

REGISTERED COMPANY NUMBER: SC299663
REGISTERED CHARITY NUMBER: SCO10159

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2012
FOR
ST ANDREW'S HOSPICE (LANARKSHIRE)**



Hardie Caldwell LLP

Glasgow

ST ANDREW'S HOSPICE (LANARKSHIRE)

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FOR THE YEAR ENDED 31 MARCH 2012**

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ST ANDREW'S HOSPICE (LANARKSHIRE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2012

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 March 2012. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
SC299663

Registered Charity number
SCO10159

Registered office
Henderson Street
Airdrie
Lanarkshire
ML6 6AS

Trustees

Rev Margaret Currie
Sister Jacinta Boland
Dr Gordon P Canning
Sister Catherine Egan
Very Rev James Canon Foley
Mr Thomas Lynch
Mr Patrick McKenna
Rev Father Owen J Ness
Dr Christopher Sugden
Mr Matt Donnelly
Mr Geoffrey Sage

Director of Patient and Public Liaison

Chairman - retired 31 March 2012

Interim Chairman - from April 2012

Chief Executive - retired as Trustee 9 March 2012

Company Secretary
Rev Margaret Currie

Auditors

Hardie Caldwell LLP
Registered Auditors
Chartered Accountants
Citypoint 2
25 Tyndrum Street
Glasgow
G4 0JY

Bankers

The Royal Bank of Scotland
5 Graham Street
Airdrie
ML6 6AB

Solicitors

Ness Gallacher
Stewarton Chambers
95 Stewarton Street
Wishaw
ML2 8AG

ST ANDREW'S HOSPICE (LANARKSHIRE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2012

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Senior Management Team

Geoff Sage	Chief Executive
Katie Mulgrew	Fundraising Director
Dr. Christopher J Sugden	Medical Director
Susan Dillet	Nursing Director
George Beuken	Support Services Director
Jim McQuaid	Finance Director – now left
Sr. Catherine Egan	Director of Patient & Public Liaison

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

The company was incorporated on 27th March 2006, established by a Memorandum and Articles of Association. The members of the company are all members of the Religious Sisters of Charity.

Permission was granted by the Registrar of Companies to omit the word "limited" from the company name.

The Memorandum & Articles of the charity are currently undergoing revision.

Recruitment and appointment of new trustees

The directors of the company are also charity trustees for the purposes of charity law. The trustees have authority to appoint any person to be a trustee at any time. That person, however, will hold office only until the next Annual General Meeting at which point they will be formally elected. Due to revision of the Memorandum & Articles of the charity changes to the composition of the Board of Trustees will take place at the next AGM.

Induction and training of new trustees

All Directors of the company are already very experienced in charity management. They are all fully aware of and fully committed to the work of the Hospice as well as to the Hospice's ethos, mission and values which continue to be those of the Religious Sisters of Charity.

Organisational structure

The Board of Trustees is responsible for the overall direction and management of the company and meets regularly. The Board appoints a Chief Executive who is responsible for the day to day management of the company along with the other members of the Senior Management Team.

The Senior Management Team consists of the Chief Executive, Fundraising Director, Medical Director, Nursing Director, Support Services Director, Finance Director and Director of Patient & Public Liaison.

Senior Management Team meetings are held every 4 weeks. A formal agenda is followed and approved minutes are made available to staff.

Wider network

St Andrew's Hospice (Lanarkshire) is an independent charity and has no subsidiaries or any interests in other companies or charities.

ST ANDREW'S HOSPICE (LANARKSHIRE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Related parties

The members of the company are all members of the Religious Sisters of Charity who founded the Hospice in 1986. The ethos and values of the Sisters of Charity remain the core values of the Hospice - those of Human Dignity, Compassion, Justice, Advocacy and Quality in the care provided for the most vulnerable in our communities.

The Hospice operates within the national policy context around the provision of specialist palliative care in Scotland and complies with the Public Service Reform (Scotland) Act 2010.

The Hospice is registered inspected by 2 inspection bodies - Health Improvement Scotland (HIS) and the Car Inspectorate.

The Hospice meets the best practice guidelines of the Nursing and Midwifery Council for nursing care.

