

Scottish Partnership for Palliative Care

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2014**

Company No SC133003
Registered Charity No SC017979

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Scottish
Partnership
for Palliative Care

SCOTTISH PARTNERSHIP FOR PALLIATIVE CARE

DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2014

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Scottish Partnership for Palliative Care

DIRECTORS' REPORT

For the year ended 31 March 2014

Members of the Council of the Scottish Partnership for Palliative Care (also known as 'the Partnership'), who are directors for the purpose of company law and trustees for the purpose of charity law, submit the audited financial statements of the Partnership for the year ended 31 March 2014.

COMPANY INFORMATION

Council Members

The following Council Members served during the period:

Kenneth Steele (Chairman)
Jacqueline Smith (Treasurer)
Elaine Burt (resigned 27 January 2014)
Dr Gordon Canning (appointed 22 March 2013)
Dr Elizabeth Ferguson
Shirley Fife
Linda Kerr
Dr Peter Kielhmann
Maria McGill (appointed 11 June 2013)
Dr Gordon McLaren
Tanith Muller
Dr Euan Paterson
Helen Simpson
Elaine Stevens
Nichola Summers (appointed 10 June 2013)

Representing:

North Regional Group
Scottish Hospices Forum
West Regional Group
West Regional Group
Specialist Palliative Care Group
South-East Regional Group
West Regional Group
North Regional Group
SCYPPEX
South-East Regional Group
National Charities Group
West Regional Group
Scottish Hospices Forum
Specialist Palliative Care Group
National Charities Group

Chief Executive

Mark Hazelwood

Registered Office

1a Cambridge Street
Edinburgh
EH1 2DY

Company Number

SC133003

Registered Charity Number

SC017979

Bankers

The Co-operative Bank
PO Box 250
Delf House
Southway
Skelmersdale
WN8 6WT

Bank of Scotland
38 St Andrew Square
Edinburgh
EH2 2YR

The Royal Bank of Scotland plc
142/144 Princes Street
Edinburgh
EH2 4EQ

Auditor

Chiene + Tait
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

Scottish Partnership for Palliative Care

DIRECTORS' REPORT (cont'd) For the year ended 31 March 2014

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The organisation is a charitable company limited by guarantee, and is registered as a Scottish charity with the Office of the Scottish Charity Regulator. It was first registered with the HM Revenue & Customs as a Scottish charity on 23 July 1991 under its original name of Scottish Partnership Agency for Palliative and Cancer Care, and re-registered on 19 March 2002 under the name Scottish Partnership for Palliative Care.

The organisation is governed by its Memorandum and Articles of Association, which define its sphere of activity and together form its constitution. The Memorandum and Articles were adopted on 7 May 1991 and were last amended on 11 October 2012.

The Scottish Partnership for Palliative Care is a membership organisation, and criteria for membership are defined in the Memorandum and Articles of Association. At 31 March 2014 there were 51 member organisations, comprising NHS Boards, voluntary hospices, national charities, support organisations and professional associations. Each member organisation nominates a representative or representatives (four in the case of most mainland NHS Boards and two in the case of island NHS Boards) to act as a formal link with the Partnership and to exercise their organisation's vote(s) in Council elections and at Annual General Meetings. Member organisations guarantee to contribute an amount not exceeding £1 to the assets of the charitable company in the event of it winding up.

Election of Council Members

The governing body of the Partnership is the Council whose members are elected from the organisation's seven constituent groups. Council Members serve as Company Directors of the Scottish Partnership for Palliative Care, and function as the charity trustees.

As required by the Articles of Association, the membership of the Partnership is divided into regional and national constituency groups as follows

- National Charities Group
- North Regional Group
- Scottish Hospices Forum
- South East Regional Group
- Specialist Palliative Care Group
- West Regional Group
- Scottish Children and Young People's Palliative Care Executive (SCYPPEX)

Each constituency group elects two representatives (except the West Regional Group which elects four, and SCYPPEX which elects one) to act as Council Members for the Partnership. Council members are elected for a period of three years, and may stand for re-election for a second period of three years. After six years in office they must stand down for a period of two years before being re-elected. Two additional Council Members may be co-opted as required, but may serve no longer than six years. The Council may have up to 15 elected members and an additional 2 co-options.

