

Derwentside Hospice Care Foundation

A Charitable Company Limited by Guarantee

Financial Statements

Year Ended 31 March 2017

Company Registration Number: 02263960

Charity Registration Number: 519659

STATUTORY INFORMATION

Trustees

Mr Mike Waterston (Chair)	Resigned June 2017
Mr Robin Statham	Resigned May 2017
Mr Paul Jackson (Acting Chair)	
Mrs Anne Britton	
Mr Mark Davies	
Mr Michael Stirrup (Treasurer)	Resigned June 2017
Mr Nigel Cook	
Mrs Ruth Wright	Resigned December 2016
Ms Sally Hancox	Resigned June 2017
Anita Burdon	Appointed October 2017
Mark McArdle	Appointed October 2017

Chief Executive Officer

Ms Victoria Dale	Appointed April 2017
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Registered Office

Maiden Law Hospital
Howden Bank
Lanchester
County Durham
DH7 0QS

Bankers

Lloyds Bank Plc	Barclays Bank Plc
Victoria Road	Front Street
Consett	Stanley
County Durham	County Durham
DH8 5AE	DH9 0TA

CAF Bank Ltd
25 Kings Hill Avenue
West Malling
Kent
ME19 4JQ

Legal Advisors

Bennett Richmond
23 Front Street
Lanchester
County Durham
DH8 5AB

Independent Auditors

Tait Walker LLP
Bulman House, Regent Centre
Gosforth
Newcastle Upon Tyne
NE3 3LS

Key Management Personnel

Ms Victoria Dale

Chief Executive Officer

Mrs Denise Crawford

Head of Care Services

REPORT OF THE TRUSTEES

The trustees are pleased to present their annual report along with the financial statements of the charity and its subsidiary for the year ended 31 March 2017.

Report from the Chair of the Board

Having been involved with Derwentside Hospice Care Foundation for over 12 years as a trustee, I feel very proud to be supporting the Hospice through a period of transition by recently stepping into the role of Acting Chairperson for the Board of Trustees. I am fully committed to supporting and guiding the hospice as it makes progress to securing a stable and sustainable future.

It would be fair to say that the last few years have been fairly turbulent for the hospice, but we now find ourselves with a strong and ambitious management team who are led by our Chief Executive, Vicki Dale.

The Head of Care Services, Denise Crawford continues to reinvigorate the hospice IPU and we are looking forward to developing our services and hopefully rolling out hospice at home as a new service and direction for the continued support of our community.

The efforts of the fundraising team, who are led by Katherine Luke, our Income Generation Manager have helped to move the hospice into a better financial position and the potential of the team we now have in place is promising.

In fact, the enthusiasm and commitment from the entire workforce is an absolute credit to the hospice. When referring to our workforce I include our army of volunteers, without whose support our success and sustainability would not be possible.

Whilst we have much to celebrate this year the funding of the hospice and our supporting services continues to be a challenge for us. We are however very much up for the challenge facing us and very keen to continue our successes. A key achievement for us over recent months has been our ability to secure longer term funding from our Clinical Commissioning Group which helps secure the future of the hospice and demonstrates the belief others have in our ability to keep making the progress we are and having the positive impact we do on our local communities.

Another key success has been our ability to secure a funding agreement from a local businesswoman to support the design and construction of a new six bed inpatient unit. This will have a profound impact on the quality of our facilities and our ability to continue to deliver care at the highest possible standards.

Key stakeholders and our many benefactors can hopefully see the improvements we are making. We now have others looking at what we are doing and where we are going and this will hopefully lead to more support from local businesses and our residential communities.

DERWENTSIDE HOSPICE CARE FOUNDATION
YEAR ENDED 31 MARCH 2017

We are very much looking forward to the next 12 months, when our new build will begin to take shape and we will need all our supporters to assist us in a major fundraising effort to ensure that we get the best possible facility we can for the people of Derwentside.

Finally, thank you to the board of trustees who have supported the hospice over the last 12 months and in many cases for a much longer period of time. This support is so valuable to the future of Derwentside Hospice Care Foundation and the people it serves.

A handwritten signature in black ink, appearing to read 'Paul Jackson', written in a cursive style.

Paul Jackson
Acting Chair of the Board of Trustees

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Instrument and Constitution

The organisation is a charitable company limited by guarantee, incorporated on 02 June 1988.

The charitable company was established under a Memorandum of Association that established the objects and powers of the organisation and is governed under its Articles of Association passed by special resolution in January 2013. In the event of the charitable company being wound up members are required to contribute an amount not exceeding £10.

Board of Directors/Trustees

The charity is governed by its board of trustees who are also the appointed directors of the company. The number of trustees at present is five.

Trustees can be elected or co-opted during the year and their appointment is confirmed at the Annual General Meeting (AGM). At each AGM one third of the trustees must retire from office. The trustees to retire by rotation are those who have been longest in office since their last appointment.

The trustees aim to maintain a balanced skills and knowledge base amongst its members by identifying skills shortages when an opening exists for a new member. Representation relevant to the service user group is a key factor given the charity's mission.

The trustees are required to meet at least four times per year and are currently meeting every six weeks. At these meetings members receive detailed management accounts (including cashflow projections) as well as reports on operational activities each month. The board also receive regular presentations and reports on any major developments or proposals. They participate in the strategic planning process and have ultimate responsibility for approval of the strategic plan.

New trustees are provided with a proper induction process and pack which details everything they need to know about the charity as well as their responsibilities as a trustee. Briefing papers and familiarisation training is effected for all trustees, as deemed necessary.

