



ASHGATE HOSPICECARE
(A company limited by guarantee)

TRUSTEES REPORT AND
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2017

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YEAR ENDED 31 MARCH 2017

Company Number: 02263980
Charity Number: 700636

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TRUSTEES REPORT FOR THE YEAR ENDED 31 MARCH 2017

The Trustees present their report and audited financial statements for the year ended 31 March 2017.

Reference and Administrative Information

Charity Name: Ashgate Hospicecare

Charity Registration Number: 700636

Company Registration Number: 02263980

Registered Office and Operational address: Ashgate Road, Old Brampton, Chesterfield, S42 7JD

Directors and Trustees

Mr Andrew Archibald
Dr Steve Bradder
Mrs Penny Brooks (Vice Chairman)
Mr Andrew Dukelow
Mr Ian Ford
Mr Terry Gilby
Mrs Jean Horton (Chairman)
Mrs Karen Lockwood (Appointed 11/04/2016)
Mr Malcolm Pope (Vice Chairman)
Mr Daniel Ratchford
Mr David Reynolds (Resigned 06/06/2017)
Mr Peter Sharp (Resigned 06/06/2017)
Mr Ian Snow (Appointed 21/07/2016)
Dr Roger Start
Mrs Angela Wright

Secretary: Mr P Bradbury

Senior Management Team

Mr P Bradbury	Director of Finance/Interim CEO
Mr M Corbishley	Director of HR & Support Services
Dr S Parnacott	Consultant in Palliative Medicine
Mrs. E Preston	Director of Fundraising & Marketing
Mr G Richardson	Director of Retail & New Business Development
Mrs H Wardle	Director of Quality & Patient Care

Auditors

BHP LLP, Chartered Accountants and Registered Auditor, 57/59 Saltergate, Chesterfield, Derbyshire, S40 1UL

Bankers

Barclays, 1 St. Paul's Place, 121 Norfolk Street, Sheffield, S1 2JW

**TRUSTEES REPORT
FOR THE YEAR ENDED 31 MARCH 2017 - continued**

A. Structure, Governance and ManagementGoverning Document

Ashgate Hospicecare is an independent charity and company limited by guarantee; incorporated on the 2nd June 1988 and registered as a charity on the 14th September 1988. The company was established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. In the event of the company being wound up members are required to contribute an amount not exceeding £1. The Board reviewed the Articles of Association and the revised Articles were adopted late 2012. There have been two further changes to these in 2013, in order to satisfy the Charity Commission; however, the Articles were further reviewed and amended in 2016, to ensure appropriate consideration was given to tenures and succession planning of the Chair and Trustees.

Recruitment and Appointment of Trustees/Directors

The Directors of the company are referred to as charity Trustees for the purpose of charity law and under the company's articles are known as Trustees and members of the Board. The method of appointing Trustees is as governed by the Articles of Association.

The Trustees are lay representative of the local community and are able to provide a range of expertise that supports and monitors the work of the Chief Executive and Senior Management Team.

Trustee Induction and Training

New Trustees familiarise themselves with their legal obligations under charity and company law, the content of the Articles of Association, the work of the Hospice, the work of the Board of Trustees and Board Subcommittees, decision making processes, the business plan and strategy, and financial performance. Trustees attend training/information sessions before each quarterly meeting, and spend time with departmental managers to ensure they remain fully conversant with Hospice services.

Trustees participate in quality visits with clinical staff as a way of increasing visibility and knowledge of Hospices services. There is also a new Trustee induction pack available to all and, Trustees are invited to the organisation's corporate induction training days.

Organisation

The Trustees have overall legal responsibility for administering the Ashgate Hospicecare Company. The Board of Trustees is charged with holding the Chief Executive to account for ensuring that the Hospice is managed efficiently and effectively, and that the highest standard of care is provided. The Trustees are not involved in the day to day management of the services provided. This is the responsibility of the Chief Executive and the Senior Management Team.

The Board of Trustees meet four times per annum. The Chief Executive is always in attendance, the senior managers also attend at the discretion of the Board – senior team members are referred to as Directors. At least three Trustees must be present for the meeting to be quorate.

Two subcommittees (Income Generation and Healthcare Quality), with representation from the Board and senior management, meet three times annually in support of the overall Board reporting process.

TRUSTEES REPORT***FOR THE YEAR ENDED 31 MARCH 2017 - continued***

Members serve for a period of three years, at the end of which they are required to retire, but may offer themselves for re-appointment for one or two further terms of three years each. The Chair role is different and can only serve two terms of three years, with the option to serve just one additional year.

Related Parties

The Hospice has a close working relationship with other health and social care organisations, including those providing primary and secondary care. The Hospice works closely with North Derbyshire and Hardwick Clinical Commissioning Groups (CCGs), Derbyshire Community Health Services, Chesterfield Royal Hospital Foundation Trust, Derbyshire County Council, Blythe House Day Hospice, Helen's Trust and Macmillan Cancer Support in particular.

Ashgate Hospicecare Shops Limited is a subsidiary of Ashgate Hospicecare. It operates sixteen charity shops, the profits of which are donated under the gift aid scheme and spent wholly supporting the work of Ashgate Hospicecare.

Ashgate Hospicecare is a partner and shareholder in Hospice Quality Partnerships (HQP). A relatively newly established company, set up to support independent Hospices with procurement, benchmarking and collaboration regarding the improvement of value and reduction of cost; as well as the potential to generate new income through dividends in the future. Ashgate Hospicecare sees significant benefits in being a Partner / Shareholder with HQP and is totally supportive of the company's aims.

B. Objectives and activities

The Hospices vision, mission, aims and values are set out below:

Vision: Is to ensure that Hospice care is available to all who need it, in the environment most appropriate for their individual needs and wishes.

Mission: Is to provide Specialist Palliative Care and support to patients and their families, across the whole of North Derbyshire, in a setting which best meets individual needs. This may include the patients' own homes, hospitals or other care environments, such as nursing and residential homes or the Hospice itself.