The Hospice is a member of the Scottish Partnership for Palliative Care and a member of Help the Hospices, the Scottish and UK-wide representative bodies, respectively, for palliative care.

At a local level the Hospice works closely with NHS Lanarkshire and its staff in the three general hospitals in Lanarkshire, in the Managed Clinical Network for palliative care, in GP surgeries, care homes and other care centres across Lanarkshire.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed.

Risk Management structures are in place and are overseen operationally by the Hospice Clinical Governance Committee.

The major risk to the charity is to ensure the continuance of partnership working with NHS Lanarkshire and to maintain the current fundraising activities in an increasingly difficult financial climate. The trustees are satisfied that the partnership working with NHS Lanarkshire and the current fundraising strategies are sound and that risks to the charity are minimised.

OBJECTIVES AND ACTIVITIES

Objectives and aims

St Andrew's Hospice is established for charitable purposes only. The Hospice is open to all people without distinction of race, gender or religion and, to ensure that no one is excluded, in common with Hospices worldwide, all services provided free of charge to the patients.

St Andrew's Hospice aims to provide the highest and best standards of specialist palliative care to the people of Lanarkshire. The Hospice does this through its in-patient units, Day Hospice and Care at Home services as well as in outreach clinics throughout the County. In addition, the Hospice provides a range of support services for patients and their families, including pastoral and spiritual support, bereavement counselling, counselling in anticipatory grief and social welfare advice and support. Education and training in palliative care is a further objective of the Hospice and a major focus of activities through e.g. the promotion of palliation of the older adult in Lanarkshire care homes.

Volunteers

St Andrew's Hospice is indebted to the volunteers who give up their time to help the Hospice as well as to all those people who throughout the course of the year have helped support the Hospice financially, including the donation of goods and consumables.

ST ANDREW'S HOSPICE (LANARKSHIRE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2012

ACHIEVEMENT AND PERFORMANCE

Board Members

After a period of one year Tom Lynch resigned as Chairman of the Board of Trustees at the end of March 2012. Fr. Owen Ness has stepped in as Interim Chairman.

Geoff Sage, Chief Executive, stood down as a Trustee on 9th March 2012.

Twenty Fifth Anniversary

The focus on the 25th Anniversary remained until St Andrew's Day.

With our anniversary date being 25th April, activity was focused on this time. An impressive newspaper supplement was provided by SUN newspapers.

An outdoor thanksgiving service took place on the anniversary date.

In May a day long event at the Bothwell Bridge Hotel for supporters started with a breakfast meeting for Executives from the Statutory Agencies. This was followed by sessions for business supporters, members of the public and an afternoon tea for volunteers.

Focus on the founding role of the Sisters of Charity continued with trips to Harold's Cross Heritage Centre for staff led by Sr. Agnes Morgan.

Facilities

There has been a focus on the security of the Hospice following a night-time break-in before Christmas. Access and CCTV have been improved and we now have a regular security guard on site every night.

The Hospice will face the task of refurbishing services (e.g. electrical wiring) to the original building. With this in mind and with the need to look at use of space, particularly in relation to patient sleeping areas, we had a workshop with the Kings Fund Enhancing Healthcare Environments project. This has been followed up by commissioning a firm of architects, Jane Devonshire and David Kendal (JDDK), to undertake a feasibility study of the clinical areas and downstairs service area to consider improved space utilisation and better facilities for staff and patients.

In all ward areas, we now have Wi-Fi connections for patients to use.

Liaison with other Agencies

NHS is the lead commissioner of our services. We provide quarterly reports on our performance and have regular review meetings.

The Hospice is a member of the Scottish Hospices Forum and the Scottish Partnership for Palliative Care. Good links exist with many other Scottish Hospices. Sharing information and ideas happens regularly. The Hospice is a member of the Lanarkshire Palliative Care Managed Clinical Network (MCN), as well as the North & South Lanarkshire Voluntary sector interface bodies.

To play a significant role in the developments around the national policy of "Reshaping Care for Older People", we have had many contacts with the 3 main Lanarkshire statutory agencies and have been successful in achieving financial support for a Care at Home Service in Clydesdale and training for Care at Home staff.

