally as Dr M B Judd)
Mr D R C Heymans
Mrs S O Ball
Mr P W Willmott

Mr T S Bentham
Mr J Procter
Mrs M Guenier
Mr G Cook
Mr J S Bush

In accordance with Article 39 of Association the following retire by rotation at the Annual General Meeting and being eligible offer themselves for re-election -

Mrs D G Williams (known professionally as Dr M B Judd), Mr D R C Heymans and
Mrs M Guenier

Trustees' Interest in the Shares of the Association

The Association is a company limited by guarantee and not having a Share Capital, therefore the Trustees have no financial interest other than the extent of the limited guarantee as denoted in the Memorandum of Association of the Association

Trustees' Insurance

The Association maintains insurance in respect of the Trustees and officers at a cost of £1,260 regarding their duties on behalf of the Association

Market Value of Long Leasehold Land and Buildings

The Trustees consider that the market value of the long leasehold land and buildings is approximately the same as the recorded book value

Fixed Assets

The Trustees continue to enhance and maintain the facilities available to patients, their families and staff

During the year the first stage of a phased building programme was completed, comprising a purpose built day hospice, outpatient facilities and education centre "The Sir Nigel Hawthorne Centre" at a cost of £1,774,903

There were no additions to fixed assets held by the subsidiary undertaking

NORTH HERTS HOSPICE CARE ASSOCIATION
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REPORT OF THE TRUSTEES

Trustees' Responsibilities

The Trustees are responsible for preparing the Trustees' report and accounts in accordance with applicable law and regulations

Company law requires the Trustees to prepare accounts for each financial year. Under that law the Trustees have elected to prepare the accounts in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law)

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

- Select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the accounts on a going concern basis unless it is inappropriate to presume that the charity will continue in business

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and the group and which enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

In so far as the Trustees are aware

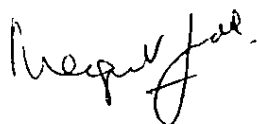
there is no relevant audit information of which the company's auditors are unaware, and

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

Auditors

The Auditors, Messrs S McCombie & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985

This report has been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (issued in March 2005)



Signed on behalf of the Board of Trustees
Mrs D G Williams (known professionally
as Dr M B Judd)

Trustee

Approved by the Board on 10th September 2007

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NORTH HERTS HOSPICE CARE ASSOCIATION
(A Company limited by guarantee and not having a Share Capital)

We have audited the accounts of North Herts Hospice Care Association for the year ended 31st March 2007 which comprise the Consolidated Statement of Financial Activities (incorporating a Consolidated Income and Expenditure Account), Charity Statement of Financial Activities (incorporating an Income and Expenditure Account), Consolidated and Charity Balance Sheets, Consolidated Statement of Cash Flows, and related notes

These Accounts have been prepared under the historical cost convention and the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of trustees and auditors

The trustees (who are also directors of North Herts Hospice Care Association, for the purpose of company law) have responsibilities for preparing the Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and International Standards on Auditing (U K and Ireland)

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees' Annual Report is not consistent with the accounts, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed

We read other information contained in the Trustees' Annual Report, and consider whether it is consistent with the audited accounts

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the accounts. Our responsibilities do not extend to any other information

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (U K and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the trustees in the preparation of the accounts, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
NORTH HERTS HOSPICE CARE ASSOCIATION
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Opinion

In our opinion

- The information given in the Trustees' Report for the financial year ended 31st March 2007 is consistent with the accounts
- The accounts give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the group and charity's affairs as at 31st March 2007 and of the group's and charity's incoming resources and application of resources including the income and expenditure accounts for the year then ended and
- The accounts have been properly prepared in accordance with the Companies Act 1985



S McCombie & Co
Chartered Accountants and Registered Auditors,
First Floor Offices,
99, Bancroft,
Hitchin,
Hertfordshire

Dated 10th September 2007

NORTH HERTS HOSPICE CARE ASSOCIATION
(A Company limited by guarantee and not having a Share Capital)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating a Consolidated Income and Expenditure Account)

FOR THE YEAR ENDED 31ST MARCH 2007

	<u>Note</u>	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>2007</u>	<u>2006</u>
Incoming Resources					
Incoming resources from generated funds.					
<i>Voluntary Income</i>					
Donations and grants	5	604,691	638,378	1,243,069	1,307,303
<i>Activities for generating funds</i>					
Shop income and fund-raising sales		1,060,176	-	1,060,176	1,033,422
Fund-raising events		97,520	-	97,520	82,955
Investment income		118,712	49,556	168,268	140,211
Incoming resources from Charitable activities:					
<i>Funding</i>					
East & North Herts PCT's and Bedfordshire Heartlands PCT		786,396	-	786,396	746,765
Network funding grants		63,000	-	63,000	84,520
Other operating income		<u>12,978</u>	-	<u>12,978</u>	<u>13,064</u>
Total incoming resources		<u>£2,743,473</u>	<u>687,934</u>	<u>3,431,407</u>	<u>3,408,240</u>
Resources Expended					
Cost of generating funds					
<i>Costs of generating</i>					
Commercial activities	6	739,742	-	739,742	751,016
Donations and grants	6	83,894	2,332	86,226	78,533
Income from fund-raising	6	30,567	24	30,591	28,060
Charitable activities	6	1,638,743	4,880	1,643,623	1,590,983
Governance costs	6	<u>19,188</u>	<u>3,749</u>	<u>22,937</u>	<u>19,845</u>
Total resources expended		<u>2,512,134</u>	<u>10,985</u>	<u>2,523,119</u>	<u>2,468,437</u>
Net incoming resources before Transfers (Net income for the year)		231,339	676,949	908,288	939,803
Transfers between funds		<u>1,774,903</u>	<u>(1,774,903)</u>	-	-
Net movement in funds		<u>2,006,242</u>	<u>(1,097,954)</u>	<u>908,288</u>	<u>939,803</u>
Total funds brought forward		<u>3,162,238</u>	<u>1,147,565</u>	<u>4,309,803</u>	<u>3,370,000</u>
Total funds carried forward		<u>£5,168,430</u>	<u>49,611</u>	<u>5,218,091</u>	<u>4,309,803</u>