TRUSTEES REPORT
FOR THE YEAR ENDED 31 MARCH 2017 - continued

Aims:

- A. To provide specialist Clinical Services in Palliative care including:
1. In-Patient Unit
 2. Day Hospice
 3. Hospice at Home
 4. Community Care
 5. Hospital based Care
 6. Therapy Services
 7. Social Work Service
 8. Out-Patient Service
 9. Family Support Service
- B. To ensure appropriate resources and organisation including:
1. Employees & Volunteers
 2. Finance
 3. Premises, Facilities & Equipment
 4. Information Technology
 5. Training & Education
- C. To be involved in the development of specialist palliative care in North Derbyshire through representation on appropriate groups and working parties.
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TRUSTEES REPORT
FOR THE YEAR ENDED 31 MARCH 2017 - continued

Core Values

Values	How we demonstrate this externally	How we demonstrate this internally
Compassionate	We listen to people, showing care and kindness	We listen to each other, showing care and kindness
Inclusive	We care for people affected by any life-limiting illness and believe everyone deserves respect, privacy and dignity	We foster a culture of open mindedness and value diversity
Empowering	We respect people's right to choose and enable them to make decisions about their care	We enable positive change and support staff and volunteers in reaching their maximum potential
Responsive	We support people when and where they need us most	We support staff and volunteers when and where they need us most
Collaborative	We work with others to deliver the best care for people	We expect our staff and volunteers to work together

Public Benefit

We have referred to the guidance contained in the Charity Commissions general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. In particular the Board of Trustees consider how planned activities will contribute to the aims and objectives they have set. The Trustees are confident that this report appropriately reflects public benefit in some detail when describing the purpose, objectives and strategic plans; our services, service developments and future plans for continued or enhanced service delivery.

**TRUSTEES REPORT
FOR THE YEAR ENDED 31 MARCH 2017 - continued**

C. Strategic Report

This contains an update on achievements and performance, the financial review, our plans for future periods and our principal risks and uncertainties.

1. Achievements and performance**Introduction**

Since the opening of the In-Patient Unit in 1988 the Hospice has grown considerably and now provides care and support to patients, families and carers through the In-Patient Unit, Day Hospice, community, out-patients and local acute hospital. Patient numbers continue to increase, as well as the number of patients using our services who have a life limiting illness other than cancer.

There has been no CQC inspection since 2015, following which an 'Outstanding' rating was achieved.

There were no areas noted for improvement, nor any improvement notices at the time of that inspection and there have been no reportable incidents since last inspection.

Average numbers of those employed substantively at the Hospice and Hospice shops total 283 and volunteer numbers are 723, covering 798 roles.

In-Patient Unit

Effective use of the admission and discharge criteria enable the timely admission of patients needing specialist in-patient palliative care. The number of admissions continues to increase year on year, and during 2016/2017, the percentage bed occupancy for the Hospice remains higher at 90% than the national median (80%), whilst the average length of stay has remained unchanged at 15 days. The inpatient unit has an average waiting list of 1-2 patients per day and 85% of all patients referred were admitted within 2 days.

**TRUSTEES REPORT
FOR THE YEAR ENDED 31 MARCH 2017 - continued**

The table below highlights the activity of the IPU during 2016/2017.

	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	ACT
Available Bed Days	630	651	610	620	620	600	620	600	620	629	588	651	7,439
Bed Days occupied	537	597	566	534	548	525	595	538	557	612	505	548	6,662
Admissions	37	38	35	37	39	35	35	29	39	27	36	38	425
Av Length of stay	15.8	15.3	15.3	15.3	14.8	15	21.3	15.8	14.5	15.7	14.1	11.7	15.4
Discharges	15	15	15	10	16	9	6	13	15	12	14	16	156
Deaths	19	24	22	25	21	26	22	19	19	15	28	22	262

**Day Hospice
Activity Levels 2016/2017**

The numbers of patients attending the Day Hospice continues to increase, with the average occupancy level rising from 81% to 88% at the end of 2016/2017. The Day Hospice provides medically led day therapy for patients with life limiting illness; respite places on a 6 week basis in order to support carers. The Day Hospice also runs short carer support education session and plans to introduce a new 'living well' model one day a week for those patients who are more independent and better suited to a Nurse/therapy led programme and the Occupational Therapy Team have begun to introduce a therapeutic horticultural therapy project which will be operational in 2017.

	Apr 16	May 16	Jun 16	Jul 16	Aug 16	Sep 16	Oct 16	Nov 16	Dec 16	Jan 17	Feb 17	Mar 17	ACT
Total referrals	37	20	14	22	19	22	23	33	15	21	21	26	273
Attendances	254	245	276	239	263	275	262	297	265	205	186	243	3,010

TRUSTEES REPORT***FOR THE YEAR ENDED 31 MARCH 2017 - continued***

Community

The Hospice has a specialist community team, who covers the North Derbyshire area and includes palliative care clinical nurse specialists, occupational therapists and physiotherapists, Hospice at Home support workers, all of whom are supported by three Palliative Care Consultants. As a result, patients are managed in their home environment, or alternative place of care, for as long as possible. If the need arises for an in-patient admission, the Hospice is committed to supporting patients to return to their home, or alternative place of care, as soon as their symptoms have been managed; or care for them at the Hospice for as long as is needed

Palliative Care Nurse Specialist

The Ashgate Community Palliative Care Specialist Nurse Team provides a vital service in supporting patients and their carers in their own homes. The nurses provide specialist palliative and end of life care across North Derbyshire improving the quality, accessibility, flexibility and integration of palliative and end of life (EOL) care. Referrals into the service have increased year on year, with 2016/2017 seeing an increase to 1391 compared to 1353 in 2015/2016. The table below shows the number of patient and carer contacts made in the past two years following a patient's referral to the team for their specialist input. Numbers of patient contacts were down for the first time during this year due to a significant period of staff absence and difficulties with recruitment. However, having secured additional funding for 2 years to invest into the CNS team, these figures will increase again across 2017/2018 in order to develop and run a Triage service for the team as well as a 7 day advice line. Both are due to commence in 2017 and will be available for patients, their families and other health and social care professionals across North Derbyshire. We have also allocated additional resources to enable a 7 day service in the latter months of 2017.

	2016/2017	2015/2016
Face to face contacts	1,916	2,196
Non face to face contacts	7,020	7,815
Total patient/carers contacts	8,936	10,011



TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2017 - continued

Clinical Nurse Specialist (in reach service to Chesterfield Royal Hospital NHS Foundation Trust)

This small team based at Chesterfield Royal Hospital work across all wards and departments where patients may be at the end of their life, or who are in the palliative stage of their illness. The nurses who are funded and employed by Ashgate Hospicecare, work very closely with the Palliative care Consultant and other medical staff as part of a team delivering specialist palliative care in the acute hospital. They provide support and advice to the clinical teams across the trust as well as to patients and their loved ones. They are quick to respond to referrals, with the majority of patients being reviewed the same day or within 1 working day of referral. The nurses also hold a nurse led outpatient clinic, where they can review patients with their carers, provide support and give advice on symptom control. During 2016/2017 the decision was taken to repatriate this team back to the Hospice in order to facilitate a 7 day specialist nursing service in the community. The team are due to commence their new roles from 1st April 2017 and the roles at Chesterfield Royal Hospital will be backfilled by their own staff.