The Council is responsible for the governance and management of the charity, but may employ such persons as are required to implement the objects of the company and may delegate such powers and duties as thought fit. A full time Chief Executive is appointed to manage the day to day operation of the Partnership.

Scottish Partnership for Palliative Care

DIRECTORS' REPORT (cont'd) **For the year ended 31 March 2014**

Trustee induction and training

As they are elected from constituency groups, new Members of Council are in general already familiar with the aims, structure and operation of the Partnership. Newly elected Council Members all receive an induction pack which contains the following items:

- Role description Member of Council
- OSCR *Guide to being a Trustee*
- Notes of Guidance Company Directors, Companies House
- Directors Form for completion and submission to Companies House
- Help the Hospices publication *Good Governance Code*
- Memorandum and Articles of Association of the Scottish Partnership for Palliative Care
- Terms of reference for Council and constituency groups document
- Most recent audited financial statements
- Most recent Annual Report, workplan and publications
- List of current Council Members and election/retiral dates
- Minutes, agendas, papers and summary reports from previous three meetings of Council
- Conflict of interest statement for completion
- Fitness to practice statement for completion
- Annual confirmation of personal details form for completion

Risk management

The members of the Council of the Scottish Partnership for Palliative Care regularly assess the major risks to which the charity is exposed, in particular those relating to the operation and finances of the Partnership. The Council has a risk management strategy that includes a quarterly review of the financial, operational and management performance of the organisation.

OBJECTIVES

Charitable objects

The Company's charitable objects were amended by unanimous agreement at the Annual General Meeting on 2 October 2008. They now read as follows:

The Scottish Partnership for Palliative Care is an umbrella and representative organisation which, through a collaborative approach, supports and contributes to the development and strategic direction of palliative care in Scotland. The Company's objects are to promote equitable access throughout Scotland to high quality palliative care for all patients and families on the basis of need not diagnosis.

Aims

Strategic objectives for the Partnership for the period April 2011 to March 2014 were agreed by the Council in March 2011. The objectives are:-

1. To support the ongoing implementation of *Living and Dying Well* and other relevant national initiatives.
2. To inform and influence national policy relevant to palliative care.
3. To identify, promote and share good practice in the planning and provision of palliative care.
4. To promote public and professional understanding of palliative and end of life care, and more open discussion in society of dying, death and bereavement.
5. To maintain and develop the Partnership in order to be able to deliver the other 4 strategic objectives.

These objectives formed the basis for an annual work plan for the period to which this report refers.

Scottish Partnership for Palliative Care

DIRECTORS' REPORT (cont'd) For the year ended 31 March 2014

REVIEW OF ACTIVITIES

Around 54,000 people died in Scotland during 2013-14. Of these around 38,000 had palliative care needs. Many more thousands of people were affected by the death of a friend, colleague or family member. Palliative care is an approach that improves the quality of life of patients and their families facing the problems associated with life-threatening illness, through the prevention and relief of suffering by means of early identification and impeccable assessment and treatment of pain and other problems, physical, psychosocial and spiritual, including coping with bereavement.

Through its activities the Scottish Partnership for Palliative Care provides a national forum for the development and implementation of palliative care strategy and good practice, a comprehensive communication network, and a source of expert advice and guidance for practitioners, service managers, planners and policy makers. It works with its member organisations, with the Scottish Government and with appropriate local, regional and national bodies to influence policy and to encourage the equitable and accessible provision of palliative care services to patients and families in Scotland on the basis of need. The developments of the year under review and those immediately preceding provide evidence of the Partnership's continuing influence and success.

Key Achievements

During 2013-14 the Partnership carried out a range of activities which both directly and indirectly promoted improved palliative care and supported implementation of the Scottish Government's action plan on palliative and end of life care, *Living and Dying Well*.

The Partnership continued to manage and support a collaboration between Scotland's health boards to review and develop palliative care clinical guidelines. The guidelines are a very practical tool for non-specialist health care workers and will be widely used to support the quality of palliative care in different settings. The collaboration avoids local duplication of work.

The Partnership continued to work with NHS Inform to provide the Palliative Care Zone. This web-resource provides quality information on palliative care to the Scottish public.

