

**CRANSLEY HOSPICE TRUST
ANNUAL REPORT
AND
ACCOUNTS

FOR THE YEAR ENDED
31 MARCH 2016**

Registered Company No 08102611

Registered Charity Number 1151018

Annual Report and Accounts for the year ended 31 March 2016

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Foreword by the Chairman of Trustees of the Cransley Hospice Trust

Welcome to our Annual Report for the year ended 31 March 2016. Having succeeded our now Chief Executive, Peter Kelby, on 1 April 2015 this is my first report as Chair.

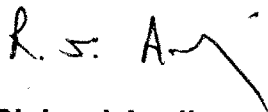
The Trust is now firmly established as the body raising funds to support the ongoing work of the Hospice and the huge generosity of the local community is reflected in the Accounts for the year which form part of this Annual Report.

In conjunction with Cynthia Spencer Hospice in Northampton we are busy developing a shared long term vision for Hospice Care in the County. This year the two Trusts have worked together to plan and fund enhancements to the Countywide Hospice at Home and Clinical Nurse Specialist services as part of this strategy.

I would like to thank the volunteers who fundraise, work alongside our staff, and who help generally in so many ways.

I would also like to thank our dedicated staff, my fellow Trustees and all those who so willingly offer us their professional advice. At the present time we are actively seeking to strengthen our Board of Trustees and would welcome approaches from any individuals with a business skill and a few hours of spare time a month.

Your donations make our work possible. Your future engagement with us will be the key to our ambitious plans to make the service the best we possibly can. Through the Trust you are investing in the care and wellbeing of the local community.



Richard Aveling

Charity Chairman

23 November 2016

Who We Are

Cransley Hospice Trust is governed by a Board of Trustees/Directors. Its Articles of Association and Memorandum of Association were dated on 12 June 2012. The Trust was formed to take advantage of the decision of the NHS to wind up the NHS Northamptonshire Charity and transfer the responsibility for the various charitable activities to Charitable Trusts run outside of the NHS structure. This led to the establishment of the Cransley Hospice Trust to support and enhance the services provided by Cransley Hospice, which serves the North part of the county and also to work with Cynthia Spencer Hospice to provide a range of county wide services such as Hospice at Home.

The Trust is registered as a general purposes charity under registration number 1151018.

By securing donations, legacies and sponsorship, the Charity seeks to provide the additional support to make a real difference to the care of patients who require palliation and end of life care, their families and the staff who look after them in Cransley Hospice and within the local community.

What we aim to do: our objectives and activities

Cransley Hospice Trust supports the care of patients in Cransley Hospice and the community who require palliation and end of life care.

We do this, in partnership with local CCGs (see below), by commissioning and funding the provision of specialist palliative care to patients with complex needs. We also support patients in their chosen place of care at the end of life, in the Hospice or the patient's home.

We support the Hospice and associated services in the community by identifying what services are needed (commissioning) and funding the services alongside the two Clinical Commissioning Groups (CCG) in Northamptonshire (Nene CCG and Corby CCG). Some of the services are countywide. We work with our partner, Cynthia Spencer Hospice Charity (CSHC), to fund them. The services are provided by Northamptonshire Healthcare Foundation Trust (NHFT) under the title of Speciality Palliative Care (SPC).

We plan to continue to grow the services to patients by increasing our fundraising. We work to a detailed budget which we closely monitor, and report to the Trustees on, to ensure we are achieving our fundraising targets, controlling our costs, and providing the required income.

Our (CHT and CSHC) expertise in SPC enables us to take a lead in commissioning the services in the county and to seek best practice.

The on-going expansion means that more patients are able to receive our services. We monitor both the increase in people cared for and the quality of the care.

Volunteers are a very important part of our team (see later). They support the work of the Hospice, the running of the Charity and in fundraising. Without them we could not achieve our aims.

In setting plans for the year, the Trustees give consideration to the Charity Commission's general guidance on public benefit and, in particular, to the public benefit of providing support for the relief of ill-health.

Since our inception we have been able to concentrate on building up funds as our predecessor fund (NHS Northamptonshire charity) paid the grant from its funds. These came to an end in January 2016 and we started the full funding for our contribution to the service. This is why we show joint figures with the NHS charity in the pie charts on pages 8 and 11.

Achievement and Performance

During the year, we provided funds for a significant expansion of the Hospice at Home service. Most people want to be cared for in the place where they usually live. Our first step in making this possible is to enable more patients to receive care from this service. The Hospice at Home team responded magnificently to the increased demand; they deliver more sessions of care to more people for longer at the end of life.

We also invested in the recruitment of additional Palliative Care Clinical Nurse Specialists to enable their service to extend from five day working to seven day from 1st April 2016.

Operational Review for the year ended 31 March 2016

Quotes from volunteers and fundraisers



Christine De'Ath - Volunteer on reception at the Hospice

When I retired I had already decided I wanted to volunteer at Cransley Hospice and I haven't been disappointed. I enjoy meeting and helping family and visitors to the Hospice. All the volunteers are part of a very friendly team.

