REGISTERED COMPANY NUMBER: SC299663
REGISTERED CHARITY NUMBER: SC010159

Co. House

REPORT OF THE TRUSTEES AND AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016 FOR

ST ANDREW'S HOSPICE (LANARKSHIRE)

SATURDAY
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COMPANIES HOUSE

HARDIE CALDWELL

ST ANDREW'S HOSPICE (LANARKSHIRE)

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FOR THE YEAR ENDED 31 MARCH 2016

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REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2016

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 2016. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

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, religion or belief, and sexual orientation. To ensure that no one is excluded and in common with Hospices worldwide, all services are provided free of charge to the patients.

The objects of the charity are the relief of sickness and disability in furtherance of the aims, charism and ethos of the Religious Sisters of Charity, in particular by

a) The provision of palliative nursing, medical and other care services for those in need;

b) The provision of pastoral care services;

c) The provision of education and research into any aspect of care of the services provided by the Hospice;

d) The provision of services to members of the Religious Sisters of Charity who are in need.

Significant activities
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 Unit, Day Hospice and Care at Home services as well as in outreach clinics throughout the catchment area. 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 will be a major focus of activities through the promotion of palliation of the older adult in Lanarkshire care homes.

Volunteers
St Andrew's Hospice is indebted to over 600 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.

STRATEGIC REPORT

Achievement and performance

Charitable activities

Facilities
Over the course of the year, the plans for the refurbishment of the clinical areas within the main hospice reached a number of significant milestones:

As part of the refurbishment exercise the Hospice applied to and was successful in obtaining a significant grant from the Landtrust to refurbish the Dove Café. The qualification criteria for this grant included the requirement that this work be carried out before End October 2016. This work is therefore planned to be carried out in late summer 2016 and will not be part of the major refurbishment project.

Review of activities
The principal activity of the Charity is the operation of the Hospice for the care of terminally ill people and their families in North Lanarkshire (with the exception of Chryston, Cumbernauld & Kilsyth) and South Lanarkshire (with the exception of Rutherglen & Cambuslang).

Care is provided free to patients and referrals are accepted by GPs, Hospital Consultants and Palliative Care Clinical Nurse Specialists (CNSs) in both hospital and the community.

Through the year we had 442 admissions to the inpatient wards with a bed occupancy of 81%. These were respective changes of + 11% and - 7% over the previous year. The average length of stay for patients was 19.5 days, a decrease of 8 days over the previous year. All of these changes reflect the changes we have made in improving the efficiency of the discharge process during the year.

Attendances at the Day Hospice (out-patients plus day attenders) totalled 1,310. Plans agreed for 2016/17 to assess the potential for the introduction of a Rehabilitation Model of care to the Day Hospice and the other support services of: out-patients, community support, physiotherapy occupational therapy and complementary therapy to meet the needs of community based patients.

Bereavement support: The counselling service providing help to people with no previous connection to the hospice with bereavement issues has seen 214 people and provided 1,167 counselling sessions in the course of the year.

The children's drop-in service has also supported 46 children and their carers who have been affected by loss and grief during the period

The hospice was inspected by Healthcare Improvement Scotland in March 2016. The results of that inspection demonstrated significant, continuing improvements in all areas inspected over all previous inspections.

The past year has seen further considerable changes in the clinical areas e.g.:

- The introduction of an electronic patient care record (Crosscare) in January 2016.
- The introduction of an electronic incident reporting and management system (Datix) in February 2016.
- The re-organisation of the three nursing and medical teams each managing the care of a one ward of 10-12 patients, into two clinical teams each responsible for the care of a group of 15-17 patients in one half of the same ward.

Liaison with other agencies
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 where the sharing of; information, ideas and education resources happens regularly. In addition, plans are well advanced for St. Andrew's to benefit from economies of scale through the collaboration of Scottish Hospices' Fundraising departments who have agreed to pool some resources to increase fundraising income at a national level.

The Hospice is a member of the Lanarkshire Palliative Care Managed Clinical Network (MCN), is well represented at these meetings and one of the hospice's consultants took over as Chair of these meetings towards the end of the year. The hospice also links with both the North & South Lanarkshire Voluntary sector interface bodies (VANL and VASLAN respectively) to deliver community palliative care support in conjunction with Strathcarron Hospice in North Lanarkshire and Kilbryde in South Lanarkshire. Both of these projects have received on-going funding for at least the next year.

