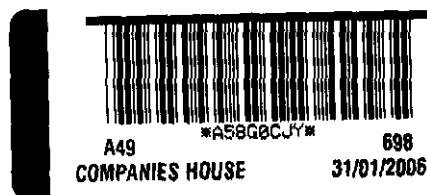


**ASSOCIATION OF CHILDREN'S HOSPICES
FINANCIAL STATEMENTS**

31 MARCH 2005

Company Registration Number 4840209

Registered Charity Number 1103795



**ASSOCIATION OF CHILDREN'S HOSPICES
COMPANY LIMITED BY GUARANTEE**

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

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ASSOCIATION OF CHILDREN'S HOSPICES COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT

YEAR ENDED 31 MARCH 2005

The Trustees, who are also Directors for the purposes of the Companies Act, have pleasure in presenting their report and the financial statements of the charity for the year ended 31 March 2005.

Introduction

The Association of Children's Hospices (ACH) was formed in 1995 out of the recognition of the common needs and concerns of individual children's hospices throughout the United Kingdom. It was granted charitable status in 1998.

On the 18th May 2004 ACH became a company limited by guarantee (company no. 4840209) as well as a registered charity (charity no. 1103795)

Charitable objects and principal activities

The Association is a national and worldwide organisation with an active membership of independent charitable hospice organisations currently responsible for 37 operational children's hospice services, and 5 children's hospice projects currently at the planning stage plus 3 organisations from other countries. (Children's palliative care is still very much an unrecognised and underdeveloped service.)

The main aims of the Association and its principal activities are:

- To raise public and professional awareness
- To promote and support the work of children's hospices throughout the United Kingdom
- To facilitate education, training, research and further service development

Activities review

It is hard to believe that ACH has achieved so much in the space of just twelve months. During the last year we have made tremendous strides in developing our role as the national voice for all children's hospice services and the children and families who use them. Our potential to make a real difference to the children's hospice movement and those that make use of their vital services has never been stronger.

The awareness and profile of ACH has grown significantly with our members, the general public, MPs, care professionals and other partner organisations. In September 2004 we produced two important guides to children's hospices: one for healthcare professionals and another for families with life-limited children. These have been widely distributed to professionals throughout the UK. We also launched a new web site - a key tool in our communications armoury.

ASSOCIATION OF CHILDREN'S HOSPICES COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2005

September 2004 saw the successful delivery of our annual Children's Hospice Week, helping to raise awareness of the sector. Our new Communications Department has begun to forge links with journalists, ensuring that we develop long-term relationships that will provide us with the channels to get our messages across at a national level.

This awareness raising work has been underpinned by our corporate fundraising activities on behalf of all children's hospices. In December we heard the news that we were Somerfield's chosen charity of the year. Together with ACH, Somerfield aims to raise £1.5M to be distributed to children's hospices in the UK.

Our work to help enhance the care provision of the children's hospice sector has surpassed all initial expectations. In particular the ACH Quality Assurance Tool has been applauded within the movement and external palliative care providers have even begun adapting it for their own use.

Plans are now in hand for a Research Steering Group to be established to focus on commissioning research on our practice within children's hospices. An Education and Training Strategy Group is also now in place.

ACH has decided to place a special emphasis on seeking to influence the diversity practices of children's hospices to help facilitate access of their services by black and ethnic minority families. In October 2004 we invited all children's hospices to apply for three grants of £15,000. The three successful organisations will use this money to carry out development work which will help to widen access to their services to minority groups. The projects will be written up and disseminated nationally across the movement. ACH also now chairs an Equal Opportunities Strategy Group which works to share best practice and improve equal access in the wider movement.

Recognising that our work with partner organisations and other key stakeholder groups is critical to achieving our objectives, we have continued to forge strong alliances with our partner organisations. For example, on the international arena ACH is now a driving force alongside our partner organisations, Help the Hospices and the Association for Children with Terminal Illness and their Families (ACT) in the establishment of the International Children's Palliative Care Network.

2004 has also been a time to further build on our policy work. A fruitful relationship with the Department of Health has led to the funding of a Toolkit to help influence the development of new children's hospices services in the UK. In July 2004, representatives from ACT and ACH met with Stephen Ladyman, then Health Minister. ACH is now contacted by MPs, MSPs, AMs and Lords who need our help in briefing them for Commons and Lords debates on important issues such as the statutory funding of children's hospices.