The staff do a wonderful job and as a volunteer we help them by answering the phone, taking messages, meeting and greeting visitors and making drinks. Some of us have closer contact with patients by helping or just sitting talking with them.

We also have the opportunity to become part of the Chaplaincy team. Then there is the choir if you like singing. You don't have to be an expert!

Volunteering at Cransley Hospice can be as varied as you want it to be, and very rewarding.



Being a Volunteer – Pam Humphrey

I decided to join the Cransley Hospice Support Group as a volunteer immediately after the sad loss of my husband in November 2001. This I believed was my way of giving something back, but in reality I feel that I still get more back than I give.

Over the last years, with the tremendous support of Diana Patrick and all the Fundraising Team, I have enjoyed being involved with numerous fundraising events. Selling raffle tickets, meet and greet, serving refreshments, accepting cheques are just some of the many varied roles that I have undertaken.

As a volunteer, you can decide the level of commitment you wish to give at any time. I found that this allowed me not only to enjoy my chosen differing roles, but to make many friends along the way in a happy relaxed atmosphere.

In 2014 I had an idea for a new event "Sing for Cransley Hospice." This was a concert/competition where newly formed choirs would perform in front of three judges and then look to the audience for their votes. With the support of the Fundraising Team and all involved, the event was such a success that it was staged again with new choirs in 2015. An amazing £12k was raised from these two events.

As a volunteer I hope that I have been able to support and make a small difference to the needs of our Hospice. I also look forward to continuing working alongside a great team of people

Financial Overview

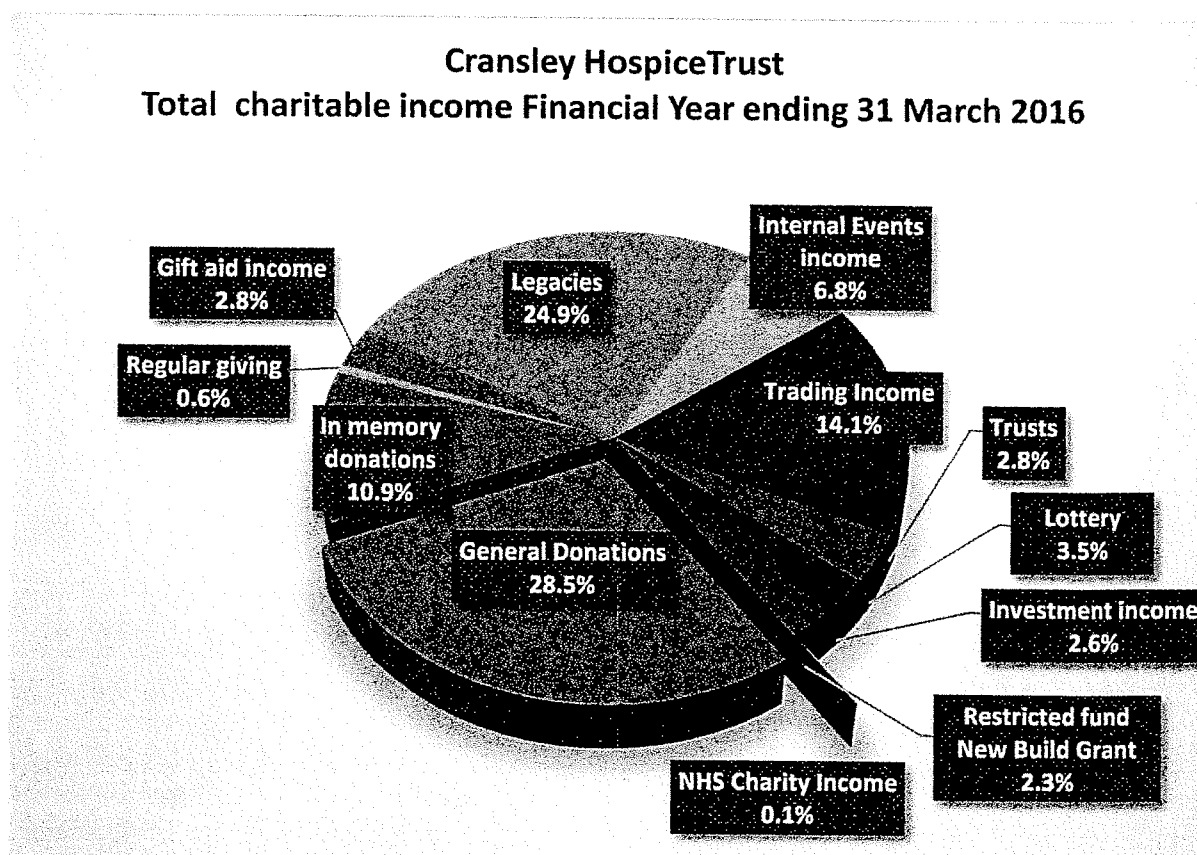
(Includes income and expenditure of the Cransley NHS Charity which was wound down during the year and the balance and expenditure commitments transferred to Cransley Hospice Trust in February 2016)

Money received - £921,300, Money spent - £878,759, Reserves created (Cransley Hospice Trust only), £518,098.