Around a third of people in Scotland's acute hospitals are in their last year of life. During the year the Partnership completed work with NHS Boards and the Scottish Patient Safety Programme to develop an approach to improving the care of patients in hospital whose condition is deteriorating and whose recovery is uncertain. As well as rapidly identifying reversible causes of deterioration the approach also promotes early and sensitive communication with patients and families about their preferences for care in the event of further deterioration.

The Partnership continued to provide advice and information to the *Reshaping Care for Older People* improvement network, producing a themed newsletter on palliative care. This network (consisting of local partnerships between NHS Boards, local authorities and voluntary organisations) is working to transform services for older people, with an emphasis on enabling them to live independently in the community for longer. The Partnership worked to ensure that optimizing the quality of end of life was included as an outcome for this programme of work. The Partnership also provided input to the drafting of the second national dementia strategy and a taskforce examining the future of residential care in Scotland.

Good Life, Good Death, Good Grief, an initiative of the Partnership, is a broad-based alliance promoting more openness about death, dying and bereavement. Over time this alliance will make it easier for people in Scotland to think and plan ahead towards death and dying. As a result fewer people will die without having made a will, more people will have discussed their preferences for care with their doctors and will have spoken to friends and family about their wishes for funerals and how they would wish to be remembered. People will be better equipped to support friends, family and colleagues who are bereaved. By the end of March 2014 *Good Life, Good Death, Good Grief* had over 830 members, of which nearly 239 (up 27% during the year) were organisations and the remainder interested individuals (up 29% over the year). An event for stakeholders was run in November. 20 small grants were made to support activity in the national awareness week which was run in May. Over 50 events took place during the awareness week and media coverage was generated and social media activity spiked. More details about *Good Life, Good Death, Good Grief* are at www.goodlifedeathgrief.org.uk.

Scottish Partnership for Palliative Care

DIRECTORS' REPORT (cont'd) For the year ended 31 March 2014

The Partnership continued to identify and promote good practice in palliative care. The Partnership continued to publish UPDATE, a monthly e-bulletin which equips practitioners with the latest palliative care news and best practice. This generated over 33,000 views. The Partnership also ran a busy calendar of constituency group meetings which promoted the sharing of good practice and problem solving. In October the Partnership ran a very successful annual conference attended by over 230 people.

At the request of the Scottish Government the Partnership continued to provide a secretariat/project management function for the National Advisory Group for *Living and Dying Well*. The Partnership ran a subgroup to review the Neuberger Report *More Care Less Pathway* and to produce interim guidance on care in the last days and hours of life for NHS Boards and other providers. The Partnership also continued to provide the secretariat for the Scottish Parliament's Cross Party Group on Palliative Care. During the year this group considered a range of topics including Asset-based Approaches, Palliative Care in Hospitals and Palliative Care for People with Non-Malignant Disease. In February the Partnership, together with Marie Curie Cancer Care, ran a "question time" style event with MSP party health spokespeople and palliative care experts which reviewed progress on improving palliative care over the past 5 years and also sought to identify future challenges and solutions.

Future plans

During 2013-14 the Partnership reviewed and updated its strategy identifying the following six strategic objectives which will guide its work over the next 3 – 5 years. The Partnership will:-

1. Provide strategic leadership in improving the experience of death, dying and bereavement in Scotland. By this we mean; maintaining a whole system perspective and associated intelligence; advocating the importance and value of palliative and end of life care; contributing to the development of strategic thinking and national policy and brokering strategic collaboration.
2. Identify, and support the spread of, good practice and innovation.
3. Promote public and professional awareness, understanding and knowledge of ways to improve death, dying and bereavement and promote public dialogue around these issues.
4. Encourage effective planning for better death, dying and bereavement by the public, and by professionals together with patients and families, at all stages of life.
5. Work to ensure that the experiences of the public, patients and families inform the development and implementation of policy and practice.
6. Undertake any necessary organisational change/development necessary to deliver its strategic objectives.

