CRANSLEY HOSPICE TRUST
ANNUAL REPORT
AND
ACCOUNTS

FOR THE YEAR ENDED
31 MARCH 2017

Registered Company No 08102611

Registered Charity Number 1151018

Annual Report and Accounts for the year ended 31 March 2017

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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 2017. I am pleased to have completed my second year as Chair and consider that, despite experiencing significant external frustrations, outside our control, in progressing some of our major strategic objectives for supporting the service along the timelines we had hoped for, this report demonstrates a year of solid achievement. I see a thorough top to bottom "professionalisation" of the manner in which the Trust conducts its business and an ever increasing engagement of, and influencing of, key service provision stakeholders.

The Trust is the only non-NHS body regularly channeling 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. We continue to hold an increasing level of reserves to provide longer term financial sustainability and to pump prime major initiatives associated with our service support strategy as opportunities arise.

In conjunction with Cynthia Spencer Hospice in Northampton, we have developed and agreed a shared long term vision for Hospice Care in the County and discussed this with the Clinical Commissioners. This year the two Trusts have funded and implemented enhancements to the countywide Hospice at Home and Clinical Nurse Specialist services as part of this strategy.

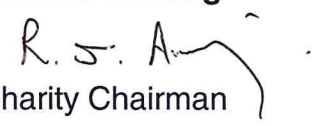
I would like to thank all the volunteers who fundraise, work alongside our staff, and who help generally in so many ways in supporting the work of the Hospice.

I would also like to thank our dedicated staff led by Chief Executive Peter Kelby and his Management team, my fellow Trustees and all those who so willingly offer us both their time and professional advice. In support of our Professionalisation strategy and compliance with the requirements of the Charity Commission we continue to strengthen both our Board of Trustees and our Governance arrangements. We would welcome approaches from any individuals with a business skill and a few hours of spare time a month who might be interested in learning more about the role of a Trustee.

I could not let this report pass without formally acknowledging the contribution of Diana Patrick who retired during the year and who for many years was the face of Cransley Fundraising. Her ability to get things done to Cransley's advantage by simply asking the question (several times if necessary) was really quite uncanny.

Supporters – Thank you to all our supporters, your donations of all types 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

15 November 2017

Who We Are

Cransley Hospice Trust is governed by a Board of Trustees/Directors. Its Articles of Association and Memorandum of Association were established on 12 June 2012. Cransley Hospice Trust took over the role of raising funds for the hospice serving the North of the county from an NHS charity. We support and enhance the services provided by Cransley Hospice and also 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 that makes a real difference to the care of patients who require palliation and end of life care. This support includes the families and loved ones of patients 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 (CHT) supports the care of patients in Cransley Hospice and the community who require specialist palliative 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 and 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 Specialist 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, 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. 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.

Achievement and Performance

The financial year 2016/17 was the most successful year in the history of fundraising at Cransley Hospice Trust and we are exceedingly grateful to supporters and donors both existing and new, who continue to support us so well.

Without doubt, their ongoing support enables us to expand our services and vision for providing end of life care in North Northamptonshire. This funding enabled us to invest in the growth of the Hospice at Home service and to establish a project for Clinical Nurse Specialists to extend their working from 5 days a week to 7 as well as to contribute to the established hospice services.

The year was one of significant change for the charity and following extensive feedback and research, the decision was made to invest in a new website and update our brand image. We were fortunate to secure external Trust funding towards this. Our new website enables patients, families, donors and other professionals the opportunity to access information in a clear and simple way.

In addition, we have seen a significant increase in online donations as a result of this.

We have invested in newly branded materials with clearer messaging on how donations really do make a difference to our work.

Investment in an additional fundraiser has enabled us to promote our newly created Much Loved and In Memoriam web pages, both as a bereavement tool for families and an opportunity to support the Hospice by remembering a loved one by fundraising in their memory if they so wish.

This year we saw an uplift in legacy income, which included one particularly generous bequest to Cransley Hospice.

We reviewed our events portfolio to focus on higher level events with a stronger Return On Investment (ROI). We are continuing to build on this to ensure that we offer a range of events that will engage new and younger audiences as well as retain our committed supporters.

The generosity of members of the public who contact us regarding organising their own events in aid of the Hospice continues to grow and we marvel at the innovative ideas put forward to generate income!

