

Helen & Douglas House

(A Company Limited by Guarantee)

Registered Charity No. 1085951

Registered Company No 04120488

**Accounts
for the year ended
31st March 2007**

**Wenn Townsend
Chartered Accountants**

Oxford

THURSDAY



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04/10/2007
COMPANIES HOUSE**

Helen & Douglas House

Trustees	Sister F Dominica A R Cooper D W Shorey Mrs S Haywood D Craig A Wilkinson Mrs T Hill Mrs E Drew
Chief Executive	T H Hill
Solicitors	Herbert Mallam Gowers 126 High Street Oxford OX1 4DG
Auditors	Wenn Townsend 30 St Giles' Oxford OX1 3LE
Bankers	National Westminster Bank plc 121 High Street Oxford OX1 4DD
Investment Managers:	The Central Board of Finance of the Church of England St Alphage House 2 Fore Street London EC2Y 5AQ
Registered Office	126 High Street Oxford OX1 4DG
Principal Office.	14a Magdalen Road Oxford OX4 1RW
Registered Charity No.:	1085951
Registered Company No .	04120488

Helen & Douglas House
Trustees' Report
for the year ended 31st March 2007

The trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ended 31st March 2007. Legal and administrative information set out on page 1 forms part of this report. The annual report and financial statements comply with the SORP, other current statutory requirements and the charity's memorandum and articles of association.

Objectives and activities

The objects of Helen & Douglas House are the relief of sickness and stress, in particular

- To offer palliative care, support and friendship to people aged 0-40 who are suffering with life-limiting illnesses
- To offer relief to relatives by offering short-term residential care for sufferers, their families and their carers
- To assist families and carers with the care of the sufferer and to offer support throughout the illness and in bereavement

The charity's overarching aim is to do all that it can to make the short lives of the children, young people and their families/carers that it is privileged to serve as good as possible.

The charity's present strategic plan is predicated on six principal objectives, viz,

- 1 To value and respond to the joys, hopes and fears of each individual by establishing an organisational culture that promotes healing, builds trust and ensures stakeholder confidence
- 2 To develop and promote the highest standards of education, training, support and professional competence
- 3 To deliver appropriate and effective palliative care services, practical and professional support to children, young adults and their families and carers
- 4 To effectively and efficiently manage the charity and properly steward the resources with which it has been entrusted
- 5 To ensure the adequacy of financial resources to enable Helen House Children's Hospice and Douglas House Respite for Young Adults to carry out the objectives of the charity's care strategy and thereby fulfil its mission
- 6 To identify diverse sources of revenue, maximise financial returns therefrom and build ongoing relationships with donors

Most of the charity's activities with children and young people are carried out in the settings of Helen House and Douglas House where residential-respite and end-of-life care are provided. Bereaved families are usually supported at home.

Helen House is an eight-bedded children's hospice, a home-from-home where each child has her or his own bedroom, parents may choose to sleep in the same room as their child or in family accommodation that provides comfort and complete privacy.

Douglas House is a seven-bedded respite for young adults where each young person has her or his own ensuite bedroom, family members and/or carers accompanying the young person are accommodated in family accommodation that provides comfort and complete privacy.

Helen & Douglas House
Trustees' Report
for the year ended 31st March 2007

Achievements and performance

- At 31st March 2007 the charity was supporting 243 (2006 212) families in the active care of children and young adults living with progressive life-shortening conditions. There were 741 stays (2006 622) representing 2,736 bed-nights (2006 2,373). A further 65 families received bereavement support in the year. The build-up of referrals to Douglas House had initially been slow and as a consequence the house was opened in phased stages. At 31st March 2007 Douglas House was operating at c85% capacity.
- The quality of service provision and support services continued to be monitored with the help of PQASSO (Practical Quality Assurance System for Small Organisations).
- Throughout January and February 2007 BBC2 broadcast its eight-part documentary series featuring the lives of several families who either presently use or previously used Helen House and/or Douglas House. This moving series provided a true testament to the value of the work done by the staff of Helen & Douglas House in making a huge difference to the lives of our very special children, young people and their families. The series has greatly raised the public's awareness of the work of Helen & Douglas House and, in fact, the work of children's hospices in general. The fundraising team capitalised on the PR opportunities presented by this very significant event in the life of Helen & Douglas House.
- The charity's team of professional fundraisers comprises a fundraising manager and a team of fundraisers to implement the fundraising strategy in accordance with the 2004/08 strategic plan – community fundraising, events fundraising, fundraising from companies and trusts and retailing. Funding and fundraising continued to be a huge challenge. Costs of providing hospice care for 2006/07 amounted to £3.35 million (2006 £3.11 million). The income generated by the fundraising team of £3.34 million (2006 £2.51 million) clearly demonstrated the success of the out-working of the fundraising strategy. Included in this figure is £250k received from the Department of Health as a Section 64 grant to be applied in the provision of paediatric palliative care. The costs associated with fundraising were £517k (2006 £446k).
- The charity enjoyed amazing community support for its fundraising activities such as that demonstrated at the Childish Things 3 event in which an incredible line-up of celebrities played to a packed house at the New Theatre Oxford on 4th March 2007. The event was so successful that seats for Childish Things 4, to be held in 2008, went on sale in April 2007! The charity continues to enjoy excellent corporate sponsorship. 2006/07 was the first year of a sponsorship arrangement with the Honda Formula 1 Racing Team.
- The charity continued to expand its retailing operation during the year. At the year end seven shops were actively trading, in addition to a virtual eBay shop which was administered by volunteers. Income from retailing amounted to £319k (2006 £165k).
- The bereavement and family support service was strengthened during the year under review.
- A team of appropriately qualified and experienced doctors was employed in 2006/07 to ensure continuity of medical services to the children and young people in our care. Medical services had previously been provided by self-employed general practitioners under a service-level agreement with a local GP practice. Further development of the medical service will include exploring the role of the specialist nurse with prescribing rights.