	2016/2017	2015/2016
Face to face contacts	3,629	3,498

Hospice at Home

The Hospice at Home team provides support and care to patients and families across North Derbyshire predominantly in the last 3 months of life. The team will deliver supportive care and personal care as required, based on need. The length of intervention is variable and each contact can last for half a day or more; again depending on need. The team works in collaboration with other agencies (social care, health and other third sector) and in partnership with families to avoid admissions to acute hospitals where possible. The table below shows the numbers of patient and carer contacts in 2016/2017 compared to the previous year. In 2016/2017 an additional care worker was employed for 2 years due to the generous support of a donor which has enabled the increase in patient contacts.

	2016/2017	2015/2016
Face to face contacts	2,583	2,481
Non face to face contacts	1,709	1,355
Total Patient /carer contacts	4,292	3,836

The Medical Team is led by three Consultants in Palliative Medicine, supported by Specialist Registrars, Junior Doctors and Clinical Assistants. The team work in the In-Patient Unit, Day Hospice, Community and Chesterfield Royal Hospital, providing specialist palliative medical treatment to patients, and delivering education and training to health and social care professionals. The Consultants remain employed by Chesterfield Royal Hospital NHS FT, with their Hospice time paid for under a Service Level Agreement (SLA).

Therapy Services

The Hospice provides a range of therapy services, which includes Physiotherapy, Occupational Therapy and Complimentary Therapy. The Physiotherapy Team provide services on the ward, in the Day Hospice and into the community across North Derbyshire. The majority of the work carried out by the Occupational Therapy Team is in the community. The Teams work with cancer and non cancer patients and the Occupational Therapy Team work collaboratively with other health and social care providers across North Derbyshire, to provide specialist equipment to enable people to stay at home, and help facilitate the safe and speedy discharge of patients who want to go home and are in the last days or hours of life.

TRUSTEES REPORT ***FOR THE YEAR ENDED 31 MARCH 2017 - continued***

We also provide complimentary therapy services for patients on the ward and in the Day Hospice. Complementary Therapy is a non-medical intervention that can be used in conjunction with conventional medicine, or on its own, to promote the health and well being of patients with advanced disease.

Social Work Team

Through a Service Level Agreement with the local authority the team provides assessment/advice to both patients and their carers on services available for their future care needs, meals on wheels, sitting service, night sits, domiciliary support, residential and nursing care and respite care. From 2017 this team will be employed directly by Ashgate Hospicecare and will be integrated into the new Supportive Care Team (previously known as Patient and Family Support).

Supportive Care Service

One of Ashgate Hospicecare's aims is to offer professional advice and support to patients, and their families and carers during the patient's illness and during the initial stages of bereavement. Patients and carers were supported through a variety of interventions such as bereavement support group (1 session per week for 6 weeks), home visits, and support from an art therapist which is particularly useful when working with children or those with language difficulties. During 2016/2017 a wide scale service review was conducted into this service and the outcomes will result in a re-organization of the team under new leadership for 2017/2018 to provide a robust service model fit for the future.

The Lymphoedema Service provides specialist treatment and care for patients with both primary and secondary Lymphoedema, and received 396 referrals during the year. Out-patient clinics are held at Ashgate Hospicecare and Blythe House Day Hospice in Chapel-en-le-Frith and patients are seen in the In-patient Unit and Day Hospice.

The Chaplaincy Team provides spiritual care to patients and carers, as well as employees and volunteers. The team consists of 3 part time chaplains supported by a number of volunteer chaplains.

Education and Training

The Learning and Professional Development Lead, supported by other members of staff, continues to provide training and education on a broad range of topics to Hospice employees and health professionals across North Derbyshire. This has included a modest amount of income generating activity. In 2015, the Hospice transferred in two End of Life Care Facilitators to help improve, through education, end of life care in a wide range of settings beyond the Hospice. These posts are fully funded by North Derbyshire CCG.

A number of employees have undertaken formal education during the year at post-graduate, graduate and diploma level, with other employees undertaking NVQs. We have also supported a number of apprenticeships this year, notably within Fundraising, Marketing, Finance and Retail. For the first time we have offered traineeship placements within retail to help support pathways into employment. We participate in the training schemes for medical, nursing and therapy students who spend part of their practical rotation at the Hospice and have also hosted regional training for Specialist Registrars, with specialist input from medical, clinical and administrative leads working at Ashgate Hospicecare.

**TRUSTEES REPORT
FOR THE YEAR ENDED 31 MARCH 2017 - continued**

Clinical Governance and Audit

The Healthcare Governance Committee monitors the quality of care provided by the Hospice, including overseeing a large number of audits which have been carried out to enable us to monitor and develop our services appropriately; ensuring quality of care remains the highest priority. The Hospice has an excellent relationship with local NHS Commissioners and fulfils all requirements regarding quality each year via our Quality Schedule and readily available Quality Account.

Information Governance

The Hospice has maintained compliance across all 29 standards of the IG Toolkit and our percentage score has increased from 69% to 71%. This reflects the robust governance structures that are in place. Substantial work has also been undertaken to develop our Corporate Risk Register, ensuring that the Board of Trustees are fully appraised of any risks and the action being taken to address them.

Non-Clinical Services

The clinical teams are supported by a range of other departments and individuals and cross functional teams all of whom provide a valuable service to the charity.

The Hospice has signed up to 'Mindful Employer Status', which works in conjunction with the Healthy Workplace Programme, covering mental health awareness.

Volunteers

Our Volunteers continue to provide an invaluable contribution to every aspect of the Hospice's activities. There are now over 798 different Volunteer roles across the organisation which range from serving meals and beverages, companionship for patients and families, reception duties, administration, gardening, bereavement counselling, patient transport and driving our new Mobile Hospice. In addition, a large number of volunteers work with the fundraising team or work in our charity shops helping sort donated items, displaying stock and serving customers. Volunteer numbers in the Hospice, Hospice shops, fundraising and administrative functions now total 723. It is estimated that this highly valuable service helps the Hospice save £558,000 per year.

TRUSTEES REPORT

FOR THE YEAR ENDED 31 MARCH 2017 - continued

Building Development

a) The Harry Fisher Building

Two years ago, Ashgate was advised that the older part of the building had significant structural weaknesses and was quickly deteriorating. A survey, conducted in 2014, concluded that without intervention, the building would become uninhabitable.

At such a crucial time, Ashgate Hospicecare was given the opportunity to give patients and their families the additional privacy and dignity they needed thanks to a most generous gift in the Will of the late Harry Fisher.

A building development sub-committee was formed comprising of Trustees and key members of the SMT. The Building Group then tendered for the appointment of the architect, The Manser Practice, and the main contractor, Briddon. Work commenced in May 2016 and concluded in December 2016. The overall (under budget) cost was £1,130,787.