STRATEGIC REPORT

Achievement and performance

Charitable activities

Liaison with other agencies
Together with a group of over 100 UK Hospices, St. Andrew's is involved in the sharing of best practise and clinical benchmarking to ensure we provide the highest possible standards of care for our patients. The results from this benchmarking has shown considerable continuous improvement and indicate that St Andrew's Hospice is performing extremely well in the indicators measured.

We have close links with the HCP/shadow Integrated Joint Board for Health and Social Care in South Lanarkshire, the lead commissioner of our services. Quarterly performance reports are submitted to them and these, along with the hospice's financial performance, are reviewed at quarterly contract monitoring meetings.

The South Lanarkshire Care at Home project, funded by 'Reshaping Care for Older People' (RCOP) initially and latterly by the Integration Fund, came to an end on 31st March 2016. However, the new Integration Joint Board in South Lanarkshire recognised the success of this 4 year project and funded it for a further year in the first instance from 1st April 2016. In this project in 2015/16, we worked in partnership with Kilbryde Hospice to provide palliative care support with input from CNSs, Complementary Therapists and Volunteer Befrienders to people and their carers in their own homes. In North Lanarkshire we have been working with VANL and Strathcarron Hospice over the 3 years to March 2016 to successfully establish a care at home service similar to that in South Lanarkshire. This was also initially funded by 'Reshaping Care for Older People' money which was then transferred to the Integration Fund. As with funding in South Lanarkshire, the RCOP/Integration Fund monies came to an end on 31st March 2016 and were replaced by a grant from the North Lanarkshire integration Joint Board, through VANL, in recognition of the value of this project. As this grant does not fully fund the North project, alternative funding and contingencies are being explored.

Trustees and SMT members continue to meet with officers from the North and South Lanarkshire IJBs, NHSL, Kilbryde Hospice plus MPs and MSPs to seek constructive discussions around the future of palliative care provision in Lanarkshire, including the provision of SPC beds.

Education
The Education Department has provided a range of both accredited education and skills-based courses for hospice staff and external clients over the year. In total we had 1,134 people attend education and training sessions.

Our partnership with Glasgow Caledonian University continued with the successful delivery of our Palliative Care Modules at SQA Levels 9 and 10. 37 students undertook and completed these modules.

Our courses on Communication, Loss, Grief and Bereavement Skills have been provided for 105 people, while a further 30 people undertook our course on Introduction to Spirituality in Healthcare.

Over 280 people have attended our monthly lectures throughout the year.

This year has seen the successful completion of the second cohort of students undertaking SVQ Level 2 in Health and Social Care and 5 of our auxiliary nurses were awarded this certificate.

We have delivered the "Addressing the Great Taboo" programme to 262 NHSL staff during the period.

North Lanarkshire Council has had 23 staff members on Palliative Care Training this year.

Our new Mission Effectiveness Training programme has been delivered to 122 hospice staff during the period

We have continued to expand our eLearning programme with new modules in: mandatory 'Data Protection' and 'Fire Safety' for all staff and an optional module, 'Playlist for Life' designed for patients with dementia.

Pastoral / Spiritual & Social Care
Attending to the Spiritual needs of our patients and families remains at the forefront of all we do. Patient discharge can be quite challenging when it is dependent upon the timeous establishment of a social care package. These are difficult to secure in some areas of Lanarkshire.

Patients and families, who have no live church connection, or no religious belief, regularly call upon members of the Spiritual Care Team to preside over their funerals.

STRATEGIC REPORT

Achievement and performance

Charitable activities

Pastoral / Spiritual & Social Care (cont'd)
Bereavement support: The counselling service providing help to people with no previous connection to the hospice with bereavement issues has seen 214 people and provided 1,167 counselling sessions in the course of the year.

The children's Drop-in has also supported 46 children and their carers who have been affected by loss and grief during the period.

Fundraising activities

Our reliance on fundraising activities is demonstrated by the fact that they provide 53% of our total running costs.