This is an increase in funds received during 14/15 of £42,300, but also an increase in expenditure of £304,759 as the Charity has increased its support of the Hospice and has started to roll out its strategic plan.

Money received: Sources of funds

Cransley Hospice Trust is able to support the work of the Hospice using funds raised by members of the public through various events. We are also very fortunate to benefit from company support, trusts, legacies, In Memory and regular giving donations.



Note: While the NHS Charity had only £875 (0.1%) income in the year, it contributed £506,582 to the cost of the services to the Hospice from April – January. Costs which were picked up by Cransley Hospice Trust from February onwards.

Voluntary income (£527,529) - Our largest source of income comes from the kind donations and fundraising activities of the public and local organisations. In detail:

- Gifts from the public (£314,089) -. These are the generous donations from our supporters both personal and corporate. They are a mix of one off donations, proceeds of events held to raise funds, and support from local businesses.
- Regular Giving (£6,827) – These are the regular donations we receive via standing order to further our support of the Hospice. This is an area we hope to grow in the future using a Direct Debit system
- In Memory donations (£119,611) - An event, collection or specific gift in memory of a loved one really can be a positive way of acknowledging appreciation for the work of the Hospice. We are fortunate to be honoured by so many people in this way each year.
- Charitable Trust Donations (£30,553) - Can be donations for a specific purchase (items purchased via Trust funding during the year include specialist chairs and mattresses), or they may just be a donation towards the general funding of the Hospice. We were grateful to all our Trust donors including Margaret Giffin, Kettering & District Medical and League of Friends, A & G Yeomans Feakin, Michael Guest, Stockburn Memorial and Maud Elkington.
- Gift Aid Income (£31,373) - This is an additional HMRC bonus of 25% on top of funds from our tax paying donors who have completed Gift Aid forms.
- Restricted fund Income (£25,077) - This was income from the NHS Northamptonshire Charity as it wound down, to go towards the building of a new hospice.

Legacies (£274,581) - Our main area of growth for the year was in legacy income which, although unpredictable, continues to help us to plan for the future. During the year we were grateful to be remembered in eight legacies.

Income from Charitable Activities (£269,067) included:

- Lottery Income (£39,002) - Our lottery, run on our behalf by Your Hospice Lottery, went from strength to strength this year. We had 5,097 players by year end
- Internal Events (£74,361) – These events, such as the Road Race and Tree of Lights are organised and managed by our fundraising team. The main focus on fundraising was to engage with the local community as widely as possible by planning a diverse set of events throughout the year. These ranged from small events held in The Hospice Coffee Shop to the Summer Ball held at Wellingborough Golf Club. There were also challenge events such as the Firewalk and Cransley Hospice Road Race as well as a more sedate Pyjama Walk. The events have been attended, and enjoyed, by hundreds of individuals from within the local community. We rely on their help and enthusiasm, and that of our many volunteers who give their time so generously.

- Trading Income (£155,704) - Our Charity Shop enjoyed a turnover of £78,648, which, although slightly down on the previous year, is excellent considering all items sold were donated. Our Coffee shop had an excellent year, bringing in £77,056, an increase on the previous year. Once costs have been deducted from our trading income, the outlets returned a profit of £33,581 (22%) for the year.