NORTH HERTS HOSPICE CARE ASSOCIATION
(A Company limited by guarantee and not having a Share Capital)
CHARITY STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)

FOR THE YEAR ENDED 31ST MARCH 2007

	<u>Note</u>	<u>Unrestricted Funds</u>	<u>Restricted Funds</u>	<u>2007</u>	<u>2006</u>
Incoming Resources					
Incoming resources from generated funds					
<i>Voluntary income</i>					
Donations and grants	5	604,691	638,378	1,243,069	1,307,303
<i>Activities for generating funds</i>					
Commercial trading activities	10	316,811	-	316,811	269,441
Fund-raising sales		10,854	-	10,854	11,615
Fund-raising events		97,520	-	97,520	82,955
Investment income		103,443	49,556	152,999	134,202
Incoming resources from Charitable activities					
<i>Funding</i>					
East and North Herts PCT's and Bedfordshire Heartlands PCT		786,396	-	786,396	746,765
Network funding grants		63,000	-	63,000	84,520
Other incoming resources					
Administration fees		21,016	-	21,016	20,423
Total incoming resources		<u>2,003,731</u>	<u>687,934</u>	<u>2,691,665</u>	<u>2,657,224</u>
Resources expended					
Cost of generating funds					
<i>Costs of generating</i>					
Donations and grants	6	83,894	2,332	86,226	78,533
Income from fund-raising	6	30,567	24	30,591	28,060
Charitable activities	6	1,638,743	4,880	1,643,623	1,590,983
Governance costs	6	19,188	3,749	22,937	19,845
Total resources expended		<u>1,772,392</u>	<u>10,985</u>	<u>1,783,377</u>	<u>1,717,421</u>
Net incoming resources before Transfers (Net income for the year)					
		231,339	676,949	908,288	939,803
Transfers between funds		<u>1,774,903</u>	<u>(1,774,903)</u>	-	-
Net movement in funds		<u>2,006,242</u>	<u>(1,097,954)</u>	<u>908,288</u>	<u>939,803</u>
Total funds brought forward		<u>3,162,238</u>	<u>1,147,565</u>	<u>4,309,803</u>	<u>3,370,000</u>
Total funds carried forward		<u>£5,168,480</u>	<u>49,611</u>	<u>5,218,091</u>	<u>4,309,803</u>

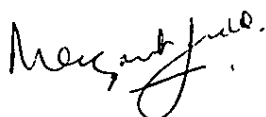
The statement of financial activities includes all gains and losses in the year All incoming resources and resources expended derive from continuing activities

NORTH HERTS HOSPICE CARE ASSOCIATION
(A Company limited by guarantee and not having a Share Capital)

CONSOLIDATED BALANCE SHEETS AS AT 31ST MARCH 2007

	<u>NOTE</u>	<u>2007</u> <u>Group</u>	<u>2006</u> <u>Group</u>	<u>2007</u> <u>Charity</u>	<u>2006</u> <u>Charity</u>
<u>FIXED ASSETS</u>					
Tangible Assets		2,505,973	739,948	2,505,515	739,032
Investments	10	-	-	100	100
		<u>2,505,973</u>	<u>739,948</u>	<u>2,505,615</u>	<u>739,132</u>
<u>CURRENT ASSETS</u>					
Stocks	11	24,660	18,499	-	-
Debtors	12	287,847	311,262	611,403	589,665
Cash at Bank and in Hand		<u>2,965,218</u>	<u>3,566,665</u>	<u>2,473,259</u>	<u>3,147,268</u>
		<u>3,277,725</u>	<u>3,896,426</u>	<u>3,084,662</u>	<u>3,736,933</u>
<u>CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR</u>					
Other Creditors	13	<u>416,681</u>	<u>326,571</u>	<u>223,260</u>	<u>166,262</u>
<u>NET CURRENT ASSETS</u>		<u>2,861,044</u>	<u>3,569,855</u>	<u>2,861,402</u>	<u>3,570,671</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>5,367,017</u>	<u>4,309,803</u>	<u>5,367,017</u>	<u>4,309,803</u>
<u>PROVISION FOR LIABILITIES AND CHARGES</u>					
Other provisions	14	<u>148,926</u>	-	<u>148,926</u>	-
<u>NET ASSETS</u>		<u>£5,218,091</u>	<u>£4,309,803</u>	<u>£5,218,091</u>	<u>£4,309,803</u>
<u>FUNDS</u>					
Unrestricted Funds					
General		2,665,859	2,428,282	2,665,859	2,428,282
Designated		<u>2,502,621</u>	<u>733,956</u>	<u>2,502,621</u>	<u>733,956</u>
		5,168,480	3,162,238	5,168,480	3,162,238
Restricted Funds		<u>49,611</u>	<u>1,147,565</u>	<u>49,611</u>	<u>1,147,565</u>
		<u>£5,218,091</u>	<u>£4,309,803</u>	<u>£5,218,091</u>	<u>£4,309,803</u>

