

**GREENWICH & BEXLEY
COTTAGE HOSPICE LIMITED**
(A charitable company limited by guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2002

haysmacintyre
Chartered Accountants
Registered Auditors
London

Company Number: 2747475
Registered Charity Number: 1017406



GREENWICH & BEXLEY COTTAGE HOSPICE LIMITED
(A charitable company limited by guarantee)

DIRECTORS

Kathleen Balcombe
Dr John Lee
Gerald Peters
Keith Wood
Tim Barnes
John Curry
Keith Hamill
Dr Winnie Kwan
Alison Richardson
Ronald Roffey
Jim Wellbeloved

Chair
Deputy Chairman
Secretary
Treasurer

REGISTERED AUDITORS

haysmacintyre
Southampton House
317 High Holborn
London
WC1V 7NL

SOLICITORS

Mrs Margaret Compton
Consultant Solicitor
Wellers
Tenison House Tweedy Road
Bromley
BR1 3NF

BANKERS

National Westminster Bank Plc
North Kent Business Centre
289 Broadway
Bexleyheath
Kent
DA6 8DQ

REGISTERED OFFICE

185 Bostall Hill
Abbey Wood
London
SE2 0QX

GREENWICH & BEXLEY COTTAGE HOSPICE LIMITED
(A charitable company limited by guarantee)

CONTENTS	Page
Report of the Directors	1 - 2
Report of the Auditors	3
Statement of Financial Activities	4
Balance Sheet	5
Cash Flow Statement	6 - 7
Notes to the Financial Statements	8 - 12

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2002

The Directors present their annual report and the company's financial statements for the year ended 31 March 2002.

STATUS AND ADMINISTRATION

The company is limited by guarantee and does not have a share capital. The members' liability is limited. Every member of the company undertakes to contribute up to £1 to the assets of the company in the event of it being wound up. The company is a Registered Charity (registration number 1017406).

PRINCIPAL ACTIVITY AND REVIEW

The principal activity of the company during the year under review was maintenance and management on a charitable basis of a hospice for the relief of pain and suffering among the terminally ill in the London Boroughs of Greenwich and Bexley.

The Hospice opened in February 1994 and activity continues to increase. "The Forget-Me-Not Appeal" has continued to be successful. Building work commenced in November 2001 and is progressing well.

The Hospice has increased its shop network to nine. The Directors were pleased to report an encouraging increase in general donations received which amounted to £564,496 (2001: £557,408) which excludes a Community Fund grant of £272,318 in respect of the Forget-Me-Not Appeal (2001 £nil). The Forget-Me-Not Appeal amounted to £1,429,777 (2001 £923,047) received or pledged. The Directors consider that the company's state of affairs is satisfactory and are optimistic for the future.

RESULTS

The results for the year are set out on page 4.

DIRECTORS

The Directors, who are the trustees of the charity, who served during the year are as follows:

Kathleen Balcombe	Chair	Alison Richardson	
Dr John Lee	Deputy Chair	Dr Winnie Kwan	(Appointed May 2001)
Gerald Peters	Secretary	John Curry	(Appointed May 2001)
Keith Wood	Treasurer	Tim Barnes	(Appointed September 2001)
Keith Hamill			
Ronald Roffey			
Jim Wellbeloved			

Additionally the Board co-opted Don Sturrock, Margaret Compton and Graham Perolls during the year to secure the benefit of their experience and advice.

FIXED ASSETS

The movements in fixed assets during the year are shown in the notes to the financial statements.

REPORT OF THE DIRECTORS (Continued)

FOR THE YEAR ENDED 31 MARCH 2002

MARKET VALUE OF LAND AND BUILDINGS

The Directors are of the opinion that the market value of properties at 31 March 2002 would exceed the net book values included in the financial statements, but they are unable to quantify the excess in the absence of a professional valuation, the costs of which are not considered justifiable in view of the company's intention to retain ownership of its existing properties for use by the charity for the foreseeable future.

RISK ASSESSMENT

The Directors confirm that they have identified the major risks to which the charity is exposed and that they are satisfied that there are systems in place to mitigate those risks.

RESERVES

The Directors have agreed that it is their intention that a level of 'free reserves' (unrestricted funds not committed or invested in fixed assets) should be attained to enable the Hospice to cover its running costs for 6 months. This equates to approximately £850,000. The Directors are considering ways in which more unrestricted funds can be raised.