Sub-committees

The board of trustees has five sub-committees:

1. A corporate governance sub-committee, that comprises of at least two trustees who are independent of the management team and free of any relationship that in the opinion of the board would interfere with the exercise of independent judgement as members of the group. At least one member of the group has recent and relevant financial experience, this is currently our head of finance and income. The group is required to meet at least six times per year but are currently meeting on a four weekly cycle. It has responsibility for: providing an effective audit mechanism of current and future corporate activity; overseeing risk management; the setting of the annual income and expenditure budgets and subsequent monitoring of financial performance against these budgets; the management of cashflow and resources and advising the board on appropriate levels of free reserves.
2. A clinical governance sub-committee, that comprises of at least two trustees who are independent of the management team and free of any relationship that in the opinion of the board would interfere with the exercise of independent judgement as members of the

group. At least one member of the group has recent and relevant senior clinical experience, this is currently our registered manager. The group is required to meet at least six times per year. It has responsibility for providing an effective audit mechanism of current and future clinical activity and the development of future strategy.

3. An income generation sub-committee, that comprises of at least two trustees who are independent of the management team and free of any relationship that in the opinion of the board would interfere with the exercise of independent judgement as members of the group. At least one member of the group has recent and relevant senior income generation experience, this is currently our income generation and marketing manager. The group is required to meet at least six times per year. It has responsibility for: providing an effective audit mechanism of current and future income generation activity; the development of annual and longer term income generation plans (including trading); and subsequently the monitoring of performance towards the achievement of these plans.
4. A workforce sub-committee, that comprises of at least one trustee who is independent of the management team and free of any relationship that in the opinion of the board would interfere with the exercise of independent judgement as a member of the group. At least one member of the group has recent and relevant senior human resource management experience, this is currently our head of human resources. The group is required to meet at least six times per year. It has responsibility for providing an effective audit mechanism of current and future workforce activity and the development of future strategy.
5. A remuneration sub-committee, that consists of the chairman, the treasurer, the chair of the workforce sub-committee and the chief executive. The group is required to meet at least once per year. It has responsibility for determining remuneration packages that are affordable, sustainable and encourage individual performance to enhance the overall performance of the charity.

Day to day management

The chief executive is responsible for the day to day management of the charity's affairs and for implementing the strategy as agreed by the board of trustees. This is done within the boundaries of the budget and various policies and procedures also agreed by the board of trustees. The chief executive appraises the chair of the board of any significant issues that may arise between formal meetings. The chief executive is supported by a senior management team that consists of the head of care services, the patient safety lead, the central support manager, the income generation manager, the finance manager and the business development manager.

The management team attend board meetings (when required) but there is provision for the board to discuss any matter without management attendance when they wish to do so. The management team (including the chief executive) also have regular meetings with other management as needed, to address all relevant operational issues.

OBJECTIVES

Derwentside Hospice Care Foundation's objects are to promote the relief of sickness by providing appropriate support to people in the life limiting phase of their illness and to support the whole family during this time and in bereavement.

ACTIVITIES AND ACHIEVEMENTS

The following activities demonstrate that the charity has achieved its aim of providing public benefit to the community:

Clinical and Professional

Willow Burn has four inpatient unit beds and provides end of life care, pain and symptom management and emotional and psychological support. There is one bed designated for respite care, allowing patients to be admitted for a week and allowing carers to have a well-earned break from the pressures of caring for someone with a life limiting illness. The staff in the unit care for the patient and embrace the whole family, giving them emotional support and confidence that their loved one is being well cared for.

In 2016-2017 the unit cared for 119 patients (2015-16 110 patients). 63% of these had a cancer diagnosis, while the remainder had other life limiting conditions such as Chronic Respiratory Disease, neurological conditions and heart failure. Average occupancy levels were at 73% (2015-16 75%).

The rehabilitation model continues to provide flexibility and choice for patients whilst maintaining a high quality of physical, psychological and spiritual well-being for them. The aim of the model is to enable patients with a life limiting condition to maximise their full potential.

The Day Hospice, led by a team of therapy staff, is run on a sessional basis (morning and afternoon), 3 days a week and in 2016-17 patients attended 639 sessions. Patients can choose to attend from an hour up to a day, depending upon how they feel that the programme can most effectively meet their needs. The LeBed Method (a therapeutic movement programme for people with any type of chronic illness) forms the first hour of every session, with the aim of promoting wellbeing. Patients then have access to a varied programme of activities throughout the rest of the day including: massage, Reiki and nails

A dedicated team of professionals, support staff and volunteers provide a range of interventions including Reiki, Tai Chi, therapeutic horticulture, creative writing, art, emotional support, aromatherapy massage, social interaction and therapeutic games. Patients also have access to other multi-disciplinary professionals, such as staff nurses, counsellors and a GP with Specialist Interest in Palliative Care.

A 12 week period of attendance is usually offered, although support and sign posting to other services is undertaken in preparation for discharge.

Willow Burn's Family Support Service was set up in March 2010 to delivering a family support model advocated by the National Institute of Clinical Excellence. The service is accessible at various locations within Derwentside. For example, clients can be seen at the hospice, GP surgery, or at home. It is available to people of all ages and is tailored to their individual needs. There is also a

bereavement service each month, to remember those people known to Willow Burn Hospice who have died.

This service offers free, confidential, practical and emotional support/counselling to those who have been diagnosed, or affected by a diagnosis or death of someone with a life limiting illness. The service is based at the hospice and available at both the hospice and in the community. In 2016-2017, the service supported 444 people (2015-16 293).

Lymphedema services provide treatment, advice and support to enable patients to manage swelling of limbs, trunk, breast, neck, face or genitalia. Simple and complex lymphedema can be treated using the four cornerstones of treatment, as well as manual lymphatic drainage and bandaging. The service was temporally suspended after May 2015 but resumed in November 2016, two days per week.

FINANCIAL REVIEW

The consolidated group Statement of Financial Activities (SOFA), set out on page 13, shows that gross income increased from £1,309,740 to £1,741,667 and expenditure on direct charitable expenditure increased from £1,529,521 to £1,886,203. This resulted in a group deficit of £144,536 which has been debited to unrestricted and restricted funds as shown in the SOFA.