The beautifully renovated 'Harry Fisher Building' now offers more facilities for families including a new restaurant and dining room, which will create a relaxing and tranquil surrounding to benefit patients, staff and visitors, as well as facilities to provide fresh, hot meals. There is now new counseling and bereavement therapy rooms which will provide support within a purpose-built dedicated counseling area, including an art therapy room. These will all have an immediate positive impact on the number of people the Hospice can support at any one time. A new alternative entrance has also been built, ensuring families returning for bereavement counseling and support will no longer have to enter the Hospice through the same doors as when visiting their loved ones and walk past patient bedrooms.

b) Estates Development Group

The positive development of the old building has facilitated an increasingly strategic approach to the future development of the Hospice. This, in turn, being tightly aligned to the overall strategy, long-term financial planning, and fundraising objectives.

To help drive this process, in early 2017, an Estates Development Group, has been established to consider, prioritize, and help fund, future developments. The outputs from this Group will be built into future planning processes.

Fundraising and Marketing

The charity's approach to fundraising is focused on supporter care through extensive and regular training of staff and volunteers. Our policies and procedures are robust and focus on giving a great service to our supporters, welcoming feedback through post event focus groups and responding quickly to communications and donations, within 24 hours when practical.

Ashgate Hospicecare is registered with the Fundraising Regulator and ensure its fundraising is legal, open, honest and respectful.

We monitor third parties who fundraise for us by asking supporters for feedback, providing training and following up any complaints.

TRUSTEES REPORT***FOR THE YEAR ENDED 31 MARCH 2017 - continued***

The charity has had 7 complaints of which 4 related to a third party fundraising agency working on behalf of the Hospice. All complaints were followed up immediately, appropriate action was taken and procedures were reviewed to ensure they still represented best practice.

Ashgate Hospicecare has taken steps to protect vulnerable people and others from unreasonable intrusion on a person's privacy, unreasonably persistent approaches or undue pressure to give, in the course of or in connection with fundraising for the charity. These steps include training of staff, volunteers and third party fundraisers. Asking supporters for feedback. Monitoring complaints to ensure they do not relate to vulnerable people.

The fundraising team generated £4,459,717 in income through a variety of fundraising initiatives and donations. This was a £1,155,784 (35%) increase over the previous financial year. Income from the lottery grew by £150,161 (28%) to £683,385 and events continued their recent success story with income of £337,937, a £56,417 (20%) increase over the previous year. Income from legacies increased by £792,981 to £1,946,261, an increase of 69%.

Retail

During the year the Retail operation saw the closure of the Clay Cross Clearance shop, the opening of a shop at Rowsley, and the continued development of our online, and furniture businesses. As a result, income grew by £297,079 over the previous year with an overall total of £2,660,944. The rate of growth was 13%.

Conclusion

Once again our successes over the past year could not have been achieved without the hard work and commitment of our employees, Trustees, volunteers and supporters and we thank everyone for their dedication and commitment.

**TRUSTEES REPORT
FOR THE YEAR ENDED 31 MARCH 2017 – continued**

2. Financial Review

The 2016/2017 financial year concluded with net incoming resources increasing to £557,477 on a consolidated basis. This was an increase of £299,959 over the 2015/2016 financial year.

During the year income increased from £8,571,179 to £9,984,583 and expenditure increased from £8,313,661 to £9,427,106.

Statutory income, at £2,809,824 now represents approximately 28% of our total income, a fall from 33% in the last financial year.

Overall fundraising income increased from £814,744 to £1,021,322, an increase of 25%. As already stated legacy income was £1,946,261 and continues to be a hugely important, and valuable, source of income and we continue to be extremely grateful to our supporters who remember us in their wills.

The Hospice shops again contributed excellent levels of net income with £714,853 being achieved in 2016/2017.

As mentioned above, approximately 28% of our funding is provided by North Derbyshire Clinical Commissioning Group. The balance must be raised through voluntary donations and we are very grateful to the people of North Derbyshire, and beyond, who generously donate to the Hospice throughout the year.

Investment Policy

No further investments have been made during 2016/2017. However, the £927,477 held in our investment portfolio at 1 April 2016 grew by £112,602 (12%) during the course of the year.

Additionally, the Hospice continues to maintain funds in an interest bearing current account and deposit accounts to ensure appropriate liquidity of funds, however, income continues to suffer considerably due to reduced holdings and the prevailing low interest rates. The monies invested in current and deposit accounts has realised £15,492 during the year.

With regard to the ethical investment element of the Policy the Trustees of Ashgate Hospicecare do not wish to adopt an exclusionary policy when considering prospective investments, or potential donation receipts, which may have an ethically challenging source. However, individual investment proposals, or donations, may be rejected if they are perceived to be in conflict with the purpose of the Charity.

Reserves Policy

Reserves are held to provide a financial buffer to the Hospice so that services may continue, for a defined period of time, in the unlikely event, that all incoming funding streams ceased.

At present, the level of reserves required is three months of unrestricted fund expenditure but this will be subject to review in 2017/2018 and it is highly likely that this requirement will see a phased increase over the next few years.

During the year the charity's total reserves increased from £6,130,901 to £6,800,980. The free reserves at 31 March 2017 (unrestricted current assets less current liabilities) amounted to £1,993,971.

The charity also has restricted funds, the purposes of these funds are detailed in note 24 of the accounts. Restricted funds have decreased from £121,949 to £44,403.

**TRUSTEES REPORT
FOR THE YEAR ENDED 31 MARCH 2017 - continued**

3. Plans for future periods

The Hospice is part way through a 5 year plan. The plan outlines three key strategic goals which the organisation will be focussed on in that period:

- Care
- Innovation
- Influence

The years ahead represent both exciting opportunity and tough challenge for the Hospice, and the Board and senior team are totally committed to ensuring the Hospices long term success by focussing all the Hospices efforts into generating the income needed.

Demand for care continues to rise and the Hospice will continue to develop services in order to try to meet need. In particular, our community services are changing to make way for a more streamlined model of referral and assessment and one which allows for patients to be seen as quickly as possible. Community services will move to seven day provision from September 2017 and we will also see the launch of a dedicated advice line for patients and other clinicians.

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The company carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees. The company has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal Opportunities policy
- Volunteers' policy
- Health & Safety policy

In accordance with the company's Equal Opportunities policy, the company has long established fair employment practices in the recruitment, selection, retention and training of disabled staff. Full details of these policies are available from the company's offices.

We have also recruited two Trustees in 2016/2017, with expertise in law and information technology. We do not anticipate the need to appoint any more Trustees in the coming year.

2017 will see the launch of 'The Big Ambition', a major new fundraising campaign which should enhance the Hospice's connection to the community even more strongly than before. The focus for this campaign will be on unmet need in the local community and how the Hospice intends to address that with the public's help.