ASSOCIATION OF CHILDREN'S HOSPICES COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2005

ACH considers itself to be the glue that binds the children's hospice movement together. Our membership forums continue to add real value to our members' work. And our newly launched extranet site has enabled children's hospice staff across the movement to network and share ideas in a secure online environment.

We would like to thank our dedicated staff, our members, supporters and volunteers for their tireless work, generosity and loyalty. Backed by our committed Board of Trustees, we are confident that we can continue to strengthen our work and build a future where all children and families, regardless of their race, religion, geography or social background, have access to a children's hospice service that is a centre of excellence.

Thank you.

Financial Review

ACH continues to demonstrate a sound financial position with continued growth being adequately funded and the application of a sound funding strategy enhanced by good expenditure controls. Through these endeavours an overall surplus of resources continues to be held in line with the stated reserves policy adopted by the Trustees. However the financial performance shown in the accounts does require some further explanation and for this reason the Statement of Financial Activities should be read in conjunction with the explanations that follow:

On 19th May 2004 ACH commenced operation as a new company limited by guarantee (company no. 4840209) under a new charity registration (charity no. 1103795) and took over all the assets and liabilities of the former unincorporated ACH charity. As a result of this net assets totalling £385,591 were brought into the accounts of the new charity and treated as income from donations both unrestricted (£215,882) and restricted (£169,709).

Income from donations also includes receipts planned for redistribution to our participating members under the Corporate Fundraising Scheme totalling £422,554 (restricted), and under subscriptions, income from those same members to meet the schemes operational costs totalling £94,425 (restricted).

Furthermore, in the year, ACH was the recipient of a donation of shares (unrestricted), again treated as income from donations, with a book value upon receipt of £208,300. However these shares were accepted with the restriction that only a small proportion could be sold immediately (initial book value £11,500) whilst the balance of shares (initial book value £196,800) are required to be retained for a period of two years before sale. In this period of accounts the balance of these shares has suffered an unrealisable loss of £71,750 reducing their quoted value at 31st March 05 to £125,050.

ASSOCIATION OF CHILDREN'S HOSPICES COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2005

Taking all the above into account and excluding the retained share donations, the additional incoming resources gained for ACH immediate use from donations, grants, investments interest and subscriptions totalled £245,174 (unrestricted £171,236 and restricted £73,939), in the period of the accounts.

Following the prudent expenditure of funds in accordance with budget plans, transfers between unrestricted and restricted funds and the write off of realised and unrealised losses on the donated investments, the fund balances carried forward at the 31st March 2005, known as reserves, total £462,509 (unrestricted £389,316 and restricted £73,193).

It should be noted however that the balance of unrestricted reserves of £389,316 includes the donated shares at a book value of £125,050 which cannot currently be utilised. Therefore in gauging compliance to the reserves policy at 31st March 2005 (see below) it is the view of the Finance and Resources committee that the value of these shares should be disregarded and the available unrestricted reserves of £264,266 used in the calculation. On this basis the available unrestricted reserves represents 87% of our estimated core operational costs for 2005-06 and is therefore compliant with the policy.

Governance

The Association is governed by up to 16 Trustees, but not less than 10 trustees, who are elected by full members at the Annual General Meeting. The Memorandum and Articles of Association require that, insofar as is practical, the Board of Trustees is made up of two administrative representatives (or similar), two care representatives, two fundraising representatives, one hospice at home representative and up to nine representatives of any discipline. Of these nine representatives, up to six may be co-optees who may be required to bring any additional skills to the Board.

The trustees perform their governance role via the full board together with the trustee committees as follows:

Board of Trustees (meeting 4 times per annum)

Board development and membership committee (meeting 4 times per year)

Care development committee (meeting 4 times per year)

Finance and resources committee (meeting 4 times per year)

Marketing committee (meeting 4 times per year)

Strategic planning committee (meeting twice each year)

ASSOCIATION OF CHILDREN'S HOSPICES COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2005

Internal controls

The Trustees have overall responsibility for ensuring that the organisation has in place appropriate systems of controls, financial and otherwise to provide reasonable assurance that:

The charity is operating efficiently and effectively.