We invested in a Trust fundraiser who was successful in securing income from numerous Trusts both large and small and this helped us grow our income during a period of revaluating our fundraising strategy.

Our partnership with Your Hospice Lottery continued to support our income growth with us securing just over 5,000 players at year end.

Both shops continue to contribute to our funds.

Once again our volunteers worked tirelessly to support the fundraising team and took on the task of managing our collecting boxes in a more efficient and proactive way.

We were thrilled when one of our volunteers won the 'Volunteer of the Year Award' at the prestigious Towergate Insurance Awards at the Dorchester Hotel in London.

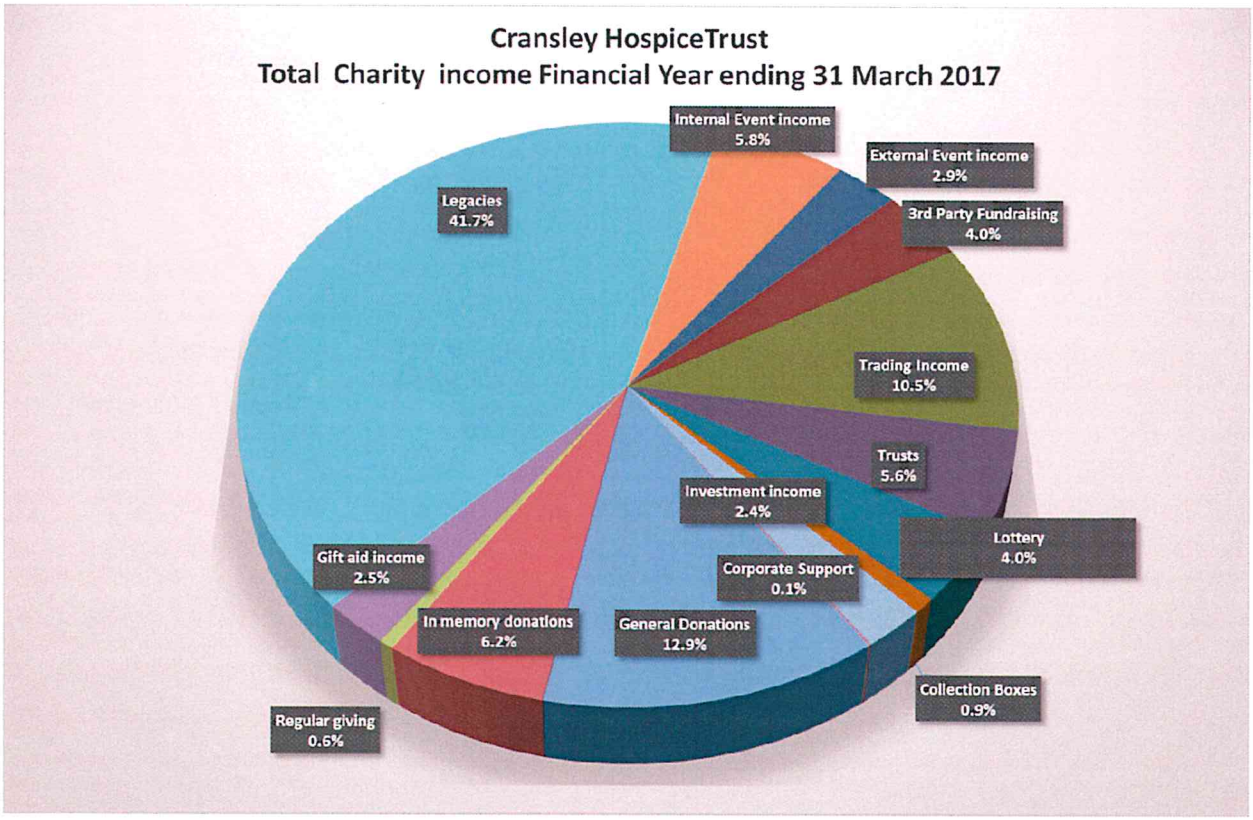
Financial Overview

Money received - £1,557,992, Money spent - £1,133,157, Reserves created, £424,835.