The Hospice is also completing a significant IT project and will need to continue to invest both in terms of capacity and equipment to ensure the Hospice is fit for purpose in this regard.

The current Chief Executive moves on at the end of August 2017 after a very successful period of growth and development. The Board will recruit a new Chief Executive in October 2017, representing an opportunity for further progression, development and success as the Hospice moves towards its 30th Year Anniversary.

**TRUSTEES REPORT
FOR THE YEAR ENDED 31 MARCH 2017 - continued**

4. Principal risks and uncertainties

The Board of Trustees, in conjunction with the management team, have introduced a process to assess business and corporate risk. This involves identifying the type of risks the charity faces, prioritising them in terms of potential impact and the likelihood of occurrence, and identifying means of mitigating the risks. This assessment is constantly monitored and updated accordingly. To add to this, the process of business planning and impact assessments has also been greatly improved.

A wide range of policies and procedures have been introduced to minimise risk and ensure compliance with legislation and CQC standards. Specific policies relating to risk include management guidelines, standing financial instructions, health and safety, information governance, clinical issues and employment. A Health Care Governance Committee, with membership from the Board, senior management and clinical employees meets to monitor and audit the quality of services provided.

Trustees' Responsibility for the Financial Statements

Company law requires the Trustees to prepare financial statements for each financial period 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 Trustees are required to:

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

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditors

So far as the Trustees are aware, there is no relevant audit information of which the company's auditors are unaware, and, they have taken all steps that 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

The auditors, BHP LLP, Chartered Accountants have expressed their willingness to continue in office, subject to the approval of members in general meeting.

By Order of the Board

J Horton
Trustee
7 September 2017
Chesterfield

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF ASHGATE HOSPICECARE

We have audited the financial statements of Ashgate Hospicecare for the year ended 31 March 2017 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Cash-flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the charitable company's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's Trustees 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 its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibility of Trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board (APB's) Ethical Standards for Auditors.

Scope of the audit for the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/apb/scope/private

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's and group's affairs as at 31 March 2017, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of the audit:-

- the information given in the Trustees' Annual Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements.
 - The Trustees Report has been prepared in accordance with applicable legal requirements.
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ASHGATE HOSPICECARE – continued

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the charitable company and its environment obtained in the case of the audit, we have not identified material misstatements in the Strategic Report and the Trustee's Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Adrian Staniforth (Senior Statutory Auditor)

For and on behalf of BHP LLP, Chartered Accountants

57-59 Saltergate
Chesterfield
Derbyshire
S40 1UL



**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING A CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2017**

		General Funds £	Restricted Funds £	2017 Total £	2016 Total £
Income					
Donation and legacies					
Donations	(2)	1,438,346	53,788	1,492,134	1,335,909
Legacies	(3)	1,946,261	-	1,946,261	1,153,280
		<u>3,384,607</u>	<u>53,788</u>	<u>3,438,395</u>	<u>2,489,189</u>
Income from other trading activities:					
Shops		2,660,944	-	2,660,944	2,363,865
Fundraising	(4)	1,021,322	-	1,021,322	814,744
Other	(5)	38,606	-	38,606	37,745
		<u>3,720,872</u>	<u>-</u>	<u>3,720,872</u>	<u>3,216,354</u>
Investment income	(6)	15,492	-	15,492	22,368
Income from charitable Activities - grants	(7)	2,806,024	3,800	2,809,824	2,843,268
Total income		<u>9,926,995</u>	<u>57,588</u>	<u>9,984,583</u>	<u>8,571,179</u>
Expenditure:					
Costs on raising voluntary income	(8)	135,898	-	135,898	106,366
Fundraising & other trading costs	(9)	3,675,521	-	3,675,521	3,027,938
Costs of charitable activities	(10)	5,480,553	135,134	5,615,687	5,179,357
Total expenditure		<u>9,291,972</u>	<u>135,134</u>	<u>9,427,106</u>	<u>8,313,661</u>
Net income /expenditure		635,023	(77,546)	557,477	257,518
Gains on investments	(14b)	112,602	-	112,602	6,076
Net movement in funds		<u>747,625</u>	<u>(77,546)</u>	<u>670,079</u>	<u>263,594</u>
Total funds brought forward At 1 April 2016		<u>6,008,952</u>	<u>121,949</u>	<u>6,130,901</u>	<u>5,867,307</u>
Total funds carried forward At 31 March 2017		<u>6,756,577</u>	<u>44,403</u>	<u>6,800,980</u>	<u>6,130,901</u>

All activities are continuing activities. All gains and losses recognised in the year are included in the consolidated statement of financial activities.

BALANCE SHEET
AS AT YEAR ENDED 31 MARCH 2017

	<u>Note</u>	2017 Group £	2016 Group £	2017 Charity £	2016 Charity £
Fixed assets					
Tangible assets	(13)	4,077,352	2,902,762	3,822,196	2,670,004
Investments	(14 a&b)	1,040,254	927,477	1,040,258	927,481
		<u>5,117,606</u>	<u>3,830,239</u>	<u>4,862,454</u>	<u>3,597,485</u>
Current assets					
Stock of finished goods		43,912	41,022	21,533	16,440
Debtors	(15)	1,382,096	887,164	1,735,005	1,243,251
Cash at bank and in hand		1,641,969	2,373,817	1,422,268	2,125,825
		<u>3,067,977</u>	<u>3,302,003</u>	<u>3,178,806</u>	<u>3,385,516</u>
Creditors: Amounts falling due within one year	(16)	(1,029,603)	(646,341)	(885,280)	(497,100)
Total assets less current liabilities		<u>2,038,374</u>	<u>6,485,901</u>	<u>2,293,526</u>	<u>6,485,901</u>
Creditors: Amounts falling due after more than a year	(17)	(355,000)	(355,000)	(355,000)	(355,000)
Net assets	(12)	<u>6,800,980</u>	<u>6,130,901</u>	<u>6,800,980</u>	<u>6,130,901</u>
Unrestricted Funds					
General		6,756,577	6,008,952	6,756,577	6,008,952
Designated	(24)	-	-	-	-
		<u>6,756,577</u>	<u>6,008,952</u>	<u>6,756,577</u>	<u>6,008,952</u>
Restricted funds	(24)	44,403	121,949	44,403	121,949
Total funds		<u><u>6,800,980</u></u>	<u><u>6,130,901</u></u>	<u><u>6,800,980</u></u>	<u><u>6,130,901</u></u>

The financial statements on pages 19 to 38 were approved by the Board of Directors on 7 September 2017 and are signed on its behalf by:-