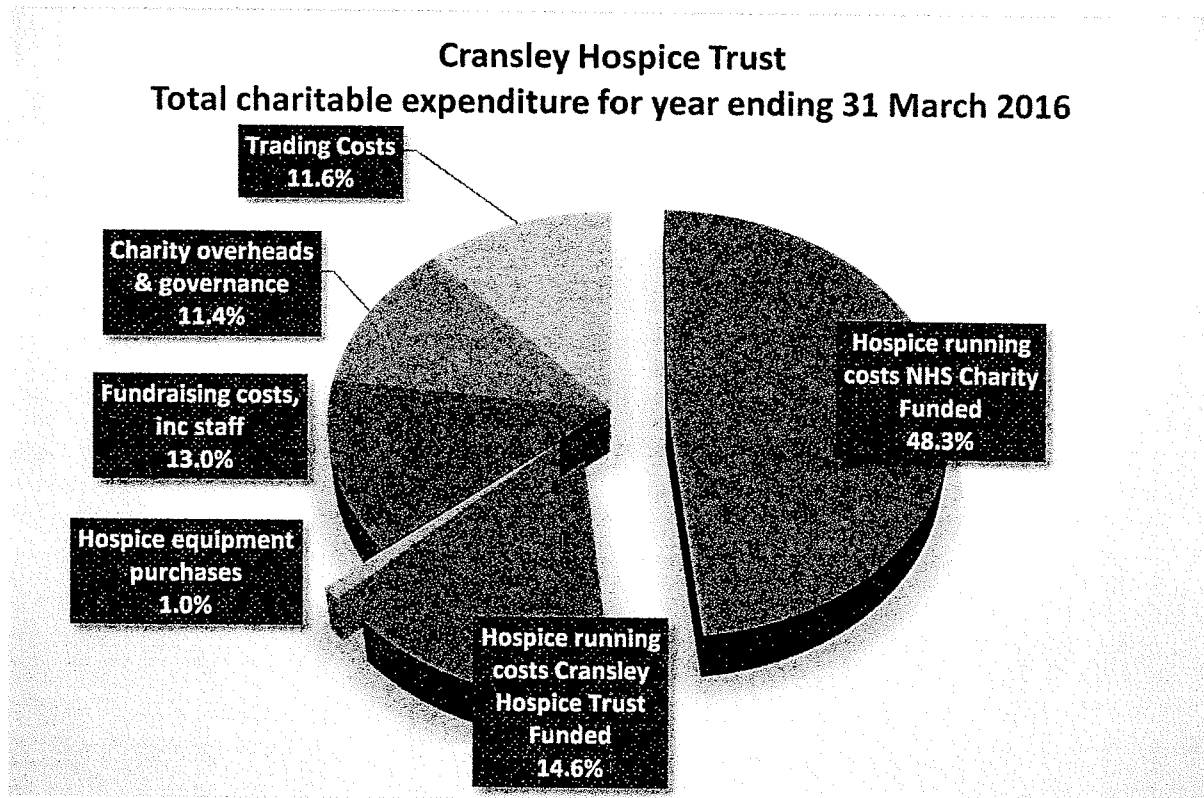
Our sincere thanks are extended to all our customers and volunteers and to those who donate to our shop.

Investment Income (£28,886) - This is the income received from our investments with M&G and also the investment we made with Schroders during the year.

The nature of market based investments means that there is some risk, as the performance of stocks and shares cannot be guaranteed. The value of our holdings did decrease by £40,196 during the year, due to market fluctuations. The risk is that these devalue further, especially as we leave the EU, as share based investments may decrease nationally. We are monitoring the situation closely, and are in contact with both investment providers. When considering our investment options, we ensure we take social, environmental and ethical factors into consideration when deciding where to invest, and would seek avoid any investment which would compromise the integrity of our Charity. Our investment products are designed and managed for charities by reputable providers. We also regularly review our investment performance to ensure that our products are still suitable for our needs and do not expose us to unacceptable risk. As well as holding these share based investments, we also hold funds in our current and savings accounts, so that our funds are spread over a range of products.

What we spent the money on

The pie chart below shows a breakdown of our expenditure.



Hospice Running Costs (£659,471) - Whilst the majority of the support grant to the Hospice was paid this year by the Cransley NHS Charity, the Cransley Hospice Trust took over full grant funding from February. The grant funds clinical, and support posts at the Hospice, as well as the Hospice at Home, Clinical Nurse Specialists and some of the running costs of the Hospice.

Hospice Equipment Purchased (£10,719) – Included specialist items and general ward items not available through the NHS.

Fundraising Costs (£136,320) – This includes the costs of fundraising, such as event costs, and marketing, plus fundraising staff costs.

Charity Overheads & Governance (£119,714) – Includes costs for staff, audit and professional fees, postage, subscriptions and memberships, office items, training, bank charges, licenses and insurance.

Trading Costs (£122,123) – Costs for stocking the Coffee Shop, trading staff and running costs including rents.

Our plans going forward

Cransley Hospice provides specialist care to patients and their families who have complex care needs as a result of a life limiting illness. Care is provided both within the Hospice and also to patients within their own homes through Specialist Palliative care staff working in the community. The Specialist Palliative Care service is funded through a combination of NHS and Charitable monies.

As a Trust, we commit to maintain the current level of Charitable funding for the palliative care service relating to Cransley Hospice while seeking to determine the extent of additional funding requirements both locally and Countywide.

To this end Cransley Hospice Trust is working with Cynthia Spencer Hospice Trust and Northamptonshire Healthcare Foundation NHS Trust (NHFT) to develop a Specialist Palliative Care delivery plan over the next five years. The strategic priorities for the service remain the responsibility of the Northamptonshire Clinical Commissioning Groups. We seek to inform and influence their plans.

The areas under consideration for service development are:

- A further increase in the Hospice at Home Service
- Education of non-specialists to improve early identification of end of life and care plans to help people stay at home

These proposals support the CCG's commissioning aspirations for End of Life care which particularly focus on the need for more patients to achieve their Preferred Place of Care, provision of care closer to the patient's home and reduction in the number of patients being admitted inappropriately to an acute hospital in the last year of life.

The funding for any developments will come from charitable monies and will require a significant increase in levels of fundraising activity to maximise all charitable income streams. We plan to invest in increasing our fundraising capability and capacity in the light of taking over responsibility for all the pledged contribution to the Hospice running costs.