Helen & Douglas House
Trustees' Report
for the year ended 31st March 2007

- Recognising that Helen & Douglas House is but one part of the spectrum of care received by the children and young adults that it serves the charity has started to engage more with the wider healthcare economy to assess the possibility of resource-sharing and partnership arrangements in relation to the provision of clinical services
- Recognising the importance of spiritual care within the holistic framework of palliative care the charity has recruited a full-time chaplain
- Following an assessment of the role of occupational therapy within the context of services provided by Douglas House the charity this year employed a qualified occupational therapist. The OT's principal role is to enhance the skills that the young people who stay at Douglas House require in relation to activities of daily living
- Having for the previous two years used an external human resource consultant the charity, during the year under review, decided to establish the post of Human Resource Manager. In addition there have been improvements in financial management and the management of information technology. New financial software and a patient database were installed to facilitate more detailed reporting. Further improvements to the charity's already excellent website were carried out and the development of an intranet facility to facilitate improved internal communication was started
- The Trustees were thrilled to learn in January 2007 that Her Royal Highness The Duchess of Cornwall had agreed to become the charity's patron
- The importance of good public relations is recognised by the trustees. Disasters and incidents can come in many guises. A robust business continuity plan was developed to ensure that, in the event of a serious incident, disruption to patient care and workforce management/ administration are minimised
- In November 2007 the charity will celebrate its silver jubilee. In preparation for a year of celebrations (April 2007 to March 2008) the charity, in December 2007 published a wonderful collection of anecdotes about the care that families received at either Helen House or Douglas House. The book, entitled 'Behind the Big Red Door' was the work of the charity's founder Sister Frances Dominica
- Sister Frances Dominica's lifetime's work for the children's hospice movement was recognised by Her Majesty The Queen when, in the 2006 Birthday Honours' List, she announced that Sister Frances was to become an Officer of the British Empire. The honour was conferred on Sister Frances at a Buckingham Palace Investiture on 17th November 2006 by His Royal Highness The Prince of Wales

Financial review

The Statement of Financial Activities (SOFA) indicates restricted funds were in deficit by £2,530,202 for the year. This deficit, which is in accordance with the trustees' policy on accounting for restricted funds, included the full costs of providing care at both Helen House and Douglas House, the cost of the bereavement service and the associated costs of support and enabling departments.

Overall Helen & Douglas House's income increased by 28% to £3,927,023. The increase is indicative of a more proactive approach to fundraising as a result of the establishment of the professional fundraising team - increases in voluntary donations of £626,090, an increase in charitable activities' income of £146,313 and an increase of £153,114 in shop income. The trustees are overwhelmed by the ongoing enthusiasm and dedication of our friends and supporters and the fundraising initiatives by individuals, groups, trusts and companies, without which Helen & Douglas House would not be able to care for the many families who contact us for help.

Helen & Douglas House
Trustees' Report
for the year ended 31st March 2007

The increased activity bringing about the increased income is reflected in increased expenditure of £482k compared to 2006, an increase of 13%. This is in line with the trustees' strategy of establishing a professional fundraising team charged with generating from 2008/09 a sustainable income flow sufficient to meet annual running costs.

Spending on providing hospice care and family bereavement support has increased by £216k from 2006. This 7% increase reflects the increased activity of Douglas House and includes the general cost-of-living salary increases awarded to all employees of the charity.

Due to unrealised gains in the value of the charity's investment portfolio Helen & Douglas House's total funds increased to £19,617k at the end of the year (2006 £19,272k). Of this figure, the readily realisable reserves amount to £14,572k (2006 £14,238k).