Its assets are safeguarded against unauthorised use or disposition.

Proper records are maintained and financial information used within the charity is reliable.

The charity complies with relevant laws and regulations.

The systems of financial control are designed to provide reasonable but not absolute assurance against material misstatements or loss. They include:

A rolling five year strategic plan.

An operational plan and annual budget approved by the Board of Trustees.

Review of the risk management register

Regular monitoring of actual results against budgets and forecasts.

Delegation of authority to the Chief Executive for expenditure within budget limits.

Segregation of duties.

Reserves Policy

The Trustees recognise the importance of having a Reserves Policy for the Association, and a policy has accordingly been adopted as follows:

"That the policy of the Trustees is to build up sufficient reserves to meet twelve months operational costs. The objective of this policy is to offset the fluctuations in an income derived almost entirely from public donations. The Trustees consider it prudent to hold reserves appropriate to the budgeted expenditure for the next twelve months to ensure that the likely future costs of the organisation can be met. This will provide the stability necessary to the organisation and its staff".

Investment Policy

Hitherto, the charity has retained funds in a liquid form to facilitate meeting the costs incurred in the furtherance of its objects and its management and administration. Our position has been reviewed and in the current climate we feel it is prudent to maintain our deposit account investment only holding the donated shares in their current form, as is required.

ASSOCIATION OF CHILDREN'S HOSPICES COMPANY LIMITED BY GUARANTEE

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2005

Risk Management

Following a full risk assessment, a risk register has been established identifying major risks to the charity and actions required to minimise their impact. These risks have been reviewed and systems have been established to review and mitigate these risks where appropriate.

Volunteers

We currently use a very small number of volunteers (four part-time) to assist with administrative tasks. We plan to continue with this productive resource and develop it as far as is practical over the coming years.

Chief Executive and Company Secretary

Barbara Gelb is the Chief Executive and also holds the role of Company Secretary

THE TRUSTEES

The trustees who served the charity during the period were as follows:

S Allen	
H Clough	
P Ellis (Chairman)	
D Leong	(appointed 11 November 2004)
H Maguire	(resigned 17 January 2005)
S McGuire	(appointed 11 November 2004)
A Medhurst	(resigned 22 March 2005)
S Norvill	(appointed 11 November 2004)
T Rennie	
C Robinson (Vice Chair as at June 2004)	(resigned 4 April 2005)
C Stone	
H Thompson	(resigned 11 November 2004)
J Tindall (Treasurer)	

TRUSTEES' RESPONSIBILITIES

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity at the end of the year and of the incoming and outgoing resources for the year then ended.

In preparing those financial statements, the trustees are required to select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent. The trustees must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue its activities.

**ASSOCIATION OF CHILDREN'S HOSPICES
COMPANY LIMITED BY GUARANTEE**

TRUSTEES ANNUAL REPORT *(continued)*

YEAR ENDED 31 MARCH 2005

TRUSTEES' RESPONSIBILITIES *(continued)*

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 1985. The trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

A resolution to re-appoint Passmore Weeks as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

BANKERS

The charities bankers are:

CAFCash
Kings Hill
West Maling
Kent
ME19 4TA

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:

Kings House
14 Orchard Street
Bristol
BS1 5EH

Signed by order of the trustees

Barbara Gellb

B GELB
Company Secretary

Approved by the trustees on 12 October 2005

**ASSOCIATION OF CHILDREN'S HOSPICES
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ASSOCIATION OF CHILDREN'S HOSPICES**

YEAR ENDED 31 MARCH 2005

We have audited the financial statements on pages 10 to 21 which have been prepared under the historical cost convention, as modified by the revaluation of certain fixed assets, and the accounting policies set out on pages 12 to 13.

This report is made solely to the charity's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 THE TRUSTEES AND THE AUDITORS

The trustees' (who also act as Directors for the charitable activities of the company) responsibilities for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Trustees' Responsibilities on pages 6 to 7.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Trustees Annual Report is not consistent with the financial statements, if the charity has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed.