We continue to meet with Kilbryde Hospice to plan mutually beneficial approaches for the future. We have joined with them and The Haven in Blantyre for the development of Care at Home Services in South Lanarkshire.

Care Provision

We now have 28 specialist palliative care beds. 2 for care of the elderly and 2 respite care. The average occupancy for inpatient beds was 85% and average length of stay 20 days.

The Day Hospice can have up to 60 booked places per week and continues with a drop-in service on Thursdays.

It has commenced running a fatigue clinic.

ST ANDREW'S HOSPICE (LANARKSHIRE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2012

ACHIEVEMENT AND PERFORMANCE (continued)

Staff

The housekeeping service has undergone a major re-organisation. This has allowed the introduction of new shift systems to provide better coverage of clinical areas. We have now been able to end an outside contract for the Tom Cox building and use a substantial part of the saving to improve salaries for housekeeping staff.

Staff sickness remains high in certain areas of the Hospice despite the introduction of the EASY service.

We are working with the SALUS Occupational Health Service and will sign a service level agreement with them to improve this service for staff.

We are providing a much sharper focus on the management of sickness and absence. Managers and supervisors are receiving support and advice from our new HR Manager Anne Heslop (appointed October 2011).

Operational Matters

Health & safety issues received a high priority in the past year with action being taken following a Fire Safety Audit. We have introduced a network of trained fire wardens for the whole building.

In Health & safety we have introduced control books and a system of audit for these.

The Healthy Working Lives project has been taken forward by a project group led by Louise O'Donnell (Schools Team Co-ordinator).

At the Day Hospice we have started visits from school children allowing them to meet patients and do projects with them.

We have established an IT link "Deaf Connections" to provide a signing service for people with hearing problems.

With the increase of volunteers to over 600 - a 50% increase over 2 years - we have sought to make them feel part of the Hospice even though they may be based at some distance away. We have arranged visits from groups on a regular basis.

Education

We have been successful in gaining an education contract with North Lanarkshire Council for home care staff. This contract will be renewed in 2012/13.

To this has been added the contract for South Lanarkshire care homes already mentioned above.

Fundraising

Once again, we had a successful year raising funds despite the difficult economic climate. Although fundraising events were less successful, they raised £940,075. The income from voluntary donations, legacies and funeral collections increased to £1,703,212.

Throughout the past year we have increased the total number of shops from 9 to 13 with others planned in 2012/13. Income has gone up by 27% helped by our new shops in Strathaven, Larkhall, Blantyre and Lanark.

FINANCIAL REVIEW

Reserves policy

The target of the Hospice is to achieve 12 months of free reserves. By the end of the financial year we stood at 10.87 months, an increase on the previous year.

ST ANDREW'S HOSPICE (LANARKSHIRE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2012

FINANCIAL REVIEW (continued)

Principal funding sources

Our largest single source of funding is from NHS Lanarkshire.

The Hospice will develop a strategy for greater efficiency and saving costs over the coming year to ensure our fitness is maintained to provide our high quality services in the future.

While NHS Lanarkshire funding appears stable, the Health Board are undertaking a comprehensive review of the palliative care services in 2012/13.

We also have the increasing challenge of the Kilbryde Hospice appeal as they commence building their new unit in late 2012.

Support from local business remains very good although is uncertain due to wider economic pressures. Our Schools Team with its partnerships across North & South Lanarkshire and Retail operations continue to do very well. In the new financial year we will increase our focus on trust funds and legacy giving through the appointment of a dedicated officer for this area.

FUTURE DEVELOPMENTS

Facilities

Further work will be done to establish the scope for refurbishment of our original building. We will decide whether to renew existing services to the building and take forward plans to increase the number of single rooms available within our 32 bed total, relocate the laundry and make much needed improvements to the staff cafe area.

New televisions providing safer storage and better quality service to patients will be installed during summer.

Care Provision

To build on our developments in the community in South Lanarkshire, we will continue lobbying the North Lanarkshire partnership and Voluntary Sector interface (VANL - Voluntary Action North Lanarkshire) to improve services in their homes for people with end of life care needs.

Fundraising

We will develop a fundraising strategy for the future that incorporates all aspects of our activities – events, donations, trusts & legacies, lottery, retail, overseas challenges, school partnerships.