During 2014-15 the Partnership's work will include:

- Publishing and promoting palliative care national clinical guidelines.
- Managing collaboration between NHS Boards and the Institute for Healthcare Improvement in the USA to test approaches to improving care in the last days and hours of life.
- Continuing to develop *Good Life, Good Death, Good Grief* the broad-based alliance to promote public openness around dying, death and loss. This will include establishing *To Absent Friends – a peoples' festival of storytelling and remembrance* which will provide socially acceptable opportunities for people in Scotland to remember people who have died but who remain important to them.
- Developing our media work to improve public awareness and understanding of palliative care.
- Releasing 2 more films exploring the experiences of families living with advanced disease.
- Supporting the development of the Scottish Government's new Strategic Framework for Action on palliative and end of life care.
- Running another successful annual conference.
- Continuing to run stakeholder network events to promote good practice and collaborative problem solving.
- Supporting the work of the Hospice Quality Improvement Forum.
- Inputting to the parliamentary scrutiny of the Assisted Suicide (Scotland) Bill.

Scottish Partnership for Palliative Care

DIRECTORS' REPORT (cont'd) **For the year ended 31 March 2014**

FINANCIAL REVIEW

The Partnership recorded a net surplus for the year of £21,076 (2013: £20,367). Unrestricted income of £304,303 (2013: £298,460) was generated mainly from grant funding and member subscriptions. Council gratefully records its appreciation to the Scottish Government Health Directorates, Macmillan Cancer Support, Marie Curie Cancer Care and Health Improvements Scotland for grants received for core administration costs. Employment costs formed the most significant element of the £282,227 (2013: £279,093) unrestricted expenditure.

The Partnership has a clear policy which sets out the basis upon which it will work or not work with businesses. This policy is published on the Partnership's website. As part of that policy the Partnership makes a transparent declaration of sponsorship it has received during the year. In 2013-14 the Partnership's annual conference was sponsored for £1,000 by Amgen Inc. and for £750 by each of the following businesses: Pfizer Inc.; Archimedes Pharma Ltd; Prostrakan Group Plc; Teva UK Limited; Abbott Nutrition; and Grunenthal Ltd.

A full financial statement in the form of the Independent Auditor's report and financial statements follows on pages 8 to 19 below.

Reserves Policy

The Members of the Council have reviewed the Scottish Partnership for Palliative Care's need for reserves and have agreed to set aside as a minimum reserve 50% of the approved annual budget plus funds necessary to discharge its rental, redundancy policy and pensions obligations. The Council believes that reserves should be maintained to at least this level to ensure that the Partnership can run efficiently and effectively and also to ensure a properly managed closedown should this ever become necessary. Measures are in hand to secure an appropriate and on-going level of income to avoid this possibility and to ensure that the organisation can continue to meet its objectives. The Council is satisfied that levels of reserves currently held are adequate to meet the above policy. The reserves policy was reviewed in June 2013.

Investment Policy

The Scottish Partnership for Palliative Care is non-profit making, and is unlikely to produce any significant operating surplus year on year. Members of the Council consider therefore that investment policy should remain simple. The levels determined as required to be kept as reserves in accordance with the reserves policy are held on an interest earning bank deposit account with the balance of funds retained in a current account. The overall position is reviewed at least annually.

Statement of Council Members' Responsibilities

The Council Members (who are also directors of the Scottish Partnership for Palliative Care for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Council Members 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 incoming resources and application of resources, including the net income and expenditure, of the charitable company for the year. In preparing the financial statements the Council Members are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether UK Accounting Standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the charity will continue in operation.

Scottish Partnership for Palliative Care

DIRECTORS' REPORT (cont'd) For the year ended 31 March 2014

The Council Members are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements, comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Council Members 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 Council Members are aware:

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

Small Company Exemptions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

By Order of the Council



Kenneth Steele
Chairman

12 June 2014

Scottish Partnership for Palliative Care

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS AND MEMBERS OF SCOTTISH PARTNERSHIP FOR PALLIATIVE CARE

We have audited the financial statements of the Scottish Partnership for Palliative Care for the year ended 31 March 2014 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charity's Council Members, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's Council 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 its members as a body and its Council Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Council Members and Auditor

As explained more fully in the Council Members' Responsibilities Statement set out on pages 6 to 7, the Council Members (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with regulations made under those Acts.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (applicable to smaller entities); and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Scottish Partnership for Palliative Care