The trustees are satisfied with this position at the year-end but recognise that work is required to improve the overall reserves position going forward.

Grants

Derwentside Hospice Care Foundation has continued to benefit from various grants during the year and the board of trustees gratefully acknowledge this support.

Reserves and Going Concern

Reserves available for use by the Charity are deemed to be those that are readily realisable, less funds whose uses are restricted or else designated for particular purposes. In previous years the Trustees set an ambitious long term objective of having 6 months running costs as emergency operating reserves. At 31 March 2017 the charity had negative unrestricted reserves of £137,869.

The Trustees note that the current levels of reserves are not sustainable and the charity has embarked on a short term plan to raise income and reduce costs to ensure that reserve levels increase. Overhead costs have been looked at in detail and multiple savings already identified to ensure that the charity is receiving value for money, with further improvement plans now being put in place. The Senior Management Team are aware of the need to provide an efficient service that offers value for money to the community, without losing the emphasis on patient care and safety.

One of the biggest issues for all charities is the need to manage and retain regular income whilst at the same time finding new and innovative methods of raising funds. Meeting this challenge is one that is a key priority for Trustees and the Senior Management Team at the charity. The restructured Income Generation team are starting to increase awareness of the charity in the wider community and this will start to pay dividends as their medium term fundraising strategies start to provide a return.

A strategic review of the charity is on-going and the Trustees and Senior Management Team will continue their efforts to provide a bright future for Derwentside Hospice Care Foundation.

Pay policy for key management personnel

The board, who give their time freely and no trustees received remuneration in the year, have considered who the Key Management Personnel (KMP) of the charitable company are, as noted in the Reference and Administration section. Together with the board, these KMP are those in charge of directing and controlling, running and operating the activities of the charity on a day to day basis. The pay of the KMP is reviewed annually and normally increased in accordance with average earnings. The trustee's benchmark against pay levels of other charities and similar organisations within the sector and the region. Pay levels are set using this information together with budget and forecast information, ensuring that the charitable company can afford any proposed increases. The board then agree any uplift to remuneration.

PRINCIPAL RISKS AND UNCERTAINTIES

Risk Management

The trustees have introduced a formal risk management process to assess business risks and implement risk management strategies. This process involves identifying the types of risks the charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. As part of this process the trustees review the adequacy of the charity's current internal controls and the costs of operating particular controls relative to the benefits obtained. Procedures have been established for reporting failings immediately to appropriate levels of management and to the trustees.

The trustees are satisfied that the systems and procedures in place are sufficient to adequately mitigate identified risks to an acceptable level in the charity's day to day operations.

The financial statements which have been prepared in accordance with the Statement Of Recommended Practice: Accounting and Reporting by Charities (SORP FRS102) confirm to current statutory requirements and comply with the charity's governing documents.

PUBLIC BENEFIT STATEMENT

The trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning future activities. The charitable objectives also are set in order to provide a clear and demonstrable public benefit.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees, who are also directors of Derwentside Hospice Care Foundation Limited for the purposes of company law, are responsible for preparing the trustees report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Under company law the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and group and the incoming resources and applications of resources, including the income and expenditure, of the charitable company and group for that year.

In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that Derwentside Hospice Care Foundation will continue in operation.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In so far as the trustees are aware:

- there is no relevant audit information of which the group's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

A resolution to re-appoint Tait Walker LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 485 of the Companies Act 2006.

Signed on behalf of the trustees on 12 December 2017



A Britton
Trustee

INDEPENDENT AUDITORS REPORT TO THE MEMBERS AND TRUSTEES OF THE CHARITABLE COMPANY

We have audited the financial statements of Derwentside Hospice Care Foundation for the year ended 31st March 2017 on pages 13 to 34. 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 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees' Responsibilities Statement set out on page 9, 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.

We have been appointed auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts. 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 ON 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 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' Report to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 group's and the parent charitable company's affairs as at 31st 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 and the Charities Act 2011.

OPINION ON OTHER MATTERS 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' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report has been prepared in the accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matter where the Companies Act 2006 and the Charities Act 2011 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 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.



Simon Brown ACA (Senior Statutory Auditor)

15.12.17

For and on behalf of

Tait Walker LLP
Chartered Accountants & Statutory Auditor
Bulman House
Regent Centre
Gosforth
Newcastle upon Tyne
NE3 3LS

Tait Walker LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

DERWENTSIDE HOSPICE CARE FOUNDATION
YEAR ENDED 31 MARCH 2017

GROUP - CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE
FOR THE PERIOD ENDING 31 MARCH 2017

	Note	Unrestricted Funds £	Restricted Funds £	Capital Funds £	1617 Total Funds £	1516 Total Funds £
INCOME						
Donations & Legacies	4	452,265	11,111	0	463,376	346,660
Income from charitable activities:						
Provision of services	5	857,242	0	0	857,242	706,777
Income from trading activities:						
Fundraising events	5	175,907	0	2,148	178,055	71,775
Shop sales	5	212,167	0	0	212,167	159,599
Other sales	5	30,827	0	0	30,827	24,929
TOTAL INCOME		1,728,408	11,111	2,148	1,741,667	1,309,740
EXPENDITURE						
Expenditure on charitable activities:						
IPU services	6	688,929	0	75,000	763,929	693,842
Family support & therapy	6	173,934	60	0	173,994	220,395
Hospice at home	6	348,524	5,605	0	354,129	219,448
Expenditure on raising funds:						
Voluntary income	6	299,359	3,492	0	302,851	206,214
Sales	6	291,300	0	0	291,300	189,622
TOTAL EXPENDITURE		1,802,046	9,157	75,000	1,886,203	1,529,521
Transfers		25,000		(25,000)		
NET MOVEMENT IN FUNDS		(48,638)	1,954	(97,852)	(144,536)	(219,781)
RECONCILIATION OF FUNDS						
Total funds brought forward		1,487,185	590,706	120,196	2,198,087	2,417,868
Total funds carried forward		1,438,547	592,660	22,344	2,053,551	2,198,087

The result for the year relates wholly to continuing activities.