St Andrews Hospice, as with all charities that rely heavily on voluntary income, continue to face economic challenges. Our fundraising teams are keeping all fundraising activities under review with a view to keeping existing fundraising activity fresh, and introducing new activity where appropriate.

The current economic climate makes it harder to fundraise. We are keeping a keen eye on costs and our costs for fundraising through events, school donations etc. dropped by £19,000, however our income decreased by £517,000. The principal reasons for the decrease was a reduction in legacy income, which is unpredictable, of £323,000 and a large one off donation of over £200,000 last year.

Mindful of the need to broaden income streams, we have engaged in a partnership with other Scottish Hospices to engage in fundraising activities collectively that would not be possible on our own. We have also reviewed our lottery and have agreed an investment into recruiting new lottery players in the next financial year which will see a growth in both players and income.

The economic challenges in the High Street have also affected us in our charity shops. For example there is a fall in the rag price paid to all charities largely due to changes in two of the main markets for British recycled clothing; West Africa and the Ukraine. Both of these markets have been hit with instability and revenue in this area has halved over the last 2 years

We saw a decrease in our shops income of £43,000. However, in the previous financial year we had 2 shops that were closed so like for like sales income saw a decrease of £16,000. This was largely due to periods of closure whilst the new Electronic Point of Sale (EPOS) tills were being installed, and due to refurbishment works in a few of our stores. We also saw an increase in our costs of £64,000, principally due to investment in EPOS and the aforementioned refurbishments. However, the installation of the new tills will lead to an increase in income and profits particularly through Gift Aid on donated goods and online trading.

Overall, the environment for fundraising and charity retail will continue to be challenging. However, given our investment in developing new fundraising activities, our strengthened capacity and the investment in our retail operation, we are confident that we can meet the challenge and raise the required income to meet the hospice's needs going forward.

Awards
At a gala dinner sponsored by OSCR (the Scottish Charity Regulator) on 3rd December 2015, St Andrew's Hospice:

- Won "Adult Health Charity of the Year" award.
- Was Runner-up in "Charity of the Year (Income > £250,000)"

Financial review

Financial position
The financial activities of the charitable company are as set out in the attached financial statements.

During the period under review, the overall income was £7,184,896 (2015: £7,527,703).

The net expenditure for the year was £785,090 (2015: net income of £340,314).

The total of the accumulated Unrestricted General Fund at 31 March 2016 was £7,507,420 (2015: £9,683,842).

STRATEGIC REPORT

Financial review

Principal funding sources
NHS Lanarkshire is the single largest funder providing 37.2% of our total income. Our grant agreement identifies areas of core business where the NHS provides 50% funding. However, developments in some clinical areas and in fundraising have been fully funded by the Hospice.

Investment policy and objectives
In May 2014, the trustees enlisted the services of Brewin Dolphin Ltd to establish a portfolio for reserves of £2,000,000.

The investment objective for long-term reserves is to generate a return in excess of inflation whilst generating an income to support the ongoing activities of the charity.

The investment objective for short-term reserves is to preserve the capital values with a minimum level of risk.

Assets should be readily available to meet unanticipated cash flow requirements.

The closing market value for this portfolio, as at 31 March 2016, was £2,004,598 (2015: £2,112,998).

Reserves policy
The target of the Hospice within this year was to achieve a minimum of 6 months of free reserves. However, this was under review at the end of the year and consideration was being given to reduce this to 3 months, to enable funds to be transferred into the Capital Appeal fund to facilitate bids to some trusts.

The overall financial position remains healthy at the end of this year. The Hospice has free reserves that cover 8.5 months (2015 – 10.3 months) operating costs.

Going concern
The charitable company has cash resources and has no finance debts. The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

Principal risks and uncertainties
The trustees have a duty to identify and review the risks to which the charitable company is exposed.

Structures are in place to oversee the operational risks the hospice is subject to and these are managed through the Integrated Governance Committee, which as a sub-committee of the Board of Trustees reports into the Board. Reporting into the Integrated Governance Committee are sub committees for; Clinical Audit, Medicines, Management, Control of Infection, Health & Safety, Patient Satisfaction and Information Governance.

