Registered number 1510521

OVERGATE HOSPICE
(a company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 March 2016

B M Howarth Ltd
Chartered Accountants

THURSDAY
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COMPANIES HOUSE

OVERGATE HOSPICE
(a company limited by guarantee)

CONTENTS

	Page
Legal and administrative details	1 - 2
Chairman's report	3
Trustees' report	4 - 13
Statement of trustees' responsibilities	14
Auditors' report	15 - 16
Consolidated statement of financial activities (including income and expenditure account and statement of total recognised gains and losses)	17 - 18
Consolidated and parent company balance sheets	19
Consolidated cash flow statement	20
Notes to the financial statements	21 - 35

The following pages do not form part of the statutory accounts

Detailed income and expenditure account	36 – 37

OVERGATE HOSPICE
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LEGAL AND ADMINISTRATIVE DETAILS

Status
Registered Charity No 511619
Company No 1510521

Registered Office
Overgate Hospice
30 Hullen Edge Road
Elland
West Yorkshire
HX5 OQY

President
Mrs S Graucob MBE

Patrons
K F Marshall
Miss O J Hirst
C R Woodward
Dr B Whitaker

Directors
Miss V A Steele (Chairman)
M A Steele (Company Secretary)
R I Firth (Treasurer)
Mrs E M Dixon
Dr A B Moncrieff
Mr C C Choy
Miss I R Holdsworth
B G Lister (resigned 9 October 2015)
Miss L E Hodgson
B Craven
Mrs J Murphy

Chief Executive Officer
J Cawtheray

Bankers
Lloyds Bank plc
Commercial Street
Halifax
HX1 1BB

Yorkshire Bank
16 Bradford Road
Brighouse
HD6 1RN

Auditors
B M Howarth Ltd
West House
King Cross Road
Halifax
HX1 1EB

Investment Brokers
Investec Wealth & Investment
Quayside House
Canal Wharf
Leeds
LS11 5PU

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CHAIRMAN'S REPORT
for the year ended 31 March 2016

2015/16 has been a good year for the hospice with many patients and their families benefitting from specialist palliative end of life care. New group programmes for patients with chronic respiratory conditions and carer bereavement support have been welcomed by attenders. Inpatient and Day Hospice services have continued to offer high quality care. Education support for professionals working in health and social care with patients towards the end of life in the community is helping to improve palliative care in Calderdale.

The support of people living in Calderdale enables Overgate to care for patients at the end of life. Their kindness and contribution was epitomised when the Hebden Bridge shop, along with many other establishments, was badly flooded on Boxing Day 2015. The number of people who went to the shop on December 27th to help to clear damaged stock and begin the drying out process was proof of the esteem in which the hospice is held. Such support is truly humbling and all those involved with Overgate are very grateful for the wonderful help provided.

Celebrations for the 35th Anniversary of Overgate Hospice take place in 2016/17 and we look forward to another successful year for the benefit of patients towards the end of life. Overgate's ongoing success is only possible due to our outstanding staff, volunteers and supporters. On behalf of all the trustees, our sincere thanks. Because you care, we can.

Mary Wilkinson, former Chair of the Overgate Board of Trustees sadly died in February 2016. She will continue to be fondly remembered for the contribution that she made to the hospice over many years as a volunteer and trustee.

Four trustees are leaving the Board at the Annual General Meeting, Ian Firth, Lucy Hodgson, Ingrid Holdsworth and Michael Steele. Overgate Hospice owes them all a debt of gratitude for their hard work and contribution to the charity.



Valerie Steele
Chairman, Board of Trustees

TRUSTEES' REPORT
for the year ended 31 March 2016

The Trustees present their Annual Report together with the consolidated Financial Statements of the Charity and its subsidiary for the year ended 31 March 2016.

Strategic Report

Objectives and activities

The charity, a company limited by guarantee, was established, initially, as the Calderdale Society for Continuing Care Limited and adopted the name 'Overgate Hospice' in 2002.

It was established "to promote the relief of sickness by such charitable means as the Association shall from time to time think fit," and in furtherance of that Overgate Hospice provides specialist palliative and end of life care for patients with life limiting illness and supports their families. In addition to care in the Inpatient Unit and the Day Hospice, support sessions are available to carers and an advisory telephone service can be accessed by members of other organisations who are working in the community caring for patients with terminal illness.

The Overgate Hospice medical and nursing teams are complemented by the multi-disciplinary patient and family support team to improve coordination and support for and with patients and their families. The family support team comprises social work, counselling, physiotherapy, complementary therapy and chaplaincy. Bereavement counselling and support groups are available to families.

The major proportion of the income required to enable Overgate Hospice to function is raised by the fund raising and retail teams, ably and tirelessly supported by volunteers and supporters across Calderdale.

Strategic Plan

Overgate's strategic objectives were ratified by the Board in 2014. The objectives were reviewed by the Board during 2015/16 and continued to reflect the strategic direction of Overgate.

Mission Statement

The mission of Overgate Hospice is to ensure that adults in Calderdale who have active, progressive life limiting illnesses, and those close to them, live with the best possible quality of life, by providing the highest standard of compassionate and evidence-based specialist palliative and end of life care.

We are an independent and local charity with a mission to ensure that our patients, and those close to them, live with the best possible quality of life. We do this by providing the highest standard of compassionate and evidence-based specialist palliative and end of life care for adults in Calderdale who have active, progressive, life-limiting illnesses.

Philosophy of care

Overgate Hospice cares for the whole person and their family, friends and carers. Each patient's priorities are respected and the clinical team strive to enable them to achieve their personal goals.

Strategic Objectives

Service Development
To seek ways in which the Hospice can reach more people in Calderdale.

Facilities

To improve the inpatient facilities for patients and their families, staff and volunteers.

Partnership and Engagement

To be open and outward looking towards the potential of new partnerships and collaborations that may strengthen what Overgate can deliver and/or improve local end of life care services within the community.

Training and Education

To develop education and training programmes to help other providers deliver sensitive, appropriate end of life care underpinned by hospice approaches.

Workforce

To continually develop Overgate's workforce by ensuring they have access to effective education and training that supports them in the delivery of high quality care.

Income Generation

To continue to raise enough funds to sustain current services and to finance new service developments.

Annual plan 2015/16

The annual plan in 2015/16 continued progress in meeting the strategic objectives.

Service development

A pilot Bereavement Support Group for Carers was developed and introduced by the Patient and Family Support Team. Following positive feedback, the programme will continue.

The Respiratory Programme described in last year's report has been introduced on a pilot basis within the Day Hospice in partnership with respiratory professionals from the Calderdale and Huddersfield NHS Foundation Trust (CHFT). Patients have reported considerable improvement in their physical capacity and quality of life and the programme will continue subject to evaluation within two years.

Additional support for heart failure patients is also planned in the coming year in partnership with the team at CHFT.