STATEMENT OF DIRECTORS RESPONSIBILITIES

Company law requires directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them on a consistent basis;
-
- make judgements and estimates that are reasonable and prudent;
-
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
-
- prepare the financial statements on the going concern basis unless it is not appropriate to presume that the company will continue in business.

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

AUDITORS

A resolution will put to the forthcoming annual general meeting to re-appoint haysmacintyre as auditors.

185 Bostall Hill
Abbey Wood
London SE2 0GB

Signed on behalf of the Board

12th August 2002

.....K P Balcombe.....
K P Balcombe - Director

GREENWICH & BEXLEY COTTAGE HOSPICE LIMITED**(A charitable company limited by guarantee)**

We have audited the financial statements of Greenwich and Bexley Cottage Hospice Limited for the year ended 31 March 2002 which comprise the Statement of Financial Activities, the Balance Sheet and the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out therein.

Respective responsibilities of trustees and auditors

As described in the Statement of Trustees' Responsibilities the charity's trustees are responsible for preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards. The Trustees are also Directors of Greenwich and Bexley Cottage Hospice Limited for the purposes of Company Law.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Trustees' Report is not consistent with the financial statements, if 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 information specified by law regarding trustees' remuneration and transactions with the charitable company is not disclosed.

We are not required to consider whether the statement in the Trustees' Report concerning the major risks to which the charity is exposed covers all existing risks and controls, or to form an opinion on the effectiveness of the charity's risk management and control procedures.

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

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards 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 of the state of the charity's affairs as at 31 March 2002 and of its 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.

haysmacintyre
Chartered Accountants
Registered Auditors

15th August 2002

Southampton House
317 High Holborn
London
WC1V 7NL

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 MARCH 2002

	Notes	Unrestricted Funds General £	Designated £	Restricted Funds £	Total 2002 £	2001 £
INCOMING RESOURCES						
Donations	2	564,496	109,352	272,318	946,166	812,477
Legacies		222,078	-	-	222,078	113,598
Activities in furtherance of the charity's objects:						
Health authority contracts		634,694	-	-	634,694	595,433
Activities for generating funds:						
Charity shop income		443,582	-	-	443,582	373,000
Rental income		6,420	-	-	6,420	4,786
Interest receivable		-	17,333	-	17,333	1,725
Other income		11,150	-	-	11,150	7,650
Total Incoming Resources		1,882,420	126,685	272,318	2,281,423	1,908,669
RESOURCES EXPENDED						
Cost of generating funds:						
Fundraising and promotional costs		142,417	-	-	142,417	197,948
Charity shop expenditure		265,948	-	-	265,948	215,915
Interest payable		5,311	-	-	5,311	7,073
Charitable expenditure:						
Cost of activities in furtherance of the charity's objects:						
Clinical expenses		887,736	-	-	887,736	847,072
Catering		75,529	-	-	75,529	58,566
Cleaning and laundry		29,253	-	-	29,253	57,612
Premises		141,897	-	-	141,897	150,346
Support		174,288	-	-	174,288	148,027
Management and administration		8,132	-	-	8,312	8,332
Total Outgoing Resources	3	1,730,511	-	-	1,730,511	1,690,891
NET INCOMING RESOURCES	6	151,909	126,685	272,318	550,912	217,778
Balance brought forward		1,364,642	486,180	-	1,850,822	1,633,044
Balance carried forward		£1,516,551	£612,865	£272,318	£2,401,734	£1,850,822

No summary income and expenditure account has been prepared as the information is clearly given in the above statement.

The notes on pages 8 to 12 form part of these financial statements.

BALANCE SHEET

AS AT 31 MARCH 2002

	Notes	2002 £	2001 £
FIXED ASSETS			
Tangible assets	8	1,957,546	1,487,430
CURRENT ASSETS			
Stocks	9	7,012	7,012
Debtors	10	65,618	25,066
Cash on deposit, at bank and in hand		544,903	458,924
		617,533	491,002
CREDITORS: Amounts falling due within one year	11	(140,687)	(79,180)
NET CURRENT ASSETS		476,846	411,822
TOTAL ASSETS LESS CURRENT LIABILITIES		2,434,392	1,899,252
CREDITORS: Amounts falling due after one year	12	(32,658)	(48,430)
		£2,401,734	£1,850,822
UNRESTRICTED FUNDS			
- General		1,516,551	1,364,642
- Designated		612,865	486,180
RESTRICTED FUNDS		272,318	-
		£2,401,734	£1,850,822