The major strategic risks and uncertainties for the charity are;

- the continuance of the current financial arrangement and partnership with NHS Lanarkshire.
- the maintenance of the current fundraising activities in a difficult financial climate.
- the development of Kilbryde Hospice.
- the success of the capital appeal for the refurbishment.

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.

STRATEGIC REPORT

Future plans

The Trustees Strategy Sub-Group meets six times a year to review strategic developments and report to the full Board of Trustees. Plans identified by this group during 2015/16 and previous strategic initiatives monitored by the Group during this year were as follows:

Hospice Strategic Plan

- The development of a 3 year strategy for the hospice

Hospice refurbishment

The Group monitored and oversaw the design process for the refurbished hospice which saw the following significant milestones.

- Stage D report signed off by Hospice in September 2015.
- Planning application for Henderson Street submitted in October 2015 and approved.
- Wester Moffat design plans approved.
- Wester Moffat decant meetings commenced in January 2016.
- Contractor selection process commenced in Feb 2016.
- PQQ process commenced in Feb 2016.

Clinical Strategy

- Contributing and responding to NHSL's Palliative Care Strategy Review.
- The introduction of new, one ward two team, model of working for the clinical teams in the In-patient Unit.

IT Strategy

- The introduction of an electronic patient care record (Crosscare).
- The introduction of an electronic Incident and Risk management system (Datix).
- The decision to introduce a re-designed Hospice Website.
- The introduction of an Electronic Point of Sale (EPOS) system into all retail outlets.

Fundraising Strategy

- Consideration of the contracting out of Lottery canvassing.
- Consideration of the risks and benefits of joining the Scottish Hospices Fundraising consortium.
- Establishing a warehouse to service all retail outlets.

Investment strategy

- Continual monitoring to ensure funds are invested to maximise returns whilst minimising risks.

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 charitable 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.

New Articles of Association and a governing document of the charitable company were accepted on 31 August 2012.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of new trustees
The Directors of the charitable 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.

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

The Senior Management Team currently consists of the Chief Executive, Acting Deputy Chief Executive Governance and Service Development, Acting Deputy Chief Executive Clinical Services, Head of Fundraising, Head of Medical Services, Director of Mission, Finance Manager, HR Manager and Facilities Manager.

Senior Management Team meetings are held formally every 4 weeks. A formal agenda is followed and an action plan and approved minutes are made available to staff. An Informal meeting is also held monthly.

Induction and training of new trustees
All trustees of the charitable 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.

Key management remuneration
The trustees consider that the trustees, the chief executive and the two acting deputy chief executives now comprise the key management personnel in charge of directing and controlling, running and operating the charity on a day to day basis. During the financial year the key management personnel were the trustees, the chief executive and the deputy chief executive.

The remuneration policy for all employees is to match the skills, experience and qualifications of each position consistent with a framework allowing market levels in the sector and in the locality of the employment base.

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

The members of the charitable 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 and inspected by Healthcare Improvement Scotland (HIS).

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 Hospice UK, 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 district general hospitals in Lanarkshire, the Community Macmillan Team, in the Managed Clinical Network for Palliative Care, in GP surgeries, in care homes and other care centres across Lanarkshire.

Risk management
The trustees have examined the major risks to which the charity is exposed. In particular they examined those related to Operations, Governance, Finance, Compliance and External Factors which may have an impact on the charity. They are satisfied that systems are in place in order to mitigate exposure to the major risks. The trustees will continue to review their policies in the light of issues raised during the charity's annual risk assessment.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
SC299663

Registered Charity number
SC010159

Registered office
1 Henderson Street
Airdrie
Lanarkshire
ML6 6AS

Trustees
Mr Joseph Cairney
Dr Gordon P Canning (resigned 02.09.15)
Rev Margaret Currie (resigned 02.09.15)
Sister Rita Dawson
Mr Matt Donnelly
Mrs Marian Gardner
Mr Stephen Giusti
Mrs Marcella MacLean (appointed 04.11.15)
Mr George McCall (appointed 02.03.16)
Mr Harry McMenamin
Sister Geraldine O'Connor

Company Secretary
Rev Margaret Currie (resigned 02.09.15)

Independent auditors
Hardie Caldwell LLP
Statutory 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