These accounts were approved by the Board on 10th September 2007 and signed on its behalf by



Mrs D G Williams
(known professionally
as Dr M B Judd)
Trustee
10th September 2007

NORTH HERTS HOSPICE CARE ASSOCIATION
(A Company limited by guarantee and not having a Share Capital)

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED
31ST MARCH 2007

	<u>NOTE</u>	<u>2007</u>	<u>2006</u>
<u>NET CASH INFLOW FROM</u> <u>OPERATING ACTIVITIES</u>	20	<u>1,007,373</u>	<u>761,499</u>
<u>RETURN ON INVESTMENTS</u> <u>AND SERVICING OF FINANCE</u>			
Interest received		<u>168,268</u>	<u>140,211</u>
NET CASH INFLOW FROM RETURNS ON INVESTMENTS		<u>168,268</u>	<u>140,211</u>
<u>CAPITAL EXPENDITURE</u>			
Payments to acquire tangible fixed assets		<u>(1,777,088)</u>	<u>(14,825)</u>
NET CASH (OUTFLOW) FROM CAPITAL EXPENDITURE		<u>(1,777,088)</u>	<u>(14,825)</u>
<u>(DECREASE)/INCREASE IN CASH AND</u> <u>CASH EQUIVALENTS</u>	22	<u>£(601,447)</u>	<u>£886,885</u>

NORTH HERTS HOSPICE CARE ASSOCIATION
(A Company limited by guarantee and not having a Share Capital)

CONSOLIDATED NOTES TO THE ACCOUNTS FOR THE YEAR ENDED
31ST MARCH 2007

1. OBJECTIVE

To provide hospice care within the geographical area of North Herts, Stevenage and part of Mid Beds

2 STATUS AND BASIS OF ACCOUNTING

Status

- North Herts Hospice Care Association is a Company limited by guarantee, without a share capital
- It is a registered Charity and, as such, is not liable for corporation tax on its investment income, nor any other income derived from carrying out the charitable objective of the Company

Basis of Accounting

- The Accounts have been prepared under the historical cost convention
- The Accounts have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" published in March 2005 and applicable accounting standards Any material departure from applicable accounting standards are described below
- The Accounts have been prepared on an accruals basis
- The Association has dispensed with the requirement to produce an Income and Expenditure Account or Group Income and Expenditure Account as required under the Companies Act as the Statement of Financial Activities required under the Statement of Recommended Practice "Accounting and Reporting by Charities" is identical The Statement of Financial Activities and the amended format is a departure from the Companies Act 1985, but has been made to reflect headings which are relevant to the Association's activities and to show a true and fair view

3 ACCOUNTING POLICIES

• **Group Accounts**

The accounts consolidate the results of the charity and its wholly owned subsidiary undertaking Garden House Hospice Trading Limited, which is a trading entity to raise funds for the charity itself

The accounts consolidate the results of the charity and its wholly owned subsidiary undertaking on a line by line basis As the subsidiary undertaking carries out no charitable activities all its costs are included as "costs of commercial activities "

• **Donations, Legacies and Similar Incoming Resources**

Donations and similar incoming resources are included in the year in which they are receivable, which is when the charity becomes entitled to the resource Income tax recoverable on individual gifts and donations is included as part of the gift or donation Legacies are only included on a received basis as further distributions from the administrators of the estates cannot always be quantified by the Trustees

• **Primary Care Trust Funding**

Primary Care Trust Funding fees are credited to the Statement of Financial Activities in the year in which they are receivable

• **Shop Income, Fund-raising Sales and Lottery Income**

Income from the commercial activities of operating shops, fund-raising sales and lottery are included in the year in which the group is entitled to receipt

NORTH HERTS HOSPICE CARE ASSOCIATION
(A Company limited by guarantee and not having a Share Capital)

CONSOLIDATED NOTES TO THE ACCOUNTS FOR THE YEAR ENDED
31ST MARCH 2007

3 ACCOUNTING POLICIES Continued ..

• **Investment Income and Rental Income**

Income from investments and from rental is included in the Statement of Financial Activities in the year in which it is receivable

• **Fundraising**

All income from fundraising events completed in the year are included

• **Grants**

Grants, where related to specific deliverables are included once the performance has been considered completed. Where income is received in advance of performance its recognition is deferred and included in creditors. Where entitlement occurs before income is received the income is accrued

• **Expenditure**

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities

• **Value Added Tax**

The Association does not provide services which fall within the scope of the Value Added Tax Regulations and is, therefore, unable to reclaim input tax. Value Added Tax on capital expenditure is written off to the Statement of Financial Activities and is not capitalised. Value Added Tax on resources expended is included within the expense in the Statement of Financial Activities