We will ensure a clear focus for future activity ensuring staff resources are used to the greatest effect.

We will open a dedicated retail space within the Hospice, a bookshop in Airdrie and a shop in Shotts.

We will constantly look to refresh the Events Calendar, and seek imaginative new ideas to raise money. Our first new event in the new financial year is the "Zumbathon" event in October.

Finance

We are upgrading our accounting system to SAGE 200 from SAGE 50 to allow improved financial and management reporting.

Education

We will establish a contract with Learnpro, a national e-learning content management system. Staff will be able to access a wide range of training modules and we will be able to record and audit the training that is carried out.

ST ANDREW'S HOSPICE (LANARKSHIRE)

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2012**

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of St Andrew's Hospice (Lanarkshire) for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which 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.

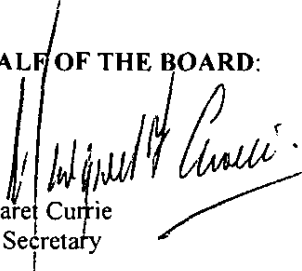
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit information and to establish that the charitable company's auditors are aware of that information.

AUDITORS

The auditors, Hardie Caldwell LLP, have indicated their willingness to continue in office.

ON BEHALF OF THE BOARD:


Rev Margaret Currie
Company Secretary

31 August 2012

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF ST ANDREW'S HOSPICE (LANARKSHIRE)

We have audited the financial statements of St Andrew's Hospice (Lanarkshire) for the year ended 31 March 2012 on pages ten to twenty. 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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, 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. Our audit work has been undertaken so that we might state to the members and the charitable company's members and trustees 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 charitable company and the charitable company's members and trustees 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 Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditors 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 Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees 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 charitable company's affairs as at 31 March 2012 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Opinion on other matter prescribed by the Companies Act 2006

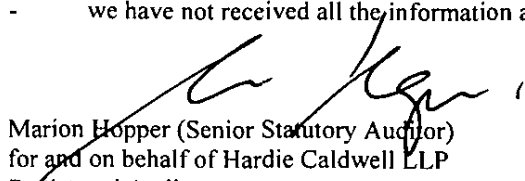
In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF
ST ANDREW'S HOSPICE (LANARKSHIRE)**

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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Marion Hopper (Senior Statutory Auditor)
for and on behalf of Hardie Caldwell LLP
Registered Auditors
Chartered Accountants
Citypoint 2
25 Tyndrum Street
Glasgow
G4 0JY

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

31 August 2012

ST ANDREW'S HOSPICE (LANARKSHIRE)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2012**

	Notes	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	1,792,311	-	1,792,311	1,543,430
Activities for generating funds	3	2,148,667	-	2,148,667	2,516,981
Investment income	4	161,713	-	161,713	102,062
Incoming resources from charitable activities	5	2,564,262	-	2,564,262	2,527,489
Total incoming resources		6,666,953	-	6,666,953	6,689,962
RESOURCES EXPENDED					
Costs of generating funds	6	1,087,143	-	1,087,143	1,215,487
Charitable activities	7	4,984,648	-	4,984,648	4,975,317
Governance costs	8	33,705	-	33,707	17,682
Depreciation		134,264	-	134,262	133,027
Total resources expended		6,239,760	-	6,239,760	6,341,513
NET INCOMING RESOURCES		427,193	-	427,193	348,449
RECONCILIATION OF FUNDS					
Total funds brought forward		9,347,668	-	9,347,668	8,999,219
TOTAL FUNDS CARRIED FORWARD		9,774,861	-	9,774,861	9,347,668

CONTINUING OPERATIONS

All incoming resources and resources expended arise from continuing activities.