The notes on pages 17 to 34 form part of these financial statements

**CHARITY - CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
INCLUDING INCOME AND EXPENDITURE
FOR THE PERIOD ENDING 31 MARCH 2017**

	Note	Unrestricted Funds £	Restricted Funds £	Capital Funds £	1617 Total Funds £	1516 Total Funds £
INCOME						
Donations & Legacies	4	452,265	11,111	0	463,376	346,660
Income from charitable activities:						
Provision of services	5	508,718	0	0	508,718	506,187
Income from trading activities:						
Fundraising events	5	175,907	0	2,148	178,055	71,775
Shop sales	5	212,167	0	0	212,167	159,599
Other sales	5	30,827	0	0	30,827	24,929
TOTAL INCOME		1,379,884	11,111	2,148	1,393,143	1,109,150
EXPENDITURE						
Expenditure on charitable activities:						
IPU services	6	688,929	0	75,000	763,929	693,842
Family support & therapy	6	173,934	60	0	173,994	220,395
Hospice at home	6	0	5,605	0	5,605	18,858
Expenditure on raising funds:						
Voluntary income	6	299,359	3,492	0	302,851	206,214
Sales	6	291,300	0	0	291,300	189,622
TOTAL EXPENDITURE		1,453,522	9,157	75,000	1,587,679	1,328,931
Transfers		25,000		(25,000)		
NET MOVEMENT IN FUNDS		(48,638)	1,954	(97,852)	(144,536)	(219,781)
RECONCILIATION OF FUNDS						
Total funds brought forward		1,487,184	590,706	120,196	2,198,086	2,417,867
Total funds carried forward		1,438,546	592,660	22,344	2,053,550	2,198,086

The result for the year relates wholly to continuing activities.

The notes on pages 17 to 34 form part of these financial statements

DERWENTSIDE HOSPICE CARE FOUNDATION
YEAR ENDED 31 MARCH 2017

BALANCE SHEET AS AT 31 MARCH 2017

	Note	1617 Group £	1516 Group £	1617 Charity £	1516 Charity £
FIXED ASSETS					
Tangible assets	10	2,026,143	2,058,125	2,026,143	2,058,125
Investments	11	0	0	1	1
		2,026,143	2,058,125	2,026,144	2,058,126
CURRENT ASSETS					
Debtors	12	116,828	119,618	119,924	124,305
Cash at bank and in hand		68,433	263,722	51,961	244,354
		185,261	383,340	171,885	368,659
Debtors: falling due more than one year		1,272	0	1,272	0
CURRENT LIABILITIES					
Creditors – amounts falling due within one year	13	158,126	243,378	144,751	228,699
NET CURRENT ASSETS		28,407	139,962	28,406	139,960
TOTAL ASSETS LESS CURRENT LIABILITIES		2,054,551	2,198,087	2,054,550	2,198,086
Creditors: amounts falling due after more than one year		1,000	0	1,000	0
NET ASSETS		2,053,551	2,198,087	2,053,550	2,198,086
FUNDS OF THE CHARITY					
Capital funds	15	22,344	120,196	22,344	120,196
Restricted funds	15	592,660	590,706	592,660	590,706
Unrestricted funds	15	1,438,547	1,487,185	1,438,546	1,487,184
TOTAL FUNDS		2,053,551	2,198,087	2,053,550	2,198,086

The result for the year relates wholly to continuing activities.

Approved by the Board of Directors on 12 December 2017
and signed on their behalf by:



P Jackson
Acting Chairman

The notes on pages 17 to 34 form part of these financial statements

GROUP STATEMENT OF CASHFLOWS FOR YEAR ENDING 31 MARCH 2017

	Note	1617 £	1516 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net cash provided by (used in) operating activities	17	(182,346)	(80,038)
CASHFLOWS FROM INVESTING ACTIVITIES:			
Purchase of tangible fixed assets	10	(12,943)	(4,880)
Net cash provided by (used in) investing activities		(12,943)	(4,880)
CHANGE IN CASH AND CASH EQUIVALENTS IN THE PERIOD		(195,289)	(84,918)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		263,722	348,640
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		68,433	263,722
ANALYSIS OF CASH AND CASH EQUIVALENTS			
Bank and Cash in hand		68,433	263,722
Total cash and cash equivalents		68,433	263,722

The notes on pages 17 to 34 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. GOING CONCERN

The financial statements have been prepared on a going concern basis which assumes that the charitable company will continue in operational existence for the foreseeable future. The trustees have made comment on the year-end reserves position in their Trustees' Report.

The Trustees have prepared a cash flow forecast through to March 2019. The cash flow forecast includes a number of assumptions about the level of income, which the trustees consider to be reasonable. The trustees have every expectation that the forecast income levels can be achieved, including income from streams which can be harder to predict (charity shop income/events income), so that they are confident that the charitable company would not have any difficulty in meeting creditor payments as they fall due.

If the income forecast was not met, then the trustees recognise that they have flexibility to vary expenditure and have support from a number of trustees to provide short term finance (if necessary) to suit cash flow needs.

The Trustees have concluded that the cash flow forecast they have prepared demonstrates that the charitable company has adequate resources to continue to adopt the going concern basis of accounting in preparing the financial statements.

2. MEMBERS' LIABILITY

Derwentside Hospice Care Foundation is a charitable company limited by guarantee but exempt from the requirement to use the word limited.

The charitable company is limited in that every member undertakes to contribute such an amount, not exceeding £10, as may be required in the event of the company being wound up while he/she is a member, or within one year after he ceases to be a member.

3. ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) and the Companies Act 2006.