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL MEMBERS AND MEMBERS OF SCOTTISH PARTNERSHIP FOR PALLIATIVE CARE

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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records 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 Council Members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Malcolm A Beveridge

Malcolm Beveridge BA CA (Senior Statutory Auditor)
For and on behalf of
CHIENE + TAIT
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh EH3 6NL

8 July 2014

Chiene + Tait is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Scottish Partnership for Palliative Care

STATEMENT OF FINANCIAL ACTIVITIES **For the year ended 31 March 2014**

	Note	Unrestricted Funds 2013 £	Restricted Funds 2013 £	Total 2014 £	Total 2013 £
Incoming resources					
Incoming resources from generated funds					
Voluntary income		77,596	-	77,596	75,458
Activities for generating funds		23,921	-	23,921	20,661
Investment income		2,373	-	2,373	2,441
Incoming resources from charitable activities	2	200,413	46,541	246,954	208,409
Total incoming resources		304,303	46,541	350,844	306,969
Resources expended					
Costs of generating funds	3	8,706	-	8,706	8,254
Charitable activities	3	271,415	47,541	318,956	276,320
Governance costs	3	2,106	-	2,106	2,028
Total resources expended		282,227	47,541	329,768	286,602
Net incoming resources before transfers and net movement in funds		22,076	(1,000)	21,076	20,367
Total funds brought forward		193,392	9,558	202,950	182,583
Total funds carried forward		215,468	8,558	224,026	202,950

All activities related to continuing operations.

The company has no recognised gains or losses other than those included in the statement of financial activities.

The notes on pages 12 to 19 form part of these financial statements.

Scottish Partnership for Palliative Care

BALANCE SHEET As at 31 March 2014

	Note	£	2014 £	£	2013 £
Fixed assets					
Tangible fixed assets	6		2,048		2,047
Current assets					
Debtors	7	3,948		4,710	
Cash at bank and in hand		266,443		199,278	
		<u>270,391</u>		<u>203,988</u>	
Creditors: Amounts falling due within one year	8	(48,413)		(3,085)	
		<u></u>		<u></u>	
Net current assets			221,978		200,903
Total net assets	10		<u>224,026</u> =====		<u>202,950</u> =====
Funds					
Restricted funds	9	8,558		9,558	
Unrestricted funds	9	215,468		193,392	
		<u>224,026</u> =====		<u>202,950</u> =====	

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved by the Council of the Scottish Partnership for Palliative Care on 12 June 2014 and signed on their behalf by:



Kenneth Steele Chairman

Company No. SC133003

The notes on pages 12 to 19 form part of these financial statements.

Scottish Partnership for Palliative Care

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 March 2013

1. ACCOUNTING POLICIES

The principal accounting policies, which have been applied consistently in the current and preceding year in dealing with items which are considered material to the financial statements, are set out below.

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention and in accordance with the Charities and Trustee Investment (Scotland) Act 2005, The Charities Accounts (Scotland) Regulations 2006 (as amended) and the Statement of Recommended Practice, Accounting and Reporting by Charities (2005).

The company is a small company as defined by Section 382 of the Companies Act 2006 and is entitled to exemption from the preparation of a cash flow statement as required under Financial Reporting Standard 1. Consequently, a cash flow statement has not been prepared.

Going concern

The financial statements have been prepared on a going concern basis. The Council Members have assessed the Charity's ability to continue as a going concern and have reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

Funds

Funds are classified as either restricted or unrestricted funds, defined as follows. Restricted funds are funds subject to specific requirements as to their use which may be declared by the donor or with their authority or created through legal processes, but still within the wider objects of the charity.

Unrestricted funds are expendable at the discretion of the Council Members in furtherance of the objects of the charity. If parts of the unrestricted funds are earmarked at the discretion of the Council Members for a particular purpose, they are designated as a separate fund. This designation has an administrative purpose only and does not legally restrict the Council Members' discretion to apply the fund.

Incoming resources

All donations and gifts are included within incoming resources under either unrestricted or restricted funds according to the terms under which the donation is made and when the amount can be quantified with reasonable certainty. Donations and gifts in kind are brought into the accounts at their market value to the charity.