We read the Trustees Annual Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

**ASSOCIATION OF CHILDREN'S HOSPICES
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ASSOCIATION OF CHILDREN'S HOSPICES *(continued)***

YEAR ENDED 31 MARCH 2005

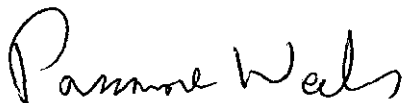
BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

OPINION

In our opinion the financial statements give a true and fair view of the charity's state of affairs as at 31 March 2005 and of its incoming resources and application of resources in the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PASSMORE WEEKS
Chartered Accountants
& Registered Auditors
2 Beacon End Courtyard
London Road
Stanway
Colchester
Essex
CO3 0NU

13 October 2005

**ASSOCIATION OF CHILDREN'S HOSPICES
COMPANY LIMITED BY GUARANTEE**

STATEMENT OF FINANCIAL ACTIVITIES

YEAR ENDED 31 MARCH 2005

	Note	Unrestricted Funds £	Restricted Funds £	Total Funds 2005 £
INCOMING RESOURCES				
Donations	2	540,899	642,670	1,183,569
Grants receivable	3	15,000	15,970	30,970
Investment income	4	14,309	7,561	21,870
Other income		25,210	94,425	119,635
TOTAL INCOMING RESOURCES		595,418	760,626	1,356,044
RESOURCES EXPENDED				
Costs of generating funds:				
Fundraising and publicity	5	8,764	121,411	130,175
Charitable expenditure:				
Costs in furtherance of charitable objects	6			
Grants payable		–	422,554	422,554
Staff costs		61,747	82,890	144,637
Depreciation and other costs		448	73,647	74,095
Management and administration	7	46,599	–	46,599
TOTAL RESOURCES EXPENDED	8	117,558	700,502	818,060
NET INCOMING RESOURCES BEFORE TRANSFERS/NET INCOME FOR THE YEAR				
	10	477,860	60,124	537,984
Transfer between funds		(13,069)	13,069	–
NET INCOMING RESOURCES FOR THE YEAR		464,791	73,193	537,984
OTHER RECOGNISED GAINS AND LOSSES				
Net losses on disposal of investment assets		(3,725)	–	(3,725)
Unrealised gains on investments		(71,750)	–	(71,750)
Balances carried forward		389,316	73,193	462,509

The Statement of Financial Activities incorporates the Statement of Total Recognised Gains and Losses required by FRS 3.

All of the above figures relate to activities acquired on 18 May 2004. There was no activity within the company prior to that date.

All of the activities of the charity are classed as continuing.

The notes on page 10 form part of these financial statements.

**ASSOCIATION OF CHILDREN'S HOSPICES
COMPANY LIMITED BY GUARANTEE**

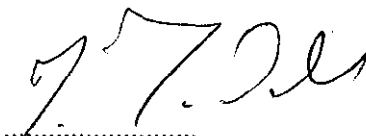
BALANCE SHEET

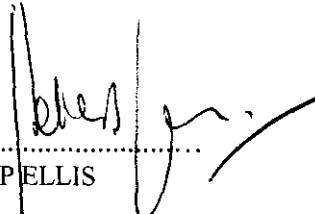
31 MARCH 2005

	Note	£	2005 £
FIXED ASSETS			
Tangible assets	11		1,625
Investments	12		830,178
			<u>831,803</u>
CURRENT ASSETS			
Debtors	13	82,452	
Cash at bank		369	
		<u>82,821</u>	
CREDITORS: Amounts falling due within one year	14	<u>(452,114)</u>	
NET CURRENT LIABILITIES			<u>(369,293)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>462,510</u>
NET ASSETS			<u>462,510</u>
FUNDS			
Restricted	15		73,194
Unrestricted	16		389,316
TOTAL FUNDS			<u>462,510</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the Trustees on the 12 October 2005 and are signed on their behalf by:


.....
J TINDALL


.....
P ELLIS

The notes on page 11 form part of these financial statements.

**ASSOCIATION OF CHILDREN'S HOSPICES
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" (SORP 2000) and the Companies Act 1985.

Cash flow statement

The trustees have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the charity is small.

Income

Income arising from voluntary donations, grants, subscriptions and legacies is included in incoming resources on a receivable basis except as follows:

When donors specify that grants given to the charity must be used in future accounting periods, the income is deferred; and

When donors impose conditions which have to be met before the charity becomes entitled to use such income, the income is deferred until such preconditions have been met.