J HORTON

Director

Company Registration No. 02263980

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

	<u>Note</u>	2017 £	2016 £
Cash generated by operating activities	(26)	713,217	207,238
Cash flows from investing activities			
Interest received		(15,492)	(22,368)
Purchase of tangible fixed assets		1,471,057	406,121
Purchase of investments		-	500,000
Proceeds from disposal of fixed assets		(10,500)	-
Cash (used in) investing activities		<u>(1,445,065)</u>	<u>(883,753)</u>
(Decrease) in cash and cash equivalents in the year		(731,848)	(676,515)
Cash and cash equivalents at the beginning of the year		<u>2,373,817</u>	<u>3,050,332</u>
Cash and cash equivalents at the end of the year		<u><u>1,641,969</u></u>	<u><u>2,373,817</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. Accounting policies**(a) Basis of accounting**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Ashgate Hospicecare meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

(b) Company status

The charity is a company limited by guarantee and has no share capital. The members of the company are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

(c) Basis of consolidation

The consolidated financial statements include the results of Ashgate Hospicecare and its wholly owned subsidiary Ashgate Hospicecare Shops Limited on a line by line basis.

A separate Statement of Financial Activities and Income from Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

The surplus for the year for the charitable company was £670,079. (2016 surplus £263,594).

(d) Donated goods and gifts in kind

Donations and gifts are treated as income when received. Gifts in kind and donated goods are valued where the item is specifically identified and some reliable form of valuation is available.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 - Continued**

1. Accounting policies - continued**(e) Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in notes to the financial statements.

(f) Income

All income is recognised when the charity has entitlement to the income, any performance conditions attendance met, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the charity of the item is probable and that the economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised and refer to the Trustees' report for more information about their contribution.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Grants are included in the SOFA in the year in which they are receivable and allocated to the necessary funds accordingly, and would be deferred if relating to services in a future period.

Lottery income is accounted for in respect of those draws that have taken place in the year. Income received from draws after the balance sheet date is deferred to the relevant accounting period.

Trading income is recognised at point of sale for both donated and purchased goods.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 - Continued**

1. Accounting policies - continued

(g) Expenditure

Expenditure is recognised on an accruals basis inclusive of any irrecoverable VAT. Costs of generating funds comprise the costs associated with attracting voluntary income. 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, which have been apportioned based on the set criteria, set by the Hospice Management Team. 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.

(h) Tangible fixed assets and depreciation

All fixed assets are included at cost, net of depreciation and any provision for impairment. Depreciation is calculated to write down the cost of fixed assets by equal annual instalments over the following periods:-

Freehold buildings	2% straight line per annum
Fixtures and fittings	25% straight line per annum
Motor vehicles	25% straight line per annum
Buildings extension	2% straight line per annum
IT hardware	33% straight line per annum
Plant	10% straight line per annum

All assets costing more than £1,000 are capitalised, except for computer equipment where all items with a value of £100 or more are capitalised.

(i) Fixed asset investments

Investments are a form of basic financial instruments and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing market price, except for shares in the trading subsidiary which are carried at cost. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

All gains and losses are taken to the Statement of Financial Activities as they arise.

(j) Stock

Stock of retail goods is included at the lower cost or net realisable value. Donated items of stock for resale or distribution are not included in the financial statements until they are sold or distributed because of the Trustees consider it impracticable to be able to assess the amount of donated stocks as there are no systems in place which record these items until they are sold and undertaking a stock take would incur undue cost for the charity which far outweigh the benefits.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 – Continued

1. Accounting policies - continued

(k) Finance and operating leases

Rentals applicable to operating leases are charged to the SOFA over the period in which the cost is incurred.

(l) Pensions

The pension costs charged in the financial statements represent the contributions payable by the charity during the year in accordance with FRS 102.

(m) Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(n) Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(o) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(p) Going concern

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

	Group	
	2017	2016
	£	£
2. Donations		
General donations	676,544	427,971
In memory	285,631	373,028
Gift aid income from individuals	97,252	55,618
Community	291,785	262,197
Restricted donations	53,788	153,579
Gifts in kind (see below)	87,134	63,516
	1,492,134	1,335,909
	1,492,134	1,335,909

The income for donations of £1,492,134 included £53,788 which was restricted (2016 the total of £1,335,909, of which £153,579 was restricted).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 - Continued

2. Donations – continued

	Group	
	2017	2016
	£	£
Gifts in kind		
Donated food & drink	9,560	11,307
Capital items	1,878	2,868
Other items	75,696	49,341
	<u>87,134</u>	<u>63,516</u>

3. Legacies

	Group	
	2017	2016
	£	£
	<u>1,946,261</u>	<u>1,153,280</u>

All legacies in both years relate to unrestricted income.

4. Fundraising

	Group	
	2017	2016
	£	£
Lottery	683,385	533,224
Events	337,937	281,520
	<u>1,021,322</u>	<u>814,744</u>

The income from fundraising in both years relates to unrestricted income.

5. Other income

	Group	
	2017	2016
	£	£
Training and education	10,069	9,180
Catering and vending machine	28,537	28,565
	<u>38,606</u>	<u>37,745</u>

The other income in both years relates to unrestricted income.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 - Continued

6. Investment income

	Group	
	2017	2016
	£	£
Gross interest receivable	15,492	22,368
	<u>15,492</u>	<u>22,368</u>

Investment income is unrestricted income for both years.

7. Income from charitable activities – grants from provision of care

	Group	
	2017	2016
	£	£
a) Clinical Support		
CCG North Derbyshire	2,317,220	2,517,220
CNS Nurses	314,296	242,000
Clinical Services	200	-
University of Sheffield -student training	34,341	23,285
Chesterfield Royal Hospital -Medical secretarial support	16,739	16,740
End of Life Care Facilitators	123,228	40,865
	<u>2,806,024</u>	<u>2,840,110</u>
b) Restricted		
Patient & Family support services	3,800	3,158
	<u>3,800</u>	<u>3,158</u>
	<u>2,809,824</u>	<u>2,843,268</u>

8. Cost of raising voluntary income

	2017	2016
	£	£
Donations	121,991	105,410
Legacies	13,907	956
	<u>135,898</u>	<u>106,366</u>

All costs for raising voluntary income in both years relate to unrestricted funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 – Continued

9. Fundraising and other trading costs

	Group	
	2017	2016
	£	£
Lottery	396,026	378,190
Events	116,647	89,172
Community	18,997	18,795
Support costs – Fundraising	642,676	533,414
Support costs – Marketing and Communication	286,656	210,525
Support costs – Retail operations	268,428	217,153
Shop expenditure	1,946,091	1,580,689
	<u>3,675,521</u>	<u>3,027,938</u>

All costs for Fundraising and other trading activities in both years relate to unrestricted funds. Marketing costs also include promotional activities that support charitable objectives.