Resources expended

Expenditure is recognised on an accruals basis as the liability is incurred. Costs of generating funds relate to the costs of holding the annual conference. Charitable activities relate to the costs of providing services in accordance with the primary aims of the charity. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Tangible fixed assets

All tangible fixed assets having an original cost in excess of £1,000 and a value to the charity greater than one year, other than those acquired for specific purposes, are capitalised. Depreciation is provided on a straight line basis to write off the cost or initial value, less residual value, of tangible fixed assets over their estimated useful lives.

Office Equipment 33% per annum on cost

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lesser are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

Scottish Partnership for Palliative Care

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) For the year ended 31 March 2014

1. ACCOUNTING POLICIES (Cont'd)

Pensions

The Scottish Partnership for Palliative Care participates in the Pensions Trust Growth Plan defined benefits pension scheme; retirement benefits to employees of the Scottish Partnership for Palliative Care are funded by contributions from all participating employers and employees in the scheme. Payments are made in accordance with periodic costs applicable across the various participating employers taken as a whole.

The Scottish Partnership for Palliative Care also operates a group personal pension plan. Contributions payable to the group personal pension plan are charged to the statement of financial activities in the period to which they relate.

Taxation

The Scottish Partnership for Palliative Care is recognised as a charity for the purposes of applicable taxation legislation and is therefore not subject to taxation on its charitable activities. The charity is not registered for VAT and resources expended therefore include irrecoverable input VAT.

2. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Unrestricted Funds 2014 £	Restricted Funds 2014 £	Total 2014 £	Total 2013 £
Scottish Government Health Directorates	159,413	-	159,413	158,900
Macmillan Cancer Support	20,000	-	20,000	20,000
Marie Curie Cancer Care	21,000	-	21,000	21,000
Health Improvement Scotland	-	46,541	46,541	8,509
Total	200,413	46,541	246,954	208,409

Scottish Partnership for Palliative Care

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 March 2014

3. RESOURCES EXPENDED	Unrestricted Funds 2014 £	Restricted Funds 2014 £	Total 2014 £	Total 2013 £
Costs of generating funds				
Annual conference	8,706	-	8,706	8,254
Charitable Activities				
Staff costs (note 4)	199,124	44,101	243,225	212,290
Rent	11,508	-	11,508	11,508
Water rates	538	-	538	496
Insurance	2,009	-	2,009	1,963
Light and heat	2,623	-	2,623	1,762
Maintenance and repairs	4,069	1,928	5,997	2,395
Cleaning	2,820	-	2,820	2,853
Stationery and supplies	4,548	759	5,307	2,955
Printing and publications	7,446	-	7,446	6,587
Postage	2,588	300	2,888	3,204
Telephone	3,549	-	3,549	2,526
Travel and meeting expenses	8,762	453	9,215	7,349
Membership subscriptions	550	-	550	350
Training and development	3,452	-	3,452	1,172
General expenses	680	-	680	-
Legal and professional fees	13	-	13	5,414
Depreciation	3,057	-	3,057	2,533
Website	3,209	-	3,209	1,538
Bank Charges	12	-	12	25
Audio Visual	3,023	-	3,023	7,000
Recruitment	-	-	-	2,400
GLGDGG Grant	7,835	-	7,835	-
	271,415	47,541	318,956	276,320
Governance costs				
Audit fees	2,040	-	2,040	1,920
Bank charges	66	-	66	108
	2,106	-	2,106	2,028
Total	282,227	47,541	329,768	286,602

Scottish Partnership for Palliative Care

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

For the year ended 31 March 2014

4. STAFF COSTS AND NUMBERS

	2014 £	2013 £
Salaries	204,825	177,336
Employers national insurance	21,323	18,706
Employers pension contributions	17,078	16,248
	-----	-----
	243,225	212,290
	=====	=====

No employee received emoluments in excess of £60,000.

The average number of employees during the year was as follows:

	Number	Number
Office and Management	6	6
	=====	=====

5. COUNCIL MEMBERS REMUNERATION AND RELATED PARTY TRANSACTIONS

No Council Member received any remuneration during the year.

Expenses of £124 were reimbursed to 1 Council Member (2013: £316 to 2 Members).

No Council Member or a person related to a Council Member had any personal interest in any contract or transaction entered into by the charity in the year.