Investment policy

The charity has a substantial investment portfolio which at 31st March 2007 had a market value of c£14 million. Of this c£12.5 million is managed by CCLA Investment Management Ltd (the Central Board of Finance of the Church of England). The trustees aim is to preserve the real capital value of the investments held by the charity, while at the same time maximising income. Investments are divided between equity funds, fixed interest funds, property funds and cash. The percentage proportions of the portfolio are reviewed at least annually and, under the guidance of CCLA Investment Management Ltd, amended according to the anticipated market conditions and organisational needs. The quarterly reports from CCLA's Social Responsibility Investigation Unit confirm to the trustees that the CBF funds' managers adopt a rigorous approach to corporate social responsibility in line with their instructions on environmental, ethical and social codes.

68% of investments are in the CBF investment fund. In the 2006 calendar year the fund achieved an overall total return of 14.3%. This compares favourably with the benchmark index of 12.1% produced by WM Co Charity Fund Service (CFS). The CFS index is based on the results of 283 Charity funds with a total market value of around £10.7 billion. Outperformance of the benchmark was due to beneficial asset allocation and good performance in all major asset classes. UK equity performance benefited from overweight positions and good stock selection in utilities, real estate and life insurance. Overseas equity performance was enhanced by overweight positions in Europe and Asia Pacific and an underweight position in the USA.

14% of investments are in the CBF property fund. 2006 was another good year for property investors, with performance matching the levels achieved in 2004 and 2005. This fund achieved an annualised total return of 21.3% in the 2006 calendar year. This outperforms the benchmark of 19.8% (HSBC/AREF/IPD Balanced Property Unit Trust Index).

The trustees are of the opinion that investment performance is in line with the objectives set.

Structure, governance and management

Helen House and Douglas House were each originally established under the aegis of the Society of All Saints Sisters of the Poor, a registered charity and Anglican religious community for women, whose Mother House is in Oxford. The hospices are built within the grounds of the Society's Convent.

On 1st April 2002 the funds and activities of both Helen House and Douglas House were transferred to a new charitable company, limited by guarantee, and then known as The Oxford Respices for Children and Young People. The company's name was changed by Special Resolution to "Helen & Douglas House" in June 2005.

The charity's trustees are appointed by its members who for the time being are the trustees of the Society of All Saints Sisters of the Poor. One third of the nominated trustees must retire at each Annual General Meeting of the charity. Trustees retiring by rotation are eligible for re-appointment.

Helen & Douglas House

Trustees' Report for the year ended 31st March 2007

The chief executive is responsible for organising an induction programme for new trustees and ongoing training for all trustees. Each trustee receives a trustee induction file on appointment. This and ongoing training are based on material provided by Help the Hospices, the umbrella body of the hospice movement in the United Kingdom.

Whilst the trustees have, and accept, ultimate responsibility for directing the charity's affairs they have delegated authority for day-to-day operational decisions to the chief executive, who reports to them at the bi-monthly meetings of the board, and through him to a team of managers heading different operational areas. The director of clinical services leads a team of doctors, nurses, carers and other healthcare professionals with specialist knowledge in adult and paediatric palliative care.

Each child or young adult in the charity's care is allocated a named member of staff for each period of duty to ensure that she or he and her/ his family are given individual attention. The family is also allocated a key-worker/ team who acts/act as a link between the health professionals involved in a child's or young adult's care and his or her family.

The ethos of Helen & Douglas House fosters partnerships between staff, children, young adults and their families/ carers. During a respite stay the staff aim to maintain the child's or young adult's normal routine whenever possible but to also make the 'now' as special and enjoyable as possible. Treatments/ consultations available at Helen House and Douglas House include symptom management, pain relief, physiotherapy, complementary therapies such as aromatherapy and music therapy, end-of-life care and bereavement support.

The trustees have a clear strategic focus. The outworking of the charity's strategic plan (2004 to 2008) is governed by annual business plans and financial projections which are presented to the trustees for scrutiny and approval. The plan's progress is monitored by the board through the bi-monthly reports and monthly management accounts submitted to it by the chief executive and the director of clinical services.

Helen & Douglas House values the support that it enjoys from its association with Help the Hospices (HtH) (the umbrella body for hospice organisations in the United Kingdom) and the Association of Children's Hospices (ACH) (the umbrella body for organisations involved in paediatric palliative care). Both HtH and ACH engage in nationwide campaigning and fundraising initiatives on behalf of their members. The support that they give local organisations such as Helen & Douglas House on areas such as political lobbying and awareness-raising ensures that finite local resources are channelled, undiluted, into the provision of palliative care of the highest quality.

Helen & Douglas House (Trading) Limited is a wholly-owned subsidiary of Helen & Douglas House, which was established to generate funds for the charity from the sale mostly of donated goods but also new goods. In April 2006 a decision was taken to account for the sale of donated goods through the charity. The sale of new goods continues to be accounted for through Helen & Douglas House (Trading) Limited. The results of the subsidiary company have been incorporated into these financial statements.