This is an increase in funds received during 15/16 of £457,929, but also an increase in expenditure of £591,388 as in 2015/16 the NHS Hospice Charity funded £506,582 of the Hospice running costs and, since the closure of the NHS charity, our Charity has increased its support of the Hospice whilst continuing to roll out our 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 corporate donations and sponsorship, trusts, legacies, In Memory and regular giving donations. In addition we work in partnership with Your Hospice Lottery.



Voluntary income (£434,256) – This significant source of income comes from the kind donations and fundraising activities of the public and local organisations. In detail:

- Gifts from the public (£201,656) -. 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 (£8,972) – These are the regular donations we receive via standing order to further our support of the Hospice. This is an area we intend to grow in the future by promotion.

- In Memory donations (£97,263) - An event, collection from well-wishers at a funeral made in lieu of flowers, or a specific gift in memory of a loved one can be a really positive way of acknowledging appreciation for the work of the Hospice. One-off donations are also often made by those wishing to pay tribute to their loved one on a birthday or anniversary. We are exceedingly grateful that people choose to support us at this very difficult time.

- Charitable Trust Donations (£87,244) – These can be donations for a specific purchase, or just a donation towards the general funding of the Hospice. . Examples are that trust funding went towards the purchase of new equipment for the Hospice, including mattresses, chairs, and specialist machinery.

- Gift Aid Income (£39,121) - This is an additional HMRC bonus of 25% on top of funds from our tax paying donors who have completed Gift Aid forms.

Legacies (£648,978) –During the year we were grateful to be remembered in 14 legacies.

Income from Charitable Activities (£437,388) included:

- Lottery Income (£62,774) - Our lottery, run on our behalf by Your Hospice Lottery, continued to go from strength to strength this year. We had over 5000 players by year end

- Internal Events (£90,931) – 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 (£163,627) - Our Charity Shop enjoyed a turnover of £77,373, which, although slightly down on the previous year is in line with national trends. However, we did start to see a recovery towards the end of the year. We were fortunate to secure a visit from the John Lewis Partnership towards the end of the year who were impressed by how we run our shops. Our Coffee shop had another excellent year, bringing in £86,254, another increase on the previous year. Once costs have been deducted from our trading income, the outlets returned a profit of £28,080 for the year.

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

- Collection box income (£13,244) - This is an area we plan to grow, and includes collection boxes out in the community. We currently have approximately 75 boxes issued.

- Gifts from the public (£106,812) – as above

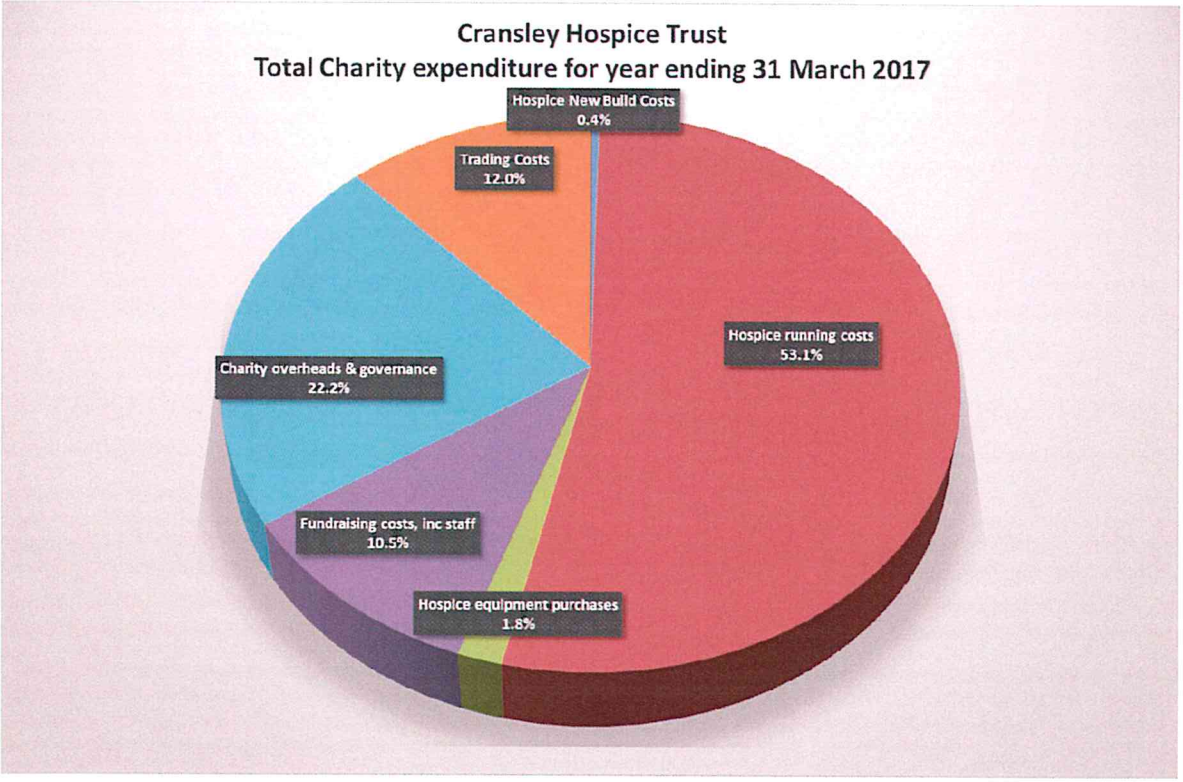
Investment Income (£37,370) - This is the income received from our investments with M&G and Schroders, plus a small amount of bank interest from our savings account.