Further work will be undertaken, with epidemiological input from Calderdale Public Health, to determine the bed capacity required in a remodelled Hospice Inpatient Unit (IPU) to meet increasing need for hospice care. This work will also inform the Community based hospice developments needed to enable patients to be offered appropriate care in home settings at the ends of their lives.

Facilities

Fire proofing work was undertaken within the IPU to meet fire regulations. There were bed closures to accommodate the work but this was kept to a minimum by the clinical team and with support from partner organisations. Improvements were made to the mortuary, including the cooling system.

The Board held two additional meetings to focus on hospice accommodation and further develop plans to improve facilities to enable more patients to benefit from hospice input within Overgate and in the community.

Partnership and engagement

The developments summarised above illustrate that Overgate is working in partnership with other service providers to enhance services for patients towards the end of life (and their families).

Training and Education

Overgate again contributed to "Dying Matters" events in Hebden Bridge and other areas in Calderdale aimed at encouraging people to talk about death and dying and helping them to clarify their wishes when coming towards the end of life.

The Nurse Educator role reported last year has proved successful in training community based health and social care staff in high quality end of life care. A network to support Calderdale staff working in the community with patients towards the end of life is proving effective in increasing confidence amongst professionals and raising standards of care.

A structured training programme was implemented for clinical staff following the development of a comprehensive policy on Safeguarding.

Workforce

Appointments were made in human resources and information, replacing previously "bought in" services. The staffing structure within the IPU was changed within budget to improve the management and support of staff and improve overall service delivery.

People are the key resource in Overgate, both those employed and volunteers; the organisation is working to ensure that people experience effective training and development opportunities and provide high quality care/service in all Overgate's settings. The induction process for new staff and trustees was enhanced during the year and will continue to be updated as necessary. "Team Overgate" has been introduced to promote shared approaches and behaviours across staff and volunteers in all areas of Overgate.

Overgate is working towards meeting Information Governance standards, which are required by regulators to ensure that sensitive data is kept correctly. Improvements in activity reporting will

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inform resource management, service improvements and governance.

Income Generation

The Board reviewed fundraising policies and procedures in the light of public concern regarding practices in some charities and the Etherington and Public Account Committee Reports into fundraising. The following statement has been added to the Overgate Fundraising website:

"We strive to fundraise in the most sensitive, considerate and respectful way that we can; and will never "cold-call" or share your details with anyone. We do need to fundraise to continue in the provision of our care, which is why we will occasionally update you about Overgate news and events, but we certainly do not expect you to give every time, and if you ever feel that this contact is too frequent you need only let us know. You enable us to care for so many people across Calderdale, and it is important to us that you know we are extremely grateful for your support and would never take it for granted".

A new furniture shop was opened in Hebden Bridge raising the number of shops to 12. Generous donations from local people have enabled the shops to continue to flourish. Unfortunately, the Boxing Day floods in 2015 affected the existing Overgate shop in Hebden Bridge; this was the second occurrence in three years. It was heartening that many volunteers, local people and staff helped to clear damaged stock on the following day and the shop was able to re-open in early March. The shop was re-stocked due to the generosity of many people in Calderdale. With help from volunteers, the hospice has also developed a 'pop up shop' which was first run at Woolshops, Halifax, in the run up to Christmas and can be repeated in venues where charity Shops are welcome on a short term basis.

A variety of fundraising events were run throughout the year which were well supported by local people. In addition to events organised by Overgate, a wide range of activities were also run by Overgate Heroes who raised money on behalf of the hospice and by the Overgate Friends Groups. Corporate Supporters continued to support the hospice and local firms and individuals provided sponsorship for hospice events.

Cost controls

Continued efforts to improve efficiency and effectiveness and the part year effect of expenditure for some posts have contributed to the surplus achieved in 2015/16. The investment portfolio did not enjoy the level of gains it achieved in the previous year, reflecting the general economic climate.

Volunteers:

Volunteers worked in clinical, retail, fundraising and support departments; Overgate Hospice could not function without them and innumerable supporters from the local community. 570 people volunteered during the year and their contribution is estimated to have given over 75,000 hours of input to the hospice. Friends Groups, including the Overgate Hospice Choir helped to raise funds and promote Overgate Hospice.

Achievements and Performance

There were 220 admissions to the inpatient unit in 2015/16, including admissions to the respite bed. 79% of patients had cancer; the remaining 21% had other life limiting conditions. The average length of stay was 12.2 days. Patients with cancer stayed on the unit for an average of 14.2 days, whereas those with other illnesses, including heart failure, chronic lung and kidney disease, Parkinson's or other neurological diseases, had an average length of stay of 6.3 days. 27% of the patients admitted to the unit were discharged home. Patients were admitted from home and hospital.

There were 2,156 attendances at the day hospice; patients attended for an average of 16 weeks. 32% had a non-cancer condition. Patients were able to benefit from specialist holistic care, social activities and support in planning for the future. They were also helped to overcome any problems that they were experiencing living at home, including financial, mobility and activities of daily living, thereby helping them to enjoy an improved quality of life.

Some carers attended support sessions which helped them to benefit from a little "me" time and to gain comfort from shared experiences and empathetic input from members of the day hospice team. 147 advice calls were received during the year. Patients and carers rang to seek reassurance and help and professionals made contact to gain specialist palliative care advice.

Beneficiaries and benefits to society

Overgate Hospice's services have enabled patients who are reaching the end of life to access effective specialist, multidisciplinary palliative care services, free of charge, that are not available through statutory bodies. Many patients want to die at home and where possible, the Overgate Hospice team work to help them realise this wish through specialist palliative care, effective pain control, empathetic care and support and coordination with health and social care teams in the community. When admission to the Hospice is necessary, the specialist, compassionate, caring approach offers patients and carers the benefit of a calm supportive environment.

Overgate also enabled patients to be transferred from acute hospital beds in Calderdale or Huddersfield to the IPU where the ambience and care could be tailored to the needs of the patients and their families.

Overgate Hospice teams also contributed, as in 2014/15 to helping to break down taboos about death and dying. The Hospice supported "Dying Matters" promoted by the National Council for Palliative Care.