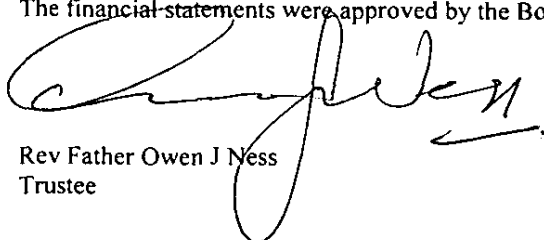
The notes form part of these financial statements

ST ANDREW'S HOSPICE (LANARKSHIRE)

**BALANCE SHEET
AT 31 MARCH 2012**

	Notes	Unrestricted funds £	Restricted funds £	2012 Total funds £	2011 Total funds £
FIXED ASSETS					
Tangible assets	12	4,755,977	-	4,755,977	4,797,616
CURRENT ASSETS					
Debtors: amounts falling due within one year	13	258,352	-	258,352	276,301
Cash at bank and in hand		<u>5,515,220</u>	<u>-</u>	<u>5,515,220</u>	<u>4,934,747</u>
		5,773,572	-	5,773,572	5,211,048
CREDITORS					
Amounts falling due within one year	14	(664,688)	-	(664,688)	(555,996)
NET CURRENT ASSETS		<u>5,108,884</u>	<u>-</u>	<u>5,108,884</u>	<u>4,655,052</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,864,861	-	9,864,861	9,452,668
CREDITORS					
Amounts falling due after more than one year	15	(90,000)	-	(90,000)	(105,000)
NET ASSETS		<u>9,774,861</u>	<u>-</u>	<u>9,774,861</u>	<u>9,347,668</u>
FUNDS	18				
Unrestricted funds				<u>9,774,861</u>	<u>9,347,668</u>
TOTAL FUNDS				<u>9,774,861</u>	<u>9,347,668</u>

The financial statements were approved by the Board of Trustees on 31 August 2012 and were signed on its behalf by:



Rev Father Owen J Ness
Trustee

The notes form part of these financial statements

ST ANDREW'S HOSPICE (LANARKSHIRE)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2012**

		2012 £	2011 £
Net cash inflow from operating activities	Notes 1	642,469	499,798
Returns on investments and servicing of finance	2	132,627	74,312
Capital expenditure and financial investment	2	(92,623)	(41,413)
		<u>682,473</u>	<u>532,697</u>
Financing	2	(102,000)	(40,000)
Increase in cash in the period		<u>580,473</u>	<u>492,697</u>
Reconciliation of net cash flow to movement in net debt	3		
Increase in cash in the period		580,473	492,697
Cash outflow from decrease in debt and lease financing		<u>102,000</u>	<u>40,000</u>
Change in net debt resulting from cash flows		<u>682,473</u>	<u>532,697</u>
Movement in net debt in the period		682,473	532,697
Net debt at 1 April		<u>4,704,747</u>	<u>4,172,050</u>
Net debt at 31 March		<u>5,387,220</u>	<u>4,704,747</u>

The notes form part of these financial statements

ST ANDREW'S HOSPICE (LANARKSHIRE)

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2012**

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2012 £	2011 £
Net incoming resources	427,193	348,449
Depreciation charges	134,264	133,027
Interest received	(132,627)	(74,312)
Decrease/(increase) in debtors	17,949	(25,772)
Increase in creditors	<u>195,690</u>	<u>118,406</u>
Net cash inflow from operating activities	<u>642,469</u>	<u>499,798</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2012 £	2011 £
Returns on investments and servicing of finance		
Interest received	<u>132,627</u>	<u>74,312</u>
Net cash inflow for returns on investments and servicing of finance	<u>132,627</u>	<u>74,312</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(92,623)</u>	<u>(41,413)</u>
Net cash outflow for capital expenditure and financial investment	<u>(92,623)</u>	<u>(41,413)</u>
Financing		
Loan repayments in year	<u>(102,000)</u>	<u>(40,000)</u>
Net cash outflow from financing	<u>(102,000)</u>	<u>(40,000)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.11 £	Cash flow £	At 31.3.12 £
Net cash:			
Cash at bank and in hand	4,934,747	580,473	5,515,220
Debt:			
Debts falling due within one year	(230,000)	102,000	(128,000)
Total	<u>4,704,747</u>	<u>682,473</u>	<u>5,387,220</u>

ST ANDREW'S HOSPICE (LANARKSHIRE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2012

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, the Companies Act 2006 and the requirements of the Statement of Recommended Practice, Accounting and Reporting by Charities.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Income received which relates to a future period is classified as deferred income in the balance sheet.