During the year under review the charity has continued to work hard to establish a core group of volunteers. Volunteers have been recruited to work in the two hospice shops and others to provide support services to the administration, fundraising and maintenance departments. The trustees value the contributions made by volunteers and are committed to providing further opportunities for volunteering. It is our belief that a rich and diverse source of 'grass-root' support is essential for the charity's future wellbeing.

Helen & Douglas House

Trustees' Report for the year ended 31st March 2007

Reserves policy

Helen & Douglas House is committed to providing a continuum of care for all children and young people that have used the facilities of both houses until they reach the age of 40

The number of children and young people being cared for in the last six years averages 170 a year. In the year to 31st March 2007, 243 people were cared for compared with 203 in the previous year. The present value of the commitment to care for children already known to Helen & Douglas House has been estimated at £23 million.

Restricted funds (note 11)

Funds raised before the building of Douglas House are considered to be restricted for the use of Helen House with its commitment to care for children and their families, as are those funds raised since which are given explicitly for Helen House. After running costs the fund now stands at £10 million.

Funds raised for the building and running of Douglas House stand at £760k at 31st March 2007.

The trustees recognise the need to draw on the capital of these funds to meet the running costs of both houses.

Unrestricted funds (note 12)

Unrestricted funds amount to £8.8 million.

As previously noted the trustees recognise that fundraising efforts will need to increase over the next two years as unrestricted funds will be called upon to meet the annual expenditure of Douglas House.

Risk management

The trustees have examined the principal areas of the charity's operation and considered the major risks in these areas. The trustees consider the charity's systems are such that these risks are mitigated to an acceptable level.

The risk management strategy forms part of the annual planning process against which the trustees regularly review progress. The trustees not only review the annual plans but also seek to anticipate future risks by undertaking a regular four-year planning programme.

With regard to financial risk, the trustees believe that the current level of Helen & Douglas House's readily realisable reserves, combined with the annual review of the controls over key systems, will provide sufficient resources in the event of unplanned, adverse conditions.

Trustee board members

The members of the trustee board, who are also directors under the terms of the Companies Act are set out on page 1. The members of the trustee board have no beneficial interest in the group or the charity.

Helen & Douglas House

**Trustees' Report
for the year ended 31st March 2007**

Trustees' responsibilities

Company and Charity Law require the trustees to prepare accounts for each financial period which give a true and fair view of the state of affairs of the charity as at the end of the financial period and of the surplus or deficit of the charity for that period. In preparing those accounts the trustees are required to

- Select suitable accounting policies and then apply them consistently,
- Make judgements and estimates that are reasonable and prudent,
- Follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts,
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charity will continue

The trustees have overall responsibility for ensuring that the charity has an appropriate system of controls, financial and otherwise. The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Charities Act. They 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.

The trustees confirm that so far as they are aware, there is no relevant audit information of which the company's auditors are unaware. They have taken all the steps they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution proposing that Wenn Townsend be re-appointed as auditors of the charity will be put to the Annual General Meeting.

On behalf of the trustees



Ms Caroline Johnson

Company Secretary

29/07/2007

Helen & Douglas House

Independent auditor's report to the members of Helen & Douglas House

We have audited the financial statements of Helen & Douglas House for the year ended 31st March 2007 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity's balance sheet, the consolidated cash flow statement and the related notes. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charity'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 charity'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 charity and the charity'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

As described in the Statement of Trustees' Responsibilities the trustees are responsible for the preparation of the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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. We also report to you if, in our opinion, the information given in the Trustees' Report is consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanation we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Report, and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of 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 whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the 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 information given in the Trustees' Report for the financial year ended 31st March 2007 is consistent with the financial statements
- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice of the state of the affairs of the charity and the group as at 31st March 2007 and of its incoming resources and application of resources in the year then ended, and
- the financial statements have been properly prepared in accordance with the Companies Act 1985.


Wenn Townsend

Chartered Accountants and Registered Auditors

Oxford
25-09-2007

Helen & Douglas House

Consolidated Statement of Financial Activities for the year ended 31st March 2007