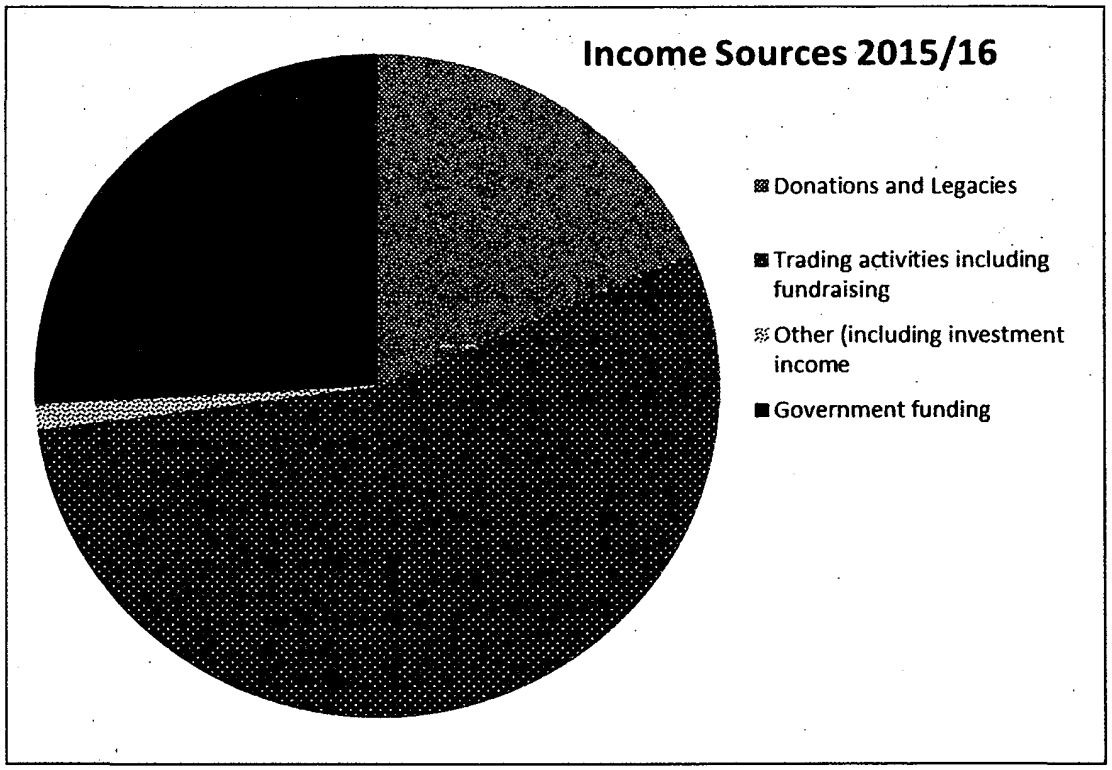
As opportunities arise, the Overgate team promote the importance of talking about death and encouraging and helping people to discuss their wishes and plans for end of life care before they are unwell. This approach also assists schools in encouraging openness about death and dying.

Overgate Hospice seeks to attract volunteers and supporters reflective of Calderdale as a whole and tries to ensure that the Hospice, its service users and the volunteers all benefit from the experience.

Financial Review

Income:

The pie chart below shows that three quarters of Overgate's income was achieved through fundraising, including donations, legacies, events and charity shops.



In this financial year, the Hospice received £1,050,120 (23%) from the Clinical Commissioning Group (CCCG) towards the cost of patient care. The remaining £3,463,470 (77%) was achieved through donations, legacies, fund raising activities and income from Overgate Hospice's charity shops and lottery.

The shops and lottery are managed through Overgate Hospice Support Ltd (OHS), a wholly owned subsidiary company. During the year OHS contributed £542,300 (2015: £612,429) to the Hospice. Other charities have experienced a downturn in returns from their shops, and OHS performance ranks well in comparison with other neighbouring hospices. This figure is less than the previous year due to an investment in new technology and training of retail staff and volunteers to maximise the roll out of Gift Aid and the opening of the new furniture shop at Hebden Bridge (additional staff) both of which should bear fruit next year. A retail co-ordinator was also recruited to assist with the increasingly heavy workload in the shops.

The Hospice Lottery, in common with other small lotteries is in slow decline, but a reduction in management fees will mask this effect next year.

Legacies (£926,492) were higher than last year (2015: £357,655). Fundraising income was £352,582 compared to £331,156 in 2015 with the introduction of a successful Colour run. These important

sources of income are by their nature unpredictable year on year. Retail income increased from £1,068,585 in 2014/15 to £1,110,218 in 2015/16 including a Flood Recovery Grant of £2,500.

Overall expenditure for Overgate and its subsidiary was £3,810,292 (2015: £3,583,511). The increase in expenditure during 2015-16 was due to essential fire proofing work on the in-patient unit to ensure compliance with fire regulations, the installation of a new call bell system on the in-patient unit and the installation of a fundraising container in the gardens to address the capacity pressures in the building. Other additional expenditure during the year was the recruitment of new roles at the hospice in Human Resources and Information Technology. These were key skills gaps in the organisation and have been filled as a result of receiving the additional recurrent funding from the CCCG, in addition to savings from previous payments for external advice.

A revenue surplus of £763,376 was achieved due to additional extraordinary funding from legacies, effective control of expenditure, savings from temporary vacancies and income exceeding budget, reflecting the exceptional contribution of supporters throughout the year.

Policy for holding reserves

Overgate Hospice is committed to providing continued service to people with life limiting illnesses in Calderdale. It cannot operate like charities that are project-based or grant making in nature that therefore vary their delivery and expenditure depending on the level of income received in one year. Overgate has a high level of "fixed" costs and cannot reduce its commitments in the event of a poor year in terms of fundraising. Much of its income is fortuitous, including legacies and donations and is dependent on the support of the local population. The trustees consider it prudent that Overgate Hospice has a policy of retaining free reserves equivalent to a minimum of 12 months forward expenditure budget with the specific objective to:

"...provide a reasonably secure and predictable income stream for the charity from investments; underwrite annual fluctuations in fortuitous income; secure the provision of an appropriate level of service for the foreseeable future."

At 31 March 2016, Overgate Hospice holds free unrestricted general reserves, representing approximately 42 weeks (2015: 41 weeks) running costs.

The Trustees calculate those free reserves as that part of the charity's general reserves which are represented by readily realisable investments and net current assets. Funds which have been earmarked for specific building or major projects are excluded.

The Strategic Plan is carefully monitored by trustees and the senior management team and revised through the annual plan to accommodate changing circumstances and maintain financial viability. The trustees believe that without maintaining this level of reserves, it would not be possible to plan service developments and ensure the long term security of the charity for the benefit of patients and their families.

Investment policy and objectives

Investments are managed on a discretionary basis on behalf of the trustees by Investec Wealth and Investment within the parameters of an agreed policy. All investments are made in accordance with

the provisions of the Trustee Act 2000 and subsequent amendments. Funds are invested with the balancing objective of providing both income and long-term growth, with provisions to allow sufficient flexibility for Overgate Hospice to effectively manage its cash flow. Investec Wealth and Investment understand the objectives and ethos of Overgate Hospice and the investment policy requires it to advise the charity should any potential investments be at odds with the ethos.

Investment performance is monitored by the finance Sub committee of the trustees which receives regular reports from the investment managers. During the year, the total return, including dividends and interest was minus 5.68%

Structure, governance and management

The Articles of Association and Memorandum of Association form the governing documents for Overgate Hospice. The Articles require a minimum of five trustees and no more than fifteen to constitute the Board. A minimum of three trustees are required for a quorum at board meetings. These arrangements may be changed at a General Meeting but to date, this has not been required.

The skill mix of trustees is regularly reviewed to ensure that board members have appropriate expertise to govern the charity; recruitment of additional trustees seeks to fill skill gaps identified. There are currently eleven trustees.