The charity has insurance to protect the charity from loss arising from neglect or default of its Council and insurance to indemnify the Council Members against the consequences of neglect or default on their part.

6. TANGIBLE FIXED ASSETS

	Office equipment £
Cost	
At 1 April 2013	25,052
Additions	3,058
Disposals	(7,496)

At 31 March 2014	20,614

Depreciation	
At 1 April 2013	23,005
Charge for the year	3,057
On disposals	(7,496)

At 31 March 2014	18,566

Net book value	
At 31 March 2014	2,048
	=====
At 31 March 2013	2,047
	=====

Scottish Partnership for Palliative Care

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) **For the year ended 31 March 2014**

7. DEBTORS	2014 £	2013 £
Debtors	590	3,111
Prepayments	3,358	1,599
	<u>3,948</u>	<u>4,710</u>
	=====	=====

8. CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR	2014 £	2013 £
Deferred income	46,331	-
Accruals	2,082	3,085
	<u>48,413</u>	<u>3,085</u>
	=====	=====

Deferred income relates to income received from the Scottish Government Health Directorate that has been specified for use in the following financial year.

9. FUNDS	Brought Forward £	Incoming Resources £	Resources expended £	Transfers £	Carried Forward £
Restricted					
Maintenance of patient and carer information resource	8,558	-	-	-	8,558
Health Improvement Scotland (HIS)	1,000	46,541	(47,541)	-	-
Unrestricted	193,392	304,303	(282,227)	-	215,468
	<u>202,950</u>	<u>350,844</u>	<u>(329,768)</u>	<u>-</u>	<u>224,026</u>
	=====	=====	=====	=====	=====

Maintenance of patient and carer information resource: funds will be used by the charity to maintain, develop and augment the web pages launched in January 2012.

Health Improvement Scotland (HIS): funds will be used for the provision of a staff member from the Scottish Partnership for Palliative Care to support collaborative work in relation to palliative and end of life care.

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted £	Restricted £	Total £
Fixed assets	2,048	-	2,048
Current assets	261,833	8,558	270,391
Current liabilities	(48,413)	-	(48,413)
	<u>215,468</u>	<u>8,558</u>	<u>224,026</u>
	=====	=====	=====
Net assets at 31 March 2014			

Scottish Partnership for Palliative Care

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) **For the year ended 31 March 2014**

11. PENSION CONTRIBUTIONS

The Scottish Partnership for Palliative Care participates in The Pensions Trust's Growth Plan (the "Plan"). The Plan is funded and is not contracted out of the state scheme. The Growth Plan is a multi-employer pension plan. Contributions paid by the company during the year amounted to £1,109 (2013: £5,745) and have been recognised in the statement of financial activities.

Contributions paid into the Growth Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Growth Plan or by the purchase of an annuity.

The rules of the Growth Plan allow for the declaration of bonuses and/or investment credits if this is within the financial capacity of the Plan assessed on a prudent basis. Bonuses / investment credits are not guaranteed and are declared at the discretion of the Plan's Trustee.

The Trustee commissions an actuarial valuation of the Growth Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Growth Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

If the actuarial valuation reveals a deficit, the Trustee will agree a recovery plan to eliminate the deficit over a specified period of time either by way of additional contributions from employers, investment returns or a combination of these.

The rules of the Growth Plan state that the proportion of obligatory contributions to be borne by the Member and the Member's Employer shall be determined by agreement between them. Such agreement shall require the Employer to pay part of such contributions and may provide that the Employer shall pay the whole of them.

The Scottish Partnership for Palliative Care paid contributions at the rate of 9.5% during the accounting period. Members paid contributions at the rate of 3.5% during the accounting period. Following a review of the company's pension arrangements, the sole remaining active member of the scheme paid contributions of nil% and the Scottish Partnership for Palliative Care paid employer contributions of 1% during the accounting period.

As at the balance sheet date there was 1 (2013: 1) active member of the Plan employed by the Scottish Partnership for Palliative Care. The Scottish Partnership for Palliative Care continues to offer membership of the Plan to its employees.