REFERENCE AND ADMINISTRATIVE DETAILS

Senior Management Team

Bruce High	Chief Executive
Joy Farquharson	Acting Deputy Chief Executive Governance and Service Development
Rosemary Brolly	Acting Deputy Chief Executive Clinical Services
John Brady	Head of Fundraising
Dr. Gordon Canning	Head of Medical Services
Sister Catherine Egan	Director of Mission
Edwin Munro	Finance Manager
Jeanne Rennie	HR Manager
Gary McBirnie	Facilities Manager

During the financial year and prior to her moving to another hospice in June 2016, Miriam Watts was the Deputy Chief Executive / Head of Clinical Services.

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), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

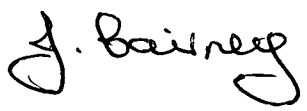
So far as the trustees are aware, there is no relevant information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make them aware of any audit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

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 7 September 2016 and signed on the board's behalf by:

Mr Joseph Cairney
Trustee



We have audited the financial statements of St Andrew's Hospice (Lanarkshire) for the year ended 31 March 2016 on pages twelve to twenty seven. 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 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 set out on page nine, 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 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 2016 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; 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.

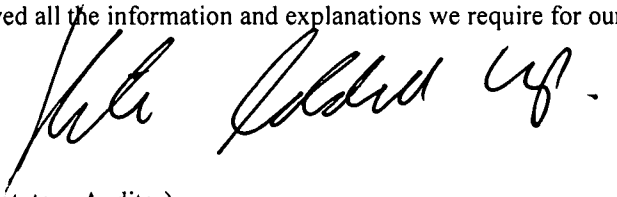
Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

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
Statutory Auditors
Chartered Accountants
Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Citypoint 2
25 Tyndrum Street
Glasgow
G4 0JY

Date: 7 September 2016

ST ANDREW'S HOSPICE (LANARKSHIRE)

STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	1,367,362	375,194	1,742,556	1,525,569
Charitable activities	6				
Pallative care		2,689,195	248,905	2,938,100	3,092,426
Other trading activities	4	2,425,368	-	2,425,368	2,855,117
Investment income	5	74,297	3,675	77,972	51,147
Other income		900	-	900	3,444
Total		6,557,122	627,774	7,184,896	7,527,703
EXPENDITURE ON					
Raising funds	7	1,738,218	167	1,738,385	1,592,046
Charitable activities	8				
Pallative care		5,311,968	801,612	6,113,580	5,727,289
Total		7,050,186	801,779	7,851,965	7,319,335
NET INCOME/(EXPENDITURE) BEFORE GAINS/(LOSSES) ON INVESTMENTS		(493,064)	(174,005)	(667,069)	208,368
Net gains/(losses) on investments		(118,021)	-	(118,021)	131,946
NET INCOME/(EXPENDITURE)		(611,085)	(174,005)	(785,090)	340,314
Transfers between funds	21	(67,237)	67,237	-	-
Net movement in funds		(678,322)	(106,768)	(785,090)	340,314
RECONCILIATION OF FUNDS					
Total funds brought forward		10,766,492	(41,245)	10,725,247	10,384,933
TOTAL FUNDS CARRIED FORWARD		10,088,170	(148,013)	9,940,157	10,725,247

CONTINUING OPERATIONS
All income and expenditure has arisen from continuing activities.

The notes form part of these financial statements

BALANCE SHEET
AT 31 MARCH 2016

	Notes	Unrestricted funds £	Restricted funds £	2016 Total funds £	2015 Total funds £
FIXED ASSETS					
Tangible assets	15	4,465,284	-	4,465,284	4,601,380
Investments	16	2,004,598	-	2,004,598	2,112,998
		6,469,882	-	6,469,882	6,714,378
CURRENT ASSETS					
Debtors	17	379,829	-	379,829	456,168
Cash at bank		3,829,745	(121,667)	3,708,078	4,132,340
		4,209,574	(121,667)	4,087,907	4,588,508
CREDITORS					
Amounts falling due within one year	18	(561,286)	(26,346)	(587,632)	(532,639)
NET CURRENT ASSETS/(LIABILITIES)		3,648,288	(148,013)	3,500,275	4,055,869
TOTAL ASSETS LESS CURRENT LIABILITIES		10,118,170	(148,013)	9,970,157	10,770,247
CREDITORS					
Amounts falling due after more than one year	19	(30,000)	-	(30,000)	(45,000)
NET ASSETS/(LIABILITIES)		10,088,170	(148,013)	9,940,157	10,725,247
FUNDS	21				
Unrestricted funds:					
General fund				7,507,420	9,683,842
Donations towards freehold property				80,750	82,650
Designated fund - Refurbishment project				2,500,000	1,000,000
				10,088,170	10,766,492
Restricted funds				(148,013)	(41,245)
TOTAL FUNDS				9,940,157	10,725,247