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 during the year, but recovered and finished £69,734 up on 2015/16, with a total gain of £41,991 on our original investments plus we have been receiving income from the investments all year. It has been a tumultuous year with political uncertainty and Brexit leading to market fluctuations.

As with all investments of this nature there is a risk that our holdings may devalue in the future so we monitor our stock closely, and receive frequent updates from 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 (£626,752) – This is what we spent on 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 (£20,363) – Included specialist items, furniture, equipment, and general ward items and services not available through the NHS.

Hospice New Build Costs (£4,336) – This is the project management costs for our New Build project.

Fundraising Costs (£119,355) – This includes the costs of fundraising, such as event costs, and marketing, plus fundraising staff costs.

Charity Overheads & Governance (£251,503) – Includes costs for staff, audit and professional fees, postage, subscriptions and memberships, office items, training, bank charges, licenses and insurance, plus the costs of developing our website and branding.

Trading Costs (£135,547) – 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 because of a life limiting illness. Care is provided both within the Hospice and to patients within their own homes by Specialist Palliative Care Teams 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 has been working with Cynthia Spencer Hospice Charity to develop a Strategic Plan. This sets out the strategic aims and objectives for the two Charites to deliver over the next three years and will ensure a coordinated approach across the county.

Key to this strategy is that the services commissioned by the charities will reflect best practice, and deliver what is important to the patient and their families. Cransley Hospice Trust believes that the Specialist Palliative Care Service should be based on need and not diagnosis and this means that we will work to support an increase in the number of non-cancer patients receiving care. This will require the Trust to commission additional education, support and supervision programmes to increase the skill of existing staff as well as fund any additional staff resource required.

The Trust will commission education programmes to support GP's, Consultants and other health care professionals to recognise that patients may be approaching the last year of life. These programmes will also provide education on how to then work with patient and their families in the planning for their anticipated needs.

Cransley Hospice Trust will commission appropriate care for patients at the end of life to facilitate the patient's chosen place of care when in the hospice or at home. To enable such choice, the Trust will commission an integrated Hospice at Home Service. This service will contribute to a 24/7 community based End of Life Service, provide practical and social support, crisis and planned response, respite for carers and specialist assessment 7 days a week.

These proposals support the Clinical Care Groups 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.

Cransley Hospice Trust will continue with its efforts regarding the re-provision of a new hospice building for Cransley Hospice.

The funding for any new developments and expansion of services 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 2017.

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
Directors & Trustees:	Mr R J Aveling (Chair) Rev Dr J S Smith (Patron) Mr G Fisher (resigned 27/03/2017) Mrs K Page (resigned 27/03/2017) Mr A Chambers (resigned 25/06/2016) Mrs M Gaskell Ms Laura Allanson (appointed 26/04/2017) Mr Daniel Freeland (appointed 17/05/2017) Mr Andrew Attfield (appointed 17/05/2017) Mr Christopher Turner (appointed 23/08/2017)
Chief Executive Officer	Mr P J Kelby

The advisors and administrators used by the Charity during the year ended 31 March 2017 were:

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

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.