	Note	Restricted	Unrestricted	Endowment	Total	2006
Incoming resources						
Incoming resources from generated funds						
Voluntary income	2	85,610	2,522,111	-	2,607,721	1,981,631
Activities for generating funds		-	318,827	-	318,827	165,713
Investment income	2	278,125	209,653	-	487,778	555,145
Incoming resources from charitable activities	2	512,697	-	-	512,697	366,384
Total incoming resources		£ 876,432	3,050,591	-	3,927,023	3,068,873
Resources expended	3					
Costs of generating funds						
Costs of generating voluntary income		517,861	-	-	517,861	446,345
Cost of fundraising trading		-	379,821	-	379,821	200,571
Charitable activities						
Hospice Care		2,949,485	-	-	2,949,485	2,762,470
Bereavement		345,990	-	-	345,990	316,269
Governance costs		49,782	-	-	49,782	34,877
Total resources expended		£3,863,118	379,821	-	4,242,939	3,760,532
Net incoming/(outgoing) resources		(2,986,686)	2,670,770	-	(315,916)	(691,659)
<i>Gains and losses on investments</i>						
Realised	6	(7,673)	(3,448)	-	(11,121)	-
Unrealised	6	464,157	208,535	(1,043)	671,649	1,933,736
Net movement in funds		(2,530,202)	2,875,857	(1,043)	344,612	1,242,077
Fund balances brought forward at 31st March 2006		13,290,827	5,928,602	52,901	19,272,330	18,030,253
Fund balances carried forward at 31st March 2007		£10,760,625	8,804,459	51,858	19,616,942	19,272,330
Represented by.						
Fixed assets		2,021,850	3,022,678	-	5,044,528	5,034,198
Investments		8,246,219	5,704,725	51,858	14,002,802	13,788,094
Current assets		579,532	258,461	-	837,993	749,106
Current liabilities		(86,976)	(181,405)	-	(268,381)	(299,068)
		£ 10,760,625	8,804,459	51,858	19,616,942	19,272,330

Movement in funds of £344,612 include £336,102 relating to the charity

Helen & Douglas House

Consolidated Balance Sheet
at 31st March 2007

	Note		2006
Fixed assets	5		
Properties		4,497,364	4,644,026
Fixtures and fittings		525,457	362,319
Motor vehicles		21,707	27,853
		<u>5,044,528</u>	<u>5,034,198</u>
Investments			
Investments	6	14,002,802	13,788,094
Current assets			
Stocks and work in progress		64,430	30,493
Debtors	7	262,589	228,252
Investments	8	146,587	305,714
Bank and cash		364,387	184,647
		<u>837,993</u>	<u>749,106</u>
Current liabilities			
Creditors	9	(268,381)	(299,068)
Net current assets		<u>569,612</u>	<u>450,038</u>
Net assets		<u>£ 19,616,942</u>	<u>£ 19,272,330</u>
Accumulated funds			
Endowment		51,858	52,901
Restricted	11	10,760,625	13,290,827
Unrestricted	12	8,804,459	5,928,602
		<u>£ 19,616,942</u>	<u>£ 19,272,330</u>

A R Cooper

A R Cooper (Trustee)

25 Sept 2007

Helen & Douglas House

Balance Sheet at 31st March 2007

	Note		2006
Fixed assets	5		
Properties		4,497,364	4,644,026
Fixtures and fittings		525,457	318,853
Motor vehicles		21,707	27,853
		<u>5,044,528</u>	<u>4,990,732</u>
Investments			
Investments	6	14,002,804	13,788,096
Current assets			
Stocks and work in progress		16,304	-
Debtors	7	325,520	252,894
Investments	8	146,587	305,714
Bank and cash		329,387	184,647
		<u>817,798</u>	<u>743,255</u>
Current liabilities			
Creditors	9	(256,846)	(249,901)
Net current assets		<u>560,952</u>	<u>493,354</u>
Net assets		<u>£ 19,608,284</u>	<u>£ 19,272,182</u>
Accumulated funds			
Endowment		51,858	52,901
Restricted	11	10,760,625	13,290,827
Unrestricted	12	8,795,801	5,928,454
		<u>£ 19,608,284</u>	<u>£ 19,272,182</u>



A R Cooper (Trustee)

25 Sept 2007

Helen & Douglas House

**Consolidated Cash Flow Statement
for the year ended 31st March 2007**

2006

Net cash flow from operating activities:

Net (outgoing) resources	(315,916)	(691,659)
Depreciation	278,877	295,722
Loss on disposal of fixed assets	1,786	1,820
(Increase) in stocks	(33,937)	(23,648)
(Decrease)/Increase in creditors	(7,103)	81,111
(Increase) in debtors	(34,337)	(61,708)
Decrease in current investments	159,127	553,435
	<u>48,497</u>	<u>155,073</u>

Investing activities:

Sale of investments	500,000	516,044
J P Morgan interest	(54,181)	(52,236)
New investment	-	(22,260)
	<u>445,819</u>	<u>441,548</u>

Additions to tangible fixed assets	(290,993)	(558,151)
Increase in cash balance	<u>£ 203,323</u>	<u>£ 38,470</u>

Movement in cash balances

	2007	2006	Change
Bank overdraft	-	(23,583)	23,583
Bank and cash balances	364,387	184,647	179,740
	<u>£ 364,387</u>	<u>£ 161,064</u>	<u>£ 203,323</u>