The financial statements were approved by the Board of Trustees on 7 September 2016 and were signed on its behalf by:

Mr Joseph Cairney
Trustee

The notes form part of these financial statements

continued...

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

	Notes	2016 £	2015 £
Cash flows from operating activities:			
Cash generated from operations	1	(418,373)	121,691
Net cash provided by (used in) operating activities		(418,373)	121,691
Cash flows from investing activities:			
Purchase of tangible fixed assets		(74,240)	(46,103)
Purchase of fixed asset investments		(80,248)	(1,981,052)
Sale of tangible fixed assets		-	3,448
Sale of fixed asset investments		70,627	-
Interest received		8,384	11,574
Dividend income		69,588	39,573
Net cash provided by (used in) investing activities		(5,889)	(1,972,560)
Change in cash and cash equivalents in the reporting period		(424,262)	(1,850,869)
Cash and cash equivalents at the beginning of the reporting period		4,132,340	5,983,209
Cash and cash equivalents at the end of the reporting period		3,708,078	4,132,340

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2016

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(785,090)	340,314
Adjustments for:		
Depreciation charges	210,336	201,174
Gain on investments	(324)	-
Profit on disposal of fixed assets	-	(3,444)
Interest received	(8,384)	(11,574)
Dividend income	(69,588)	(39,573)
Deferred Lanarkshire Health Board Grant credit release	(15,000)	(15,000)
Unrealised losses/(gains) on investments	118,345	(131,946)
Decrease/(increase) in debtors	76,339	(141,353)
Increase/(decrease) in creditors	54,993	(76,907)
Net cash provided by (used in) operating activities	(418,373)	121,691

1. STATUS OF THE COMPANY

The company is a registered Scottish charity and enjoys the benefits of exemption from corporation tax on its charitable income commensurate with that status.

The company is limited by guarantee and has no share capital. The maximum liability of each member is restricted to £1.

2. ACCOUNTING POLICIES

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

Basis of preparing the financial statements
The financial statements of the charitable company have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 ' The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

Going concern
The charity has cash resources and has no finance debts. The trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

Income
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Expenditure
Costs relating to charitable activities, support costs and governance costs are charged to the Statement of Financial Activities on an accruals basis. Expenditure is recognised when there is a legal or constructive obligation to pay for expenditure.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Raising funds costs include 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.
Charitable activities costs include direct costs incurred directly in meeting the objects of the charity, including support costs and governance costs apportioned to charitable activities.

Direct costs are 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.

Support costs are costs attributable to the management of the charity and its financial affairs.

Governance costs are costs attributable to compliance with the charity's constitutional and statutory requirements.

2. ACCOUNTING POLICIES - *continued*

Tangible fixed assets

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

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.

Investments and investment income
The investments of the charity comprises two funds of listed shares held with Brewin Dolphin. The investments are held on the balance sheet at market value.

Unrealised gains / losses on revaluation and gains / losses realised on disposal are taken to the Statement of Financial Activities.

Investment income represents dividends received from listed investments, and interest receivable in the year gross of tax.

Realised and unrealised gains and losses
Realised gains/losses are calculated as the difference between the investments carrying value and its disposal proceeds.

Unrealised gains/losses are calculated as the difference between the market value of investments at the end of the year compared with the start of the year.

Debtors
Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash at bank and in hand
Cash at bank and cash in hand includes cash, bank and deposit accounts all available on demand.

Creditors
Creditors are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are recognised at their settlement amount.

Deferred Grants
The grant is being amortised evenly over 20 years.

