

**Havens Christian Hospice**  
**(A company limited by guarantee and not having**  
**a share capital)**

Annual Report and Consolidated  
Financial Statements

Year Ended  
31 March 2006



# **HAVENS CHRISTIAN HOSPICE**

## **Trustees report and consolidated financial statements for the year ended 31 March 2006**

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## **HAVENS CHRISTIAN HOSPICE**

### **Report of the Trustees for the year ended 31 March 2006**

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The trustees of Havens Christian Hospice (HCH) are pleased to present their report together with the financial statements of the charity for the year ending 31st March 2006.

#### **Reference and administrative details:**

**Charity number:** 1022119

**Company number:** 2805007

**Principal and Registered Office:** Stuart House, 47 Second Avenue, Westcliff-on-Sea, Essex, SS0 8HX

|                   |                  |   |
|-------------------|------------------|---|
| <b>Auditors</b>   | Baker Tilly      | Abbotsgate House, Hollow Road, Bury St Edmunds, Suffolk, IP32 7FA                   |
| <b>Bankers</b>    | NatWest Bank Plc | PO Box 138, 4 <sup>th</sup> Floor, 132 High Street, Southend-on-Sea, Essex, SS1 1BS |
| <b>Solicitors</b> | Todmans SRE      | Barringtons, Hockley Road, Rayleigh, Essex, SS6 8EH                                 |

#### **Key services**

The services provided by HCH comprise

|               |   |  |
|---------------|---|--|
| Fair Havens   | - | 8 bedded adult in-patient unit<br>Day Care<br>Community Macmillan Nursing Team<br>Chaplaincy Services<br>Hospice at Home<br>Bereavement and Family Support |
| Little Havens | - | 8 bedded children's in-patient unit, plus Therapy Room<br>Day Care<br>Home respite for carers<br>Chaplaincy Services<br>Bereavement and Family Support     |
| Heath Centre  | - | Training and conference facilities   |

#### **Directors and Trustees**

The Directors of the charitable company (the charity) are its Trustees for the purpose of charity law. The Trustees comprise the Council of Management, the organisation's governing body as defined in its governing documents. The Council of Management (or CoM) is the term used throughout this report as the collective reference to the Trustees. All members of the CoM are elected by the Company members at the AGM.

## HAVENS CHRISTIAN HOSPICE

### Report of the Trustees for the year ended 31 March 2006 (*Continued*)

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The members of the CoM serving during the year and since the year-end are as follows:

|                            |                    |                              |
|----------------------------|--------------------|------------------------------|
| Sir T Taylor               | Honorary President |                              |
| Mr DRB Bear                |                    |                              |
| Mrs K Burgess              |                    |                              |
| Mr R Fitchew               |                    |                              |
| The Venerable David Lowman |                    |                              |
| Mrs R Morris               |                    |                              |
| Reverend Clive Pegler      |                    | Co-opted 15 March 2006       |
| Mr RB Player               |                    |                              |
| Mr R Ramm                  | Chairman           |                              |
| Mr J Sinclair              | Vice-Chairman      |                              |
| Mr D Sullivan              | Hon Treasurer      |                              |
| Reverend Trevor Williams   |                    | Resigned May 2005 (see note) |

#### Senior Executive Team

|                |  |                  |
|----------------|--|------------------|
| Mr AJ Smith    | Chief Executive Officer                            |                  |
| Ms W Dodds     | Director of Care Little Havens and Executive Nurse |                  |
| Mr PJ Marriner | Director of Finance & Operations                   |                  |
| Dr A Medhurst  | Director of Fundraising & Marketing                |                  |
| Ms S Paradine  | Director of Care Fair Havens                       | Started May 2005 |

#### Secretary to the Company

Mr AJ Smith

Note : Resigned to take up paid employment.

### Structure, Governance and Management

#### Governing Document

HCH is a company limited by guarantee governed by its Memorandum and Articles of Association dated 30 March 1993, as variously amended (the latest being 10 November 2004) to allow for current governance arrangement. It is registered as a charity with the Charity Commission. The Company is registered for up to 100 members 'appreciating and supporting the Christian faith', each of whom agree to contribute £1 sterling in the event of the charitable company winding up. The CoM has carried out a review of the current list of members and, as part of next year's activities, intends to set in train initiatives aimed at attracting new members. At 31 March 2006 there were 54 members (63 at 31 March 2005).

#### Appointment of Members of the CoM (Trustees)

As set out in the Articles of Association, the members of the CoM are elected by the members of the Company at the Annual General Meeting for normally a 4-year term of office. A member of the CoM is eligible to stand for re-election once only. Having served a maximum of 2 terms, an interval of at least one year must elapse before an individual is eligible to seek further election. The CoM has the power at any time to appoint (co-opt) additional Council members provided the total number of Council members does not exceed 13, the maximum permitted by the Articles of Association. Such appointees hold office only until the next following Annual General Meeting at which point they are eligible for election.

The Articles of Association require members of the CoM to be Christians and for them to be elected on the basis of their relevant experience and skill, and in the knowledge that they will take an active part in the running of the Company. Accordingly, members of the CoM must be able and willing to give the time to the efficient administration of the Company and the fulfilment of its objectives.

## **HAVENS CHRISTIAN HOSPICE**

### **Report of the Trustees for the year ended 31 March 2006 (Continued)**

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Nominees are usually recommended to the Company members by the CoM. Nominations may also be presented to the Annual General Meeting by a company member provided he or she has informed the Company Secretary in writing of their intention to do so between 3 and 21 days prior to the date of the meeting and has the written consent of the individual concerned.

The CoM has in place a strategic plan and procedures for the recruitment, induction, training and support of new members and has established a 'Trustee Recruitment Group' to lead this process. The CoM determines the mix of skills it believes should be represented amongst its members in order to operate effectively. It analyses the skills and experience it has among its existing members and consequently those that are required in new members. To reach people with the right skills and experience who might be interested in, and have the appropriate time to commit to, becoming a member of the CoM use is made of local networks including churches, Chambers of Commerce, Rotary Clubs, business and trade associations and volunteer bureaux. Nominations may also be suggested by existing or past members of the CoM. In the future, the CoM also intends to advertise vacancies on the organisation's website, in its magazines and possibly within advertisements for other vacancies. Where appropriate it will also consider the use of Trustee registers and specialist recruitment agencies.

#### **Induction and training of members of the CoM**

New members of the CoM are given a 'Trustee Induction Pack' which, amongst other papers, includes copies of the organisation's Mission and Vision Statements, Governing documents, a summary of the roles and responsibilities of Trustees, details of matters reserved for the CoM, the Code of Conduct for Trustees, the annual Corporate and Business Plan, Annual Review and Financial Statements. New members of the CoM are also given the opportunity to be linked with a 'mentor Trustee' whose task is to make sure the new member receives all the information and support necessary during their period of induction (usually 6 months). New members of the CoM are invited to join new charity staff in attending one of the organisation's corporate induction days, to visit all parts of the organisation and to spend 'a day' on the care floor at both hospices. All members of the CoM are encouraged to attend appropriate internal and external training events where these will facilitate the undertaking of their role. From time to time the CoM also holds 'Awareness Events' to consider specific issues.

#### **Organisation**

The CoM is the organisation's governing body. In 2005/06 it met 8 times. It has established and approved the terms of reference of three high level committees – the Executive Committee, Integrated Governance Committee (formerly Clinical Governance Committee) and Finance Committee – which met more frequently.

The CoM exercises a system of delegated responsibility and has also identified areas that it has reserved to itself. Day to day management of the organisation is delegated to the Chief Executive and Senior Executive Team and through them to the Senior Managers and other managers. In addition around 200 paid staff and 500 volunteers provide invaluable support in all areas of the organisation's activities.

Approximately half the organisation's volunteers work in the Charity Shops (see section on "Related Parties" below), with a typical shop having just 2 members of staff and approximately 20 volunteers. Volunteers also make up the vast majority of the reception staff at the organisation's 3 main sites. Volunteers similarly make up the majority of those people engaged in maintaining the hospices' grounds. In other areas volunteers provide vital additional support, supplementing the roles of paid staff. They are often carrying out essential tasks, many in administrative capacities, that enable the organisation to function in an effective and timely way. Volunteers have a presence in all areas of the organisation, including supplementing staff numbers in the kitchen and hospice care areas.