Potential trustees are invited to apply for a trustee vacancy and/or may put themselves forward for consideration; they submit a short curriculum vitae and current trustees assess whether an individual has skills that are likely to contribute to the Board. Three trustees interview shortlisted candidates and recommend to the Board whether a probationary appointment should be offered. Following six months' induction and probation period, acceptance as a trustee is confirmed, refused or the individual may choose not to continue, subject to confirmation at the Annual General Meeting. Guidance about the role of trustees from the Charity Commission (The Essential Trustee) and Hospice UK is provided on appointment, in addition to Overgate Hospice's governing documents.

The training and development needs of trustees are identified during trustee: chair meetings and within Board meetings. Role descriptors for trusteese have been developed to aid this process.

There is ongoing work to strengthen governance and seek to ensure that as many patients and families as possible benefit from Overgate's services due to prudent and effective management of funds provided by the support and generosity of local people.

The Board and Senior Management Team have reviewed fund raising activities in the light of media and parliamentary concern about practices in some charities: further work will be undertaken as guidance is published by the Fundraising Regulator.

Board meetings

Board meetings were changed from monthly to bi-monthly in 2014 and this arrangement was continued in 2015/16. Five committees continued to meet regularly in 2015/16 to scrutinise and oversee developments and delivery of the annual plan (Care Quality and Safety, Facilities, Finance, Human Resources and Income). The Board has also delegated some decision making to committees. These arrangements were reviewed during 2015/16 and the Board considered that they were suitable. Senior managers attended Board meetings by invitation. Trustee only sessions were

organised when required. Senior managers are members of relevant committees; the trustee quorum is identified for each committee.

The Board has delegated operational management to the chief executive and members of the senior management team. These arrangements have and will continue to be reviewed regularly to ensure they are functioning appropriately.

The Board held two extraordinary meetings in 2015/16 to further develop plans regarding the redevelopment of the IPU and services in the community.

Risk Analysis

Overgate Hospice's risk register, including financial risks, is regularly scrutinised by the Board. Risk management was updated in 2015/16 to comply with Charity Commission Guidance and work is ongoing operationally to embed risk management within the hospice. Committees include relevant aspects of the risk register on their agendas and escalate issues to the Board when necessary. The Chief Executive and senior management team have delegated responsibility for ensuring that the register is updated and for reporting any new/changed issues to the Board.

Overgate Hospice Support

Overgate Hospice's subsidiary, Overgate Hospice Support (OHS) has a Board of Directors and members of the senior management team are in attendance. OHS was established to manage retail and lottery activities for the Hospice. Profit from OHS was transferred regularly to the Overgate account in 2015/16. The Fundraising and Retail Manager is the Chief Executive of OHS with delegated responsibility from the OHS Board of Directors for operational management of retail outlets and the lottery.

The West Vale shop, opened in 2014, has proved to be profitable and will continue to be supported. The viability of the new furniture shop in Hebden Bridge, opened in 2015 will continue to be assessed; early results indicate that it will be profitable.

The Chief Executive of OHS led the introduction and implementation of new tills into the shops during the last 6 months of the financial year which will enable gift aid to be reclaimed on retail items. The enthusiasm and hard work of volunteers, as well as staff has been very important in this process and ongoing support and training will be provided as necessary.

Partnership working

The partnership arrangements described in last year's annual report have continued successfully in 2015/16 to the benefit of patients with palliative care needs, their families and health and social care staff working with people towards the end of life: Overgate has worked with partners from the Calderdale Clinical Commissioning Group, Marie Curie, Calderdale and Huddersfield NHS Foundation Trust and representatives from Primary Care. Every effort is made across partners to ensure that patients can access the right care in the right place at the right time.

Future plans

Overgate Hospice will continue to seek opportunities to attract additional income to the Hospice to enable more specialist palliative care to be available to those in need in Calderdale. 35th anniversary celebrations will help to maintain or increase the local profile of Overgate Hospice in 2016/17.

The heart failure programme will progress in 2016/17 as will further development of partnership work for patient benefit.

Further progress will be made in preparatory work to plan the redevelopment of the IPU in 2016/17. The facilities need both expansion and modernisation to enable more patients (and their families) to benefit from specialist palliative and end of life care in the context of growing demand and increasing complexity of need. In addition, the hospice will continue to work with partner organisations to develop community services to support patients who wish to remain in home settings at the end of life. The surplus will contribute to the required capital.

Staff and volunteers are crucial to Overgate Hospice's role and work will continue to ensure that high calibre staff are recruited and retained with effective support and learning opportunities to continually improve the work of Overgate Hospice. Work will also continue to attract, support and retain volunteers.

Auditors

The auditors, B M Howarth Ltd, are deemed to be reappointed under Section 487(2) of the Companies Act 2006.

The Trustees' Report, including the Strategic Report, was approved by the Board of Trustees and signed on its behalf by:

V A Steele
Director

13 September 2016

OVERGATE HOSPICE
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STATEMENT OF TRUSTEES' RESPONSIBILITIES

Members of the Board, who are directors for the purpose of company law and trustees for the purpose of charity law are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group at the balance sheet date and the incoming resources and application of resources, including income and expenditure, of the group for that period. In preparing those financial statements the Directors 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue to operate.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

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

On behalf of the Board of Directors

Approved by the Board of Trustees on 13 September 2016 and signed on its behalf by



V A Steele
Director

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INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF OVERGATE HOSPICE

We have audited the financial statements of Overgate Hospice for the year ended 31 March 2016 which comprise the Consolidated Statement of Financial Activities (including Income and Expenditure Account and Statement of Total Recognised Gains and Losses), the Consolidated and Parent Company Balance Sheets, the Consolidated Cash Flow Statement and the related notes on pages 21 to 35. 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).

This report is made solely to the charity'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 charity'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 charity and the charity's 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 14, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that the financial statements give a true and fair view.

Our responsibility is to audit the financial statements 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 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 error or fraud. 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.

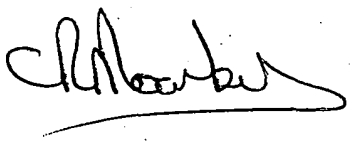
Opinion on financial statements
In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2016 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
- the financial statements have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Strategic Report and the Trustees' 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.