The company is VAT registered and is able to reclaim input VAT under the partial exemption scheme. Income and expenditure are shown inclusive of VAT with the VAT refund received being separately recorded as income.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Cost of generating funds

Costs associated with attracting voluntary income include costs of holding fundraising events, costs of running the lottery, including prizes, and costs associated with the charity shops. Salary costs relating to fundraising are allocated on a direct basis.

Charitable activities

This relates to costs incurred by the charity in the delivery of its activities and services for its beneficiaries. These costs include both nursing and care of patients, the household costs of running a hospice, the administration and management service and general property and related running costs. Salary costs are allocated to this heading on a direct basis.

Governance costs

Costs associated with meeting the constitutional and statutory requirements of the charity.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Fixtures and fittings	- 20% on reducing balance
Motor Vehicles	- 25% on reducing balance

Depreciation on freehold property was increased to 2% on cost from 1st April 2009 having previously been calculated at 1% on cost. The new depreciation rate represents a reasonable reflection on the economic life of the assets.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Taxation

The charity is exempt from corporation tax on its charitable activities.

ST ANDREW'S HOSPICE (LANARKSHIRE)

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2012**

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The charitable company operates a defined contribution pension scheme. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Deferred Grants

The grant is being amortised evenly over 20 years.

Operating Leases

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

2. VOLUNTARY INCOME

	2012	2011
	£	£
Donations	1,703,212	1,468,718
Gift aid	<u>89,099</u>	<u>74,712</u>
	<u>1,792,311</u>	<u>1,543,430</u>

3. ACTIVITIES FOR GENERATING FUNDS

	2012	2011
	£	£
Fundraising events	940,075	1,442,215
Shop income	709,174	559,126
Lottery	390,776	386,171
Cafe	74,831	82,399
VAT refund	-	17,655
Education income	<u>33,811</u>	<u>29,415</u>
	<u>2,148,667</u>	<u>2,516,981</u>

4. INVESTMENT INCOME

	2012	2011
	£	£
Rents received	29,086	27,750
Deposit account interest	<u>132,627</u>	<u>74,312</u>
	<u>161,713</u>	<u>102,062</u>

ST ANDREW'S HOSPICE (LANARKSHIRE)

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2012**

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2012	2011
	£	£
Deferred Lanarkshire Health Board Grant credit release	15,000	15,000
Lanarkshire Health Board Grant / Consultants and SHO - NHS grant funded	<u>2,549,262</u>	<u>2,512,489</u>
	<u>2,564,262</u>	<u>2,527,489</u>

6. COSTS OF GENERATING FUNDS

	2012	2011
	£	£
Staff costs	460,149	421,771
Café provisions and consumables	47,123	50,201
Fundraising costs	219,589	391,000
Shop expenses	277,575	254,905
Lottery costs and prizes	<u>82,707</u>	<u>97,610</u>
	<u>1,087,143</u>	<u>1,215,487</u>

7. CHARITABLE ACTIVITIES COSTS

	2012	2011
	£	£
Staff & consultant costs	4,260,507	4,218,954
Non payroll clinical costs	222,599	254,266
Premises costs	444,296	456,232
Other costs	<u>57,246</u>	<u>45,865</u>
	<u>4,984,648</u>	<u>4,975,317</u>

8. GOVERNANCE COSTS

	2012	2011
	£	£
Staff costs	10,000	10,000
Legal fees	16,391	-
Auditors' remuneration	<u>7,316</u>	<u>7,682</u>
	<u>33,707</u>	<u>17,682</u>

ST ANDREW'S HOSPICE (LANARKSHIRE)

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2012

9. NET INCOMING RESOURCES

Net resources are stated after charging / (crediting):

	2012	2011
	£	£
Auditors' remuneration	7,316	7,682
Depreciation - owned assets	<u>134,262</u>	<u>133,027</u>

10. TRUSTEES' REMUNERATION AND BENEFITS

Remuneration is either paid, or deducted from the Grant received from Lanarkshire Health Board, to four of the trustees in respect of their services as Chief Executive, Medical Director, Medical Consultant and Director of Patient & Public Liaison. No remuneration is paid in respect of their services as a trustee (see note 20).