## HAVENS CHRISTIAN HOSPICE

### Report of the Trustees for the year ended 31 March 2006 (*Continued*)

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#### **Related Parties**

The Charity has two wholly owned subsidiaries: Fair Havens Trading Company Limited and Little Haven Children's Hospice Trading Company Limited. Their principal purpose is to generate income for the benefit of the hospices from the sale of (mainly) donated goods - typically second-hand clothing, books, bric-a-brac – through its shops; and the renting of meeting/seminar rooms (when not in use by the Charity) at the Heath Centre, a small conference suite attached to the children's hospice. The profits of these subsidiaries are gift aided to the Charity (see note 4 to the accounts).

#### **Risk Management**

The CoM has a risk management strategy and processes to identify the actual and potential risks to the organisations, its clients and visitors, and to take the necessary steps to eliminate or minimise them. Responsibilities for the implementation of the strategy and processes are delegated to staff at all levels of the organisation. In addition, the Health & Safety and Risk Management Committee – a feeder group of the Integrated Governance Committee – exercises specific responsibilities in this key area. Over the year, staff throughout the organisation have received specific training on risk awareness, assessment and management. The organisation has also set up a computerised risk management database and risk registers. A key element in the management of financial risk is the setting of a reserves policy and its regular review by the CoM.

#### **Objectives and activities**

As set out in its Governing documents, the Company is established as a Christian organisation to promote the relief of persons suffering from [amongst other conditions] any chronic or terminal illness

- by the establishment and provision of residential, domiciliary or day care, and
- through education, training and support of the professional and non-professional carers of such patients both inside and outside the organisation.

The organisation fulfils these objects through the hospice services provided through Fair Havens (adult) and Little Havens Children's Hospice. Fair Havens provides care to the local adult populations in Southend, Shoeburyness, Castle Point & Rochford, Canvey Island and Rayleigh; Little Havens to the children in South and Mid-Essex. Through the provision of this care, the organisation aims to demonstrate something of God's love and compassion to people at their time of greatest need. Such care is provided free of charge to people of all faiths or none.

In recent years, the CoM has adopted (and reviews annually) 10 key aims. These are:

- 1 To be an organisation that lives its Christian witness, whilst respecting the views of others.
- 2 To be a centre of excellence in providing palliative and specialist palliative care in a variety of settings for children and adults.
- 3 To tailor its services to honour the individual's need and choice using evidence-based practice.
- 4 To provide a full range of quality services in partnership with the local Supportive and Palliative Care Network through which clients can move seamlessly according to their needs.
- 5 To provide practical and spiritual help and support to families and carers.
- 6 To be a resource for the provision of training and development in palliative care, health care, care of children and Christian support.
- 7 To engage in the research and development of innovative approaches to palliative care.
- 8 To provide an environment that values differences in others and enables all staff to play their full part and realise their full potential.

## HAVENS CHRISTIAN HOSPICE

### Report of the Trustees for the year ended 31 March 2006 (*Continued*)

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- 9 To ensure we have sufficient resources to meet our objectives; to be good stewards of those resources and provide investment for the future.
- 10 To be an organisation that is responsive to the growing need for palliative care and specialist palliative care within the community and plans for the development, enhancement and expansion in its services accordingly.

#### **Review of activities**

The organisation has continued its principal activity of meeting the needs of people who are seriously ill or dying, their families and carers. It offers professional, medical, nursing, spiritual and emotional care, both in the hospice setting and in the community. No significant changes in this activity are envisaged during the coming year, although the organisation plans to develop and enhance these services further and to develop its preparations for relocating Fair Havens to a new site over the course of the next few years.

In its 2005/06 Business Plan the organisation centred its activities around 5 main themes

- Little Havens
- Fair Havens
- Corporate
- Marketing, PR and Fundraising, and
- Trading

Specifically, the activities at Little Havens focussed on ways to meet better the needs of the children and their families. These included developing day care (which started the previous year) and seeking the views of children and families, using the Association of Children's Hospice's (ACH) Quality Assurance tool, 'Are we getting it right?' The successful 'Mind the Gap' workshop of March 2005 spawned a small number of working groups to look at achieving closer working between the various providers of children's palliative care and the development of competencies for staff across all children's services. Looking at ways to increase the level of statutory funding for Little Havens and to continue providing services to young people whose prognosis would take them beyond the upper age limit for receiving care at Little Havens formed the basis of two other activities. Another was exploring the scope for strengthening further the provision of medical care (which has improved significantly in recent years) and to ensure good succession planning in this key area.

Similar initiatives provided the focus of activity at Fair Havens: the development of services based on client and user feedback; the continuing development of strategic partnerships; and maximising the effectiveness of the hospices' medical and specialist clinical resources. The development of services included Day Care, participation in the pilot on 'preferred place of care' (that is, the place where given a choice, people would choose to receive their care) and the future look at the range of services that could be provided at a new Fair Havens.

Activities under 'Corporate' included improving the provision of financial and management information, strengthening the systems of risk management and controls assurance, and raising the standard of the general working environment for staff. The 'Employer of Choice' programme, designed to establish the organisation as a preferred place of employment, played a central role. The organisation's ongoing participation in quality initiatives and actions to strengthen its systems of governance and internal and external lines of accountability (including the importance and function of the Annual General Meeting) also featured under this heading.

Core activities in Marketing and PR included maximising the impact of the Charity's re-branding, developing more modern and effective ways of communicating with clients, supporters and the general public, and shattering the myth that hospices are about death, grief and sadness. Fundraising activities centred on ways to increase the number of the Charity's income streams, increasing the size of potential contributions and establishing a corps of volunteer 'Ambassadors'.

## **HAVENS CHRISTIAN HOSPICE**

### **Report of the Trustees for the year ended 31 March 2006 (Continued)**

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The key activities for Trading were to maximise the income from the Charity shops and increase the breadth and expertise amongst the members of the Trading Boards.

#### **Achievements and performance**

##### **Little Havens**

Using the feedback from the ACH's Quality Assurance tool, Little Havens introduced revised booking procedures to achieve a better fit with the needs of children and their families, at times to suit them. There is also greater flexibility to offer care at short notice. Throughout the year, Little Havens held a number of successful teenage weekends and has been able to continue caring for specific young people now over the age of 19 years, with the agreement of the Healthcare Commission. In addition, through its networks with other children's hospices, Little Havens has been able to learn from their work on the need and possible models for providing care to young adults. At the younger end of the age range, following the development of closer links with the local hospitals, Little Havens has, for the first time, provided step-down opportunities for babies, from high dependency units, with very short life expectancy.

'Mind the Gap' attracted the interest of senior officials within the Workforce Development Confederation who are now helping to put together a business case for funding to support the development of competencies for staff involved in the delivery of children's service across all providers. 'Mind the Gap' also resulted in the setting-up of a multi-professional, multi-agency paediatric palliative care group to help plan the better coordination of services available to individual children.

Over the year, Little Havens made increased use of service level agreements with Social Services to attract payments for children in receipt of individualised packaged of funded care. In contrast, developing links with the 13 Primary Care Trusts (PCTs) in Little Havens' catchment area continued to be a challenge. Disappointingly, none of the 13 children's leads attended an open day to which they had been personally invited and received detailed information describing how Little Havens could help their PCT meet the specific duties imposed on them by the National Service Framework for the care of disabled children. The current restructuring of the NHS is likely to mean it will be some while before the PCTs 'have the time' to turn their attention to developing such links. However, as a result of the ACH's closer relationship with the Department of Health, Liam Byrne (then Parliamentary Under Secretary of State for Care Services) launched in March (2006) a series of 'kick start' meetings at Strategic Health Authority (SHA) level on children's palliative care. Little Havens was represented at the Essex SHA meeting. The outcome of that meeting prompted Little Havens to organise a second 'Mind the Gap' workshop, in July (2006). This will look at implementing the Association for Children with Life-threatening or Terminal Conditions and the Families' (ACT) care pathway between all services – statutory and voluntary – within the boundaries of Southend Borough Council unitary authority.

Closer links with Southend Hospital have enabled the expertise of the medical team to be strengthened. This is poised to develop even further in 2006/07 with the establishment of a Hospice-lead post at Consultant level, similar to the model successfully working at Fair Havens.

All these achievements will improve the availability, range and quality of services for children and their families at Little Havens and their better integration with the other services the children receive.

Little Havens also hosted the ACH's annual Heads of Care and Medics conference, which was well attended and attracted very positive feedback.

##### **Fair Havens**

Fair Havens established focus groups (of present and potential users) and a service development group (of other health care professionals) to inform the development of services. Whilst some of these had an eye to services that would be provided by new Fair Havens, many also led directly to changes in existing services. These ranged from discontinuing the previously established practice of 'no visiting' on Mondays; through the development of Day Care (including the introduction of new clinical treatments and plans for half-day and some evening sessions); to the best ways of allaying fears amongst prospective clients about what hospices do.