• **Depreciation**

Individual fixed assets costing £1,000 or more are capitalised at cost. The costs of converting the Letchworth Hospital into the Garden House Hospice together with extensions completed in 1994 and 2007 have been capitalised. The buildings are maintained, as a matter of policy, by a programme of repair such that the residual values of the buildings taken as a whole are at least equal to the book value. Having regard to this it is the opinion of the Trustees that depreciation of any such property as required by the Companies Act 1985 and the accounting standards would be insignificant. Any permanent diminution in value of such buildings would be charged to the Statement of Financial Activities as appropriate. Depreciation is provided on all other tangible fixed assets on a straight line basis and is calculated to write off the cost over the anticipated economic life as follows -

Charity

Portakabins, Furniture & Fittings	- Over five years
Office Equipment	- Over five years
Motor Vehicle	- Over three years

Subsidiary

Motor Vehicle	- Over five years
Equipment	- Over five years
Fixtures & Fittings	- Over ten years
Improvements to short-term	
Leasehold land and buildings	- Over the lease term

NORTH HERTS HOSPICE CARE ASSOCIATION
(A Company limited by guarantee and not having a Share Capital)

CONSOLIDATED NOTES TO THE ACCOUNTS FOR THE YEAR ENDED
31ST MARCH 2007

3. ACCOUNTING POLICIES Continued

• **Subsidiary Continued ..**

Depreciation has been charged against the following Funds -

Portakabins, Furniture & Fittings - Charity	- Designated Fund/Restricted Fund
Office Equipment	- General Fund
Motor Vehicles	- General Fund
Fixtures, & Fittings	- General Fund
Improvements to short-term	
Leasehold land and buildings	- General Fund

• **Investment**

Fixed asset investment is stated at cost, less, where it is considered appropriate, provision for any permanent diminution in value

• **Stocks**

Stocks are stated at cost

• **Pension Scheme Arrangements**

Charity

The Association operates and contributes to the following defined Pension Schemes -

- To the National Health Service Superannuation Pension Scheme on behalf of those employees who are members of the Scheme
- To a scheme managed by Standard Life in respect of those employees who are not entitled to be members of the National Health Superannuation Pension Scheme

All employees are entitled to join one of the schemes provided they contribute a minimum of 1% of salary

Subsidiary

The subsidiary operates and contributes to a defined contribution pension scheme for those employees who wish to participate Contributions in respect of the Company's defined contribution pension scheme are charged to the profit and loss account for the year in which they are payable to the scheme

All employees are entitled to join the scheme provided they contribute a minimum of 1% of salary

• **Leasing commitments**

Rentals paid under operating leases are charged to income on a straight-line basis over the lease term

• **Intangible Income**

The Association receives donated services in the form of voluntary help This is not reflected in the Statement of Financial Activities as the financial cost borne by the donors are not quantifiable

NORTH HERTS HOSPICE CARE ASSOCIATION
(A Company limited by guarantee and not having a Share Capital)
CONSOLIDATED NOTES TO THE ACCOUNTS FOR THE YEAR ENDED
31ST MARCH 2007

3 ACCOUNTING POLICIES Continued....

• **Fund Accounting**

Funds held by the Association are either -

Unrestricted general funds

These are funds which can be used in accordance with the charitable objects at the discretion of the Trustees

Designated funds

These are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects together with funds transferred from restricted funds when no restriction is considered to remain

Restricted Funds

These are funds that can only be used for particular restricted purposes within the objects of the Association. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes

Further explanations of the nature and purpose of each fund is included in Note 23

4 INCOMING RESOURCES

Incoming resources represent funds received by the group from various sources and are attributed to one of the functional categories of incoming resources in the Statement of Financial Activities. All incoming resources are attributable to the one continuing activity of the Association and its subsidiary undertaking and are wholly derived in the United Kingdom

5 DONATIONS AND GRANTS

	<u>Unrestricted</u>	<u>Restricted</u>	<u>2007</u>	<u>2006</u>
Donations, grants, covenanted income and similar income	493,207	638,378	1,131,585	1,123,712
Legacies	92,684	-	92,684	177,342
Charitable foundations	18,800	-	18,800	6,249
	<u>£604,691</u>	<u>638,378</u>	<u>1,243,069</u>	<u>£1,307,303</u>

NORTH HERTS HOSPICE CARE ASSOCIATION
(A Company limited by guarantee and not having a Share Capital)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED
31st MARCH 2007

6. TOTAL RESOURCES EXPENDED

	Basis of Allocation	Commercial Activities	Donations & Grants	Fund-raising	Charitable Activities				2006	
					Inpatient Care	Hospice/ Out Patients	Hospice at Home	Governance		
Costs directly allocated to Activities										
Staff costs	time/direct	243,392	66,145	12,145	1,173,873	159,890	115,010	17,717	1,788,172	1,719,517
Cost of sales and services	direct	119,261	16,892	16,565	49,900	5,812	2,522	-	210,952	221,338
Travel	direct	8,460	-	-	6,800	829	664	-	16,753	19,407
Audit and accountancy	usage	5,010	343	122	5,315	719	509	92	12,110	9,626
Support costs allocated to Activities										
Hire of land, buildings and equipment	usage/area	242,655	-	-	-	-	-	-	242,655	256,915
Premises costs	area	88,739	1,608	1,218	60,977	7,510	5,961	5,037	171,050	168,799
Communications	usage	20,007	-	-	22,577	2,753	2,203	-	47,540	45,030
Legal & professional	usage	3,369	84	83	2,597	317	254	-	6,704	2,780
Audit and accountancy	usage	5,010	343	122	5,316	719	509	91	12,110	9,626
Depreciation	usage	458	310	311	6,827	1,902	238	-	10,046	12,572
Loss on disposal of fixed assets	usage	-	25	25	738	203	25	-	1,016	-
Bank charges	usage	3,375	-	-	127	15	12	-	3,529	2,827
Other interest payable	usage	6	476	-	-	-	-	-	482	-
		£739,742	86,226	30,591	1,335,047	180,669	127,907	22,937	2,523,119	2,468,437