Your support will help to makes these plans possible and help us to make a positive difference to the patients we care for and their families.

Trustee's Annual Report on Finance and Governance

Basis of preparation and legal framework

The Trustees present the Annual Report together with the Audited Financial Statements for the year ended 31 March 2016.

Full Name of Charity:	Cransley Hospice Trust
Registration Charity Number:	1151018
Company No	08102611

The principal office is at:	St Mary's Hospital 77 London Road Kettering Northants NN15 7PW
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Directors & Trustees:	Mr R J Aveling (Chair) Rev Dr J S Smith (Patron) Mr G Fisher Mrs K Page Mr A Chambers (appointed 20/05/2015) (resigned 25/06/2016) Mrs M Gaskell (appointed 21/05/2015)
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Chief Executive Officer	Mr P J Kelby
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The advisors and administrators used by the Charity during the year ended 31 March 2016 were:

Bankers	Lloyds Bank 2 George Row Northampton NN1 1DJ
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Auditors	Hawsons Chartered Accountants Jubilee House 32 Duncan Close Moulton Park Northampton NN3 6WL
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Structure, Governance and Management

Cransley Hospice Trust is governed by a board of Trustees/Directors. Its Articles of Association and Memorandum of Association were signed and dated on 12 June 2012.

Acting for the Trustees, the Chief Executive is responsible for the operational management of the Trust. This role is required to:

- Control, manage and monitor the use of resources.
- Provide support, guidance and encouragement for all its income raising activities whilst managing and monitoring the receipt of all income.
- Ensure that “best practice” is followed in the conduct of all its affairs fulfilling all of its legal responsibilities.

Day to day operation of the charity is vested with the Chief Executive.

Newly appointed Trustees are provided with information about the Charity, including the Executive Team terms of reference, previous annual report and accounts, budgets, policies and minutes, and information about trusteeship. The Chair gives new members a briefing on the current policies and priorities for the Charity and ensures any additional training that their role may require is also offered.

Public Benefit Test

In accordance with Section 4 of the 2006 Charities Act the Trustees have ensured that due regard has been taken to ensure that all expenditure incurred has met the Public Benefit test.

Risk Management

The major risks to which the Charity is exposed have been identified and considered.

Procedures are being developed to formalise this process which will include the creation of a formal risk register which will be subject to quarterly review and will include reference to mitigating actions.

Income and Expenditure is being monitored in total and is compared with the approved plan on a quarterly basis to detect trends as part of the risk management process to avoid unforeseen calls on reserves.

Reserves Policy

Our main sources of income are donations, legacies and active fundraising. Our policy is to maintain reserves of one year's planned grant expenditure and staff costs. The expenditure plans are planned and approved annually.

The majority of our current reserves of £1,518,103, are unrestricted general funds, with the exception of £1,344 held in our designated Nurses fund to be spent at the Nurse's request (within the terms of the original donation) and the £21,577 Restricted New Build funds, being the residual balance of the grant from the NHS Charity towards our New Build costs. Both Designated and Restricted funds will be drawn on throughout the course of the following year.

£772,257 of these reserves are held in investments, and the balance is held in instant access accounts. If we were to require the investment capital we can draw it out at any time, so we are not reliant on disposal of any fixed assets to fulfil our reserve requirements.

The Trustees consider the current level of reserves to be in line with our current obligations, however this is continually reviewed as our commitments change.

Partnership Working and Networks

Palliative care patients in the North of Northamptonshire are currently the main beneficiary of the Charity. By working in partnership with Northamptonshire Healthcare Foundation Trust, which has overall responsibility for the delivery of the service, the Charity seeks to use its funds and those of the NHS to best effect.

Partnerships are very important to the Charity. Throughout the year partnerships have been formed with members of the corporate sector, the local community and membership organisations as well as individuals. Thanks go to all those who have made donations in the past financial year.

Investment Policy

We invest funds to generate income while, where possible maintaining the value of the assets. We take a low risk approach to the investments.

As a health charity, we do not invest in companies whose primary activity is tobacco related.

Statement of Trustees' responsibilities in respect of the Trustees' annual report and the financial statements

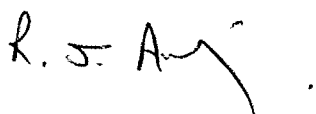
Under charity law, the Trustees are responsible for preparing the Trustee's Annual Report and the financial statements for each financial year which show a true and fair view of the state of affairs of the charity and of the excess of expenditure over income for that period.

In preparing these financial statements, generally accepted accounting practice entails that the Trustees:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements
- State whether the financial statements comply with the trust deed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities

The Trustees are required to act in accordance with the trust deed and the rules of the Charity, within the framework of trust law. The Trustees are responsible for keeping proper accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the Charity at that time, and to enable the Trustees to ensure that, where any statements of accounts are prepared by the Trustees under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. The Trustees have a general responsibility for taking such steps as are reasonably open to the Trustees to safeguard the assets of the Charity and to prevent and detect fraud and other irregularities.