## **HAVENS CHRISTIAN HOSPICE**

### **Report of the Trustees for the year ended 31 March 2006 (*Continued*)**

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Through its continued active involvement with the local Supportive and Palliative Care Strategy Group, Fair Havens has been taking a lead role in shaping the future provision of specialist services to meet the established increase in local need. The experience of staff who are HQS (the Health Quality Service) surveyors and NHS Cancer Services Peer Reviewers has also provided opportunities to learn from services in other parts of the country.

An audit of inpatient services demonstrated that medical input was well targeted towards meeting clients' different needs. To improve and strengthen the specialist services in the community a protocol for providing medical support to the Hospice at Home Service has been set in place; two Community Macmillan Nurses have completed the nurse prescribing course and regular meetings are held between the Hospice at Home and Community Macmillan Nurses' Team Leaders. In addition, the Community Macmillan Nursing Team has introduced a triage service and professional help line. These have improved the response time for the initial contact and assessment of new referrals and provided other health care professionals with access to specialist advice. The Chaplaincy team developed and successfully introduced a spiritual care plan that all staff can use without embarrassment to open up discussions with patients on their spiritual needs.

Following a positive outcome of the Preferred Place of Care pilot, a second phase has been launched; Fair Havens continues to be a participating site. The in-patient unit has also enrolled onto the Liverpool Care Pathway project, which focuses on the planning of services for the final few days of life.

As with Little Havens, these activities have opened up and helped to improve the quality of care across the range of Fair Havens' services.

The draft operational plan (or description of the service) for new Fair Havens was completed. Users were very much involved in the development of the plan. It was also informed by the help and experience of Macmillan Environmental Services and colleagues in hospices in other parts of the country who are further along the road (or have recently completed the journey) of building a new hospice. Work on the business and financial plan and assessment of the capital appeal will be key activities in 2006/07.

#### **Summary of care services' activity**

During 2005/06, Little Havens supported 110 families, 8 children accessed Day Care, use of the facilities including the hydrotherapy and spa pools and multi-sensory room was extended to non-resident children, approximately 550 family nights were provided to support family members and 32 children received home respite care (some children and families would have used more than one service). Fair Havens in-patient unit provided care to 186 clients, 44 Day Care clients, 486 Hospice at Home clients and 786 Community Macmillan Nursing Team clients (again some clients will have used more than one service);

#### **Corporate**

The CoM, its high level Committees and the Senior Management Team were all supported by the provision of more comprehensive financial and management information. As reported under 'Risk Management' (above), new systems have been introduced to strengthen risk management and controls assurance across the organisation, supported by appropriate training.

Redecoration and new arrangements for cleaning the hospices and main administration building have refreshed the general working environment. The roll-out of more modern IT equipment with secure and effective remote access to the organisation's IT system have provided staff with better resources to succeed in their work. The 'Employer of Choice' programme brought together staff across the organisation into a Central Working Group. Their work resulted in proposals for achieving a better work/home balance whilst introducing changes that have markedly increased the availability of, particularly, non-care support services at either end of the working day and, in some instances, over the weekend. A new performance related pay structure providing a clear salary pathway and narrowing the gap in pay with the NHS has since been introduced.

## **HAVENS CHRISTIAN HOSPICE**

### **Report of the Trustees for the year ended 31 March 2006 (Continued)**

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The successful completion of the mid-term review of its HQS accreditation confirmed HCH's position as a quality-based organisation. The new Integrated Governance Committee and feeder groups will improve the organisation's effectiveness in meeting the performance standards variously required by statutory and regulatory bodies (particularly the Health Care Commission) professional bodies and good practice.

In recognition of the important role of Company members, the CoM initiated a review to refresh the Company membership. It also approved action (to be taken forward in 2006/07) to attract new Company members, especially in view of the new Fair Havens project. The CoM re-energised the importance and purpose of the Annual General Meeting and hosted a successful 'Showcase of our Services' – an exhibition of all the key services and activities – specifically aimed at non- and prospective Company members.

#### **Marketing, PR and Fundraising**

The new branding, which unites Fair Havens and Little Havens, was successfully launched and underpins a raft of new awareness raising campaigns (which will be developed further in 2006/07). New, vibrant looking promotional material has been developed: 'Side by Side' (the new magazine) and the 2005 Annual Review attracted very positive feedback. Press coverage has more than doubled over the year and articles about Little Havens have featured in national newspapers and popular magazines. In telling a family's story these have described how Little Havens (like other hospices) celebrate life and the importance of 'living it in all its fullness'.

The Fundraising department has been strengthened and responsibilities refocused through the creation of specific teams for Corporate, Trusts and Events. Community fundraisers for Fair Havens and Little Havens are active in all areas. Fundraisers have received specific training and each team has targets to achieve. The Charity launched a new interactive website (with the ability to accept on-line donations), set up an online tribute fund (through which people can remember a loved one) and developed an online 'Funtastic Gift Catalogue' (for launch in June 2006) which parcels up the daily aspects of care at both hospices in attractive packages. Together with the promotion of international challenge events and sensitively targeted legacy campaigns, these initiatives have opened up new income streams for the Charity. Further initiatives have also been approved to generate funds for 'Havens Hospices' which can be used at the CoM's discretion to support any aspect of the Charity's activities (see 'Reserves Policy, below). Ten specially trained and equipped volunteers have been recruited to the new 'Ambassador' scheme. They represent the Charity at a range of different events (such as cheque presentations or talks to established groups) freeing up the time of the paid fundraisers to focus on new areas of fundraising.

Significant to all these activities was the decision to bring the former PR & Marketing Department and Fundraising Department together under a single management structure. This has created a oneness of purpose and synergy that have underpinned the success of the above initiatives and won respect at local and national levels.

#### **Trading**

The completion of a programme of redecoration and repairs brought the look and standard of most of the Charity shops up to those of many well known high street retailers. Additional facilities, including payment by credit/debit cards and mobile phone top-ups, were introduced for the ease and benefit of customers; press articles and leaflet drops were trialled for attracting the donation of high quality clothing and other stock; and internet sales were used for a number of collectable and more unusual items.

The Trading Boards and the CoM approved a 5-year trading strategy. This has set down a minimum amount of profit a shop must generate to be viable and established a transparent process for assessing each shop's performance. This will be used to collect and share good practice between shops and as a tool in deciding whether to renew a shop's lease and for assessing the potential of any new shop. Phase 1 of the strategy focuses on consolidating the position of the existing shops; later stages concentrate on development and growth.

## **HAVENS CHRISTIAN HOSPICE**

### **Report of the Trustees for the year ended 31 March 2006 (Continued)**

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The Trading Boards (which share a common membership) have been strengthened by the appointment of the owner of a local small department store. They are also benefiting from the help and support of a very experienced manager of a national department store.

#### **Financial Review**

The CoM ensures that very careful attention is paid to the organisation's finances. The Finance and Executive Committees receive monthly management accounts; a finance report which has first been reviewed in detail by the Finance Committee is presented to each meeting of the CoM. The organisation's activities for the year are set out in an annual Business Plan supported by a rolling 3-year financial plan. These are approved, reviewed quarterly and, as required, modified by the CoM.

The year-end results show a surplus for the overall charity, which the CoM accepts as very satisfactory. Costs were contained within (and below) the budget set for the year; donation income figures were higher than those in 2004/05. Full details of the results for the year can be seen in the accompanying financial schedules and notes to the accounts.

In 2005/06, Little Havens Children's Hospice received its third and final year's award of £216,666 from the Big Lottery Fund. This funding had been made available to operational children's hospices in England. Following a meeting in May (2006) with the Prime Minister (attended by Andy Smith, the Chief Executive) the Government announced its intention to replace this funding with new funding from the Department of Health and to carry out a review on the long-term funding of these hospice services.

#### **Investment powers and policy**

Under its Governing Documents, the CoM has the power to invest the organisation's funds in any way it wishes.

Having regard to both the liquidity requirements of operating the Charity and its Reserves Policy, the CoM has kept available funds in an interest bearing deposit account.

#### **Reserves policy**

Reserves are required to bridge any gap between spending on the Charity's services and the income it receives from all sources, including statutory funding from Local Authorities and NHS PCTs. In 2003/04, the CoM set the target of 6 months' charitable expenditure as the level of free reserves to be held in its various accounts by 31<sup>st</sup> March 2007.