Charles R. Moorby (Senior Statutory Auditor)
For and on behalf of B M Howarth Ltd
Chartered Accountants and Statutory Auditor
West House
King Cross Road
Halifax
HX1 1EB

14 September 2016

OVERGATE HOSPICE
(a company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating a consolidated income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 MARCH 2016

	Note	Unrestricted £	Restricted £	Endowment £	Total £	2015 £
Income:						
Income from donations and legacies:						
Donations	2	719,053	-	-	719,053	689,323
Legacies		926,492	-	-	926,492	357,655
Grants	3	4,608	148,275	-	152,883	161,182
		1,650,153	148,275	-	1,798,428	1,208,160
Income from other trading activities:						
Retailing	4	1,110,218	-	-	1,110,218	1,068,585
Lottery	5	149,531	-	-	149,531	148,014
Fundraising events		352,582	-	-	352,582	331,156
		1,612,331	-	-	1,612,331	1,547,755
Investment income	6	50,844	-	-	50,844	53,125
Total income from generated funds		**3,313,328**	**148,275**	**-**	**3,461,603**	**2,809,040**
Income from charitable activities	7	1,112,065	-	-	1,112,065	1,081,993
Total Income		**4,425,393**	**148,275**	**-**	**4,573,668**	**3,891,033**
Expenditure:						
Costs of raising funds:						
Expenditure on raising donations and legacies		420,568	7,006	-	427,574	349,550
Expenditure on other trading activities		889,590	-	-	889,590	770,167
Investment management costs		8,462	-	-	8,462	8,497
Total expenditure on raising funds		**1,318,620**	**7,006**	**-**	**1,325,626**	**1,128,214**
Expenditure on charitable activities:						
Inpatient care		1,937,192	110,418	-	2,047,610	2,034,938
Day care		326,065	8,710	-	334,775	328,033
Bereavement and family support		49,473	-	-	49,473	49,556
Governance costs		52,808	-	-	52,808	42,770
Total expenditure on charitable activities		**2,365,538**	**119,128**	**-**	**2,484,666**	**2,455,297**
Total expenditure	8	**3,684,158**	**126,134**	**-**	**3,810,292**	**3,583,511**
Net income for year before investment gains/(losses)	11	**741,235**	**22,141**	**-**	**763,376**	**307,522**

OVERGATE HOSPICE
(a company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account and
statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 MARCH 2016
(continued)

	Note	Unrestricted £	Restricted £	Endowment £	Total £	31 March 2015 £
Net income for year before investment gains/(losses)		**741,235**	**22,141**	**-**	**763,376**	**307,522**
Net gains/(losses) on investments	14	(74,907)	-	-	(74,907)	120,980
Net income for the year		**666,328**	**22,141**	**-**	**688,469**	**428,502**
Reconciliation of funds						
Total funds brought forward		3,712,287	967,534	85,000	4,764,821	4,336,319
Total funds carried forward	17-19	**4,378,615**	**989,675**	**85,000**	**5,453,290**	**4,764,821**

There were no recognised gains or losses other than those shown above and there were no acquisitions or discontinued operations in either this or the preceding year.

Under the provisions of Section 408, Companies Act 2006 a separate statement of financial activities for the parent company alone is not required.

There were no movements on Endowment Funds during the year therefore no separate statutory summary income and expenditure account has been prepared.

The notes on pages 21 to 35 form part of these financial statements.

OVERGATE HOSPICE
(a company limited by guarantee)

CONSOLIDATED AND PARENT COMPANY BALANCE SHEETS AS AT 31 MARCH 2016

	Notes	Group		Charity	
		31 March 2016 £	31 March 2015 £	31 March 2016 £	31 March 2015 £
Fixed assets					
Tangible	13	1,623,804	1,600,789	1,583,336	1,591,904
Investments	14	1,383,341	1,466,710	1,383,342	1,466,711
		3,007,145	**3,067,499**	**2,966,678**	**3,058,615**
Current assets					
Debtors	15	453,390	137,574	612,475	519,436
Short term deposits		1,168,730	1,183,819	1,168,730	1,158,391
Cash at bank and in hand		1,043,513	630,025	852,647	213,358
		2,665,633	**1,951,418**	**2,633,852**	**1,891,185**
Creditors: amounts falling due within one year	16	(219,488)	(254,096)	(147,240)	(178,882)
Net current assets		**2,446,145**	**1,697,322**	**2,486,612**	**1,712,303**
Net assets		**5,453,290**	**4,764,821**	**5,453,290**	**4,770,918**
Represented by Funds:					
Restricted and endowment					
Restricted	17	989,675	967,534	989,675	967,534
Permanent endowment	18	85,000	85,000	85,000	85,000
		1,074,675	**1,052,534**	**1,074,675**	**1,052,534**
Unrestricted	19				
General funds		3,587,258	3,328,915	3,587,258	3,335,012
Designated funds		500,000	-	500,000	-
Revaluation reserve		291,357	383,372	291,357	383,372
		4,378,615	**3,712,287**	**4,378,615**	**3,718,384**
Total funds	20	**5,453,290**	**4,764,821**	**5,453,290**	**4,770,918**

Company Registration No. 1510521

Approved by the trustees on 13 September 2016 and signed on their behalf by:

V A Steele

R I Firth

The notes on pages 21 to 35 form part of these financial statements.

OVERGATE HOSPICE
(a company limited by guarantee)

CONSOLIDATED CASH FLOW STATEMENT
AS AT 31 MARCH 2016

		2016		2015
	£	£	£	£
Reconciliation of net incoming resources to operating cash flows				
Net incoming resources for the year before investment gains/(losses)		**763,376**		307,522
Investment income		**(50,844)**		(53,125)
Investment management charges		**8,462**		8,497
Depreciation charge		**93,900**		83,341
Increase in debtors		**(315,816)**		42,716
Decrease in creditors		**(34,608)**		7,320
Net cash inflow from operating activities		**464,470**		396,271
Returns on investments				
Interest received	**11,852**		13,616	
Dividends received	**38,992**		39,509	
		50,844		53,125
Investing activities				
Payments to acquire tangible fixed assets		**(116,915)**		(113,990)
Net cash inflow/(outflow) for the year		**398,399**		335,406

	2016	2015
	£	£
Analysis of change in cash during the year		
Short term deposits, cash and bank balances		
At 1 April 2015	**1,813,844**	1,478,438
Increase in balances	**398,399**	335,406
At 31 March 2016	**2,212,243**	1,813,844

NOTES TO THE ACCOUNTS

1. Accounting Policies

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

(a) 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 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.

The hospice meets the definition of a public entity under FRS 102. Assets and liabilities are initially recognized at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

(b) Reconciliation with previously Generally Accepted Accounting Practice

In preparing these accounts, the Trustees have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

Adjustments have been made at the date of transition (1 April, 2014) in applying the requirement to recognise the finite life of property. Previously depreciation was considered inappropriate due to the properties being maintained to such a high standard. In accordance with FRS 102 a reconciliation of opening balances is provided.

Reconciliation of group funds and balances	1 April 2014	31 March 2015
	£	£
Fund balances as previously stated	4,468,524	4,945,465
Depreciation of freehold property	(180,644)	(180,644)
Fund balances as restated	4,287,880	4,764,821

(c) Legal status of the Charity

The charity is a company limited by guarantee and has no share capital. 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. At 31 March 2016 there were 26 members (2015: 26).