Derwentside Hospice Care Foundation meets the definition of a public benefit entity under FRS102. Assets and liabilities are initially recorded at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). The fundamental currency of the charitable company is Sterling

Basis of Consolidation

The consolidated financial statements incorporate the results of Derwentside Hospice Care Foundation and its subsidiary undertakings as at 31 March 2017.

The financial statements of Hazelbrook Specialist Care at Home Limited are consolidated with the accounts of Derwentside Hospice Care Foundation on a line-by-line basis. The trustees have included the Statement of Financial Activity for both the charity and the group as a whole.

Fund Accounting

The general reserves are unrestricted funds that are available for the furtherance of the objects of the charity, at the discretion of the trustees. Designated funds are done so at the discretion of the trustees.

Restricted funds are subject to specific restrictions, as dictated by the donor of the funds. A review of the allocation of expenditure is performed at the year end and at the end of a completed contract or project, which can give rise to transfers between funds.

Income

Income is recognised when Derwentside Hospice Care Foundation has entitlement to the funds, any performance conditions attached to the item of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Income is deferred when related grants are received and the performance conditions relating to its entitlement are not met.

Income from commercial trading activities is recognised at the point of sale for both donated and purchased goods.

Recognition of legacy income is dependent on the type of legacy, with pecuniary legacies recognised when a statement of the assets and liabilities of an estate has been received and residuary legacies recognised when the final accounts under the will have been approved and received.

Gifts in kind are included at the value to the charity, where this can be quantified. Assets donated are recognised in full as donations and fixed assets.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

- Expenditure on charitable activities includes the costs associated with the provision of client supporting services (IPU, Family support & therapy and Hospice at home) and include both the direct costs and support costs relating to these activities.

-
- Expenditure on raising funds includes costs associated with the fundraising activities of the hospice as well as costs associated with the commercial trading activities of the retail shops. There is also a charge reflecting their associated support costs.
 - Other expenditure represents those items not falling into any other heading.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Allocation of support costs

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the charity's (and the group's) activities. These costs, which have not been directly apportioned, have been allocated between cost of raising funds and expenditure on charitable activities. The bases on which support costs have been allocated are set out in the note relating to support costs note (Note 6).

Operating Leases

The charity and the group classifies the leasing of equipment, as operating leases; the title to which equipment remains with the lessor and the expected economic life of the equipment is longer than the rental period. Rental charges are charged on a straight line basis over the term of the lease.

Fixed Assets

All fixed assets are initially recorded at cost. Items under £500 in value are not generally capitalised.

The cost of fixed assets is depreciated over the expected useful lives of the assets as follows:

- Freehold land & buildings – Straight line over 50 years
- Computer equipment – 50% straight line
- Fixtures, fittings and equipment (non-medical) – 20% straight line
- Fixtures, fittings and equipment (medical) – 33% straight line

No depreciation is charged on assets under construction.

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

Investments are included in the financial statements at cost less any provision for permanent diminution in value.

Debtors

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

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.

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.

Pensions

All eligible employees are automatically enrolled into a workplace pension scheme provided by Derwentside Hospice Care Foundation. Some clinical staff are members of the NHS pension scheme. Contributions are charged to the income and expenditure account as they become payable.

Corporate Taxation

Derwentside Hospice Care Foundation is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. Hazelbrook Specialist Care at Home Ltd relieves its tax liability by making gift aid payments to Derwentside Hospice Care Foundation within nine months of the year end.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Assessing indicators of impairment - In assessing whether there have been any indicators of impairment of assets, the trustees have considered both external and internal sources of information such as market conditions and experience of recoverability. Whilst the property remains in the financial statements at its historic cost (some £2.022m) the trustees recognise that this is on the basis of justifying its value in use, which is likely to exceed the net recoverable value in the event that the charity was not a going concern and needed to sell the property.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Depreciation is estimated so as to write off the cost of an asset, less its residual value, over the useful economic life of that asset. An estimate of the useful economic life of that assets is detailed in the depreciation accounting policy. During the year the total depreciation charge was £44,924.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the amount receivable or payable including any related transaction costs.

Current assets and current liabilities are subsequently measured at the cash or other consideration expected to be paid or received and not discounted.

Debt instruments are subsequently measured at amortised cost.

DERWENTSIDE HOSPICE CARE FOUNDATION
YEAR ENDED 31 MARCH 2017

4. DONATIONS AND LEGACIES

	Unrestricted	Restricted	Capital	1617 Total	1516 Total
	£	£	£	£	£
General Donations	292,144	0	0	292,144	186,328
In Memory Of	37,127	0	0	37,127	35,472
Committed Giving	19,431	0	0	19,431	14,163
Gifts-In-Kind	34,636	0	0	34,636	12,000
Donations	383,337	0	0	383,337	247,963
Legacies	47,534	0	0	47,534	33,879
Grants	21,393	11,111	0	32,504	64,818
Total	452,265	11,111	0	463,376	346,660

DERWENTSIDE HOSPICE CARE FOUNDATION
YEAR ENDED 31 MARCH 2017

5. INCOME

INCOME - GROUP

	Unrestricted	Restricted	Capital	1617 Total	1516 Total
	£	£	£	£	£
Provision of Services:					
NHS bodies	857,242	0	0	857,242	706,777
Income from charitable activities	857,242	0	0	857,242	706,777
Fundraising activities:					
Willow Burn events	119,208	0	0	119,208	53,507
Corporate events	54,522	0	0	54,522	14,523
Sponsorship	2,177	0	0	2,177	0
Capital campaign	0	0	2,148	2,148	3,745
	175,907	0	2,148	178,055	71,775
Shop sales:					
Birtley Shop	20,056	0	0	20,056	5,560
Stanley Shop	69,655	0	0	69,655	66,844
Chester-Le-Street Shop	41,659	0	0	41,659	30,020
Consett Shop	46,298	0	0	46,298	43,172
Bishop Auckland Shop	34,499	0	0	34,499	14,003
	212,167	0	0	212,167	159,599
Other Income:					
Refreshments	0	0	0	0	6,075
Craft sales	0	0	0	0	2,902
Miscellaneous	30,827	0	0	30,827	15,952
	30,827	0	0	30,827	24,929
Income from trading activities	418,901	0	2,148	421,049	256,303