There were no trustees' expenses paid for the year ended 31 March 2012 nor for the year ended 31 March 2011.

11. STAFF COSTS

	2012	2011
	£	£
Wages and salaries	3,620,313	3,539,873
Social security costs	309,214	307,000
Other pension costs	<u>153,676</u>	<u>169,927</u>
	<u>4,083,203</u>	<u>4,016,800</u>

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

	2012	2011
Administration	12	14
Fundraising	23	19
Household & Maintenance	22	21
Medical & Nursing	<u>96</u>	<u>97</u>
	<u>153</u>	<u>151</u>

There was one employee with earnings in the bracket £60,000 - £70,000 for the year ended 31 March 2012 (2011: nil).

ST ANDREW'S HOSPICE (LANARKSHIRE)

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2012**

12. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 April 2011	5,405,190	363,371	110,203	5,878,764
Additions	25,942	65,921	760	92,623
Disposals	-	(6,877)	-	(6,877)
At 31 March 2012	<u>5,431,132</u>	<u>422,415</u>	<u>110,963</u>	<u>5,964,510</u>
DEPRECIATION				
At 1 April 2011	709,196	268,925	103,027	1,081,148
Charge for year	108,423	23,919	1,920	134,262
Eliminated on disposal	-	(6,877)	-	(6,877)
At 31 March 2012	<u>817,619</u>	<u>285,967</u>	<u>104,947</u>	<u>1,208,533</u>
NET BOOK VALUE				
At 31 March 2012	<u>4,613,513</u>	<u>136,448</u>	<u>6,016</u>	<u>4,755,977</u>
At 31 March 2011	<u>4,695,994</u>	<u>94,446</u>	<u>7,176</u>	<u>4,797,616</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Trade debtors	2,374	4,545
Sundry debtors	93,499	169,149
VAT	11,581	6,863
Prepayments and accrued income	<u>150,898</u>	<u>95,744</u>
	<u>258,352</u>	<u>276,301</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £	2011 £
Lanarkshire Health Board Loan (see note 16)	128,000	230,000
Trade creditors	81,992	69,207
Other creditors	35,899	35,943
Deferred income	332,363	183,503
Accrued expenses	<u>86,434</u>	<u>37,343</u>
	<u>664,688</u>	<u>555,996</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2012 £	2011 £
Deferred Lanarkshire Health Board Grant	<u>90,000</u>	<u>105,000</u>

ST ANDREW'S HOSPICE (LANARKSHIRE)

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2012**

16. LOANS

An analysis of the maturity of loans is given below:

	2012 £	2011 £
Amounts falling due within one year on demand:		
Lanarkshire Health Board Loan	<u>128,000</u>	<u>230,000</u>

17. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	Land and buildings 2012 £	2011 £
Expiring:		
Within one year	32,500	36,600
Between one and five years	<u>189,188</u>	<u>131,120</u>
	<u>221,688</u>	<u>167,720</u>

18. MOVEMENT IN FUNDS

	At 1.4.11 £	Net movement in funds £	Transfers between funds £	At 31.3.12 £
Unrestricted funds				
General fund	9,257,418	427,193	1,900	9,686,511
Donations towards freehold property	<u>90,250</u>	<u>-</u>	<u>(1,900)</u>	<u>88,350</u>
	<u>9,347,668</u>	<u>427,193</u>	<u>-</u>	<u>9,774,861</u>
TOTAL FUNDS	<u>9,347,668</u>	<u>427,193</u>	<u>-</u>	<u>9,774,861</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	6,666,953	(6,239,760)	427,193
TOTAL FUNDS	<u>6,666,953</u>	<u>(6,239,760)</u>	<u>427,193</u>

19. CAPITAL COMMITMENTS

	2012 £	2011 £
Contracted but not provided for in the financial statements	<u>25,620</u>	<u>18,275</u>

ST ANDREW'S HOSPICE (LANARKSHIRE)

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2012**

20. RELATED PARTY DISCLOSURES

The members of the charity are representatives of the Order of the Religious Sisters of Charity. Salary costs include £21,600 (2011: £21,600) which was paid to the Order in respect of the provision of an employee. In addition, £22,058 was paid to the Order in respect of Sister Catherine Egan, Director of Patient & Public Liaison and Trustee of the charity.