These are included in 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 budget 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, staff costs plus Charity costs. The expenditure is planned and approved annually.

The majority of our current reserves, 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 £17,241 Restricted funds, the majority of this 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.

£841,991 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.

Signed on 15 November 2017 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 2017

	Note	Unrestricted General Funds £000's	Unrestricted Designated Funds £000's	Restricted Funds £000's	Total 31 March 2017 Funds £000's	Total 31 March 2016 Funds £000's
INCOME:						
Donations & Legacies:	3					
Donations		434	-	-	**434**	527
Legacies		649	-	-	**649**	275
Other trading activities	4	438	-	-	**438**	269
Income from investments	12	37	-	-	**37**	29
Total income and endowments		**1,558**	**-**	**-**	**1,558**	**1,100**
EXPENDITURE:						
Expenditure on Raising funds	5	444	-	-	**444**	319
Expenditure on charitable activities:	7					
Medical Equipment purchase		20	-	-	**20**	11
Core service funding		184	-	-	**184**	133
Charity enhancement of hospice care		475	-	4	**479**	75
Governance costs	6	6	-	-	**6**	4
Total expenditure		**1,129**	**-**	**4**	**1,133**	**542**
Net income/(expenditure) before (loss)/gains on investments		**429**	**-**	**(4)**	**425**	**558**
Net gains/(losses) on investments	11	70	-	-	**70**	(40)
Net movement in funds for the year		**499**	**-**	**(4)**	**495**	**518**
Reconciliation of funds:						
Total Funds b/f at 31 March 16		**1,495**	**1**	**22**	**1,518**	1,000
Total Funds c/f at 31 March 17		**1,994**	**1**	**18**	**2,013**	**1,518**

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 2017

	Note	Unrestricted General Funds £000's	Unrestricted Designated Funds £000's	Restricted Funds £000's	Total 31 March 2017 Funds £000's	Total 31 March 2016 Funds £000's
Fixed assets:						
Tangible fixed assets		3	-	-	3	-
Investments	11	842	-	-	**842**	772
Total fixed assets		**845**	**-**	**-**	**845**	**772**
Current assets:						
Debtors and prepayments	13	19	-	-	**19**	7
Cash at bank and in hand	13	1,156	1	18	**1,175**	748
Total current assets		**1,175**	**1**	**18**	**1,194**	**755**
Liabilities Creditors: Amounts falling due within one year	14	26	-	-	**26**	9
Net current assets		**1,149**	**1**	**18**	**1,168**	**746**
Total assets less current liabilities		**1,994**	**1**	**18**	**2,013**	**1,518**
Funds of the Charity:						
Unrestricted Income Funds	15	1,994	-	-	**1,994**	1,495
Restricted Income Funds	15	-	-	18	**18**	22
Designated Income Funds	15	-	1	-	**1**	1
Total charity funds		**1,994**	**1**	**18**	**2,013**	**1,518**

The notes at pages 18 to 26 form part of these accounts

The financial statements were approved by the trustees on 15 November 2017 and signed on their behalf by:

R. J. A...

Charity Chair

Cransley Hospice Trust Statement of Cash Flows
For the year ended 31 March 2017

	Note	Total 31 March 2017 Funds £000's	Total 31 March 2016 Funds £000's
Cash flows from operating activities:			
Net cash provided by operating activities	**16**	**394**	**530**
Cash flows from investing activities:			
Dividends from investments		**37**	29
Purchase of investments		**-**	(400)
Purchase of fixed assets		**(4)**	-
Net cash provided by / (used in) investing activities		**33**	**(371)**
Change in cash and cash equivalents in the reporting period		**427**	**159**
Cash and cash equivalents at the beginning of the reporting period		**748**	**589**
Cash and cash equivalents at the end of the reporting period	**13**	**1,175**	**748**

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) 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.

(c) 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.

(d) 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.

(e) 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.

(f) 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.

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

(h) 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.

(i) 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.

(j) 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.

(k) 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.

(l) 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.

(m) 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).

(n) Pensions
The 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.

(o) 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.

(p) Operating leases

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

2. Related party transactions

There were no related party transactions to note during the year.