Helen & Douglas House
Notes to the Accounts
for the year ended 31st March 2007

1 Accounting policies

The following accounting policies have been used consistently in dealing with items considered to be material in relation to the charity's accounts

Accounting basis

The accounts have been prepared in accordance with,

- a) SORP 2005 and relevant accounting standards
- b) The Companies Act 1985
- c) The historical cost basis of accounting except for investments and investment property which have been included at market value

Basis of consolidation

The consolidated financial statements comprise the accounts of Helen & Douglas house and its subsidiary made up to 31st March 2007. A separate statement of financial activities dealing only with the results of the company has not been presented in accordance with section 230 of the Companies Act 1985

Donations and intangible income

Cash donations are credited to the Income and Expenditure Account as received generally. Items donated to the charity are not included in the accounts because the difficulty in establishing a fair value for this purpose outweighs the benefit that would be obtained. However items with a value over £5,000 would be included.

Legacies

Legacies are credited to income when they are determinable

Volunteer time

A significant contribution is made by volunteers throughout the year and the value of these donated services is not reflected in the accounts

Investments

Investment income is accounted for on an accruals basis

Investments are stated at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year

Both realised and unrealised gains/losses arising on investments are disclosed in the Statement of Financial Activities analysed between unrestricted and restricted funds and are subsequently taken to Accumulated Funds

Tax recoverable

Tax recoverable on amounts received by way of gift aid and deeds of covenant is included in the accounts on a receivable basis

Resources expended

Expenditure is recognised on an accrual basis as liability is incurred. Any unrecoverable VAT is included as part of the expenditure to which it relates

- Costs of generating funds comprise the costs associated with attracting voluntary income and the costs of trading for fundraising purposes including the charity's shop
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity
- All costs are allocated between the expenditure categories of the SoFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis, eg per capita or estimated usage

Helen & Douglas House
Notes to the Accounts (Continued)
for the year ended 31st March 2007

1 Accounting policies (continued)

Depreciation

Depreciation is calculated using the following rates and bases which are appropriate to the useful lives of the assets and their residual value

Buildings	2% Straight line
Computer equipment	33 1/3% Straight line
Fixtures, fittings and equipment	15% Straight line
Motor vehicles	25% Straight line

Surpluses or deficits arising on the disposal of fixed assets are adjusted in the depreciation charge for the year

Stock

Stock is valued at the lower of cost and net realisable value

Pension costs

The company operates a defined contribution scheme for the benefit of its employees and contributes to the NHS pension scheme for employees that are eligible. The costs of contributions are written off against profits in the year they are payable.

Operating leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities over the period in which the cost is incurred.

Endowment fund

Donated funds which the donors wish the capital to be retained and only the income applied for running the charity.

Restricted funds

Funds donated for the building and running of Douglas House are treated as a restricted fund. Funds donated explicitly for Helen House are treated as a restricted fund for use in running Helen House. All income and expenditure for the New Opportunities Fund is treated as a restricted fund for Helen House.

Unrestricted Funds

Represent donations where donors have imposed no restrictions.

2 Incoming resources

	2007	2006
Voluntary income		
Donations	1,581,952	1,438,459
Legacies	1,025,769	543,172
	<u>£2,607,721</u>	<u>£ 1,981,631</u>
Investment income		
Investment property	12,098	10,719
CAF Funds	401,969	455,720
Banks, building society interest	73,711	88,706
	<u>£ 487,778</u>	<u>£ 555,145</u>
Charitable activities		
Section 64 - Children's Hospice and Children's Hospice at Home grant	250,000	-
Other	262,697	366,384
	<u>£ 512,697</u>	<u>£ 366,384</u>

The £250,000 represents a grant from the Department of Health to be applied towards the costs of providing a medical service.

Helen & Douglas House
Notes to the Accounts (Continued)
for the year ended 31st March 2007

3 Resources expended

	Hospice Care	Bereavement	Fund Raising	Shop	Governance	Total 2007	Total 2006
Staff	2,167,306	240,812	180,068	134,679	-	2,722,864	2,474,029
Shop purchases	-	-	-	55,978	-	55,978	52,485
Operating costs	165,274	18,364	186,201	-	-	369,839	270,029
Establishment	164,192	9,658	19,317	107,720	-	300,887	219,250
Support costs	452,713	77,157	132,275	81,444	49,782	793,371	744,739
	<u>£ 2,949,485</u>	<u>345,990</u>	<u>517,861</u>	<u>379,821</u>	<u>49,782</u>	<u>4,242,939</u>	<u>3,760,532</u>