10. Cost of charitable activities

	2017	2017	2017	2016
	Direct	Support	Total	Total
	Costs	Costs	Costs	Cost
	£	£	£	£
Patient Care - Hospice	3,085,161	429,485	3,514,646	3,211,387
Patient Care – Community	1,113,580	107,371	1,220,951	1,018,386
Therapies & Rehabilitation	664,428	80,528	744,956	690,270
Designated Expenditure	-	-	-	146,391
Restricted Expenditure	135,134	-	135,134	112,923
	<u>4,998,303</u>	<u>617,384</u>	<u>5,615,687</u>	<u>5,179,357</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 – Continued

10. Charitable activities

Patient care within the Hospice includes the activities of the Inpatient and Day Hospice teams.

Patient care within the community includes the activities of the Clinical Nurse Specialists, Hospice at Home and Hospital Nurse Specialist teams.

Therapists and Rehabilitation includes the activities of the Complimentary Therapist, Supportive Care, Lymphoedema, Occupational Therapist and Physiotherapist teams.

All of the above are then supported by the Management within Clinical Services, Catering, Housekeepers, Estates, Stewards, the Gardener and the Chaplaincy.

Support costs totalling £617,384 (2016: £499,451) have been allocated across activities, these costs include the support services of the Chief Executive Officer, Finance, IT, Procurement, Information Governance, Human Resources, Learning and Development and Reception.

11. Net Movement in funds

	Group	
	2017	2016
	£	£
is after charging: -		
Auditors' remuneration – audit	7,790	7,560
Auditors' remuneration – non-audit	4,800	6,120
Depreciation	284,711	213,609
Payment made under operating leases	281,502	245,575
	<u> </u>	<u> </u>

12. Analysis of net assets between funds

	Restricted Funds	Unrestricted Funds	Total Funds
The Group	£	£	£
Fixed assets	-	5,117,606	5,117,606
Current assets	44,403	3,023,574	3,067,977
Current liabilities	-	(1,029,603)	(1,029,603)
Liabilities due after one year	-	(355,000)	(355,000)
	<u>44,403</u>	<u>6,756,577</u>	<u>6,800,980</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 – Continued

13. Tangible fixed assets

The group	Freehold Land & Buildings Original £	Extension & Development £	Fixtures & Fittings £	Plant & IT Hardware £	Motor Vehicles £	Total £
Cost at 1 April 2016	355,000	2,665,677	825,093	361,645	223,547	4,430,962
Additions	-	1,130,787	202,451	100,875	36,944	1,471,057
Disposals	-	-	(43,473)	-	(71,847)	(115,320)
At 31 March 2017	355,000	3,796,464	984,071	462,520	188,644	5,786,699
Depreciation						
At 1 April 2016	113,600	571,922	556,953	165,084	120,641	1,528,200
Charge for the year	7,100	57,826	118,856	62,863	38,066	284,711
Disposals	-	-	(31,717)	-	(71,847)	(103,564)
At 31 March 2017	120,700	629,748	644,092	227,947	86,860	1,709,347
Net Book Value						
At 31 March 2017	234,300	3,166,716	339,979	234,573	101,784	4,077,352
Net Book Value At 31 March 2016	241,400	2,093,755	268,140	196,561	102,906	2,902,762
The charity	Freehold Land & Buildings Original £	Extension & Development £	Fixtures & Fittings £	Plant & IT Hardware £	Motor Vehicles £	Total £
Cost at 1 April 2016	355,000	2,665,677	454,840	345,296	135,413	3,956,226
Additions	-	1,130,787	104,528	96,626	-	1,331,941
Disposals	-	-	-	-	(55,063)	(55,063)
At 31 March 2017	355,000	3,796,464	559,368	441,922	80,350	5,233,104
Depreciation						
At 1 April 2016	113,600	571,922	364,740	154,284	81,676	1,286,222
Charge for the year	7,100	57,826	39,353	60,369	15,101	179,749
Disposals	-	-	-	-	(55,063)	(55,063)
At 31 March 2017	120,700	629,748	404,093	214,653	41,714	1,410,908
Net Book Value						
At 31 March 2017	234,300	3,166,716	155,275	227,269	38,636	3,822,196
At 31 March 2016	241,400	2,093,755	90,100	191,012	53,737	2,670,004

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 – Continued

14. a) Investments - charity

**Shares in group
Undertakings and
participating interests
£**

Cost at 1 April 2016 and 31 March 2017	4
Net book value	
As at 31 March 2016	4
As at 31 March 2017	4

Holding of more than 20%

The charity holds more than 20% of the share capital of the following company:

Company	County of registration or incorporation	Shares held class %
Ashgate Hospicecare Shops Limited	England & Wales	Ordinary 100

The aggregate amount of capital and reserves and the results of the subsidiary for the financial year are as follows:

	Principal Activity	Capital and reserves	Profit for the Year
		£	£
Ashgate Hospicecare Shops Limited	Charity shop	4	714,853

All profits made by the subsidiary are gift aided to the charity.

14. b) Fixed asset investments

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Listed Investments				
Fair value at 1 April 2016	927,477	421,401	927,477	421,401
Additions	-	500,000	-	500,000
Adjustment	175	-	175	-
Investment gains	112,602	6,076	112,602	6,076
Fair value at 31 March 2017	1,040,254	927,477	1,040,254	927,477

The historical cost of the investment is £900,000 (2016: £900,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 – Continued

15. Debtors

	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Amounts falling due within one year				
Trade debtors	55,270	6,212	54,055	6,212
Other debtors	1,123,109	580,463	1,099,841	579,813
Value added tax	95,162	153,117	85,880	130,147
Prepayments and accrued income	108,555	147,372	37,633	28,636
Amounts owed by group undertakings	-	-	457,596	498,443
	<u>1,382,096</u>	<u>887,164</u>	<u>1,735,005</u>	<u>1,243,251</u>

Included within other debtors is £10,000 which is due after more than one year (2016: £10,000).