As at 31<sup>st</sup> March 2006 this target free reserves figure would have been a total of £1,716,320 ( Fair Havens £986,525 and Little Havens £729,795). The actual free reserves within each of the respective funds as at 31<sup>st</sup> March 2006 were a total of £1,965,038: split across Fair Havens' restricted fund and use of the unrestricted funds £514,714 (2004/05 £798,923); Little Havens Children's Hospice restricted fund £1,440,578 (2004/05 £1,096,070). A small designated fund against specific expenditure is £9,746 (2004/05 £9,657)

Whilst the overall level of reserves may prove sufficient, the CoM considers it prudent to ensure there are sufficient reserves available to provide financial flexibility over the coming years. The CoM has therefore approved a strategy that will focus on raising funds under the banner of 'Havens Hospices' within the area covered by Fair Havens' services. This strategy is intended both to bolster overall funds and specifically to increase those within the general unrestricted funds, which the CoM then has the discretion to direct to any area within the Charity.

## HAVENS CHRISTIAN HOSPICE

### Report of the Trustees for the year ended 31 March 2006 (*Continued*)

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#### **Plans for future periods**

The Charity's Business Plan for 2006/07 will build on and carry forward the achievements described in this report, in furtherance of the organisation's 10 Key Aims. Activities will therefore centre round the same 5 key themes, but with the addition of a separate one for new Fair Havens:

- Little Havens
- Fair Havens
- New Fair Havens
- Corporate
- Marketing, PR and Fundraising, and
- Trading

Activity at Little Havens will look at 'refreshing the services' in the light of 8 years experience. The establishment of a Consultant Hospice-lead post and the development of a clinical strategy will open up further Little Havens ability to provide care to children with more complex health needs. If the proposed pilot within Southend proceeds and proves successful, Mind the Gap II holds the potential for an integrated care pathway of care to be rolled out, over time, to other parts of Essex, with Little Havens playing a leading role. The plans for new Fair Havens also provide a unique opportunity to explore innovative and practical ways to support young people through the transition from children's to adult care.

Through the increased use of focus groups, 'dispelling the myths' of hospice care and developing further the services in Day Care will form key activities at Fair Havens. At a time of significant change in the configuration of regional and local NHS organisations, Fair Havens will also be looking to achieve and maintain strong links with its strategic partners to support the future development of services and achieve good continuity of patient care.

Taking forward of plans for the relocation of Fair Havens will be of central importance in 2006/07. These will be underpinned by the development of a costed Business Plan, feasibility studies and a fundraising strategy (for the capital appeal and with the twin aim of increasing the total funds generated for Fair Havens). The time of change within the NHS and the willingness on the part of Commissioners to engage in a dialogue on the future level of statutory funding for the hospices will be significant external factors in shaping these plans in the coming year(s).

The central theme under 'Corporate' is the further strengthening of the infrastructures that underpin many of the organisation's core activities. These include the introduction of a new clinical database (across Fair Havens and Little Havens); a new salary structure, payroll provider and HR database; and systems of financial forecasting. The organisation will also run a Management Development Programme for its Senior Managers.

Donor research and customer care head the activities for Marketing, PR & Fundraising, supported by measures to increase the Charity's profile within the local community. Key to these activities will be the promotion of 'Havens Hospices' within the area covered by Fair Havens' services (described earlier).

Under 'Trading', activities will focus on achieving a high level of performance in all shops (through sharing good practice and staff training) and implementing Phase 1 of the Trading Strategy.

## HAVENS CHRISTIAN HOSPICE

### Report of the Trustees for the year ended 31 March 2006 (Continued)

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#### Trustees' responsibilities in relation to the financial statements

The members of the CoM take their responsibilities for administering the Charity in accordance with Company and Charity law very seriously and have put in place Policies and Procedures to achieve its correct running and ensure its activities are accurately reported.

Company law requires the trustees to prepare financial statements that give a true and fair view of the state of affairs of the charity at the end of the financial year and of its surplus or deficit for the financial year. In doing so the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make sound judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue on that basis.

The trustees are responsible for maintaining proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enables them to ensure that the financial statements comply with the companies Act 1985. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Declaration


In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware, and
- we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

#### Auditors

A resolution will be proposed at the Annual General Meeting proposing the appointment of the auditors to the charity for the ensuing year.

By order of the trustees



R Ramm (Chairman)

Date

9/3/06

## HAVENS CHRISTIAN HOSPICE

### Independent auditors' report to the members of Havens Christian Hospice

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We have audited the financial statements of Havens Christian Hospice for the year ended 31 March 2006 on pages 13 to 27.

This report is made solely to the charitable 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 charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### Respective responsibilities of Trustees and auditors

The responsibilities of the Trustees (who are also the directors of Havens Christian Hospice for the purposes of company law) for preparing the annual report and the financial statements 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 financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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

#### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company'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 financial statements 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 financial statements.

#### Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable company and of the group as at 31 March 2006 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985;
- the information given in the Trustees' Report is consistent with the financial statements.

**BAKER TILLY**  
Chartered Accountants  
and Registered Auditors  
Abbotsgate House  
Hollow Road  
Bury St Edmunds  
Suffolk  
IP32 7FA

21 August 2006

# HAVENS CHRISTIAN HOSPICE

## Consolidated statement of financial activities for the year ended 31 March 2006

|   | Note | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | 2006<br>Total<br>£ | 2005<br>Total<br>£ |
|---|------|----------------------------|--------------------------|--------------------|--------------------|
| <b>Incoming resources</b>   |      |                            |                          |                    |                    |
| <i>Incoming resources from generated funds:</i>                     |      |                            |                          |                    |                    |
| Voluntary Income:   | 2    | 15,505                     | 3,584,060                | 3,599,565          | 3,981,709          |
| <i>Activities for generating funds:</i>                             |      |                            |                          |                    |                    |
| Fundraising activities  | 3    | 781                        | 666,719                  | 667,500            | 485,965            |
| Shops and other commercial operations                               | 4    | -                          | 1,087,524                | 1,087,524          | 1,105,423          |
| Investment income   |      | 14,713                     | 113,032                  | 127,745            | 74,717             |
| <i>Incoming resources from charitable activities:</i>               |      |                            |                          |                    |                    |
|   | 5    | -                          | 53,883                   | 53,883             | 48,035             |
| <b>Total incoming resources</b>                                     |      | 30,999                     | 5,505,218                | 5,536,217          | 5,695,849          |
| <b>Resources Expended</b>   |      |                            |                          |                    |                    |
| <i>Costs of generating funds:</i>                                   |      |                            |                          |                    |                    |
| Cost of generating voluntary income                                 | 6    | -                          | 1,106,099                | 1,106,099          | 788,502            |
| Shops and other commercial operations                               | 4/6  | -                          | 921,175                  | 921,175            | 1,168,830          |
| <i>Charitable activities:</i>                                       |      |                            |                          |                    |                    |
| Costs of activities in furtherance of the objectives of the charity | 6    | 10,790                     | 3,421,850                | 3,432,640          | 3,120,244          |
| Governance costs  | 6    | 13,999                     | 48,987                   | 62,986             | 38,704             |
| <b>Total resources expended</b>                                     |      | 24,789                     | 5,498,111                | 5,522,900          | 5,116,280          |
| <b>Net incoming/(outgoing) resources before Transfers</b>           |      |                            |                          |                    |                    |
| Before legacies   |      | 6,210                      | (704,266)                | (698,056)          | (584,273)          |
| Legacies  |      | -                          | 711,373                  | 711,373            | 1,163,842          |
| Net surplus   |      | 6,210                      | 7,107                    | 13,317             | 579,569            |
| Transfers between funds   | 16   | 234,800                    | (234,800)                | -                  | -                  |
| <b>Net movement in funds</b>  |      | 241,010                    | (227,693)                | 13,317             | 579,569            |
| Fund balances at 1 April 2005                                       | 16   | 900,794                    | 5,187,994                | 6,088,788          | 5,509,219          |
| <b>Fund balances at 31 March 2006</b>                               | 16   | 1,141,804                  | 4,960,301                | 6,102,105          | 6,088,788          |

The above figures all relate to continuing operations and include all the income and expenditure and gains and losses for the group during the year.

The notes on pages 16 to 27 form part of these financial statements.