DERWENTSIDE HOSPICE CARE FOUNDATION
YEAR ENDED 31 MARCH 2017

INCOME - CHARITY

	Unrestricted	Restricted	Capital	1617 Total	1516 Total
	£	£	£	£	£
Provision of Services:					
NHS bodies	508,718	0	0	508,718	506,187
Income from charitable activities	508,718	0	0	508,718	506,187
Fundraising activities:					
Willow Burn events	119,508	0	0	119,508	53,507
Corporate events	54,523	0	0	54,523	14,523
Sponsorship	2,177	0	0	2,177	0
Capital campaign	0	0	2,148	2,148	3,745
	175,907	0	2,148	178,055	71,775
Shop sales:					
Birtley Shop	20,056	0	0	20,056	5,560
Stanley Shop	69,655	0	0	69,655	66,844
Chester-Le-Street Shop	41,659	0	0	41,659	30,020
Consett Shop	46,298	0	0	46,298	43,172
Bishop Auckland Shop	34,499	0	0	34,499	14,003
	212,167	0	0	212,167	159,599
Other sales:					
Refreshments	0	0	0	0	6,075
Craft sales	0	0	0	0	2,902
Miscellaneous	30,827	0	0	30,827	15,952
	30,827	0	0	30,827	24,929
Income from trading activities	418,901	0	2,148	421,049	256,303

DERWENTSIDE HOSPICE CARE FOUNDATION
YEAR ENDED 31 MARCH 2017

6. EXPENDITURE

EXPENDITURE - GROUP

	Unrestricted	Restricted	1617 Total	1516 Total
	£	£	£	£
IPU Services:				
Clinical staff	401,984	0	401,984	376,189
Other clinical costs	13,492	0	13,492	16,584
CHKS	0	0	0	1,821
General costs	6,740	0	6,740	11,103
Other	0	75,000	75,000	0
Support costs	266,713	0	266,713	288,145
	688,929	75,000	763,929	693,842
Family Support & Therapy Services:				
Clinical staff	88,510	0	88,510	110,503
Day Hospice services	651	60	711	12,180
Therapy services	0	0	0	1,374
General costs	9,047	0	9,047	0
Support costs	75,725	0	75,725	96,338
	173,934	60	173,994	220,395
Hospice at home services	348,524	5,605	354,129	219,448
Expenditure on charitable activities	1,211,387	80,665	1,292,052	1,133,685
Voluntary Income:				
Salaries	147,152	0	147,152	92,370
Fundraising costs	57,740	3,492	61,232	49,976
Support costs	94,467	0	94,467	63,868
	299,359	3,492	302,851	206,214
Sales:				
Salaries	128,641	0	128,641	88,486
Purchased goods for resale	2,547	0	2,547	5,164
Facilities	85,845	0	85,845	34,837
General costs	0	0	0	2,928
Support costs	74,266	0	74,266	58,207
	291,300	0	291,300	189,622
Expenditure on raising funds	590,659	3,492	594,151	395,836

DERWENTSIDE HOSPICE CARE FOUNDATION
YEAR ENDED 31 MARCH 2017

EXPENDITURE - CHARITY

	Unrestricted	Restricted	1617 Total	1516 Total
	£	£	£	£
IPU Services:				
Clinical staff	401,984	0	401,984	376,189
Other clinical costs	13,492	0	13,492	16,584
CHKS	0	0	0	1,821
General costs	6,740	0	6,740	11,103
Other	0	75,000	75,000	0
Support costs	266,713	0	266,713	288,145
	688,929	75,000	763,929	693,842
Family Support & Therapy Services:				
Clinical staff	88,510	0	88,510	110,503
Day Hospice services	651	60	711	12,180
Therapy services	0	0	0	1,374
General costs	9,047	0	9,047	0
Support costs	75,725	0	75,725	96,338
	173,934	60	173,994	220,395
Hospice at home services	0	5,605	5,605	18,858
Expenditure on charitable activities	862,863	80,665	943,528	933,095
Voluntary Income:				
Salaries	147,152	0	147,152	92,370
Fundraising costs	57,740	3,492	61,232	49,976
Support costs	94,467	0	94,467	63,868
	299,359	3,492	302,851	206,214
Sales:				
Salaries	128,641	0	128,641	88,486
Purchased goods for resale	2,547	0	2,547	5,164
Facilities	85,845	0	85,845	34,837
General costs	0	0	0	2,928
Support costs	74,266	0	74,266	58,207
	291,300	0	291,300	189,622
Expenditure on raising funds	590,659	3,492	594,151	395,836

7. ANALYSIS OF GOVERNANCE AND SUPPORT COSTS

Derwentside Hospice Care Foundation allocates costs direct to activities as far as possible, then identifies the remaining costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs together with the governance costs are apportioned between the key charitable activities undertaken in the year. Refer to the table below for the basis for apportionment and the analysis of support and governance costs.

	General Support Costs	Governance Costs	1617 Total	IPU	Family Supt	Vol Income	Sales	1516 Total
	£	£	£	£	£	£	£	£
Leadership	16,737	0	16,737	8,902	1,903	3,165	2,767	17,514
Finance	76,078	0	76,078	40,465	8,652	14,385	12,576	44,648
Governance	0	83,290	83,290	44,301	9,473	15,749	13,768	74,271
Human Resources	37,456	0	37,456	19,923	4,260	7,082	6,191	55,058
Learning & Development	11,899	0	11,899	7,787	999	1,661	1,452	2,138
Administration	39,799	0	39,799	21,168	4,526	7,525	6,579	41,231
IT Services	34,193	0	34,193	13,127	2,807	14,180	4,079	12,000
Legal & Professional	0	28,370	28,370	15,090	3,227	5,364	4,689	28,326
Facilities	134,096	0	134,096	71,324	15,251	25,355	22,166	182,362
Domestic & Catering	49,254	0	49,254	24,627	24,627	0	0	47,759
Other	0	0	0	0	0	0	0	1,251
	399,512	111,660	511,172	266,713	75,725	94,467	74,266	506,558

All support costs to be allocated are apportioned on a staffing cost basis.