(d) Going concern

The trustees consider that there are no material uncertainties about Overgate Hospice's ability to continue as a going concern. The most significant areas of adjustment and key assumptions that affect items in the accounts are to do with estimating legacies receivable in these accounts. With regard the following year, the most significant areas of uncertainty of the charity are the level of donation income which needs to be raised each and every year and is covered in more detail in the performance and risk sections of the trustees' annual report.

(e) Group financial statements

The financial statements consolidate the results of the charity and its wholly owned subsidiary Overgate Hospice Support Ltd on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

(f) Fund accounting

Unrestricted funds are available to spend on activities that further any of the purposes of charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. The aim and purpose of each designated fund is set out in the notes to the financial statements. Restricted funds are donations where the donor has specified they should only be used for particular areas of the hospice's work. The cost of raising and

administering such funds are charged against the specific fund. The aim and use of each material designated and restricted fund is set out in the notes to the financial statements. Investment income, gains and losses are allocated to the appropriate fund.

(g) Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Where income has related expenditure (as with fundraising or contract income), the income and related expenditure are reported gross in the Statement of Financial Activities. Donations, grants and gifts are recognised when receivable. In the event that a donation is subject to fulfilling performance conditions before the charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period. Income from Gift Aid tax reclaims is recognised for any donations with relevant Gift Aid certificates recognised in income for the year. Any amounts of Gift Aid not received by the year end are accounted for in income and accrued income in debtors.

Income from NHS contracts, government and other grants, whether 'capital' grants or 'revenue' grants, are 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.

For legacies, entitlement is taken on a case by case basis as the earlier of the date on which:
the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset has passed to the charity. Where legacies have been notified to the charity or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

Income received in advance for a future fundraising event or for a grant received relating to the following year are deferred until the criteria for income recognition are met.

Interest on deposit funds held is included on an accruals basis provided that the amount can be measured reliably by the charity. Dividends are recognised upon notification by our investment advisor of the dividend yield of the investment portfolio.

Sponsorship from events, fundraising and events registration fees are recognised in income when the event takes place. Lottery income is accounted for in respect of those draws that have taken place in the year. Trading income is recognised on point of sale for both donated and purchased goods.

(h) Donated goods and services

Donated services or facilities are recognised when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the item is probable and that economic benefit can be measured reliably.

(i) Expenditure and irrecoverable VAT

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. All expenditure is accounted for on an accruals basis.

Expenditure on charitable activities includes the costs of providing specialist palliative care and support undertaken to further the purposes of the charity and their associated support costs.

Support costs comprise those costs which are incurred directly in support of expenditure on the objects of the charity and include governance cost, finance, and office costs. Governance costs are those costs incurred in connection with the compliance with constitutional and statutory requirements of the charity. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Support costs are allocated to each of the activities to best allocate the costs to each attributable heading. More detail on the analysis and basis of allocation is given in note 9 to the financial statements.

(j) Volunteers

The value of the services provided by volunteers is not incorporated into these financial statements. Further details of their contribution is provided in the Trustees report.

(k) Fixed assets

Depreciation is provided to write off the cost or revaluated amount, less an estimated residual value, of all fixed assets evenly over their expected economic useful lives on a straight line basis as follows:

Freehold property	2% per annum
Leasehold improvements	over term of lease
Equipment	20% per annum
Motor vehicles	25% per annum

The need for any impairment of a fixed asset write-down is considered if there is concern over the carrying value of an asset and is assessed by comparing that carrying value against the value in use or realisable value of the asset when appropriate

(l) Investments

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

The charity does not acquire put options, derivatives or other complex financial instruments.

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 their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk,and changes in sentiment concerning equities and within particular sectors or sub sectors.

(m) Stock

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

(n) Debtors

Trade and other debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid. Accrued income and tax recoverable is included at the best estimate of the amounts

receivable at the balance sheet date.

(o) Cash at bank and in hand

Cash at bank and cash 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.

(p) Creditors

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

(q) Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

(r) Pensions

Employees who join Overgate Hospice from the NHS are entitled to remain members of the NHS superannuation scheme which provides benefits based on final pensionable pay. The NHS Pension Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. As a consequence it is not possible to identify the Hospice's share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme and the cost of the scheme is equal to the contributions payable to the scheme for the accounting period.

Employers' pension costs contributions are charged to operating expenses as and when they become due. Employer contribution rates are reviewed every four years (previously five years) following a scheme valuation carried out by the Government Actuary. On advice from the actuary the contribution may be varied from time to time to reflect changes in the scheme's liabilities. The last valuation on which contribution rates were based (31 March 2012) was published in June 2014 and noted a notional deficiency of £10.3bn (4.5% of notional fund valuation). The recommendation of the Government Actuary was that employer contribution rates could be maintained at 14% of pensionable pay from 1 April 2015. The next full actuarial valuation to be used for funding purposes will be as at 31 March 2016 and is currently being prepared by the Scheme Actuary.

Other employees are entitled to join a defined contribution 'money purchase' scheme. The costs of the defined contribution scheme are included with the associated staff costs and allocated therefore to raising funds, charitable activities, support and governance costs and charged to the unrestricted funds of the charity.

The money purchase plan is managed by Royal London and the plan invests the contributions made by the employee and employer in an investment fund to build up over the term of the plan. The pension fund is then converted into a pension upon the employee's normal retirement age which is defined as when they are eligible for a state pension. The expenses of the plan are deducted from the investment fund annually. The charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

(s) Operating leases

Operating leases are recognised over the period of which the lease falls due. Any benefit receivable as an incentive to sign an operating lease is recognised on a straight line basis over the period of the lease.

(t) **Taxation**

The company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 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.

2. Donations

	2016	2015
	£	£
General	**371,915**	347,070
In memoriam	**136,976**	132,249
Event participant sponsorship	**98,366**	89,137
Corporate support	**53,344**	52,915
Collecting boxes	**22,130**	28,139
Friends groups including choir (see analysis)	**36,322**	39,813
	719,053	689,323

	2016	2015
	£	£
Gift Aid included in above total donations	**57,096**	36,131

	2016	2015
	£	£
Friends Groups	**16,977**	22,313
Overgate Choir	**19,345**	17,500
	36,322	39,813

3. Grants received

	2016	2015
	£	£
Unrestricted funds:		
General purpose grants	**4,608**	6,412
Restricted funds:		
Improving the holistic journey	**-**	78,422
End of Life education	**71,754**	38,470
Marketing development	**5,750**	17,250
Staff education	**12,000**	-
Palliative care electronic co-ordination systems	**21,000**	-
Patient care	**28,356**	20,628
Others	**9,415**	-
	148,275	154,770
Total	**152,883**	161,182

NOTES TO THE ACCOUNTS

4. Retailing

	2016 £	2015 £
Income from sale of goods	**1,047,225**	996,611
Recycling credits	**60,493**	71,974
Income from retail trading	**1,107,718**	1,068,585
Calder Business Flood Recovery grant	**2,500**	-
Total income derived from retailing	**1,110,218**	1,068,585
Direct cost of sales	**27,663**	26,816
Staff costs	**370,962**	306,635
Other staff and volunteer costs	**5,547**	6,368
Property costs	**196,728**	179,169
Motor running	**8,731**	9,802
Till and IT costs	**23,578**	2,025
Other costs	**44,769**	38,313
Total expenditure	**677,978**	569,128
Net profit arising from retail activities	**432,240**	499,457
Donations within shops	**18,539**	25,139
Shop event income	**12,430**	1,508
Total net income arising through retail activities	**463,209**	526,104
Number of shops	**12**	11

All shop income in both the current and previous year relates to unrestricted funds.