When donors specify that grants are for restricted purposes which do not amount to preconditions regarding entitlement, this income is included in incoming resources of restricted funds when receivable.

Gifts other than cash are included at their market value at the date of the donation.

Intangible income, which comprises donated services, is included in income at a valuation which is an estimate of the financial cost borne by the donor, where such cost is quantifiable and measurable.

Investment income, including interest, is included in incoming resources on a receivable basis.

None of the incoming resources are included in the statement of financial activities net of expenses.

**ASSOCIATION OF CHILDREN'S HOSPICES
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

1. ACCOUNTING POLICIES *(continued)*

Grants payable

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Investments

Investments in stocks which are listed on a recognised stock exchange are included in the balance sheet at their market value.

Monies held in bank deposit accounts are classified as investments.

Gains/losses arising on the movement in the market value of listed investments are treated as unrealised gains/losses. These gains/losses are only recognised as realised upon sale of the investments.

Resources expended

Expenditure in respect of the management and administration of the charity is included on an accruals basis and includes attributable Value Added Tax which cannot be recovered.

Costs relating to restricted funds are allocated to the activity to which they relate. Costs relating to unrestricted funds are allocated to the relevant activities based on an estimate of the proportion of time spent by members of staff on these activities.

Fixed assets

Fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office equipment - 25% per annum straight line

Pension costs

The charity makes payments into staff personal pension plans. Costs are accounted for in the period for which the premiums are payable.

**ASSOCIATION OF CHILDREN'S HOSPICES
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

2. DONATIONS

	Unrestrict- ed Funds	Restricted Funds	Total Funds 2005
	£	£	£
Donations	540,899	642,670	1,183,569

The above figures include unrestricted and restricted donations in the sums of £215,882 and £169,709 respectively which were received on the transfer of the charitable activities from an unincorporated charity on 18 March 2004.

Unrestricted donations also include a gift of shares in the sum of £208,300 being the market value at the date of receipt.

In addition to the above, donations amounting to £195,930, £63,951, £31,651 and £19,763 were received from Norwich Union, Co-Op Group (Retail), Foresters and Somerfield Group plc respectively. These amounts were all in respect of the Corporate Fundraising Initiative. In addition, £25,750 was received from Rotary International Great Britain And Ireland, £80,503 from the Big Lottery Fund and £29,704 from BBC Children in Need.

3. GRANTS RECEIVABLE

	Unrestrict- ed Funds	Restricted Funds	Total Funds 2005
	£	£	£
Grants receivable	15,000	15,970	30,970

4. INVESTMENT INCOME

	Value £	Income £
UK quoted investments	125,050	-
UK portfolio cash	705,128	21,870
	830,178	21,870

5. FUNDRAISING AND PUBLICITY

	Unrestrict- ed Funds	Restricted Funds	Total Funds 2005
	£	£	£
Staff costs	-	55,176	55,176
Advertising costs	-	31,554	31,554
Other fundraising costs	8,764	34,681	43,445
	8,764	121,411	130,175

**ASSOCIATION OF CHILDREN'S HOSPICES
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

6. COSTS IN FURTHERANCE OF CHARITABLE OBJECTS

	Unrestrict- ed Funds £	Restricted Funds £	Total Funds 2005 £
Provision of charitable services:			
Raising public awareness	20,733	91,589	112,322
Promoting and supporting the work of children's hospices	20,880	422,554	443,434
Facilitating education, training and research	20,582	64,948	85,530
	<u>62,195</u>	<u>579,091</u>	<u>641,286</u>

Analysis of provision of charitable services:

	Staff costs £	Grants paid £	Other costs £	Total £
Raising public awareness	61,829	-	50,493	112,322
Promoting and supporting the work of children's hospices	20,582	422,554	298	443,434
Facilitating education, training and research	62,226	-	23,304	85,530
	<u>144,637</u>	<u>422,554</u>	<u>74,095</u>	<u>641,286</u>

An analysis of institutional grants made by the charity during the year has been provided to the Charity Commission. A copy of this analysis may be obtained by writing to the Trustees at the Charity's registered address.