Analysis of Governance Costs	1617 £	1516 £
Audit & Accountancy fees	4,600	9,917
Legal & Professional fees	23,770	18,409
Support costs	83,290	74,271
	111,660	102,597

8. INCOME / (EXPENDITURE) FOR THE YEAR 2017 – GROUP

The group deficit is stated after charging:

	1617	1516
	£	£
Depreciation for the year	44,924	55,755
Hire of Equipment	8,529	5,357
Property Rental	68,900	40,200
Auditors Remuneration	7,500	7,500
Other Accountancy Fees	0	6,517
Pension Contributions	22,187	27,715

The deficit within the financial statements of Derwentside Hospice Care Foundation (Charity) was £144,536 (2016: £219,781). There was a gifted contribution from Hazelbrook Specialist Care at Home at the end of the financial year to the value of £75,304.37 (2016: £0).

9. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION & EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL

	1617	1516
	£	£
Staff costs during the year:		
Wages and salaries	1,157,261	848,776
Social security costs	82,179	65,968
Pension costs	22,936	27,715
	<u>1,262,376</u>	<u>942,459</u>

There was no member of staff earning more than £60,000 per annum (2016: 1. Their salary was between £60,000 and £70,000).

None of the trustees of the charity received any remuneration or expenses from the group.

The key management personnel of the charity, has changed throughout the year due to an internal restructure. This comprised of the trustees, chief executive and head of finance and income, head of care services, head of human resources and head of retail between April and December. From January onwards this comprised of the trustees, chief executive and head of care services. The total employee benefits of these key management personnel were £187,884 (2016: £168,303).

The key management personnel of the group, comprise those of the charity and the key management personnel of its wholly owned subsidiary, Hazelbrook Specialist Care at Home which comprises of the CEO and Care Manager. The employee benefits of key management personnel for the group were £211,635 (2016: £189,985).

9. ANALYSIS OF STAFF COSTS, TRUSTEE REMUNERATION & EXPENSES, AND THE COST OF KEY MANAGEMENT PERSONNEL (CONTINUED)

The average headcount of persons employed by the group (including casual and part-time) during the year was:

	1617	1516
Trustees	8	8
Management	5	6
Other Staff	73	54
	<u>86</u>	<u>68</u>

Pension scheme

The group operates a defined contribution pension scheme, with some employees belonging to the NHS pension scheme. The assets of both schemes are held separately from those of the group in independently administered funds. The pension costs charged represent contributions payable to the schemes and amounted to £22,187 (2016: £27,715). At the year end, included in other creditors are amounts payable of £9,166 (2016: £4,340).

The trustees are not aware of any liabilities in respect of these schemes, other than amounts included within other creditors as disclosed above.

10. FIXED ASSETS – GROUP AND CHARITY

	Freehold Land & Buildings	Computer Equipment	Fixtures & Fittings, Equipment	Total
	£	£	£	£
Cost:				
As at 1 April 2016	2,073,250	78,820	194,778	2,346,848
Additions	11,827	1,116	0	12,943
Revaluations	0	0	0	0
As at 31 March 2017	<u>2,085,078</u>	<u>79,935</u>	<u>194,778</u>	<u>2,359,791</u>
Depreciation:				
As at 1 April 2016	50,591	78,820	159,312	288,723
Charge for the year	31,120	558	13,246	44,924
As at 31 March 2017	<u>81,713</u>	<u>79,377</u>	<u>172,557</u>	<u>333,648</u>
Net Book Value:				
As at 31 March 2016	<u>2,022,659</u>	<u>0</u>	<u>35,466</u>	<u>2,058,125</u>
As at 31 March 2017	<u>2,003,365</u>	<u>558</u>	<u>22,221</u>	<u>2,026,143</u>

11. INVESTMENTS - CHARITY

	Subsidiary Investments	Total
	£	£
Balance at 1 April 2016	1	1
Additions/Disposals	0	0
Balance at 31 March 2017	1	1

Hazelbrook Specialist Care at Home Ltd is a wholly owned subsidiary (100% ordinary shares) trading company of Derwentside Hospice Care Foundation. It delivers high quality palliative and end of life care at home to those with a life limiting illness. This support enables people to remain in their own homes and significantly enhances the quality of life of those being cared for.

A summary of the trading results of Hazelbrook Specialist Care at Home Ltd is shown below:

	1617 Total	1516 Total
	£	£
Income	348,524	219,448
Cost of sales	248,832	172,329
Other operating expenditure	99,692	47,119
Net Profit	0	0

A summary of the balance sheet position of Hazelbrook Specialist Care at Home Ltd is shown below:

	1617 Total	1516 Total
	£	£
Current assets	60,116	41,304
Current liabilities	(60,115)	(41,303)
Net Assets	1	1

12. DEBTORS

	1617 Group	1516 Group	1617 Charity	1516 Charity
	£	£	£	£
Amounts owed by subsidiary	0	0	46,740	26,622
Other debtors	53,374	24,450	9,730	2,515
HMRC	9,923	2,815	9,923	2,815
Prepayments	34,228	23,763	34,228	23,763
Accrued Income	19,303	68,590	19,303	68,590
	116,828	119,618	119,924	124,305