(22)

NORTH HERTS HOSPICE CARE ASSOCIATION
(A Company limited by guarantee and not having a Share Capital)

CONSOLIDATED NOTES TO THE ACCOUNTS FOR THE YEAR ENDED
31ST MARCH 2007

6. TOTAL RESOURCES EXPENDED Continued

	<u>2007</u>	<u>2006</u>
Included in total resources expended		
Depreciation owned assets	£10,046	£12,572
Auditor's remuneration		
Audit fees	£12,110	£9,626
Accountancy, taxation and other services	£12,110	£9,626
Operating lease charges		
Hire of vehicles and equipment	£14,062	£20,726
Hire of land and buildings	<u>£228,593</u>	<u>£236,612</u>

7 STAFF COSTS AND NUMBERS

Salaries and Wages	1,572,452	1,521,106
Social security costs	119,130	105,608
Pension costs	<u>94,589</u>	<u>92,803</u>
	<u>£1,786,171</u>	<u>£1,719,517</u>

The average weekly number of employees calculated on a full time equivalent basis, analysed by function

Cost of generating donations and grants	4	4
Costs of generating income from fund-raising	25	24
Charitable activities	84	77
Governance	<u>1</u>	<u>1</u>
	<u>114</u>	<u>106</u>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year were as follows -

£70,001 - £80,000	-	1
£90,001 - £100,000	<u>1</u>	<u>-</u>
	<u>1</u>	<u>1</u>

Pension costs for higher paid staff	<u>£12,834</u>	<u>£12,000</u>
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The Trustees provide their services voluntarily and are not included in the above analysis

The three directors of the subsidiary undertaking provide their services voluntarily and are not included in the above analysis

	<u>2007</u>	<u>2006</u>
Pensions costs		
Total Pension costs charged to net incoming resources for the year	<u>£94,589</u>	<u>£92,803</u>
Contributions outstanding, included under creditors due within one year	<u>£7,174</u>	<u>£4,720</u>
Number of staff to whom retirement benefits are accruing under defined contributions schemes	<u>£57</u>	<u>£54</u>

NORTH HERTS HOSPICE CARE ASSOCIATION
(A Company limited by guarantee and not having a Share Capital)
CONSOLIDATED NOTES TO THE ACCOUNTS FOR THE YEAR ENDED
31ST MARCH 2007

8. SHOP INCOME, FUND-RAISING SALES, LOTTERY INCOME
AND RELATED EXPENDITURE

	<u>North Herts Hospice Care Association</u>	<u>Charitable Trading</u>	<u>Total Activities 2007</u>	<u>Total Activities 2006</u>
Shops and fund-raising sales				
Turnover from donated goods	8,157	738,921	747,078	703,791
Turnover from purchased goods	<u>2,697</u>	<u>65,771</u>	<u>68,468</u>	<u>76,143</u>
Shop and fund-raising sales income	<u>10,854</u>	<u>804,692</u>	<u>815,546</u>	<u>779,934</u>
Cost of Sales	1,349	247,171	248,520	241,637
Management and administrative expenses	-	356,666	356,666	378,231
Shop expenditure	<u>1,349</u>	<u>603,837</u>	<u>605,186</u>	<u>619,868</u>
Lottery				
Turnover from lottery	-	244,630	244,630	253,486
Operating expenses	-	115,310	115,310	116,575
Management and administrative expenses	-	41,605	41,605	36,242
Lottery expenditure	-	<u>156,915</u>	<u>156,915</u>	<u>152,817</u>
Net income from shops and fund-raising sales	9,505	200,855	210,360	160,066
Net income from lottery	-	87,715	87,715	100,669
	<u>9,505</u>	<u>288,570</u>	<u>298,075</u>	<u>260,735</u>
Taxation	-	-	-	-
Net income from trading	<u>£9,505</u>	<u>288,570</u>	<u>298,075</u>	<u>260,735</u>

The charitable income from the sale of donated and purchased goods is through shops at various town locations throughout North Hertfordshire

The charitable income from the lottery is income generated through an own weekly lottery. The profits of the trading subsidiary are gifted to the charity annually by deed of covenant.