3. Analysis of income from donations and legacies

	31 March 17 £000's	31 March 16 £000's
Donations over £5k	65	90
Other donations	369	437
Legacies	649	275
Total	1,083	802

4. Other trading activities

	31 March 2017 £000's	31 March 2016 £000's
Events income	212	74
Shop sales	164	156
Lottery	62	39
Total	438	269

5. Expenditure on raising funds

	31 March 2017 £000's	31 March 2016 £000's
Fundraising direct expenditure	124	130
Shop running costs	48	46
Coffee shop running costs	91	76
Salaries	129	47
Apportioned overheads (note 6)	52	20
Total	444	319

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 Expenditure on Raising funds in proportion to actual direct outlay.

Support cost analysis	31 March 2017 Total	Allocated to Governance	Residual for apportionment
	£000's	£000's	£000's
Support staff costs	18	-	18
External Audit fees	6	6	-
Professional fees & services	2	-	2
Office costs	29	-	29
Bank charges	3	-	3
Total	58	6	52

7. Expenditure on charitable activities

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

	Unrestricted expenditure	Restricted expenditure	Total
	£000's	£000's	£000's
Grant Activity			
Medical Equipment purchase	20	-	20
Core service funding	184	-	184
Charity enhancement of hospice care	475	4	479
	679	4	683

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. Analysis of staff costs

	31 March 2017 Total £000	31 March 2016 Total £000
Salaries and wages	292	239
Social security costs	13	7
Other pension costs	5	1
Total	310	247

The average number of full time equivalent staff during the year was 10 (2016: 8) 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 (2016: nil).

10. Auditor's remuneration

The auditor's remuneration of £4,860 (2016: £4,050) related solely to the audit with no other additional work undertaken (2016: £nil).

11. Fixed asset investments

	As at 31 March 17 £000	As at 31 March 16 £000
Market value brought forward	772	412
Add: Acquisitions at cost	-	400
Net (loss) / gain on revaluation	70	(40)
Market value carried forward	842	772

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

Investments in a Common Investment Fund		
M&G Charibond	208	202
M&G Charifund	211	191
Schroders Equity Income Trust for Charities A Income Units	423	379

12. Total Gross income from investments and cash on deposit

£37,370 of investment income was received during the financial year (2016: £28,886).

13. Analysis of current assets

Debtors under 1 year

	As at 31 March 17 £000's	As at 31 March 16 £000's
Other debtors	16	-
Prepayments	3	7
	19	7

There are no long term debtors

Analysis of cash at bank

	As at 31 March 17 £000's	As at 31 March 16 £000's
Bank balance held in Lloyds current account	175	748
Savings account	1,000	-
	1,175	748

14. Analysis of current liabilities and long term creditors

	As at 31 March 17 £000	As at 31 March 16 £000
Trade Creditors	1	1
Accruals	25	5
HMRC for VAT	-	3
	26	9

There are no long term creditors.

15. 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 2017.

	Balance at 31st March 2016 £000's	Income £000's	Expenditure £000's	Gains/ (Losses) on investments £000's	Transfers £000's	Balance at 31st March 2017 £000's
Unrestricted Funds						
General Fund	1,495	1,558	(1,129)	70	-	1,994
Total	**1,495**	**1,558**	**(1,129)**	**70**	**-**	**1,994**
Designated Funds						
Nurses Fund	1	-	-	-	-	1
Total	**1**	**-**	**-**	**-**	**-**	**1**
Restricted Funds						
New build fund	22	-	(4)	-	-	18
Total	**22**	**-**	**(4)**	**-**	**-**	**18**
Endowment Funds						
No endowment funds identified						
Total	**-**	**-**	**-**	**-**	**-**	**-**
Total for Cransley Funds	**1,518**	**1,558**	**(1,133)**	**70**	**-**	**2,013**

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.

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

	As at 31 March 17 £000's	As at 31 March 16 £000's
Net movements in funds	495	518
Losses/(gains) on investments	(70)	40
Dividends from investments	(37)	(29)
Depreciation	1	-
Increase in debtors	(12)	(1)
Increase in creditors	17	2
Net cash provided by operating activities	394	530

17. Contingent assets – legacy income

As at 31 March the charity had been notified of one residuary legacy the value of which is not known as the executor is awaiting confirmation of other claims on the estate, however it is understood that it is to exceed £50,000.

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 2017 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 2017, 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

15 November 2017