7. MANAGEMENT AND ADMINISTRATION

	Total Funds 2005 £
Salaries	15,488
Office costs	9,767
Accountancy fees	881
Audit fees	5,756
Legal fees	2,020
Other professional fees	8,377
Travel & subsistence	2,990
Staff training	1,320
	<u>46,599</u>

All of the above expenditure was paid out of unrestricted funds.

**ASSOCIATION OF CHILDREN'S HOSPICES
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

8. TOTAL RESOURCES EXPENDED

	Staff costs	Depre- ciation	Grants paid and other costs	Total Funds 2005
	£	£	£	£
Direct charitable expenditure	144,637	—	496,649	641,286
Fundraising and publicity	55,176	542	74,457	130,175
Management and administration	15,488	—	31,111	46,599
	<u>215,301</u>	<u>542</u>	<u>602,217</u>	<u>818,060</u>

The aggregate payroll costs were:

	2005 £
Wages and salaries	186,783
Social security costs	17,666
Other pension costs	10,852
	<u>215,301</u>

Particulars of employees:

The average number of staff employed by the charity during the financial year amounted to:

	2005 No
Communications	2
Care Development	2
Corporate Fundraising Scheme	2
Administration	2
	<u>8</u>

**ASSOCIATION OF CHILDREN'S HOSPICES
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

9. TRUSTEES' REMUNERATION AND EXPENSES

No remuneration directly or indirectly out of the funds of the charity was paid or payable for the year to any Trustee or to any person or persons known to be connected with any of them.

A total of £1,646 was reimbursed to 9 Trustees in the year. These payments were mostly in respect of travel expenses incurred in carrying out the objectives of the charity, together with attending meetings and undertaking other administrative duties on behalf of the charity, with the balance being in respect of sundry administrative expenses such as postage and stationery.

10. NET INCOME

Net income is stated after charging:

	2005 £
Staff pension contributions	10,852
Depreciation	542
Auditors' fees - audit	5,756
Auditors' fees - non-audit	881
	<u> </u>

11. TANGIBLE FIXED ASSETS

	Plant and machinery etc. £
COST	
Additions	2,167
At 31 March 2005	<u>2,167</u>
DEPRECIATION	
Charge for the year	542
At 31 March 2005	<u>542</u>
NET BOOK VALUE	
At 31 March 2005	<u>1,625</u>

**ASSOCIATION OF CHILDREN'S HOSPICES
COMPANY LIMITED BY GUARANTEE**

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

12. INVESTMENTS

Movement in market value

	2005 £
Acquisitions at cost	913,428
Disposals at opening book value	(11,500)
Net gains on revaluations in the year ended 31 March 2005	(71,750)
Market value at 31 March 2005	<u>830,178</u>
Historical cost at 31 March 2005	<u>901,928</u>

Analysis of investments at 31 March 2005 between funds

	Unrestrict- ed Funds £	Restricted Funds £	Total Funds 2005 £
Listed investments			
UK quoted shares	125,050	-	125,050
UK cash held as part of portfolio	633,559	71,569	705,128
	<u>758,609</u>	<u>71,569</u>	<u>830,178</u>

Listed investments

Listed investments having a net book value of £125,050 are held by the charity and had a market value of £125,050 at the end of the year.

The listed investments are subject to an agreement whereby they cannot be sold before 2 April 2006.

13. DEBTORS

	2005 £
Trade debtors	1,047
Other debtors	902
Prepayments and accrued income	80,503
	<u>82,452</u>

**ASSOCIATION OF CHILDREN'S HOSPICES
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14. CREDITORS: Amounts falling due within one year

	2005 £
Bank loans and overdrafts	9,510
Trade creditors	5,559
Other creditors	437,045
	<u>452,114</u>

15. RESTRICTED FUNDS

	Movement in resources:		Balance at 31 March 2005
	Incoming	Outgoing & Transfers	
PCF Conference	6,753	(6,753)	–
QA Project	30,586	(24,189)	6,397
Corporate Fundraising Initiative	536,804	(510,468)	26,336
Big Lottery Fund	84,774	(83,588)	1,186
ACH Information Document Fund	8,000	(8,000)	–
Harvey Bridgewater Trust	50,000	(30,000)	20,000
ACH Toolkit	10,800	–	10,800
Care Development Project Fund	41,404	(32,929)	8,475
Misc small restricted funds	3,499	(3,499)	–
	<u>772,620</u>	<u>(699,426)</u>	<u>73,194</u>