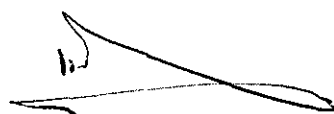
# HAVENS CHRISTIAN HOSPICE

## Balance sheet as at 31 March 2006

|   |      | Group<br>2006      | 2005             | Charitable company<br>2006 | 2005             |
|---|------|--------------------|------------------|----------------------------|------------------|
|   | Note | £                  | £                | £                          | £                |
| <b>Fixed assets</b>                                   |      |                    |                  |                            |                  |
| Tangible assets                                       | 10   | 4,137,067          | 4,184,138        | 4,499,877                  | 4,532,155        |
| Investments   | 11   | 1,900,000          | 1,800,000        | 2,050,200                  | 1,950,200        |
|   |      | <u>6,037,067</u>   | <u>5,984,138</u> | <u>6,550,077</u>           | <u>6,482,355</u> |
| <b>Current assets</b>                                 |      |                    |                  |                            |                  |
| Stocks  | 12   | 917                | 13,209           | -                          | 7,790            |
| Debtors   | 13   | 129,719            | 229,021          | 81,198                     | 109,759          |
| Investments   | 11   | 700,000            | 700,000          | 700,000                    | 700,000          |
| Cash at bank and in hand                              |      | 593,481            | 35,140           | 536,126                    | 12,581           |
|   |      | <u>1,424,117</u>   | <u>977,370</u>   | <u>1,317,324</u>           | <u>830,130</u>   |
| <b>Creditors: amounts falling due within one year</b> | 14   | <u>(1,309,220)</u> | <u>(673,259)</u> | <u>(1,461,948)</u>         | <u>(785,103)</u> |
| <b>Net current assets/(liabilities)</b>               |      | <u>114,897</u>     | <u>304,111</u>   | <u>(144,624)</u>           | <u>45,027</u>    |
| <b>Total assets less current liabilities</b>          |      | <u>6,151,964</u>   | <u>6,288,249</u> | <u>6,405,453</u>           | <u>6,527,382</u> |
| <b>Provisions for liabilities and charges</b>         | 15   | <u>(49,859)</u>    | <u>(199,461)</u> | <u>-</u>                   | <u>(24,370)</u>  |
| <b>Net assets</b>                                     |      | <u>6,102,105</u>   | <u>6,088,788</u> | <u>6,405,453</u>           | <u>6,503,012</u> |
| <b>Funds</b>  |      |                    |                  |                            |                  |
| Unrestricted funds:                                   |      |                    |                  |                            |                  |
| - General   | 16   | 1,141,804          | 900,794          | 1,141,804                  | 900,794          |
| Restricted funds:                                     |      |                    |                  |                            |                  |
| - Little Havens                                       | 16   | 4,372,289          | 3,673,552        | 4,748,162                  | 4,049,425        |
| - Fair Havens   | 16   | 505,741            | 1,543,136        | 505,741                    | 1,543,136        |
| - Non-charitable trading funds                        | 16   | 72,525             | (38,351)         | -                          | -                |
| - Others  | 16   | 9,746              | 9,657            | 9,746                      | 9,657            |
| <b>Total funds</b>                                    | 16   | <u>6,102,105</u>   | <u>6,088,788</u> | <u>6,405,453</u>           | <u>6,503,012</u> |

The financial statements were approved by the Council of Management on 9 August 2006

  
R Ramm  
Chairman

  
D Sullivan  
Treasurer

The notes on pages 16 to 27 form part of these financial statements.



# HAVENS CHRISTIAN HOSPICE

## Consolidated cash flow statement for the year ended 31 March 2006

|   | 2006      |                         | 2005     |                         |
|---|-----------|-------------------------|----------|-------------------------|
|   | £         | £                       | £        | £                       |
| <b>Reconciliation of net movement in funds to net cash inflow from operating activities</b> |           |                         |          |                         |
| Net movement in funds   |           | 13,317                  |          | 579,569                 |
| Net interest received   | (127,745) |                         | (74,717) |                         |
| Depreciation  | 114,521   |                         | 336,517  |                         |
| (Profit)/loss on disposal of fixed assets   | -         |                         | (200)    |                         |
| Decrease in stocks  | 12,292    |                         | 18,025   |                         |
| Decrease/(increase) in debtors  | 99,302    |                         | (7,946)  |                         |
| Increase in creditors   | 635,961   |                         | 101,498  |                         |
| (Decrease)/increase in provisions   | (149,602) |                         | 199,461  |                         |
|   |           | <u>584,729</u>          |          | <u>572,638</u>          |
| <b>Net cash inflow from operating activities</b>  |           | <b>598,046</b>          |          | <b>1,152,207</b>        |
| <b>Returns on investments and servicing of finance</b>                                      |           |                         |          |                         |
| Interest received   |           | 127,745                 |          | 74,717                  |
| <b>Capital expenditure</b>  |           |                         |          |                         |
| Payments to acquire tangible fixed assets   | (67,450)  |                         | (40,956) |                         |
| Receipts from sale of tangible fixed assets   | -         |                         | 200      |                         |
|   |           | <u>(67,450)</u>         |          | <u>(40,756)</u>         |
| <b>Increase in cash in the year</b>   |           | <b>658,341</b>          |          | <b>1,186,168</b>        |
| Cash at bank and in hand at 1 April 2005  |           | <u>2,535,140</u>        |          | <u>1,348,972</u>        |
| <b>Cash at bank and in hand at 31 March 2006</b>  |           | <b><u>3,193,481</u></b> |          | <b><u>2,535,140</u></b> |
| <b>Cash at bank and in hand consists of:</b>  |           |                         |          |                         |
| Current asset   |           | 593,481                 |          | 35,140                  |
| Held for investment purposes  |           |                         |          |                         |
| - long term   |           | 1,900,000               |          | 1,800,000               |
| - short term  |           | 700,000                 |          | 700,000                 |
|   |           | <u>3,193,481</u>        |          | <u>2,535,140</u>        |

The notes on pages 16 to 27 form part of these financial statements.

## HAVENS CHRISTIAN HOSPICE

### Notes forming part of the consolidated financial statements for the year ended 31 March 2006

---

#### 1 Accounting policies

##### *Basis of accounting*

The financial statements are prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and have been prepared in accordance with applicable accounting and financial reporting standards including the Statement of Recommended Practice (SORP 2005) - 'Accounting and Reporting by Charities'.

The charitable company has revised, as provided by Schedule 4 paragraph 3 (3) of the Companies Act 1985, its format of accounts to include headings which are relevant to its activities, thus enabling it to show a true and fair view.

##### *Basis of consolidation*

The consolidated financial statements reflect the affairs of Havens Christian Hospice and the following subsidiary companies which are all incorporated in Great Britain:

Little Haven Children's Hospice Trading Company Limited  
Fair Havens Trading Company Limited

The financial statements of all the above companies have been prepared to 31 March 2006. The results of the subsidiaries are consolidated on a line by line basis.

##### *Company status*

The charity is a company limited by guarantee. The members of the charitable company include the Board of Management, as named on page 1. In the event of the charitable company being wound up, the liability in respect of the guarantee is limited to £1 per member of the charitable company.

##### *Incoming resources*

All incoming resources are included in the SOFA when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Donations in kind are recorded at their estimated value where material. For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. Income is shown gross of all expenditure, with the exception of fundraising costs incurred by Friends Groups.

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

##### *Resources expended*

Expenditure is recognised on an accruals basis and is shown inclusive of VAT where applicable. Direct charitable expenditure and costs of generating funds are allocated to the function in which they arise. Expenditure on management and administration of the charitable company and other costs are apportioned on the basis of employee numbers.

Governance costs are those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

## HAVENS CHRISTIAN HOSPICE

### Notes forming part of the consolidated financial statements for the year ended 31 March 2006 (Continued)

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#### 1 Accounting policies (Continued)

##### *Freehold land and buildings*

The charitable company has taken advantage of the arrangement under FRS 15 which allows the retention of the carrying value of revalued land and buildings acquired prior to 31 December 1999. All additions since this date are stated at cost.

##### *Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost or valuation less depreciation. Tangible fixed assets costing more than £1,000 are capitalised.

Depreciation is provided at rates calculated to write off the cost or valuation, less estimated residual values, of all fixed assets, except freehold land, evenly over their expected useful lives. It is calculated at the following rates:-

|  |                                       |
|--|---------------------------------------|
| Freehold buildings                             | - over 50 to 100 years as appropriate |
| Premium on short leasehold                     | - over the term of the lease          |
| Improvements to short leasehold buildings      | - over 5 years                        |
| Fixtures and fittings, furniture and equipment | - over 7 years                        |
| Computer hardware and software                 | - over 3 years                        |
| Motor vehicles                                 | - over 4 years                        |

Provision will be made should any impairment in the value of freehold buildings depreciated over a period of greater than 50 years occur.

##### *Investments*

Fixed asset investments are shown at cost, less any provision for impairment in value.