Approved on 23 November 2016 and signed on behalf of the trustees by:



Name: Richard Aveling

Chair

Cransley Hospice Trust Statement of Financial Activities
(including income and expenditure account)
For the year ended 31 March 2016

		Unrestricted		Restricted	Total	Total
	Note	General	Designated	Funds	31 March	31 March
		Funds	Funds		2016	2015
		£	£	£	£	£
INCOME:						
Donations & Legacies:	3					
Donations		502,452	-	25,077	527,529	506,724
Legacies		274,581	-	-	274,581	43,477
Income from Charitable activities	4	269,067	-	-	269,067	313,777
Income from investments	13	28,886	-	-	28,886	14,530
Total income and endowments		1,074,986	-	25,077	1,100,063	878,508
EXPENDITURE:						
Expenditure on Raising funds	5	374,420	-	-	374,420	287,201
Expenditure on charitable activities:	7					
Medical Equipment purchase		10,719	-	-	10,719	8,119
Direct service funding		77,545	-	-	77,545	2,210
Development of care strategies		68,429	3,106	3,500	75,035	14,390
Governance costs	6	4,050	-	-	4,050	5,010
Total expenditure		535,163	3,106	3,500	541,769	316,930
Net income/(expenditure) before (loss)/gains on investments		539,823	(3,106)	21,577	558,294	561,578
Net (losses)/gains on investments	12	(40,196)	-	-	(40,196)	12,453
Net income/(expenditure)		499,627	(3,106)	21,577	518,098	574,031
Transfers between funds	9	(4,450)	4,450	-	-	-
Net movement in funds for the year		495,177	1,344	21,577	518,098	574,031
Reconciliation of funds:						
Total Funds b/f at 31 March 15		1,000,005	-	-	1,000,005	425,974
Total Funds c/f at 31 March 16		1,495,182	1,344	21,577	1,518,103	1,000,005

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

Cransley Hospice Trust Balance Sheet
(Company number 08102611)
As at 31 March 2016

		Unrestricted		Restricted	Total	Total
	Note	General	Designated	Funds	31 March	31 March
		Funds	Funds		2016	2015
		£	£	£	£	£
Fixed assets:						
Investments	12	772,257	-	-	772,257	412,453
Total fixed assets		772,257	-	-	772,257	412,453
Current assets:						
Debtors and prepayments	14	6,580	-	-	6,580	5,906
Cash at bank and in hand	14	725,484	1,344	21,577	748,405	589,421
Total current assets		732,064	1,344	21,577	754,985	595,327
Liabilities						
Creditors: Amounts falling due within one year	15	9,139	-	-	9,139	7,775
Net current assets		722,925	1,344	21,577	745,846	587,552
Total assets less current liabilities		1,495,182	1,344	21,577	1,518,103	1,000,005
Funds of the Charity:						
Unrestricted Income Funds	16	1,495,182	-	-	1,495,182	1,000,005
Restricted Income Funds	16	-	-	21,577	21,577	-
Designated Income Funds	16	-	1,344	-	1,344	-
Total charity funds		1,495,182	1,344	21,577	1,518,103	1,000,005

The notes at pages 17 to 26 form part of these accounts

The financial statements were approved on 23 November 2016 by the trustees and signed on their behalf by:

R. J. A.
Charity Chair

Cransley Hospice Trust Statement of Cash Flows
For the year ended 31 March 2016

	Note	Total 31 March 2016 Funds £	Total 31 March 2015 Funds £
Cash flows from operating activities:			
<i>Net cash provided by operating activities</i>	17	530,098	518,452
Cash flows from investing activities:			
Dividends from investments		28,886	14,530
Purchase of investments		(400,000)	(400,000)
Net cash used in investing activities		(371,114)	(385,470)
Change in cash and cash equivalents in the reporting period		158,984	132,982
Cash and cash equivalents at the beginning of the reporting period		589,421	456,439
Cash and cash equivalents at the end of the reporting period	14	748,405	589,421

Notes on the accounts

1. Accounting Policies

(a) Basis of preparation

The financial statements have been prepared under the historic cost convention, with the exception of any investments which are included at market value. 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.

(b)Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required. No restatements were required. In accordance with the requirements of FRS 102 a reconciliation of opening balances and net income / (expenditure) for the year is provided with the net income / (expenditure) under previous GAAP adjustment for the presentation of investment gains / (losses) as a component of reported income.

Reconciliation of reported net income	£
Net income as previously stated	561,578
Adjustments for gains on investments now treated as a component of net income	12,453
2015 net income as restated	<u>574,031</u>

(c) Company status

The charity is a company limited by guarantee. The members of the company are the trustees named on page 10. 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.

(d) Funds structure

Restricted funds and designated funds are funds which are to be used in accordance with specific restrictions imposed by the donor.