NORTH HERTS HOSPICE CARE ASSOCIATION
(A Company limited by guarantee and not having a Share Capital)
CONSOLIDATED NOTES TO THE ACCOUNTS FOR THE YEAR ENDED
31ST MARCH 2007

9 TANGIBLE FIXED ASSETS

<u>• Group</u>	<u>Total</u>	<u>Land and Buildings Long Leasehold</u>	<u>Improvements to short-term leasehold Land & Buildings</u>	<u>Portakabins, Furniture, Fixtures & Fittings</u>	<u>Equipment</u>	<u>Motor Vehicles</u>
<u>Cost</u>						
At 31st March 2006	1,048,542	714,113	22,603	242,925	50,512	18,389
Additions	1,777,088	1,774,903	-	2,185	-	-
Disposals	(29,850)	-	(22,603)	(1,902)	(5,345)	-
At 31st March 2007	2,795,780	2,489,016	-	243,208	45,167	18,389
<u>Depreciation</u>						
At 31st March 2006	308,594	-	22,603	219,324	50,512	16,155
Provided during the Year	10,047	-	-	9,183	-	864
On disposals	(28,834)	-	(22,603)	(886)	(5,345)	-
At 31st March 2007	289,807	-	-	227,621	45,167	17,019

<u>Net Book Value at 31st March 2007</u>	<u>£2,505,973</u>	<u>2,489,016</u>	<u>-</u>	<u>15,587</u>	<u>-</u>	<u>1,370</u>
<u>Net Book Value at 31st March 2006</u>	<u>£739,948</u>	<u>714,113</u>	<u>-</u>	<u>23,601</u>	<u>-</u>	<u>2,234</u>

<u>• Charity</u>	<u>Total</u>	<u>Land and Buildings Long Leasehold</u>	<u>Portakabins, Furniture & Fittings</u>	<u>Office Equipment</u>	<u>Motor Vehicle</u>
<u>Cost</u>					
At 31st March 2006	973,056	714,113	216,134	32,715	10,094
Additions	1,777,088	1,774,903	2,185	-	-
Disposal	(1,902)	-	(1,902)	-	-
At 31st March 2007	2,748,242	2,489,016	216,417	32,715	10,094
<u>Depreciation</u>					
At 31st March 2006	234,024	-	193,449	32,715	7,860
Provided during the year	9,589	-	8,725	-	864
On Disposals	(886)	-	(886)	-	-
At 31st March 2007	242,727	-	201,288	32,715	8,724
<u>Net Book Value at 31st March 2007</u>	<u>£2,505,515</u>	<u>2,489,016</u>	<u>15,129</u>	<u>-</u>	<u>1,370</u>

<u>Net Book Value at 31st March 2006</u>	<u>£739,032</u>	<u>714,113</u>	<u>22,685</u>	<u>-</u>	<u>2,234</u>
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The long leasehold buildings represent the capitalised costs of converting the Letchworth Hospital into the Garden House Hospice, together with extensions completed in 1994 and 2007

NORTH HERTS HOSPICE CARE ASSOCIATION
(A Company limited by guarantee and not having a Share Capital)

CONSOLIDATED NOTES TO THE ACCOUNTS FOR THE YEAR ENDED
31ST MARCH 2007

10 COMMERCIAL TRADING ACTIVITIES AND INVESTMENT
IN TRADING SUBSIDIARY UNDERTAKING

The wholly owned trading subsidiary, Garden House Hospice Trading Limited, which is incorporated in the United Kingdom, pays all its profits to the charity annually by deed of covenant

The principal activities of Garden House Hospice Trading Limited are general merchants, traders and the operators of a weekly lottery

The charity owns the entire issued share capital of 100 Ordinary Shares of £1 each

Summary of investment	<u>2007</u>	<u>2006</u>
-----------------------	-------------	-------------

• Shares at cost	<u>£100</u>	<u>£100</u>
------------------	-------------	-------------

Extracts from the accounts of the subsidiary undertaking

	<u>2007</u>	<u>2006</u>
--	-------------	-------------

• Summary profit and loss account		
-----------------------------------	--	--

Turnover	1,049,322	1,021,805
Other operating income	12,978	13,064
Cost of sales and administrative expenses	(760,752)	(771,439)
Interest receivable less interest payable	<u>15,263</u>	<u>6,009</u>
Profit for the financial year	316,811	269,439
Amount covenanted to charity	<u>£(316,811)</u>	<u>£(269,441)</u>

• The assets and liabilities of the subsidiary undertaking were as follows -	<u>2007</u>	<u>2006</u>
--	-------------	-------------

Fixed Assets	459	917
Current Assets	589,873	508,933
Creditors amounts falling due within one year	<u>(590,232)</u>	<u>(509,750)</u>
Net assets	<u>£100</u>	<u>£100</u>

Aggregate share capital and reserves	<u>£100</u>	<u>£100</u>
--------------------------------------	-------------	-------------

11. STOCKS

	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
	<u>Group</u>	<u>Group</u>	<u>Charity</u>	<u>Charity</u>
Goods for resale	17,517	11,654	-	-
Stationery	1,410	1,023	-	-
Warehouse Utilities	5,733	5,822	-	-
	<u>£24,660</u>	<u>18,499</u>	<u>-</u>	<u>-</u>

12. DEBTORS

Amounts due from subsidiary undertaking	-	-	80,000	80,000
Other debtors	213,483	242,064	514,921	499,075
Prepayments and accrued income	74,364	69,198	16,482	10,590
	<u>£287,847</u>	<u>311,262</u>	<u>611,403</u>	<u>589,665</u>

The amount owed by the subsidiary undertaking are unsecured and repayable on demand Interest is charged on the amount at 2% above Base Rate