Approved by the Board on 12th August 2002

K P Balcombe
K P Balcombe - Director

K Wood
K Wood - Director

The notes on pages 8 to 12 form part of these financial statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2002

	Notes	2002 £	2001 £
Net cash inflow from operating activities	1	611,424	266,031
Returns on Investments and Servicing of Finance			
Interest paid		(5,311)	(7,073)
Interest received		17,333	1,725
Capital Expenditure			
Payments to acquire fixed assets		(523,009)	(39,771)
Cash inflow before financing		100,437	220,912
Financing			
Bank loan	3	(14,458)	(13,143)
Increase in Cash		£85,979	£207,769

The notes to the cash flow statement are included on page 7.

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2002

1.

RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES	2002 £	2001 £
Net incoming resources	550,912	217,778
Depreciation charge	52,893	55,589
Decrease/(increase) in stock	-	434
(Increase)/decrease in debtors	(40,552)	(20,081)
(Decrease)/increase in creditors	60,193	6,963
Interest payable	5,311	7,073
Interest received	(17,333)	(1,725)
Net cash inflow from operating activities	£611,424	£266,031

2.

	At 1 April 2001 £	Cash Flows £	Other Changes £	At 31 March 2002 £
Cash in hand and at bank	458,924	85,979	-	544,903
Bank loans	(60,474)	14,458	-	(46,016)
	£398,450	£100,437	£ -	£498,887

3.

RECONCILIATION OF NET CASH INFLOW TO MOVEMENT IN NET (DEBT)/FUNDS	2002 £	2001 £
Increase in cash in the year	85,979	207,769
Cash outflow from increase in funds	14,458	13,143
Movement in net funds in the year	100,437	220,912
Opening net funds/(debt)	398,450	177,538
Closing net funds	£498,887	£398,450

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2002

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards and the Statement of Recommended Practice "Accounting by Charities". The following accounting policies have been applied:-

Incoming Resources

The incoming resources represent donations and general income, including amounts received from local health authorities towards the operational costs of the charity. 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. Legacies are included at the earlier of the charity being notified of a distribution or receipt of the legacy. Income is derived entirely within the United Kingdom.

Resources Expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to that category.

Fixed Assets

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

Freehold buildings	1% straight line
Fixture, Fittings and equipment	33 ¹ / ₃ % to 40% straight line
Short leasehold premises	Over the life of the lease

Donated assets are included at value on the date received

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Pension Costs

Contributions to the NHS pension scheme in respect of eligible employees are charged to the income and expenditure account as they become payable.

Operating Leases

Rentals payable under operating leases are charged to the Statement of Financial Activities (SOFA) as Incurred over the term of the lease.

Funds

Unrestricted funds are funds that can be used in accordance with the charitable objects at the discretion of the trustees. Designated funds are unrestricted funds earmarked by the trustees for particular purposes. Restricted funds are used for specific purposes as stipulated by the donor or when funds are raised for particular restricted purposes. Related expenditure is charged to the fund.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2002

2. DONATIONS

2002

2001

£

£

Donation income comprises the following:-

General donations	246,424	268,006
Fundraising income	318,073	289,402
Appeal income	381,669	255,069
	<hr/>	<hr/>
	£946,166	£812,477
	<hr/>	<hr/>

3. TOTAL RESOURCES EXPENDED

	Staff Costs £	Other £	Depreciation £	Total 2002 £	Total 2001 £
Direct Charitable Expenditure:					
Clinical	832,176	55,560	-	887,736	847,072
Catering	52,067	23,462	-	75,529	58,566
Cleaning and laundry	21,462	7,791	-	29,253	57,612
Premises	34,829	54,175	52,893	141,897	150,346
Support	108,863	65,425	-	174,288	148,027
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,049,397	206,413	52,893	1,308,703	1,261,623
Other Expenditure:					
Fundraising and publicity	65,240	77,177	-	142,417	197,948
Charity shop expenditure	113,426	152,522	-	265,948	215,915
Management and administration of the charity	-	8,132	-	8,132	8,332
Interest payable	-	5,311	-	5,311	7,073
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	£1,228,063	£449,555	£52,893	£1,730,511	£1,690,891
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