While no remuneration was paid to any trustee in respect of their duties as trustee, a salary of £64,977 (2011: £50,815) was paid to Mr G Sage in respect of his services as Chief Executive. Mr G Sage resigned as a trustee on 9 March 2012.

The trustees, Dr Canning and Dr Sugden provide director/consultancy services to the charity through their employment with Lanarkshire Health Board.

One of the trustees provided services to the Hospice during the year. The amount, included in consultancy expenses, is as follows:

Dr G P Canning	£7,274 (2011: £7,274)
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21. STANDARD SECURITY

The Big Lottery hold a first ranking Standard Security and North Lanarkshire Council hold a second ranking Standard Security (to the value of £70,000) over the land on which the Hospice has been constructed.

ST ANDREW'S HOSPICE (LANARKSHIRE)

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2012**

	2012 £	2011 £
INCOMING RESOURCES		
Voluntary income		
Donations	1,703,212	1,468,718
Gift aid	<u>89,099</u>	<u>74,712</u>
	1,792,311	1,543,430
Activities for generating funds		
Fundraising events	940,075	1,442,215
Shop income	709,174	559,126
Lottery	390,776	386,171
Cafe	74,831	82,399
VAT refund	-	17,655
Education income	<u>33,811</u>	<u>29,415</u>
	2,148,667	2,516,981
Investment income		
Rents received	29,086	27,750
Deposit account interest	<u>132,627</u>	<u>74,312</u>
	161,713	102,062
Incoming resources from charitable activities		
Deferred Lanarkshire Health Board Grant credit release	15,000	15,000
Lanarkshire Health Board Grant / Consultants and SHO - NHS grant funded	<u>2,549,262</u>	<u>2,512,489</u>
	<u>2,564,262</u>	<u>2,527,489</u>
Total incoming resources	6,666,953	6,689,962
RESOURCES EXPENDED		
Costs of generating voluntary income		
Wages	442,918	404,771
Pensions	17,231	17,000
Cafe provisions and consumables	47,123	50,201
Fundraising costs	219,589	391,000
Shop expenses	277,575	254,905
Lottery costs and prizes	<u>82,707</u>	<u>97,610</u>
	1,087,143	1,215,487
Charitable activities		
Wages	3,167,395	3,125,102
Social security	309,214	307,000
Pensions	136,445	152,927
Carried forward	3,613,054	3,585,029

This page does not form part of the statutory financial statements

ST ANDREW'S HOSPICE (LANARKSHIRE)

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2012**

	2012 £	2011 £
Charitable activities		
Brought forward	3,613,054	3,585,029
Rates	17,139	15,300
Insurance	41,404	51,258
Light and heat	77,443	66,398
Telephone	9,527	9,220
Postage and stationery	47,232	52,103
Sundries	17,614	3,858
Consultants	15,528	43,736
Catering provisions and consumables	82,016	88,989
Medical supplies	94,101	124,174
Staff uniforms	6,479	3,400
Children and Day Care	8,930	6,661
Motor expenses	22,837	21,765
Maintenance, repairs and renewals	184,220	175,440
Education	5,301	9,277
Gardening fees and supplies	9,106	7,410
Cleaning, welfare & waste management costs	58,225	81,532
Travel, entertainment and gifts	8,604	11,297
Courses	6,140	11,408
Bank charges	5,092	1,824
Professional fees	14,571	1,535
Subscriptions	7,416	9,399
Chapel sundry costs	-	4,115
Consultants and SHO - NHS grant funded	632,669	590,189
	<u>4,984,648</u>	<u>4,975,317</u>
Governance costs		
Wages	10,000	10,000
Legal fees	16,391	-
Auditors' remuneration	7,316	7,682
	<u>33,707</u>	<u>17,682</u>
Other resources expended		
Freehold property	108,423	107,525
Fixtures and fittings	23,919	23,110
Motor vehicles	1,920	2,392
	<u>134,262</u>	<u>133,027</u>
Total resources expended	<u>6,239,760</u>	<u>6,341,513</u>
Net income	<u>427,193</u>	<u>348,449</u>

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