16. Creditors: Amounts falling due within one year	Group		Charity	
	2017	2016	2017	2016
	£	£	£	£
Trade creditors	564,007	291,824	477,586	198,705
Tax and social security	116,276	153,464	160,210	138,563
Accruals and deferred income	349,320	201,053	247,484	159,832
	<u>1,029,603</u>	<u>646,341</u>	<u>885,280</u>	<u>497,100</u>

Deferred income is lottery money received in advance for future draws. At 31 March 2017 this totalled £91,753 (2016: £91,209).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016 – Continued

17. Creditors: Amounts falling due after more than one year

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Other creditors	355,000	355,000	355,000	355,000

18. Operating lease commitments

At 31 March 2017 the charity had future minimum lease payments under non cancellable operating leases as follows:

	Group		Charity	
	2017 £	2016 £	2017 £	2016 £
Within one year	289,918	280,152	6,476	6,710
Within two to five years	533,515	706,544	2,825	9,300
In more than five years	32,917	150,167	-	-
	856,350	1,136,863	9,301	16,010

The charge for the year under operating leases was £281,502 (2016:£245,575)

19. Wages and staff costs

	Group	
	2017 £	2016 £
Gross salaries	5,121,374	4,937,778
Social security costs	445,030	344,983
Pension costs	440,631	407,006
	6,007,035	5,689,767

Average number of employees for the group and analysis of staff employees in the year were:

	2017 No.	2016 No.
Clinical	150	127
Retail	68	62
Finance & IT	8	8
HR & Executive	16	16
Estate	28	28
Fundraising	13	11
Total	283	252

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 – Continued

19. Wages and staff costs continued

Employees earning over £60,000 are summarised below (excluding pension costs):

	2017	2016
	No	No
£60,001 - £70,000	1	-
£80,001 - £90,000	1	1
	<u> </u>	<u> </u>

Pension contributions relating to the staff earnings over £60,000 totalled £20,595 (2016: £11,415).

The total amount of employee benefits received by key management personnel is £461,346 (2016: £420,153). The charity considers its key management personnel to be the staff who comprise the senior management team on the Hospice payroll.

20. Pension costs

The pension costs relate to the amounts contributed by the Group and paid over to the Health Service pension scheme or to eligible employees' pension schemes. The pension costs amounted to £440,631(2016: £407,006). The amount owed to the pension providers at the year end was - £59,603 (2016: £56,307).

21. Capital commitments

Capital expenditure contracted for but not provided in the accounts was nil for the group (2016:£1,081,047)and nil for the company (2016:£nil).

22. Trustee remuneration & transactions

No Trustee received any remuneration during the year. Trustees training and board development costs amounted to nil (2016:£5,030).

There were no other transactions with Trustees during the year.

23. Taxation

As a charity, Ashgate Hospicecare is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objectives. No tax charges have arisen in the Charity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 – Continued

24. Designated funds

	Group		Charity	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	£	£	£	£
Income				
Grants	-	-	-	-
	-----	-----	-----	-----
	-	-	-	-
	-----	-----	-----	-----
Expenditure				
Direct charitable expenditure	-	146,391	-	146,391
	-----	-----	-----	-----
	-	146,391	-	146,391
	-----	-----	-----	-----
Net outgoing resources before transfers		(146,391)		(146,391)
Transfers between funds	-	-	-	-
	-----	-----	-----	-----
		(146,391)		(146,391)
Fund balances brought forward At 1 April 2016	-	146,391	-	146,391
	-----	-----	-----	-----
Closing balance at 31 March 2017	-	-	-	-
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 – Continued

24. Restricted funds					
Income	Earmarked Donations £	High Peak Mobile Hospice £	Bed Appeal £	2017 Total £	2016 Total £
Donations	23,896	231	29,661	53,788	153,579
Grants	3,800	-	-	3,800	3,158
	<u>27,696</u>	<u>231</u>	<u>29,661</u>	<u>57,588</u>	<u>156,737</u>
Expenditure					
Charitable activities	47,271	18,181	69,682	135,134	112,923
	<u>47,271</u>	<u>18,181</u>	<u>69,682</u>	<u>135,134</u>	<u>112,923</u>
Net incoming resources before transfers	(19,575)	(17,950)	(40,021)	(77,546)	43,814
Transfers between funds	-	-	-	-	-
Net movement in funds	<u>(19,575)</u>	<u>(17,950)</u>	<u>(40,021)</u>	<u>(77,546)</u>	<u>43,814</u>
Fund balances brought forward at 1 April 2016	34,317	17,950	69,682	121,949	78,135
Fund balances carried Forward at 31 March 2017	<u>14,742</u>	<u>-</u>	<u>29,661</u>	<u>44,403</u>	<u>121,949</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 – Continued

24. Restricted funds – continued

These are funds restricted by the donors for items of expenditure as follows:-

Earmarked Donations

These are donations contributed by the general public to help fund specific clinical activities. At the end of the year £14,742 remained unspent and this will be expended in 2017/2018 onwards.

Bed Appeal

The Bed appeal was launched during the 2015/2016 Financial Year specifically to help raise an extra £1 million to help fund the additional 4 in-patient beds, which we currently have open and fund much needed improvements for patients staying in the three bedded bay areas.

High Peak Mobile Hospice

This was a donation from Westfield Health which has been utilised against the purchase, and necessary fittings of a mobile Hospice unit.

25. Ashgate Hospicecare Shops Limited

Profit and loss account for the year ended 31 March 2017

	2017	2016
	£	£
Turnover	2,660,944	2,363,865
Cost of sales	(1,288,614)	(1,025,426)
Gross profit	1,372,330	1,338,439
Administrative expenses	(657,477)	(555,263)
Distribution to the Hospice	714,853	783,176
Retained profit for the year	-	-
Number of shops	16	16

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017 – Continued

26. Reconciliation of net movement in funds	2017	2016
To net cash flow from operating activities	£	£
Net movement in funds	670,079	263,594
Depreciation charges	284,711	213,608
Increase / (Decrease) in creditors	383,262	49,106
(Increase) / Decrease in debtors	(494,932)	(262,736)
Loss on disposal	1,256	-
(Increase) / Decrease in stocks	(2,890)	(27,890)
Gain on investments	(112,602)	(6,076)
Interest received	(15,492)	(22,368)
Adjustment on investments	(175)	-
	<hr/>	<hr/>
Net cash generated by operating activities	713,217	207,238
	<hr/>	<hr/>

27. Contingent assets – legacy income

As at 31 March 2017, the charity had been notified of legacies where the value of the estates was uncertain and also waiting for confirmation as to any claims to be made in these estates. Therefore, no amount has been accrued in respect of these legacies.

**SCHEDULE OF RESTRICTED FUNDS EXPENDITURE
FOR THE YEAR ENDED 31 MARCH 2017**

	Group		Charity	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Staff costs				
Patient and Family Support	-	3,158	-	3,158
	<u>-</u>	<u>3,158</u>	<u>-</u>	<u>3,158</u>
Other costs				
Earmarked Donation costs	47,271	63,585	4,721	63,585
High Peak Mobile Hospice Bed Appeal	18,181	-	18,181	-
	69,682	43,021	69,682	43,021
	<u>135,134</u>	<u>106,606</u>	<u>135,134</u>	<u>106,606</u>
Total costs	<u>135,134</u>	<u>109,764</u>	<u>135,134</u>	<u>109,764</u>