4. EMPLOYEES

2002

2001

No

No

The average numbers of employees, excluding directors, during the year were as follows:-

Administration	5	5
Nursing and medical	41	39
Ancillary	19	24
	<hr/>	<hr/>
	65	68
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2002

3. EMPLOYEES (Continued)

To assist with understanding further the employee numbers, full time equivalent figures were as follows:-

	2002 No	2001 No
Administration	4.0	4.0
Nursing and Medical	34.0	33.5
Auxiliary	14.5	15.0
	<hr/> 52.5	<hr/> 52.5
Staff costs consist of:	£	£
Wages and salaries	1,107,803	1,051,033
Social security costs	80,189	86,981
Other pension costs	21,235	16,921
Redundancy costs	18,836	-
	<hr/> £1,228,063	<hr/> £1,154,935

No employee had emoluments exceeding £50,000 during the year.

5. DIRECTORS

No directors received any remuneration from the company during the year.

6. NET INCOMING RESOURCES

	2002 £	2001 £
The net incoming resources are stated after charging:		
Auditors remuneration (excluding VAT)		
- for audit	6,000	3,800
- for other services	-	5,532
Depreciation	52,893	55,589
	<hr/>	<hr/>

7. TAXATION

No UK corporation tax liability arises in the current year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2002

8. TANGIBLE ASSETS	Freehold Land and Buildings £	Short Leasehold Premises £	Equipment Furniture & Fittings £	Motor Vehicle £	Total £
COST OR VALUATION					
At 1 April 2001	1,529,185	9,318	403,766	12,684	1,954,953
Additions	505,381	-	16,628	1,000	523,009
At 31 March 2002	2,034,566	9,318	420,394	13,684	2,477,962
DEPRECIATION					
At 1 April 2001	92,187	8,412	354,241	12,683	467,523
Provided for the year	13,722	226	38,695	250	52,893
At 31 March 2002	105,909	8,638	392,936	12,933	520,416
NET BOOK VALUE					
At 31 March 2002	£1,928,657	£680	£27,458	£751	£1,957,546
At 31 March 2001	£1,436,998	£906	£49,525	£1	£1,487,430
9. STOCKS				2002 £	2001 £
Materials				£7,012	£7,012
10. DEBTORS				£	£
Other debtors				£65,618	£25,066
11. CREDITORS: Amounts falling due within one year				£	£
Bank loan				13,358	12,044
Trade creditors				85,875	18,003
Other taxes and social security				30,890	28,057
Accruals				10,564	21,076
				£140,687	£79,180

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MARCH 2002

12. CREDITORS: Amounts falling due after one year	2002	2001
	£	£
Bank loan - amounts falling due:		
Between one and two years	14,694	14,426
Between two and five years	17,964	34,004
	<hr/>	<hr/>
	£32,658	£48,430
	<hr/>	<hr/>

The loan is secured on a freehold property and is repayable in instalments by November 2004 with interest fixed at 10% per annum over the period of the loan.

13. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed Assets	Net Current Assets	Long Term Creditors	Total
	£	£	£	£
Unrestricted Funds				
- General	1,549,209	-	32,658	1,516,551
Designated	408,337	204,528	-	612,865
Restricted Funds	-	272,318	-	272,318
	<hr/>	<hr/>	<hr/>	<hr/>
	£1,957,546	£476,846	£(32,658)	£2,401,734
	<hr/>	<hr/>	<hr/>	<hr/>

Restricted funds relate to amounts received from the Community Fund grant towards building work. Designated funds are amounts set aside for building, equipment, fixtures, fittings and improvement to the Hospice premises.

14. PENSIONS

The company contributes to the NHS pension scheme in respect of eligible employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost represents contributions payable by the company to the NHS pension scheme fund. The annual charge for the year amounted to £21,235 (2001: £16,921) and at the balance sheet date the company held total contributions of £3,031 (2001: £3,176) that were payable to the pension scheme.

15. OPERATING LEASE COMMITMENTS

	2002	2001
	£	£
As at 31 March 2002, the company had annual lease rental commitments totalling:	Land & Buildings	Land & Buildings
Leases expiring within 1-2 years	23,000	10,000
Leases expiring within 2-5 years	30,000	34,500
Leases expiring after 5 years	44,000	24,000
	<hr/>	<hr/>
	£97,000	£68,500
	<hr/>	<hr/>