5. Lottery

	2016 £	2015 £
Income from lottery sales	**149,531**	148,014
Prize money	**(52,000)**	(52,000)
Other lottery costs	**(12,935)**	(15,653)
Net profit arising from lottery	**84,596**	80,361
Donations through lottery	**593**	2,632
Total net income arising through lottery operations	**85,189**	82,993

6. Investment income

	2016 £	2015 £
Income from listed investments	**38,992**	39,509
Bank interest	**11,852**	13,616
	50,844	53,125

7. Income from charitable activities

	Government funding £	Other funding £	**Total 2016 £**	Total 2015 £
Hospice funding	1,050,120	-	**1,050,120**	1,050,120
NHS Pension cost support	-	-	**-**	-
Canteen	-	31,945	**31,945**	31,873
VAT Refund Scheme	30,000	-	**30,000**	
	1,080,120	31,945	**1,112,065**	1,081,993

8. Analysis of resources expended

	Direct costs £	**Support costs (note 9) £**	**Total costs £**	2015 £
Cost of generating voluntary income	352,989	74,585	427,574	349,550
Fundraising trading costs	734,413	155,177	889,590	770,167
Investment management costs	8,462	-	8,462	8,497
Cost of generating funds	**1,095,864**	**229,762**	**1,325,626**	**1,128,214**
Inpatient care	1,690,432	357,178	2,047,610	2,034,938
Day care	276,378	58,397	334,775	328,033
Bereavement and family support	40,843	8,630	49,473	49,556
Charitable activities	**2,007,653**	**424,205**	**2,431,858**	**2,412,527**
Governance costs	**42,120**	**10,688**	**52,808**	**42,770**
Total	**3,145,637**	**664,655**	**3,810,292**	**3,583,511**

NOTES TO THE ACCOUNTS

9. Analysis of support costs

	Establish-ment, light and heat £	Manage-ment & IT £	Other costs £	Total 2016 £	Total 2015 £
Cost of generating voluntary income	13,881	7,532	53,172	**74,585**	59,454
Fundraising trading: Costs of goods sold and other costs	28,879	15,671	110,627	**155,177**	130,996
Cost of generating funds	42,760	23,203	163,799	**229,762**	190,450
Charitable services	78,947	42,840	302,418	**424,205**	402,101
Governance costs	1,990	1,079	7,619	**10,688**	8,720
Total	**123,697**	**67,122**	**473,836**	**664,655**	601,271

10. Wages and Salaries

	2016 £	2015 £
Wages and salaries	**2,198,684**	2,205,189
Employer's national insurance	**160,405**	164,830
Pension costs	**170,482**	165,217
Employee costs	**2,529,571**	2,535,236
Other:		
Medical Consultant	**128,344**	111,315
Less: over-provision for additional charges in prior year	**-**	(22,208)
	128,344	89,107
	2,657,915	2,624,343

The average monthly head count of payroll employees (including temporary employed staff) in the year was 112 (2015: 119).

The number of employees whose remuneration (excluding employer pension contributions) fell into the band between £60,001 and £70,000 during the year was 2 (2015: 1). Employer pension cost payments in the year in respect of employees earning above £60,000 was £15,794 (2015: £8,390).

The trustees received no remuneration or other financial benefit for their services during the year (2015: £nil). Insurance cover is provided through a trustee indemnity insurance policy.

The Hospice consider that the key group management personnel comprise the trustees and the directly employed members of the senior management team comprising the Chief Executive and 3 other employees. The total gross remuneration of those remunerated members of the senior management team was £199,360 (2015: £211,897) and the total of employer pension contributions paid was £20,120 (2015: £19,200). The total cost of those employed members of the senior management team was therefore £219,480 (2015: £231,097).

NOTES TO THE ACCOUNTS

A further member of the senior management team is the Medical Consultant and the costs charged to the Hospice for the services provided are shown above.

Functional analysis of the average numbers of employees of the group:

	2016 Actual number	**2016 Full time equivalent**	2015 Actual number	2015 Full time equivalent
Direct charitable services	**77**	**54**	81	50
Fundraising	**26**	**24**	27	23
Governance	**1**	**1**	1	1
Administrative services	**8**	**6**	10	8
Total	**112**	**85**	119	82

11. Net incoming resources

Net incoming resources before investment gains/(losses) is stated after charging:

	2016 £	2015 £
Depreciation	**93,600**	83,341
Auditors remuneration:		
- For audit services	**11,000**	10,000
- For other services	**10,700**	5,386
Operating lease rentals – retail properties	**145,340**	134,456

12. Taxation

The company is a registered charity and as such is exempt from taxation on its 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 its income and gains are applied for charitable purposes.

All of the profits of the trading subsidiary are donated to the Hospice resulting in there being no amounts chargeable to taxation in the subsidiary.

NOTES TO THE ACCOUNTS

13. Tangible fixed assets

a) Group

	Freehold property £	Leasehold property improvements £	Medical and other equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2015	2,600,014	21,263	404,705	24,000	3,049,982
Additions	-	-	116,915	-	116,915
At 31 March 2016	**2,600,014**	**21,263**	**521,620**	**24,000**	**3,166,897**
Depreciation					
At 1 April 2015	1,096,932	19,280	314,622	18,359	1,449,193
Charge for the year	48,439	1,983	39,915	3,563	93,900
At 31 March 2016	**1,145,371**	**21,263**	**354,537**	**21,922**	**1,543,093**
Net book value					
31 March 2016	**1,454,643**	**-**	**167,083**	**2,078**	**1,623,804**
31 March 2015	1,503,082	1,983	90,083	5,641	1,600,789

b) Charity

	Freehold property £	Medical and other equipment £	Total £
Cost			
At 1 April 2015	2,600,014	399,948	2,999,962
Additions	-	75,629	75,629
At 31 March 2016	**2,600,014**	**475,577**	**3,075,591**
Depreciation			
At 1 April 2015	1,096,932	311,126	1,408,058
Charge for the year	48,439	35,758	84,197
At 31 March 2016	**1,145,371**	**346,884**	**1,492,255**
Net book value			
31 March 2016	**1,454,643**	**128,693**	**1,583,336**
31 March 2015	1,503,082	88,822	1,591,904

14. Investments

a)

	Group £	Charity £
At 1 April 2015	1,466,710	1,466,711
New funds added	-	-
Disposals	(9,670)	(9,670)
Net gains on revaluation	(65,237)	(65,237)
Investment management charges	(8,462)	(8,462)
At 31 March 2016	**1,383,341**	**1,383,342**

b) Analysis of investments

	2016 £	2015 £
Managed listed investments and authorised unit trusts	1,348,160	1,422,194
Cash held as part of the investment portfolio	35,181	44,516
Total Group	**1,383,341**	**1,466,710**
Investment in subsidiary	1	1
Total Charity	**1,383,342**	**1,466,711**

Investments in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange and are carried at fair value which is equivalent to market value using bid price.