Cash held for longer term investment purposes is classified as an investment asset.

##### *Stocks*

Stocks are stated at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

##### *Operating leases*

Amounts payable under operating leases are written off in the statement of financial activities as they fall due.

## HAVENS CHRISTIAN HOSPICE

### Notes forming part of the consolidated financial statements for the year ended 31 March 2006 (Continued)

#### 1 Accounting policies (Continued)

*Funds*

Restricted funds are funds where the purpose for which they can be used has been restricted by the donor.

Unrestricted funds are funds which can be used for any of the charitable company's operations at the Council of Management's discretion.

#### *Pension costs*

A number of the group's employees contribute to either a group defined contribution scheme or the NHS pension scheme. The group's contributions to these schemes are charged to the profit and loss account when due.

#### *Taxation*

The charitable company is not liable for assessment to taxation on its results and recoverable income tax is accrued within the financial statements.

#### 2 Voluntary Income

|              | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | 2006<br>Total<br>£ | 2005<br>Total<br>£ |
|--------------|----------------------------|--------------------------|--------------------|--------------------|
| Donations    | 15,505                     | 1,903,511                | 1,919,016          | 1,893,667          |
| Legacies     | -                          | 711,373                  | 711,373            | 1,163,842          |
| Grants       | -                          | 969,176                  | 969,176            | 924,200            |
| <b>Total</b> | <b>15,505</b>              | <b>3,584,060</b>         | <b>3,599,565</b>   | <b>3,981,709</b>   |

Entitlement for legacies is the earlier of the charity being notified of an impending distribution or the legacy being received. The Charity is notified of legacies which have not been included in the Statement of Financial Activities because the conditions for recognition had not been met as at 31 March 2006. The estimated total amount receivable is Nil (2005 - Nil).

Grants received include £675,366 (2005 - £644,579) received from Southend on Sea Primary Care Trust and an amount of £216,666 (2005 - £216,666) received from the Big Lottery Fund (formerly New Opportunities Fund) in respect of Little Havens Children's Hospice, both of which were fully utilised during the year.

#### 3 Fundraising activities

|                              | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | 2006<br>Total<br>£ | 2005<br>Total<br>£ |
|------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Income from event activities | 781                        | 437,336                  | 438,117            | 333,158            |
| Hospice bond subscriptions   | -                          | 229,383                  | 229,383            | 152,807            |
| <b>Total</b>                 | <b>781</b>                 | <b>666,719</b>           | <b>667,500</b>     | <b>485,965</b>     |

# HAVENS CHRISTIAN HOSPICE

Notes forming part of the consolidated financial statements for the year ended 31 March 2006 (*Continued*)

## 4 Trading activities of subsidiaries

The charitable company has two wholly owned trading subsidiaries which are registered in Great Britain. Fair Havens Trading Company Limited (Company Number 2582455) and Little Haven Children's Hospice Trading Company Limited (Company Number 2953978) carry out commercial activities and donate an amount to the parent charity. A summary of their trading results is shown below. Audited financial statements are filed with the Registrar of Companies.

|  | Fair Havens<br>Trading<br>Company<br>Limited | Little Haven<br>Children's<br>Hospice Trading<br>Company<br>Limited | Total<br>2006  | Total<br>2005   |
|--|--|---|----------------|-----------------|
|  | £  | £   | £              | £               |
| <i>Profit and loss account</i>                 |  |   |                |                 |
| Turnover                                       | 548,129                                      | 539,395   | 1,087,524      | 1,105,423       |
| Cost of sales                                  | (1,820)                                      | (11,377)  | (13,197)       | (25,674)        |
| Gross profit                                   | 546,309                                      | 528,018   | 1,074,327      | 1,079,749       |
| Other operating income                         | -  | 7,200   | 7,200          | 7,220           |
| Administrative costs                           | (449,258)                                    | (490,720)   | (939,978)      | (1,166,656)     |
| Operating profit/(loss)                        | 97,051                                       | 44,498  | 141,549        | (79,687)        |
| Interest receivable                            | 157  | 451   | 608            | 417             |
| Net profit/(loss) before donation              | 97,208                                       | 44,949  | 142,157        | (79,270)        |
| Donation to Parent Charity                     | (31,281)                                     | -   | (31,281)       | (12,260)        |
| Net profit/(loss) after donation               | 65,927                                       | 44,949  | 110,876        | (91,530)        |
| Profit and loss account brought forward        | 22,743                                       | (61,094)  | (38,351)       | 53,179          |
| <b>Profit and loss account carried forward</b> | <b>88,670</b>                                | <b>(16,145)</b>   | <b>72,525</b>  | <b>(38,351)</b> |
| <i>Capital and reserves</i>                    |  |   |                |                 |
| Share capital - £1 ordinary shares             | 75,100                                       | 75,100  | 150,200        | 150,200         |
| Profit and loss account                        | 88,670                                       | (16,145)  | 72,525         | (38,351)        |
| <b>Equity shareholder's funds</b>              | <b>163,770</b>                               | <b>58,955</b>   | <b>222,725</b> | <b>111,849</b>  |

# HAVENS CHRISTIAN HOSPICE

Notes forming part of the consolidated financial statements for the year ended 31 March 2006 (*Continued*)

## 5 Incoming resources from charitable activities

|  | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total<br>2006<br>£ | Total<br>2005<br>£ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| Respite Care fees (outside Essex)                  | -                          | 18,650                   | 18,650             | 16,925             |
| Training Course Fees                               | -                          | 17,254                   | 17,254             | 8,201              |
| Rent from leased property                          | -                          | 7,200                    | 7,200              | 7,200              |
| Receipts from staff meals & other<br>sundry income | -                          | 10,779                   | 10,779             | 15,709             |
|  | -                          | 53,883                   | 53,883             | 48,035             |

## 6 Total resources expended

|                                  | Cost of<br>Activity<br>£ | Support<br>Costs<br>£ | Total<br>2006<br>£ | Total<br>2005<br>£ |
|----------------------------------|--------------------------|-----------------------|--------------------|--------------------|
| <b>Main activities</b>           |                          |                       |                    |                    |
| Fair Havens Care                 | 1,732,913                | 240,138               | 1,973,051          | 1,783,457          |
| Little Havens Care               | 1,218,239                | 241,350               | 1,459,589          | 1,336,787          |
| Fundraising & Marketing          | 888,856                  | 217,243               | 1,106,099          | 788,502            |
| Shops & other trading activities | 856,155                  | 65,020                | 921,175            | 1,168,830          |
| Governance                       | -                        | 62,986                | 62,986             | 38,704             |
| <b>Total Resources Expended</b>  | <b>4,696,163</b>         | <b>826,737</b>        | <b>5,522,900</b>   | <b>5,116,280</b>   |

The above support costs comprise the following head office central overheads as detailed below:

| Support costs              | Fair Havens<br>Care<br>£ | Little Havens<br>Care<br>£ | Fundraising<br>& Marketing<br>£ | Trading<br>£  | Governance<br>£ | Total<br>£     |
|----------------------------|--------------------------|----------------------------|---------------------------------|---------------|-----------------|----------------|
| Directorate                | 75,805                   | 75,805                     | 117,608                         | 26,366        | 48,002          | 343,586        |
| Finance                    | 56,226                   | 54,319                     | 35,872                          | 14,034        | 14,984          | 175,435        |
| HR                         | 64,026                   | 62,148                     | 40,945                          | 14,532        | -               | 181,651        |
| Support Services           | 44,081                   | 49,078                     | 22,818                          | 10,088        | -               | 126,065        |
| <b>Total Support costs</b> | <b>240,138</b>           | <b>241,350</b>             | <b>217,243</b>                  | <b>65,020</b> | <b>62,986</b>   | <b>826,737</b> |
| Total 2005                 | 224,132                  | 168,490                    | 134,465                         | 99,364        | 38,704          | 665,155        |

Support costs cover central service functions which, apart from that regarded as Governance costs, have been allocated to activity cost categories on a basis deemed consistent with the use of resources, eg pro-rata to salaries and other direct costs.

Governance costs are those costs incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

# HAVENS CHRISTIAN HOSPICE

## Notes forming part of the consolidated financial statements for the year ended 31 March 2006 (Continued)

### 7 Net incoming resources

|   | 2006<br>£ | 2005<br>£ |
|---|-----------|-----------|
| Net incoming resources are stated after charging: |           |           |
| Operating lease rentals - land and buildings      | 192,174   | 201,955   |
| Depreciation                                      | 114,521   | 336,517   |
| Auditors remuneration - audit services            | 11,250    | 8,925     |
| Provision for shop refurbishment                  | 19,000    | 175,091   |

As permitted by Section 230 of the Companies Act 1985, the parent company's statement of financial activities has not been included in the financial statements. Its net outgoing resources for the financial year amounted to £128,840, (2005 - £671,099 net incoming resources).