Financial instruments
The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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.

Employee benefits
The charity operates a defined contribution pension scheme. Contributions are charged to the Statement of Financial Activities in the period to which they relate.

3. DONATIONS AND LEGACIES

	2016	2015
	£	£
Donations	1,280,183	1,443,630
Gift aid	87,179	77,402
Refurbishment project	332,194	4,537
Furniture project	43,000	-
	1,742,556	1,525,569

4. OTHER TRADING ACTIVITIES

	2016	2015
	£	£
Fundraising events	947,217	1,315,325
Shop income	958,088	1,001,246
Lottery	387,825	391,390
Café	83,522	78,018
Education income	15,610	14,904
Hospitality income	10,989	14,489
Other income	22,117	39,745
	2,425,368	2,855,117

5. INVESTMENT INCOME

	2016	2015
	£	£
Dividend income	69,588	39,573
Deposit account interest	4,709	11,574
Refurbishment project interest	3,675	-
	77,972	51,147

6. INCOME FROM CHARITABLE ACTIVITIES

		2016	2015
		£	£
	Activity		
Deferred Lanarkshire Health Board Grant credit release	Pallative care	15,000	15,000
Lanarkshire Health Board Grant / Consultants and SHO - NHS grant funded	Pallative care	2,674,195	2,719,894
Care at Home project grant	Pallative care	95,765	261,965
Reshaping Care/Thematic project grant	Pallative care	43,390	95,567
Crosscare project	Pallative care	79,750	-
VANL education project	Pallative care	30,000	-
		2,938,100	3,092,426

7. RAISING FUNDS

Raising donations and legacies

	2016	2015
	£	£
Staff costs	608,619	628,860
Café provisions and consumables	37,533	42,701
Fundraising costs	399,085	397,549
Shop expenses	496,566	432,061
Lottery costs and prizes	81,107	82,169
Hospitality costs	6,509	8,706
Refurbishment project	108,966	-
	1,738,385	1,592,046

8. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 9)	Support costs (See note 10)	Totals
	£	£	£
Pallative care	4,915,705	1,197,875	6,113,580

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2016	2015
	£	£
Staff & consultant costs	3,140,347	3,116,365
Non payroll clinical costs	456,792	438,020
Premises costs	305,802	453,292
Other costs	112,783	100,200
Refurbishment project	356,937	45,782
Care at Home project	124,553	264,791
Reshaping Care/Thematic project	94,539	95,567
Crosscare project	82,000	-
VANL third sector locality	30,000	-
Other projects	22,650	-
Depreciation	189,302	181,057
	4,915,705	4,695,074

10. SUPPORT COSTS

	Management	Governance costs	Totals
	£	£	£
Pallative care	1,179,625	18,250	1,197,875

Support costs, included in the above, are as follows:

Management

	2016 Pallative care	2015 Total activities
	£	£
Staff costs	1,112,083	932,352
Premises costs	33,978	50,366
Other costs	12,530	11,130
Depreciation	21,034	20,117
	1,179,625	1,013,965

Governance costs

	2016 Pallative care	2015 Total activities
	£	£
Staff costs	10,000	10,000
Auditors' remuneration	8,250	8,250
	18,250	18,250

11. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2016	2015
	£	£
Auditors' remuneration	8,250	8,250
Auditors' remuneration - non audit	3,574	3,251
Depreciation - owned assets	210,336	201,174

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2016 nor for the year ended 31 March 2015.

Trustees' expenses
There were no trustees' expenses paid for the year ended 31 March 2016 nor for the year ended 31 March 2015.

13. STAFF COSTS

	2016	2015
	£	£
Salary costs	3,919,322	3,476,245
Social security costs	325,724	282,278
Other pension costs	194,585	178,082
	4,439,631	3,936,605

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

	2016	2015
Administration	34	28
Fundraising	30	34
Household & Maintenance	31	26
Medical & Nursing	123	128
	218	216

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2016	2015
£60,001 - £70,000	1	1

During the financial year the key management personnel of the charity consisted of the trustees, the chief executive and the deputy chief executive. The total employee benefits of the key management personnel in the year were £125,514 (2015: £128,446).