Support costs

Admin staff	158,900	32,741	113,537	-	22,233	327,411	304,634
Office costs	30,604	15,302	2,468	27,296	987	76,657	55,833
IT costs	29,673	3,532	1,766	3,395	353	38,720	31,756
Audit and accountancy	-	-	-	500	14,070	14,570	12,771
Professional charges	27,648	1,071	2,248	14,695	9,688	55,350	41,411
Depreciation	205,888	24,511	12,255	35,558	2,451	280,663	298,334
	<u>£ 452,713</u>	<u>77,157</u>	<u>132,275</u>	<u>81,444</u>	<u>49,782</u>	<u>793,371</u>	<u>744,739</u>

Support costs are allocated on a basis consistent with the level of the use of the resources

Charitable expenditure includes

	2007	2006
Auditors' remuneration	£ 11,000	£ 10,612
Operating lease rentals – land and buildings	£ 93,655	£ 59,308

Helen & Douglas House
Notes to the Accounts (Continued)
for the year ended 31st March 2007

4 Wages and salaries

The average number of employees by function was

	2007	2006
Nursing and care services - Full time	43	36
- Part time	49	46
Cost of generating funds	7	6
Management and administration	11	10
Shop staff	14	8
	<u>124</u>	<u>106</u>
Staff payroll costs		
Wages and salaries	2,426,369	2,018,858
Social security	213,311	170,776
Pension costs	137,182	97,622
	<u>2,776,862</u>	<u>2,287,256</u>
Agency, advertising and other	273,413	491,407
	<u>£ 3,050,275</u>	<u>£ 2,778,663</u>

Two employees earned between £60,000 and £70,000, and one employee earned between £70,000 and £80,000

Pension costs

The charity operates a defined contribution scheme and certain staff are entitled to be members of the NHS pension scheme. Contributions are charged to the statement of financial activities as they accrue. The charge for the year was £137,182 (2006 £97,622)

Helen & Douglas House
Notes to the Accounts (Continued)
for the year ended 31st March 2007

5 Fixed assets

Group

	Buildings	Fixtures, Fittings & Equipment	Motor Vehicles	Total
Cost				
At 31st March 2006	5,356,794	773,152	107,589	6,237,535
Additions during the year	-	284,054	6,939	290,993
Disposals	-	(4,613)	(800)	(5,413)
At 31st March 2007	£ 5,356,794	1,052,593	113,728	6,523,115
Depreciation				
At 31st March 2006	712,768	410,833	79,736	1,203,337
Charged in year	146,662	119,730	12,485	278,877
Eliminated	-	(3,427)	(200)	(3,627)
At 31st March 2007	£ 859,430	527,136	92,021	1,478,587
Net book value				
At 31st March 2007	£ 4,497,364	525,457	21,707	5,044,528
At 31st March 2006	£ 4,644,026	362,319	27,853	5,034,198

Company

	Buildings	Fixtures, Fittings & Equipment	Motor Vehicles	Total
Cost				
At 31st March 2006	5,356,794	718,572	107,589	6,182,955
Additions during the year	-	284,054	6,939	290,993
Intergroup transfer	-	53,463	-	53,463
Disposals	-	(3,496)	(800)	(4,296)
At 31st March 2007	£ 5,356,794	1,052,593	113,728	6,523,115
Depreciation				
At 31st March 2006	712,768	399,719	79,736	1,192,223
Intergroup transfer	-	9,997	-	9,997
Charged in year	146,662	119,730	12,485	278,877
Eliminated	-	(2,310)	(200)	(2,510)
At 31st March 2007	£ 859,430	527,136	92,021	1,478,587
Net book value				
At 31st March 2007	£ 4,497,364	525,457	21,707	5,044,528
At 31st March 2006	£ 4,644,026	318,853	27,853	4,990,732

Included in buildings is investment property valued at £267,000 on an open market basis at 31st March 2007. No depreciation has been charged on this in accordance with the Statement of Standard Accounting Practice 19.

Helen & Douglas House

Notes to the Accounts (Continued) for the year ended 31st March 2007

6 Investments	Group		Company	
	2007	2006	2007	2006
Financial investments at market value	14,002,802	13,788,094	14,002,802	13,788,094
Shares in subsidiary at cost	-	-	2	2
	<u>£14,002,802</u>	<u>£13,788,094</u>	<u>£14,002,804</u>	<u>£ 13,788,096</u>

The subsidiary "Helen & Douglas House (Trading) Limited", a company incorporated in England, is the wholly owned retail trading company of the Charity

	2007		2006	
	Cost	Market Value	Cost	Market Value
The Central Board of Finance of the Church of England				
633,212 units - fixed interest security fund	891,219	954,632	891,219	986,662
772,030 units - investment fund (2006 815,240 units)	3,345,051	9,597,298	3,532,274	9,629,413
1,172,783 units - property fund	1,431,250	1,998,391	1,431,250	1,758,440
	<u>5,667,520</u>	<u>12,550,321</u>	<u>5,854,743</u>	<u>12,374,515</u>
J P Morgan equity fund	1,363,686	1,363,686	1,309,505	1,309,505
Listed investment	86,695	88,795	86,695	104,074
£	<u>7,117,901</u>	<u>14,002,802</u>	<u>7,250,943</u>	<u>13,788,094</u>