NORTH HERTS HOSPICE CARE ASSOCIATION
(A Company limited by guarantee and not having a Share Capital)
CONSOLIDATED NOTES TO THE ACCOUNTS FOR THE YEAR ENDED
31ST MARCH 2007

13 CREDITORS. AMOUNTS FALLING DUE
WITHIN ONE YEAR

	<u>2007</u> <u>Group</u>	<u>2006</u> <u>Group</u>	<u>2007</u> <u>Charity</u>	<u>2006</u> <u>Charity</u>
Other creditors				
Rents received in advance	747	275	-	-
Payments received on account	66,279	64,789	3,336	1,645
Trade Creditors	24,602	7,393	-	-
Accruals and deferred income	102,675	87,245	27,659	24,928
Other amounts owed	<u>222,378</u>	<u>166,869</u>	<u>192,265</u>	<u>139,689</u>
	<u>£416,681</u>	<u>326,571</u>	<u>223,260</u>	<u>166,262</u>

14 PROVISIONS

	<u>2007</u>	<u>2006</u>
Other Provision		
At 31 st March 2006	-	-
Movement in the year	<u>148,926</u>	-
At 31 st March 2007	<u>£148,926</u>	<u>£-</u>

A provision of £148,926 has been recognized in the year ended 31st March 2007 in respect of the contract regarding the first stage of the building programme

Costs of £109,940 were incurred and settled in April and May 2007 with a retention of £38,986 still to be finalized

15 SHARE CAPITAL

The Association is a Company limited by guarantee and not having a Share Capital, therefore the Trustees have no financial interest other than the extent of the limited guarantee as denoted in the Memorandum of Association of the Association

16 RECONCILIATION OF MOVEMENT ON FUNDS

	<u>2007</u>	<u>2006</u>
Net movement in funds for the year	908,288	939,803
Opening Funds	<u>4,309,803</u>	<u>3,370,000</u>
Closing Funds	<u>£5,218,091</u>	<u>£4,309,803</u>

If upon the winding up or dissolution of the Association there remains, after the satisfaction of all debts and liabilities and after due provision has been made for the continuance of any pensions or allowances to retired employees of the Association in accordance with any pension scheme, for the time being in force, any property whatsoever, the same shall not be paid to or distributed among the Members of the Association but shall be given or transferred to some other charitable institution or institutions having exclusively charitable objects similar to the objects of the Association

17. CAPITAL COMMITMENTS

The Trustees maintain a policy of continually enhancing the facilities offered to patients, families and their guests

As at 31st March 2007 the Trustees had approved the following -

The second stage of a phased development programme to include a new inpatient facility at a projected cost of £1,296,526 excluding professional fees
The work on the second stage commenced in May 2007 and is expected to be completed in March 2008
The furnishing of the first stage of the phased development programme at a projected cost of £45,000

No capital commitments have been contracted for or approved by the Board of the subsidiary undertaking at 31st March 2007

NORTH HERTS HOSPICE CARE ASSOCIATION
(A Company limited by guarantee and not having a Share Capital)

CONSOLIDATED NOTES TO THE ACCOUNTS FOR THE YEAR ENDED
31ST MARCH 2007

18. PENSION COMMITMENTS

The Association operates defined contribution pension schemes on behalf of employees willing to join the appropriate scheme and contribute a minimum of 1% of gross salary. The assets of the schemes are held separately from those of the Association in independently administered funds.

The annual commitment by the Association under the schemes is for contributions of 4% of gross salary of those employees who are members of the appropriate schemes.

The estimated Association commitment for 2007/2008 is £63,800 (2006/2007 - £62,800).

The subsidiary undertaking operates and contributes to a defined contribution pension scheme for those employees who wish to participate. The assets of the scheme are held separately from those of the Company in an independently administered fund. All employees are entitled to join the scheme provided they contribute a minimum of 1% of salary.

The subsidiary undertaking's annual commitment under this scheme is for contributions of £2,818 (2006 - £2,711).

19 OTHER FINANCIAL COMMITMENTS

At 31st March the subsidiary undertaking had annual commitments under non-cancellable operating leases as set out below -

	<u>2007</u>	<u>2006</u>
Operating leases which expire		
within one year	4,812	4,812
within two to five years	183,500	144,702
in over five years	<u>35,000</u>	<u>79,000</u>
	<u>£223,312</u>	<u>£228,514</u>

20 RECONCILIATION OF CHANGES IN RESOURCES
TO NET CASH INFLOW FROM OPERATING
ACTIVITIES

	<u>2007</u>	<u>2006</u>
Net movement in funds for the year	908,288	939,803
Loss on disposal of fixed assets	1,016	-
Depreciation	10,047	12,572
Interest receivable	(168,268)	(140,211)
(Increase)/Decrease in stocks	(6,161)	1,911
Decrease/(Increase) in debtors	23,415	(95,346)
Increase in creditors	<u>239,036</u>	<u>42,770</u>
Net cash Inflow from operating activities	<u>£1,007,373</u>	<u>£761,499</u>

21 ANALYSIS OF CHANGES IN CASH AND CASH
EQUIVALENTS DURING THE YEAR

	<u>2007</u>	<u>2006</u>
Balances at beginning of year	3,566,665	2,679,780
Net cash (outflows)/inflows	<u>(601,447)</u>	<u>886,885</u>
Balances at end of year	<u>£2,965,218</u>	<u>£3,566,665</u>