Unrestricted income funds comprise those funds which the Trustee is free to use for any purpose in furtherance of the charitable objects of the identified special purpose fund. Unrestricted funds include designated funds, where the donor has made known their non binding wishes or where the trustees, at their discretion, have created a fund for a specific purpose.

(e) Income

Income is recognised once the charity has entitlement to the resources, it is probable that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

(f) Income from legacies

Income from legacies are accounted for either upon receipt or where the receipt of funds in relation to the legacy is probable; this will be once confirmation has been received from the representatives of the estate(s) that payment from the legacy will be made or property transferred and once all conditions attached to the legacy have been fulfilled.

(g) Expenditure

Expenditure is recognised when a liability is incurred. Grant commitments are recognised when a constructive obligation arises that result in payment being unavoidable.

Contractual arrangements are recognised as goods or services supplied.

(h) Irrecoverable VAT

Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

(i) Allocation of overhead and support costs

Overhead and support costs have been allocated directly or apportioned on an appropriate basis (refer to note 6) between Charitable Activities and Governance Costs. Once allocation and/ or apportionment of overhead and support costs has been made between Charitable Activities and Governance Costs, the cost attributable to Charitable Activities is apportioned across those activities in proportion to total spend.

(j) Expenditure on raising funds

Expenditure of raising funds relate to expenses incurred to support fund raising activities, the operating costs of the shops and funding of the Fundraising teams costs.

(k) Expenditure on charitable activities

Expenditure on charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity. These costs comprise direct costs and an apportionment of overhead and support costs as shown in note 6.

(l) Governance costs

Governance costs comprise all costs incurred in the governance of the charity. These costs include costs related to statutory audit, together with an apportionment of overhead and support costs.

(m) Fixed asset investments

Any investments are stated at market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

(n) Net gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and opening market value (purchase date if later). Unrealised gains and losses are calculated as the difference between the market value at the year end and opening market value (or purchase date if later).

(o) Pensions

Some longstanding staff of the Charity are currently employed by Northamptonshire Healthcare NHS Foundation Trust with their full costs recharged to the Charity. Under this arrangement the Charity's staff are entitled to join the NHS Pensions Scheme. The Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable participating bodies to identify their share of the underlying Scheme assets and liabilities. Therefore, the Scheme is accounted for as if it were a defined contribution scheme: the cost to the charity of participating in the Scheme is taken as equal to the contributions payable to the Scheme for the accounting period.

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80 of the best of the last 3 years pensionable pay for each year of service. A lump sum normally equivalent to 3 years pension is payable on retirement. Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. On death, a pension of 50% of the member's pension is normally payable to the surviving spouse.

The Scheme is subject to a full actuarial valuation every four years, and a FRS102 accounting valuation every year. The conclusion from the 2004 valuation was that the Scheme had accumulated a notional deficit of £3.3 billion against the notional assets as at 31 March 2004. However, after taking into account the changes in the benefit and contribution structure effective from 1 April 2008, the Scheme actuary reported that employer contributions could continue at the existing rate of 14% of pensionable pay.

The valuation of scheme liability in accordance with FRS102 is carried out annually by the Scheme Actuary. The latest assessment of the liabilities of the Scheme are contained in the Scheme Actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Resource Account, published annually. These accounts can be viewed on the NHS Pensions website.

(p) Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable trust for UK income tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 10 Income Tax Act 2007 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

(q) Operating leases

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

(r) Transition to FRS 102

No restatement of the opening fund balances has been required in making the transition to FRS 102. The transition date was 1 April 2014.

2. Related party transactions

Northamptonshire Healthcare NHS Foundation Trust, the service provider, is a Grant Recipient of the charity.

3. Analysis of income from donations and legacies

	31 March 16	31 March 15
	£000's	£000's
Donations over £5k	90	120
Other donations	437	387
Legacies	275	43
Total	802	550

4. Income from charitable activities

	31 March 2016	31 March 2015
	£000's	£000's
Events income	74	152
Shop sales	156	156
Lottery	39	6
Total	269	314

5. Expenditure on raising funds

	31 March 2016	31 March 2015
	£000's	£000's
Fundraising direct expenditure	130	51
Shop running costs	46	44
Coffee shop running costs	76	76
Salaries	102	88
Allocated overheads	20	28
Total	374	287

6. Analysis and allocation of support costs and overheads

Total support and overhead costs of the Charity excluding fundraising was £58,000. An allocation and apportionment of overhead and support costs has been made to Governance Costs as outlined below and the balance has been apportioned across Charitable Activities in proportion to actual direct outlay.

Support cost analysis	31 March 2016 Total	Allocated to Governance	Residual for apportionment
	£000's	£000's	£000's
Support staff costs	44	-	44
External Audit fees	4	4	-
Professional fees & services	2	-	2
Office costs	5	-	5
Bank charges	3	-	3
Total	58	4	54

7. Expenditure on charitable activities

The charities direct expenditure in the year supported of the following activities.