Historical cost of the investments excluding cash and subsidiary is £1,056,803 (2015: £1,038,822).

Investment risks are mitigated by retaining expert advisors and an investment policy that provides for a high degree of diversification of holdings within asset classes that are quoted on recognised stock exchanges. No use is made of derivatives and similar complex financial instruments as the view is taken that investments are held for longer term yield and historic studies of quoted financial instruments have shown that volatility in any five year period will normally be corrected.

c) Trading subsidiary

The hospice has a wholly owned subsidiary, Overgate Hospice Support Ltd, whose main purpose is to sell goods to raise funds for the charity.

The summarised accounts of the subsidiary are as follows:

Subsidiary's profit and loss account	2016 £	2015 £
Turnover	**1,291,331**	1,245,878
Cost of sales	**(470,697)**	(408,493)
Gross profit	**820,614**	837,385
Operating expenses	**(272,216)**	(228,288)
Operating profit before charitable donations	**548,398**	609,097
Taxation	-	-
Gift Aid donation to hospice	**(542,300)**	(612,429)
Retained profit/(loss) for the year	**6,098**	(3,332)

NOTES TO THE ACCOUNTS

14. Investments (continued)

Subsidiary's balance sheet	**2016**	2015
	£	£
Fixed assets	**40,468**	8,884
Current assets	**248,325**	465,787
Current liabilities	**(288,792)**	(480,768)
Total assets less (liabilities)	**1**	(6,097)
Represented by:		
Capital	**1**	1
Reserves/(deficiency)	**-**	(6,098)
	1	(6,097)

15. Debtors

	Group		**Charity**	
	2016	2015	**2016**	2015
	£	£	**£**	£
Trade debtors	**31,369**	-	**31,369**	-
Group debtors	**-**	-	**34,244**	103,126
Other debtors	**5,016**	3,771	**-**	76
Taxation recoverable	**55,079**	7,578	**55,079**	7,578
Legacies receivable	**256,883**	48,900	**256,883**	48,900
Group Gift Aid donation receivable	**-**	-	**182,300**	302,429
Prepayments and other accrued income	**105,043**	77,325	**52,600**	57,327
	453,390	137,574	**612,475**	519,436

16. Creditors: amounts falling due within one year

	Group		**Charity**	
	2016	2015	**2016**	2015
	£	£	**£**	£
Trade creditors	**64,011**	46,606	**49,125**	30,295
Other taxation and social security	**50,904**	42,897	**50,904**	42,897
Sundry creditors and deferred income	**104,573**	164,593	**47,211**	105,690
	219,488	254,096	**147,240**	178,882

NOTES TO THE ACCOUNTS

17. Restricted funds

Group and Charity:	At 1 April 2015	Income	Expenditure	Transfers	At 31 March 2016
	£	£	£	£	£
Funding for capital asset acquisitions:					
Property redevelopment	882,135	-	(21,775)	-	**860,360**
Medical equipment					
DoH – Holistic funding	83,508	-	(1,622)	-	**81,886**
Funding of revenue costs:					
End of Life Educator	1,891	71,754	(57,420)	-	**16,225**
Staff training	-	12,000	-	-	**12,000**
Marketing role	-	5,750	(5,750)	-	**-**
Patient care and others	-	58,771	(39,567)	-	**19,204**
	-				
	967,534	148,275	(126,134)	-	**989,675**

Restricted fund balance carried forward at 31 March 2016 is represented by:	£
Expended capital funding not yet written off	
Unexpended capital funding	**942,246**
Unexpended revenue funding	**47,429**
	989,675

18. Endowment funds

	£
At 1 April 2015 and 31 March 2016:	
1981 Property Fund	70,000
Halifax District Nursing Charity Fund	15,000
	85,000

19. Unrestricted funds

	At 1 April 2015 £	Income £	Expenditure £	Transfers £	At 31 March 2016 £
Group:					
General fund	**3,328,915**	4,425,393	(3,667,050)	(500,000)	**3,587,258**
Designated fund	-	-	-	500,000	**500,000**
Revaluation reserve	**383,372**	-	(92,015)	-	**291,357**
	3,712,287	4,425,393	(3,759,065)	-	**4,378,615**
Charity:					
General fund	**3,335,012**	3,571,476	(2,819,230)	(500,000)	**3,587,258**
Designated fund (see below)	-	-	-	500,000	**500,000**
Revaluation reserve	**383,372**	-	(92,015)	-	**291,357**
	3,718,384	3,571,476	(2,911,245)	-	**4,378,615**

Designated fund
At 31 March 2016 the Trustees have transferred £500,000 to a fund designated for the purpose of the long term redevelopment of the Inpatient Unit

20. Net assets by funds

	Unrestricted £	Restricted £	Endowment £	Total £
Investments	1,383,341	-	-	**1,383,341**
Tangible fixed assets	596,558	942,246	85,000	**1,623,804**
Current assets	2,618,204	47,429	-	**2,665,633**
Creditors due in less than one year	(219,488)	-	-	**(219,488)**
Total at 31 March 2016	**4,378,615**	**989,675**	**85,000**	**5,453,290**

21. Financial performance of the Hospice

The consolidated statement of financial activities includes the results of the wholly owned trading subsidiary and no separate statement of financial activities or income and expenditure account has been shown for the Charity alone as permitted by section 408 of the Companies Act 2006 and paragraph 397 of the Charities SORP.

The summarised results of the charity for the year are as follows:

	2016	2015
	£	£
External income	**3,252,951**	2,645,155
Expenditure	**(3,067,972)**	(2,898,292)
Surplus/(deficit) before other income	**184,979**	(253,137)
Donation from trading subsidiary	**542,300**	612,429
Surplus for the year before investment gains and losses	**727,279**	359,292
(Loss)/profit on sale of investments	**(9,670)**	13,161
Unrealised investment gains/(losses)	**(65,237)**	107,819
Total increase in reserves	**652,372**	480,272

22. Operating Lease Commitments

Group annual commitments under non-cancellable operating leases are as follows:

	Land and Buildings		**Other**	
	2016	**2015**	**2016**	**2015**
	£	**£**	**£**	**£**
Expiry date:				
Within one year	**38,250**	27,650	**-**	-
Between two and five years	**43,041**	42,520	**10,278**	8,698
In more than five years	**-**	-	**-**	2,400

23. Controlling Interest

Overgate Hospice is managed by the Board of Directors, the members of which are the trustees of the charity.