It is not possible in the normal course of events to identify on a reasonable and consistent basis the share of underlying assets and liabilities belonging to individual participating employers. The Growth Plan is a multi-employer scheme where the scheme assets are co-mingled for investment purposes, and benefits are paid from the total Growth Plan assets. Accordingly, due to the nature of the Growth Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

Scottish Partnership for Palliative Care

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) For the year ended 31 March 2014

11. PENSION CONTRIBUTIONS (Cont'd)

The valuation results at 30 September 2011 were completed in 2012 and have been formalised. The valuation of the Plan was performed by a professionally qualified actuary using the Projected Unit Method. The market value of the Plan's assets at the valuation date was £780 million and the Plan's Technical Provisions (i.e. past service liabilities) were £928 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £148 million, equivalent to a funding level of 84%.

The financial assumptions underlying the valuation as at 30 September 2011 were as follows:

	% per annum
Investment return pre retirement	4.9
Investment return post retirement	
Actives/Deferreds	4.2
Pensioners	4.2
Bonuses on accrued benefits	0.0
Inflation: Retail Prices Index (RPI)	2.9
Inflation: Consumer Price Index (CPI)	2.4

In determining the investment return assumptions the Trustee considered advice from the Plan Actuary relating to the probability of achieving particular levels of investment return. The Trustee has incorporated an element of prudence into the pre and post retirement investment return assumptions; such that there is a 60% expectation that the return will be in excess of that assumed and a 40% chance that the return will be lower than that assumed over the next 10 years.

If an actuarial valuation reveals a shortfall of assets compared to liabilities, the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall.

The Pensions Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and/or recovery plan are inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the Plan liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Plan (which would effectively amend the terms of the recovery plan). A copy of the recovery plan in respect of the September 2011 valuation was forwarded to The Pensions Regulator on 2 October 2012, as is required by legislation.

Following a change in legislation in September 2005 there is a potential debt on the employer that could be levied by the Trustee of the Plan and the Pensions Act 2011 has more recently altered the definition of Series 3 of the Growth Plan so that a liability arises to employers from membership of any Series except Series 4. The debt is due in the event of the employer ceasing to participate in the Plan or the Plan winding up.

The debt for the Plan as a whole is calculated by comparing the liabilities for the Plan (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Plan. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Plan's pre October 2001 liability attributable to employment with the leaving employer compared to the total amount of the Plan's pre October 2001 liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Plan liabilities, Plan investment performance the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

Scottish Partnership for Palliative Care

NOTES TO THE FINANCIAL STATEMENTS (Cont'd) For the year ended 31 March 2014

11. PENSION CONTRIBUTIONS (Cont'd)

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). The calculation basis that applies to the Growth Plan was amended due to a change in the definition of money purchase contained in the Pensions Act 2011 but the regulations that will determine exactly how the change will apply in practice are still awaited. As the law stands, it is not yet clear whether the statutory calculation should include or exclude Series 3 liabilities. However, based upon current advice, the most likely interpretation is that Series 3 liabilities will have to be included in the calculation of an employer's debt on withdrawal.

Owing to this situation, The Pensions Trust have included two calculations, namely:

- The cost of withdrawal if they include Series 3 liabilities in the calculation
- The cost of withdrawal if they exclude Series 3 liabilities from the calculation

If an employer withdraws from the Growth Plan prior to the implementation of the regulations, the debt will be calculated on both bases and The Pension Trust would request payment of the higher amount with any adjustment being made when the regulations are implemented.

The Scottish Partnership for Palliative Care has been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2012. As of this date, the estimated employer debt for the Scottish Partnership for Palliative Care was £21,946 (including Series 3 liabilities) or £13,280 (excluding Series 3 liabilities).

The Scottish Partnership for Palliative Care also operates a group personal pension plan for employees. Contributions into this plan are paid by the company at rates specified in the rules of the plans. The assets of the plan are held separately from those of the company in an independently administered fund.

Contributions paid to the group personal pension plan by the company during the year amounted to £15,969 (2013: £10,503) and have been recognised in the statement of financial activities. At the balance sheet date, contributions of £Nil (2013: £Nil) had not been paid over to the fund.

12. COMMITMENTS UNDER OPERATING LEASES

The company had aggregate annual commitments under non-cancellable operating leases as set out below.

	Land and Buildings	
	2014	2013
	£	£
Operating leases which expire:		
Within 1 year	-	11,508
	=====	=====