	Grant	Support cost	Total
	£000's	£000's	£000's
Grant activity			
Medical Equipment purchase	11	-	11
Funding of staff	78	-	78
Direct spending			
Service strategy development	75	-	75
	<u>164</u>	<u>-</u>	<u>164</u>

8. Analysis of grants

The grants highlighted in note 7 above were made to Northamptonshire Healthcare Foundation Trust. The charity does not make grants to individuals.

9. Transfers between funds

£4,450 has been transferred from unrestricted funds to a designated fund representing monies that are held on behalf of the nurses.

10. Analysis of staff costs

	31 March 2016 Total £000	31 March 2015 Total £000
Salaries and wages	239	146
Social security costs	7	6
Other pension costs	1	16
Total	<u>247</u>	<u>168</u>

The average number of full time equivalent staff during the year was 8 (2015: 7) with all staff time involved in providing fundraising and support services for charitable activities.

No staff member had an emolument in excess of £60,000 (2015: nil).

11. Auditor's remuneration

The auditor's remuneration of £4,050 (2015: £5,010) related solely to the audit with no other additional work undertaken (2015: £nil).

12. Fixed asset investments

	As at 31 March 16 £000	As at 31 March 15 £000
Market value brought forward	412	-
Less: Disposals at carrying value	-	-
Add: Acquisitions at cost	400	400
Net (loss) / gain on revaluation	(40)	12
Market value carried forward	772	412

Holdings which individually represent in excess of 4% of the total Investments are as follows:-

Investments in a Common Investment Fund

M&G Charibond	202	208
M&G Charifund	191	204
Schroders Equity Income Trust for Charities A Income Units	379	-

13. Total Gross income from investments and cash on deposit

£28,886 of investment income was received during the financial year (2015: £14,530).

14. Analysis of current assets

Debtors under 1 year

	As at 31 March 16 £000's	As at 31 March 15 £000's
Prepayments	7	6
	<u>7</u>	<u>6</u>

There are no long term debtors

Analysis of cash at bank

	As at 31 March 16 £000's	As at 31 March 15 £000's
Bank balance held in Lloyds current account	748	589
	<u>748</u>	<u>589</u>

15. Analysis of current liabilities and long term creditors

	As at 31 March 16 £000	As at 31 March 15 £000
Trade Creditors	1	1
Accruals	5	5
HMRC for VAT	3	2
	<u>9</u>	<u>8</u>

There are no long term creditors.

16. Analysis of movements and purpose of main funds by category

The following provides analysis of movements by Special Purpose Fund and designation for the year ended 31 March 2016.

	Balance at 31st March 2015 £	Income £	Expenditure £	Gains/ (Losses) on investments £	Transfers £	Balance at 31st March 2016 £
Unrestricted Funds						
General Fund	1,000,005	1,074,986	(535,163)	(40,196)	(4,450)	1,495,182
Total	1,000,005	1,074,986	(535,163)	(40,196)	(4,450)	1,495,182
Designated Funds						
Nurses Fund	-	-	(3,106)	-	4,450	1,344
Total	-	-	(3,106)	-	4,450	1,344
Restricted Funds						
New build fund	-	25,077	(3,500)	-	-	21,577
Total	-	25,077	(3,500)	-	-	21,577
Endowment Funds						
No endowment funds identified						
Total	-	-	-	-	-	-
Total for Cransley Funds	1,000,005	1,100,063	(541,769)	(40,196)	-	1,518,103

Purpose of large funds

Cransley General Fund

Available to support the work of the Cransley Hospice

Designated Fund

A designated fund has been set aside out of unrestricted funds by the trustees representing monies that are held on behalf of the nurses to pay for services on site.

Restricted Fund

The new build fund relates to funds specifically held for the development of a new hospice site.

17. Reconciliation of net movement in funds to net cash flow from operating activities

	As at 31 March 16 £000's	As at 31 March 15 £000's
Net movements in funds	518,098	574,031
Losses/(gains) on investments	40,196	(12,453)
Dividends from investments	(28,886)	(14,530)
(Increase)/Decrease in debtors	(674)	1,513
Increase/(Decrease) in creditors	1,364	(30,109)
Net cash provided by operating activities	530,098	518,452

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CRANSLEY HOSPICE TRUST

We have audited the financial statements of Cransley Hospice Trust for the year ended 31 March 2016 which comprise the Statement of Financial Activities, Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard 102 (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company's members, 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 members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its 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 explained more fully in the Trustees' Responsibilities Statement set out on page 13, the trustees (who are also the 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's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 March 2016, and of the charity'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 applicable to smaller entities; 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 the information given in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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. or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.

Hawsons

David Owens
Senior Statutory Auditor

for and on behalf of:
Hawsons Chartered Accountants
Statutory Auditor
Jubilee House
32 Duncan Close
Moulton Park
Northampton
NN3 6WL

23 November 2016