DERWENTSIDE HOSPICE CARE FOUNDATION
YEAR ENDED 31 MARCH 2017

13. CREDITORS (amounts falling due within one year)

	1617	1516	1617	1516
	Group	Group	Charity	Charity
	£	£	£	£
Trade creditors	43,337	18,762	43,337	17,038
HMRC	19,951	21,318	14,219	18,288
Accruals	62,484	193,455	55,013	183,815
Deferred Income	6,016	3,223	6,016	3,223
Other Creditors	17,338	6,620	17,166	6,335
Other Loans	9,000	0	9,000	0
	158,128	243,378	144,751	228,699

14. LEASING COMMITMENTS

Total minimum lease payments due over the lease term, falling due as follows:

	1617	1516	1617	1516
	Group	Group	Charity	Charity
	£	£	£	£
Leases expiring within 1 year	37,251	36,826	37,251	36,826
Leases expiring 2 to 5 years	58,814	92,672	58,814	92,672
Leases expiring over 5 years	42	210	42	210
	96,107	129,708	96,107	129,708

15. ANALYSIS OF CHARITABLE FUNDS

Analysis of movements in unrestricted funds

CHARITY

	As at 1 April	Incoming	Resources	Transfers	As at 31
	2016	Resources	Expended		March 2017
	£	£	£	£	£
General Fund	1,487,184	1,404,884	1,453,522	0	1,438,546
Total unrestricted funds	1,487,184	1,404,884	1,453,522	0	1,438,546

15. ANALYSIS OF CHARITABLE FUNDS (CONTINUED)

GROUP	As at 1 April 2016 £	Incoming Resources £	Resources Expended £	Transfers £	As at 31 March 2017 £
General Fund	1,487,185	1,753,408	1,802,046	0	1,438,547
Total unrestricted funds	1,487,185	1,753,408	1,802,046	0	1,438,547

Analysis of movements in restricted funds and capital funds

	As at 1 April 2016 £	Incoming Resources £	Resources Expended £	Transfers £	As at 31 March 2017 £
Capital Fund	120,196	2,148	100,000	0	22,344
Social Fund	450,000	0	0	0	450,000
Day Hospice	0	430	0	0	430
Hospice at Home	102,334	0	5,605	0	96,729
IPU	23,894	0	0	0	23,894
Family Support	1,258	341	60	0	1,539
Fundraising	0	10,340	3,492	0	6,848
Service Develop	13,220	0	0	0	13,220
Total restricted funds	710,902	13,259	109,157	0	615,004

Capital Fund

Funds raised for the capital campaign are to be used towards phases two and three of the new hospice building.

£100,000 of this fund related to a capital grant from the Will Charitable Trust. During June 2016 it was agreed with the Trust, that due to a delay in the delivery of our capital programme and the start of phase two, that this grant would be repaid with a view to reapplying for the funds at a later date. The Trust agreed to give the charity an unrestricted grant of £25,000 which was received in this financial year.

Social Fund

A grant received from the Social Enterprise Investment Fund to fund the purchase of the land that the hospice is situated on. The land was purchased in 2011 but the trustees have decided to keep the land as a restricted asset due to the covenants on the land (see note 20).

Day Hospice Fund

Funds restricted for the provision of day hospice services only.

Hospice at Home Fund

Funds restricted for the purpose of setting up and supporting the growth of the hospice at home service. These services are now provided through the trading subsidiary Hazelbrook Specialist Care at Home Limited.

The trustees took the decision to keep this activity outside of the main charity. The trading subsidiary continues to be supported by these funds during the growth of these services.

IPU Fund

Funds restricted for the provision of IPU services only.

Family Support Fund

Funds restricted for the provision of family support and bereavement services only.

Fundraising Fund

Funds restricted to support the development of fundraising activities only.

Service Development Fund

Funds restricted for the development of service delivery only.

16. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Capital Funds £	Restricted Funds £	Total Funds £
Fund balances				
Tangible fixed assets	1,576,144	0	450,000	2,026,144
Current assets	116,828	0	0	116,828
Bank and cash	(96,571)	22,344	142,660	68,433
Current Liabilities	(158,126)	0	0	(158,126)
Long Term debtors/(creditors)	272			272
Total net assets	1,438,547	22,344	592,660	2,053,551

17. NOTES TO CASHFLOW

Reconciliation of net income / (expenditure) to net cashflow from operating activities:

	1617	1516
	Total	Total
	£	£
Net income/(expenditure) for the reporting period	(144,536)	(219,781)
Adjustments for:		
Depreciation	44,924	55,755
Decrease in debtors	1,518	50,895
Decrease in creditors	(84,252)	33,093
Net cash provided by operating activities	(182,346)	(80,038)

18. RELATED PARTY TRANSACTIONS

Grants totalling £5,605 (2016: £18,858) were paid to Hazelbrook Specialist Care at Home Limited. They giftaided profits of £75,304 (2016: £0) to the parent and at the balance sheet date they owed the parent £46,740 (2016: £26,622). Hazelbrook Specialist Care at Home Limited is a wholly owned trading subsidiary of Derwentside Hospice Care Foundation.

IT support services to the value of £12,000 were gifted, during the year to the group by Waterstons Limited (2016: £12,000). A trustee was a director of this company but retired in June 2017.

A loan of £10,000 was paid to Derwentside Hospice Care Foundation by Waterstons Limited. A director of this company was a Trustee on the Board, but retired in June 2017. The loan is being repaid monthly over 10 months.

19. ULTIMATE CONTROLLING PARTY

In the opinion of the trustees there is no ultimate controlling party, other than the trustees themselves.

20. CONTINGENCIES

Included as a restricted reserve is a grant of £450,000 received from the Social Enterprise Investment Fund (SEIF). Until March 2021 the conditions attached to this grant mean that it could be repayable if the free reserves (liquid assets that are not restricted) of the charity exceed 12 months operational expenditure.

The SEIF had a first legal charge over the land purchased by the charity until the expiry of the contingent period, but this was removed in April 2016.