The above funds are restricted in that the income may only be used for expenditure relating to the specific activity for which it has been donated. Details of the activities and the sources of the funds are as follows:

PCF Conference Fund

The purpose of this fund is to enable the annual delivery of a Palliative Care Forum conference to address service delivery issues within the children's hospice sector and the wider palliative care field. The conference is open to staff within children's hospices that predominate, as well as colleagues from the wider children's palliative care sector. The sources of the funds are delegates' fees and sponsorship by exhibiting companies.

Quality Assurance Project Fund

The purpose of this fund is to enable the delivery of the Quality Assurance Project. This project has been in place for the last 5 years and during this time has developed a quality assurance tool which enables children's hospice services to reflect on the quality of their services to children and their families. The sources of the funds are grants received from the Department of Health and a private trust.

ASSOCIATION OF CHILDREN'S HOSPICES COMPANY LIMITED BY GUARANTEE

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YEAR ENDED 31 MARCH 2005

Care Development Project

The purpose of this project is to enable ACH to influence the delivery of care services across the children's hospice sector. The Care Development Manager co-ordinates Care Managers' Forum and her role is to influence various aspects of the strategic development of children's hospices. The sources of the funds are grants received from private trusts and the BBC Children in Need Appeal.

Big Lottery Fund (Communications Project)

The purpose of this project is to enable ACH to develop its role as the national voice for all children's hospices services in the UK. The project focuses on the delivery of our annual national Children's Hospice Week, which takes place in September. The project also focuses on the development on our website as well as our extra-net for our member organisations. The project also addresses diversity issues across the children's hospice sector. The source of the funds is an award from the Big Lottery Fund.

ACH Pack

This project has funded the production of two booklets: one for professionals and the other for families of children with life limiting conditions. They provide information about what children's hospice services do. The source of the funds was a donation from a bank.

The Harvey Bridgewater Trust

This project focuses on improving access for children's hospice services for families from black and other minority ethnic groups. In the fund we have established 3 grants of £15,000 and children's hospices were invited to apply for these grants. The projects will be written up with the remaining £5,000 and the information disseminated across the movement with the intention of improving practice across the children's hospice sector. The source of the funds was through a legacy.

ACH Toolkit

This project has funded the development of the ACH Toolkit, which is a Toolkit for those organisations wanting to set up a children's hospice service. The purpose of the Toolkit is to equip such organisations with information about to whom they should be speaking and when, very much making the point that children's hospice services need to be developed in the right geographical area at the right time and in consultation with the right people. The source of the funds was a grant from the Department of Health.

Corporate Fundraising Initiative

This represents funds raised for distribution to hospices. The sources of the funds are subscriptions received from the member hospices (to cover the costs of running the CFI) and donations received from large companies.

**ASSOCIATION OF CHILDREN'S HOSPICES
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NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2005

16. ANALYSIS OF NET ASSETS (between restricted and unrestricted funds)

	Tangible fixed assets	Investments	Other net assets	Total
	£	£	£	£
QA Project	—	—	6,397	6,397
Corporate Fundraising Initiative	1,625	—	24,711	26,336
Big Lottery Fund	—	—	1,186	1,186
Harvey Bridgewater Trust	—	—	20,000	20,000
ACH Toolkit	—	—	10,800	10,800
Care Development Project Fund	—	—	8,475	8,475
	<u>1,625</u>	<u>—</u>	<u>71,569</u>	<u>73,194</u>
Unrestricted funds	—	125,050	265,441	389,316
	<u>1,625</u>	<u>125,050</u>	<u>337,010</u>	<u>462,510</u>

17. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee. The liability of each member is restricted to £10. At 31 March 2005 there were 37 members (2004: 10).

18. ACQUISITION

On 18 May 2004, the company took over the charitable activities previously carried on by an unincorporated charity called Association Of Children's Hospices. The assets and liabilities were transferred at their book values which in the opinion of the trustees represented their market values. The net funds received are included in incoming resources for the year.