22 ANALYSIS OF THE BALANCES OF CASH AND
CASH EQUIVALENTS AS SHOWN IN THE
BALANCE SHEET

	<u>2007</u>	<u>2006</u>	Change in the Year
Cash at bank and in hand	<u>£2,965,218</u>	<u>£3,566,665</u>	<u>£601,447</u>

NORTH HERTS HOSPICE CARE ASSOCIATION
(A Company limited by guarantee and not having a Share Capital)

CONSOLIDATED NOTES TO THE ACCOUNTS FOR THE YEAR ENDED
31ST MARCH 2007

23 FUNDS

The Funds are explained in the following notes and an analysis of each is shown in the Statement of Financial Activities and Notes 24, 25 and 26

UNRESTRICTED FUNDS

General

- This Fund reflects the accumulated surpluses arising from the objectives of the Association which may be used for its charitable purpose at the discretion of the Trustees

Designated

- Fixed Assets represents monies invested in the Garden House Hospice buildings and furniture and fixtures

RESTRICTED FUNDS

- New Building represents monies bequeathed and donated for the new buildings and is after any transfers when no restriction is considered to remain
- Fixed Assets represents monies donated for specific asset acquisitions
- Specific Use represents monies donated to be used for specific purposes
- Development represents monies to be used for future developments
- Education specifically to be used for education and training

24 ANALYSIS OF MOVEMENT IN GROUP FUNDS

	Balance 1 st April 2006	Movement in Resources			Balance 31 st March 2007
<u>Unrestricted Funds</u>		<u>Incoming</u>	<u>Outgoing</u>	<u>Transfers</u>	
General	2,428,282	2,743,473	(2,503,711)	(2,185)	2,665,859
Designated	733,956	-	(8,423)	1,777,088	2,502,621
	<u>3,162,238</u>	<u>2,743,473</u>	<u>(2,512,134)</u>	<u>1,774,903</u>	<u>5,168,480</u>
<u>Restricted Funds</u>					
New Building	1,130,655	685,030	(6,052)	(1,774,903)	34,730
Fixed Assets	2,841	-	(1,316)	-	1,525
Specific Use	13,069	2,904	(3,617)	-	12,356
Education	1,000	-	-	-	1,000
	<u>1,147,565</u>	<u>687,934</u>	<u>(10,985)</u>	<u>(1,774,903)</u>	<u>49,611</u>
	<u>£4,309,803</u>	<u>3,431,407</u>	<u>(2,523,119)</u>	<u>-</u>	<u>5,218,091</u>

NORTH HERTS HOSPICE CARE ASSOCIATION
(A Company limited by guarantee and not having a Share Capital)

CONSOLIDATED NOTES TO THE ACCOUNTS FOR THE YEAR ENDED
31ST MARCH 2007

25 UNRESTRICTED FUNDS OF THE CHARITY

	<u>General Funds</u>	<u>Designated Fixed Assets</u>	<u>Total</u>
Balance 1 st April 2006	2,428,282	733,956	3,162,238
Movement in funds for the year	239,762	(8,423)	231,339
Transfer of amount) designated for fixed assets)	(2,185)	1,774,903 2,185	1,774,903 -
Balance 31 st March 2007	<u>£2,665,859</u>	<u>2,502,621</u>	<u>5,168,480</u>

25 ANALYSIS OF GROUP ASSETS AND LIABILITIES TO FUNDS

	<u>Unrestricted Funds General</u>	<u>Designated</u>	<u>Restricted Funds</u>	<u>Total</u>
<u>FIXED ASSETS</u>				
Long Leasehold land and buildings	-	2,489,016	-	2,489,016
Portakabins, furniture and fittings	457	13,605	1,525	15,587
Motor vehicles	1,370	-	-	1,370
	<u>1,827</u>	<u>2,502,621</u>	<u>1,525</u>	<u>2,505,973</u>
<u>CURRENT ASSETS</u>				
Stocks	24,660	-	-	24,660
Debtors	287,847	-	-	287,847
Cash at Bank and in Hand	<u>2,768,206</u>	-	197,012	<u>2,965,218</u>
	<u>3,080,713</u>	-	<u>197,012</u>	<u>3,277,725</u>
<u>CREDITORS</u>				
Amounts falling due within one year				
Other amounts	416,681	-	-	416,681
<u>NET CURRENT ASSETS</u>	<u>2,664,032</u>	-	197,012	<u>2,861,044</u>
<u>TOTAL ASSETS LESS</u>				
<u>CURRENT LIABILITIES</u>	2,665,859	2,502,621	198,537	5,367,017
<u>PROVISIONS FOR LIABILITIES AND</u>				
<u>CHARGES</u>				
Other provisions	-	-	148,926	148,926
	<u>£2,665,859</u>	<u>2,502,621</u>	<u>49,611</u>	<u>5,218,091</u>

27. LEGACIES RECEIVABLE

The Association is a beneficiary from two estates. The Trustees continue to correspond with the solicitors dealing with the estates as to funds due and the progress regarding the estates. Monies or bequests are only included when received as further distributions from the administration of the estates cannot always be quantified by the Trustees.