The charitable income and net incoming resources for the year are attributable to the group's continuing principal activity as described on page 2. All of the income is generated within the United Kingdom.

### 8 Staff costs

|                       | Group            |                  | Charitable company |                  |
|-----------------------|------------------|------------------|--------------------|------------------|
|                       | 2006<br>£        | 2005<br>£        | 2006<br>£          | 2005<br>£        |
| Wages and salaries    | 2,943,620        | 2,612,976        | 2,498,585          | 2,201,638        |
| Social security costs | 251,294          | 219,001          | 216,788            | 186,694          |
| Pension costs         | 230,108          | 169,401          | 202,917            | 146,665          |
|                       | <u>3,425,022</u> | <u>3,001,378</u> | <u>2,918,290</u>   | <u>2,534,997</u> |

The average number of persons employed during the year, including part time employees, was:

|                           | Number     | Number     | Number     | Number     |
|---------------------------|------------|------------|------------|------------|
| Council of Management     | 10         | 11         | 10         | 11         |
| Charitable activities     | 111        | 107        | 111        | 107        |
| Trading                   | 29         | 33         | -          | -          |
| Fundraising and publicity | 18         | 14         | 18         | 14         |
|                           | <u>168</u> | <u>165</u> | <u>139</u> | <u>132</u> |

No members of the Council of Management received emoluments or were reimbursed for expenses incurred during the year. No employees were paid more than £60,000.

## HAVENS CHRISTIAN HOSPICE

### Notes forming part of the consolidated financial statements for the year ended 31 March 2006 (*Continued*)

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#### 9 Pensions and benefits

The group contributes to three pension schemes on behalf of employees.

The group contributes to a defined contribution pension scheme operated by Scottish Equitable. The assets of the scheme are held separately from those of the group in independently administered funds. The group manages the payment of the whole contribution being paid into each member's fund to maximise the amount of money paid into each member's fund. Employee members of the scheme commit to taking a salary sacrifice that is equivalent to the amount of their hypothetical personal contribution.

The group contributes to a defined contribution personal pension scheme operated by Winterthur Life. The assets of the scheme are held separately from those of the group in independently administered funds.

The group also contributes to the National Health Service Pension Scheme, which is a multi-employer defined benefit scheme. The group is a category 7(2) Directions Member, which enables previous members of the NHS Pension Scheme to continue their membership in the scheme upon commencing employment with the group. It is not possible to identify each contributing body's share of the underlying assets and liabilities of the scheme and therefore, in accordance with FRS 17 – 'Retirement Benefits', contributions to the scheme are accounted for as if it were a defined contribution scheme.

The combined contributions payable by the group into all pension schemes for the year amounted to £230,108 (2005 - £169,401). Contributions of £23,566 (2005 - £4,358) were outstanding at the year end and are included in creditors.

In addition the group contributes to an employee life assurance and health benefit scheme. The contributions payable amounted to £11,220 (2005 - £10,604) for the group and £9,860 (2005 - £8,882 for the company).



# HAVENS CHRISTIAN HOSPICE

Notes forming part of the consolidated financial statements for the year ended 31 March 2006 *(Continued)*

## 10 Tangible fixed assets

| <i>Group</i>              | <b>Freehold<br/>land and<br/>buildings<br/>£</b> | <b>Improvements<br/>to short<br/>leasehold<br/>buildings<br/>£</b> | <b>Furniture<br/>and<br/>equipment<br/>£</b> | <b>Fixtures<br/>and<br/>fittings<br/>£</b> | <b>Motor<br/>vehicles<br/>£</b> | <b>Total<br/>£</b> |
|---------------------------|--|--|--|--|---------------------------------|--------------------|
| <b>Cost or valuation</b>  |  |  |  |  |                                 |                    |
| At 1 April 2005           | 4,480,751  | 87,422   | 380,451                                      | 187,489                                    | 38,995                          | 5,175,108          |
| Additions                 | -  | -  | 67,450                                       | -  | -                               | 67,450             |
| <b>At 31 March 2006</b>   | <b>4,480,751</b>                                 | <b>87,422</b>  | <b>447,901</b>                               | <b>187,489</b>                             | <b>38,995</b>                   | <b>5,242,558</b>   |
| <b>Depreciation</b>       |  |  |  |  |                                 |                    |
| At 1 April 2005           | 423,379  | 71,494   | 296,658                                      | 164,984                                    | 34,455                          | 990,970            |
| Charge for the year       | 58,158   | 9,523  | 37,780                                       | 6,395                                      | 2,665                           | 114,521            |
| <b>At 31 March 2006</b>   | <b>481,537</b>                                   | <b>81,017</b>  | <b>334,438</b>                               | <b>171,379</b>                             | <b>37,120</b>                   | <b>1,105,491</b>   |
| <b>Net book value</b>     |  |  |  |  |                                 |                    |
| <b>At 31 March 2006</b>   | <b>3,999,214</b>                                 | <b>6,405</b>   | <b>113,463</b>                               | <b>16,110</b>                              | <b>1,875</b>                    | <b>4,137,067</b>   |
| At 31 March 2005          | 4,057,372  | 15,928   | 83,793                                       | 22,505                                     | 4,540                           | 4,184,138          |
| <i>Charitable company</i> |  |  |  |  |                                 |                    |
| <b>Cost or valuation</b>  |  |  |  |  |                                 |                    |
| At 1 April 2005           | 4,856,623  | -  | 367,902                                      | 184,473                                    | 25,000                          | 5,433,998          |
| Additions                 | -  | -  | 67,450                                       | -  | -                               | 67,450             |
| <b>At 31 March 2006</b>   | <b>4,856,623</b>                                 | <b>-</b>   | <b>435,352</b>                               | <b>184,473</b>                             | <b>25,000</b>                   | <b>5,501,448</b>   |
| <b>Depreciation</b>       |  |  |  |  |                                 |                    |
| At 1 April 2005           | 423,379  | -  | 291,494                                      | 161,970                                    | 25,000                          | 901,843            |
| Charge for the year       | 58,158   | -  | 35,176                                       | 6,394                                      | -                               | 99,728             |
| <b>At 31 March 2006</b>   | <b>481,537</b>                                   | <b>-</b>   | <b>326,670</b>                               | <b>168,364</b>                             | <b>25,000</b>                   | <b>1,001,571</b>   |
| <b>Net book value</b>     |  |  |  |  |                                 |                    |
| <b>At 31 March 2006</b>   | <b>4,375,086</b>                                 | <b>-</b>   | <b>108,682</b>                               | <b>16,109</b>                              | <b>-</b>                        | <b>4,499,877</b>   |
| At 31 March 2005          | 4,433,244  | -  | 76,408                                       | 22,503                                     | -                               | 4,532,155          |

## HAVENS CHRISTIAN HOSPICE

### Notes forming part of the consolidated financial statements for the year ended 31 March 2006 (Continued)

#### 10 Tangible fixed assets (Continued)

Freehold land and buildings includes the original purchase cost of 124/126 Chalkwell Avenue at a valuation of £400,000 carried out by N Deacon FRICS, an independent surveyor, in 1991, on an existing open market basis. The historical cost net book value of this asset is £299,415 (2005 - £305,210). All refurbishment costs or new building purchases since that date are included at cost. The group has taken advantage of the transitional provisions of FRS 15 to retain the existing book values, including those of its unimpaired tangible fixed assets which were previously stated at valuation.

The actual net book value of this original purchase cost based on the 1991 revaluation is £322,551 (2005 - £328,551). The revaluation reserve arising, being £23,136 (2005 - £23,341) has not been shown separately within the fund balances on the grounds that the amount is immaterial in the context of the financial statements.

Freehold land and buildings includes an amount of £250,000 relating to freehold land (2005 - £250,000).

The charitable company balance for freehold land and buildings includes an amount of £375,872 relating to capitalised interest charged previously by a fellow group company. In these circumstances, general accounting principles require that such balances are removed upon consolidation, hence the group balance being less than that for the charitable company.