Market Value at 31st March 2006	13,788,094
Proceeds from sale of investments	(500,000)
J P Morgan interest rolled up net of costs	54,181
Unrealised gains	671,649
Realised loss	(11,121)
Market value at 31st March 2007	<u>£ 14,002,802</u>

Helen & Douglas House

Notes to the Accounts (Continued) for the year ended 31st March 2007

7 Debtors

	Group		Company	
	2007	2006	2007	2006
Trade debtors	49,219	40,776	49,158	39,696
Investment income	68,364	85,399	68,364	85,399
Income tax	47,347	45,000	47,347	45,000
Prepayments	69,342	57,077	69,342	16,472
Subsidiary undertaking	-	-	64,308	66,327
VAT	28,317	-	27,001	-
	<u>£ 262,589</u>	<u>£ 228,252</u>	<u>£ 325,520</u>	<u>£ 252,894</u>

8 Current asset investments

CAF Gold	101,917	263,512	101,917	263,512
CBF Deposit fund	44,670	42,202	44,670	42,202
	<u>£ 146,587</u>	<u>£ 305,714</u>	<u>£ 146,587</u>	<u>£ 305,714</u>

9 Creditors

Bank overdraft	-	23,583	-	-
Trade creditors	173,755	188,180	162,220	167,115
Social security and other taxes	70,376	57,134	70,376	55,507
Other creditors	8,750	8,750	8,750	-
Accruals	15,500	21,421	15,500	19,320
Subsidiary undertaking	-	-	-	7,959
	<u>£ 268,381</u>	<u>£ 299,068</u>	<u>£ 256,846</u>	<u>£ 249,901</u>

10 Trustees' remuneration

No remuneration or expenses was paid to any of the trustees during the year

Helen & Douglas House
Notes to the Accounts (Continued)
for the year ended 31st March 2007

11 Restricted funds

	Helen House	New Opportunities Fund	Total Helen House	Douglas House	Total
At 31st March 2006	10,944,461	7,248	10,951,709	2,339,118	13,290,827
Incoming resources					
Voluntary income	54,610	-	54,610	31,000	85,610
Statutory funding	250,000	47,961	297,961	214,736	512,697
Investment income	277,358	442	277,800	325	278,125
Expenditure	(2,082,808)	(55,651)	(2,138,459)	(1,724,659)	(3,863,118)
Gains/losses	456,484	-	456,484	-	456,484
At 31st March 2007	<u>£ 9,900,105</u>	<u>-</u>	<u>10,000,105</u>	<u>860,520</u>	<u>10,760,625</u>

Represented by

Fixed assets	1,275,300	-	1,275,300	846,550	2,021,850
Investments	8,146,219	-	8,246,219	-	8,246,219
Current assets	530,374	-	530,374	49,158	579,532
Current liabilities	(51,788)	-	(51,788)	(35,188)	(86,976)
	<u>£ 9,900,105</u>	<u>-</u>	<u>10,000,105</u>	<u>860,520</u>	<u>10,760,625</u>

The Helen House fund represents funds raised for use at Helen House. The capital and income are to be used for running Helen House. The fund is invested in both short term deposits and investments with the Central Board of Finance of the Church of England as well as the building.

The Douglas House Fund was established by donations to the building appeal. The capital and income are used for the building and running of the hospice. Just under £6.5 million had been raised by 31st March 2007 and it is anticipated this fund will be exhausted in the coming year.

The New Opportunities Fund were funds given by The National Lottery to fund specific projects. These projects have now been completed.

12 Unrestricted funds

	2007	2006
General charitable funds	8,795,801	5,928,454
Non charitable trading funds	8,658	148
	<u>£ 8,804,459</u>	<u>£ 5,928,602</u>

13 Capital commitments

Contracted	<u>£ -</u>	<u>£ 27,000</u>
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Helen & Douglas House
Notes to the Accounts (Continued)
for the year ended 31st March 2007

14 Leasing commitments

Operating lease payments amounting to £158,900 are due within one year. The leases to which these amounts relate expire as follows -

	2007 Land and Buildings	2006 Land and Buildings
Between one and five years	£ 158,900 <u> </u>	£ 100,860 <u> </u>

15 Transactions with related parties

Helen & Douglas House paid rent of £30,500 to The Society of All Saints Sisters of the Poor. The members of Helen & Douglas House are trustees of the Society of All Saints Sisters of the Poor. A R Cooper and D W Shorey are trustees of both the company and the Society of All Saints Sisters of the Poor.

16 Approval of accounts

These accounts were approved by the trustees on **25-9-** 2007