#### 11 Investments

|   | 2006<br>£        | 2005<br>£        |
|---|------------------|------------------|
| <i>Group</i>  |                  |                  |
| Cash held for investment purposes - long term           | 1,900,000        | 1,800,000        |
| - short term  | 700,000          | 700,000          |
|   | <u>2,600,000</u> | <u>2,500,000</u> |
| <i>Charitable company</i>                               |                  |                  |
| Cash held for investment purposes - long term           | 1,900,000        | 1,800,000        |
| - short term  | 700,000          | 700,000          |
|   | <u>2,600,000</u> | <u>2,500,000</u> |
| Shares in subsidiaries at cost:                         |                  |                  |
| Fair Havens Trading Company Limited                     | 75,100           | 75,100           |
| Little Haven Children's Hospice Trading Company Limited | 75,100           | 75,100           |
|   | <u>2,750,200</u> | <u>2,650,200</u> |

All investments are held primarily to provide an investment return.

The charitable company's interest in the above subsidiaries represents 100% of the issued share capital in each case. The subsidiaries' principal activities are:

|   |                        |
|---|------------------------|
| Fair Havens Trading Company Limited                     | - Charity shop trading |
| Little Haven Children's Hospice Trading Company Limited | - Charity shop trading |

# HAVENS CHRISTIAN HOSPICE

Notes forming part of the consolidated financial statements for the year ended 31 March 2006 (Continued)

## 12 Stocks

|                  | Group      |               | Charitable company |              |
|------------------|------------|---------------|--------------------|--------------|
|                  | 2006       | 2005          | 2006               | 2005         |
|                  | £          | £             | £                  | £            |
| Emblems          | -          | 7,790         | -                  | 7,790        |
| Goods for resale | 917        | 5,419         | -                  | -            |
|                  | <u>917</u> | <u>13,209</u> | <u>-</u>           | <u>7,790</u> |

## 13 Debtors

|                               | Group          |                | Charitable company |                |
|-------------------------------|----------------|----------------|--------------------|----------------|
|                               | 2006           | 2005           | 2006               | 2005           |
|                               | £              | £              | £                  | £              |
| Trade debtors                 | 10,761         | 8,433          | -                  | -              |
| Other debtors                 | 28,306         | 123,967        | 28,309             | 48,166         |
| VAT recoverable               | 6,114          | 7,695          | -                  | -              |
| Prepayments                   | 84,538         | 88,926         | 52,889             | 47,293         |
| Amounts due from subsidiaries | -              | -              | -                  | 14,300         |
|                               | <u>129,719</u> | <u>229,021</u> | <u>81,198</u>      | <u>109,759</u> |

## 14 Creditors: amounts falling due within one year

|                             | Group            |                | Charitable company |                |
|-----------------------------|------------------|----------------|--------------------|----------------|
|                             | 2006             | 2005           | 2006               | 2005           |
|                             | £                | £              | £                  | £              |
| Amounts due to subsidiaries | -                | -              | 210,107            | 172,582        |
| Trade creditors             | 691,526          | 94,996         | 680,425            | 74,512         |
| Other creditors             | 322,067          | 125,139        | 322,067            | 125,139        |
| Accruals                    | 295,627          | 453,124        | 249,349            | 412,870        |
|                             | <u>1,309,220</u> | <u>673,259</u> | <u>1,461,948</u>   | <u>785,103</u> |

## 15 Provision for liabilities and charges

|                                   | Group         |                         | Charitable company            |                               |
|-----------------------------------|---------------|-------------------------|-------------------------------|-------------------------------|
|                                   | Total         | Refurbishment provision | Staff Restructuring provision | Staff Restructuring provision |
|                                   | £             | £                       | £                             | £                             |
| At 1 April 2005                   | 199,461       | 175,091                 | 24,370                        | 24,370                        |
| Utilised during the year          | (168,602)     | (144,232)               | (24,370)                      | (24,370)                      |
| Provision created within the year | 19,000        | 19,000                  | -                             | -                             |
| At 31 March 2006                  | <u>49,859</u> | <u>49,859</u>           | <u>-</u>                      | <u>-</u>                      |

# HAVENS CHRISTIAN HOSPICE

Notes forming part of the consolidated financial statements for the year ended 31 March 2006 (*Continued*)

## 15 Provision for liabilities and charges (*Continued*)

### Group

A provision of £49,859 has been recognised for the costs of a shop refurbishment programme. All related expenditure is anticipated to be incurred in the next financial year.

### Company

No such provisions have been made as at 31<sup>st</sup> March 2006.

## 16 Analysis of funds

|  | Unrestricted fund | ← Restricted funds →  |                     |               |                              |                    |                    |
|--|-------------------|-----------------------|---------------------|---------------|------------------------------|--------------------|--------------------|
|  | General<br>£      | Little<br>Havens<br>£ | Fair<br>Havens<br>£ | Trading<br>£  | Jenny<br>Green<br>Trust<br>£ | Total<br>2006<br>£ | Total<br>2005<br>£ |
| <i>Movements in funds</i>              |                   |                       |                     |               |                              |                    |                    |
| 1 April 2005                           | 900,794           | 3,673,552             | 1,543,136           | (38,351)      | 9,657                        | 6,088,788          | 5,509,219          |
| Restatement of opening balances        | -                 | 440,925               | (440,925)           | -             | -                            | -                  | -                  |
| Income                                 | 30,999            | 2,627,775             | 1,782,022           | 1,095,332     | 89                           | 5,536,217          | 5,695,849          |
| Expenditure                            | (24,789)          | (2,167,163)           | (2,409,773)         | (921,175)     | -                            | (5,522,900)        | (5,116,280)        |
|  | 907,004           | 4,575,089             | 474,460             | 135,806       | 9,746                        | 6,102,105          | 6,088,788          |
| Inter company charges                  | 234,800           | (202,800)             | 31,281              | (63,281)      | -                            | -                  | -                  |
| <b>31 March 2006</b>                   | <b>1,141,804</b>  | <b>4,372,289</b>      | <b>505,741</b>      | <b>72,525</b> | <b>9,746</b>                 | <b>6,102,105</b>   | <b>6,088,788</b>   |
| <i>Representation of Fund balances</i> |                   |                       |                     |               |                              |                    |                    |
| Tangible fixed assets                  | 544,030           | 2,903,814             | 676,161             | 13,062        | -                            | 4,137,067          | 4,184,138          |
| Long term investments                  | -                 | 1,900,000             | -                   | -             | -                            | 1,900,000          | 1,800,000          |
| Cash and bank balances                 | 7,087             | 97,048                | 422,245             | 57,355        | 9,746                        | 593,481            | 35,140             |
| Short term investments                 | 330,000           | 370,000               | -                   | -             | -                            | 700,000            | 700,000            |
| Other current assets/(liabilities)     | 260,687           | (898,573)             | (592,665)           | 2,108         | -                            | (1,228,443)        | (630,490)          |
| <b>31 March 2006</b>                   | <b>1,141,804</b>  | <b>4,372,289</b>      | <b>505,741</b>      | <b>72,525</b> | <b>9,746</b>                 | <b>6,102,105</b>   | <b>6,088,788</b>   |

### Restatement of opening balances

The opening balances have been restated to reverse the effect of a recharge incorrectly charged in the accounts for the year ended 31 March 2005.

## HAVENS CHRISTIAN HOSPICE

Notes forming part of the consolidated financial statements for the year ended 31 March 2006 (*Continued*)

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### 16 Analysis of funds (*Continued*)

#### Unrestricted fund

##### *General*

Mainly represents funds generated by the charity in the years to 31 March 1994, to which date the charity operated a single hospice activity, together with any funds for Havens Hospices which are considered unrestricted.

#### Restricted funds

##### *Little Havens*

Represents the activities of the Little Havens Children's Hospice.

##### *Fair Havens*

Represents the activities of the Fair Havens Hospice since 1 April 1994.

##### *Trading*

Represents the activities of Little Haven Children's Hospice Trading Company Limited and Fair Havens Trading Company Limited, subsidiary companies, as set out in note 4. The companies were set up to provide funds to support the activities of the Charity.

##### *Jenny Green Trust*

Consists of amounts received from The Jenny Green Trust, a fund used to enable community nursing staff to attend study days relating to palliative care.

### 17 Operating lease commitments

As at 31 March 2006, the group had annual commitments under non-cancellable operating leases as set out below:

|                      | <b>Land and buildings</b> |                |
|----------------------|---------------------------|----------------|
|                      | <b>2006</b>               | <b>2005</b>    |
|                      | <b>£</b>                  | <b>£</b>       |
| Within one year      | <b>25,800</b>             | 17,000         |
| In two to five years | <b>51,750</b>             | 78,500         |
| Over five years      | <b>42,650</b>             | 62,250         |
|                      | <b>120,200</b>            | <b>157,750</b> |