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	1,521,032	4,537	1,525,569
Charitable activities			
Pallative care	2,734,894	357,532	3,092,426
Other trading activities	2,855,117	-	2,855,117
Investment income	51,147	-	51,147
Other income	3,444	-	3,444
Total	7,165,634	362,069	7,527,703
EXPENDITURE ON			
Raising funds	1,592,046	-	1,592,046
Charitable activities			
Pallative care	5,321,149	406,140	5,727,289
Total	6,913,195	406,140	7,319,335
NET INCOME/(EXPENDITURE) BEFORE GAINS/(LOSSES) ON INVESTMENTS	252,439	(44,071)	208,368
Net gains/(losses) on investments	131,946	-	131,946
NET INCOME/(EXPENDITURE)	384,385	(44,071)	340,314
Transfers between funds	(2,826)	2,826	-
Net movement in funds	381,559	(41,245)	340,314
RECONCILIATION OF FUNDS			
Total funds brought forward	10,384,933	-	10,384,933
TOTAL FUNDS CARRIED FORWARD	10,766,492	(41,245)	10,725,247

15. TANGIBLE FIXED ASSETS

	Freehold property	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£
COST				
At 1 April 2015	5,431,132	791,653	99,858	6,322,643
Additions	-	74,240	-	74,240
At 31 March 2016	5,431,132	865,893	99,858	6,396,883
DEPRECIATION				
At 1 April 2015	1,143,487	483,868	93,908	1,721,263
Charge for year	108,623	99,493	2,220	210,336
At 31 March 2016	1,252,110	583,361	96,128	1,931,599
NET BOOK VALUE				
At 31 March 2016	4,179,022	282,532	3,730	4,465,284
At 31 March 2015	4,287,645	307,785	5,950	4,601,380

16. FIXED ASSET INVESTMENTS

	Listed investments
	£
MARKET VALUE	
At 1 April 2015	2,112,998
Additions	80,248
Disposals	(70,627)
Revaluations	(118,021)
At 31 March 2016	2,004,598

There were no investment assets outside the UK.

All investments are carried at their market value. Investments in equities and fixed interest securities are traded in quoted public markets, namely the London Stock Exchange. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value).

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Debtors control account	840	7,255
Sundry debtors	84,092	71,372
Legacy debtors	140,000	253,645
VAT	11,167	6,729
Prepayments and accrued income	143,730	117,167
	379,829	456,168

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Creditors control account	247,369	117,882
Social security and other taxes	113,929	76,932
Other creditors	16,000	11,600
Deferred income	158,880	275,543
Accrued expenses	51,454	50,682
	587,632	532,639

Deferred income relates to monies received during the year in respect of fund raising events, projects and grant funding for activities which will take place in future periods and is analysed as follows:

	At 1.4.15	Release of 2015 deferrals	Deferral of 2016 income received	At 31.3.16
	£	£	£	£
Fundraising Events	177,043	(177,043)	132,534	132,534
Care at Home project grant	98,500	(98,050)	2,735	2,735
Reshaping Care/Thematic project grant	-	-	23,611	23,611
	275,543	(275,543)	158,880	158,880

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

	2016	2015
	£	£
Deferred government grants	30,000	45,000

20. OPERATING LEASE COMMITMENTS

Minimum lease payments fall due as follows:

	Land and buildings	
	2016	2015
	£	£
Due:		
Within one year	176,933	195,750
Between one and five years	304,742	255,542
In more than five years	8,000	-
	489,675	451,292

21. MOVEMENT IN FUNDS

	At 1.4.15	Net movement in funds	Transfers between funds	At 31.3.16
Unrestricted funds	£	£	£	£
General fund	9,683,842	(611,085)	(1,565,337)	7,507,420
Donations towards freehold property	82,650	-	(1,900)	80,750
Designated fund - Refurbishment project	1,000,000	-	1,500,000	2,500,000
	10,766,492	(611,085)	(67,237)	10,088,170
Restricted funds				
Refurbishment project	(41,245)	(130,034)	-	(171,279)
Care at Home project	-	(28,788)	28,788	-
Reshaping Care/Thematic project	-	(51,149)	51,149	-
Crosscare project	-	(2,250)	2,250	-
Furniture project	-	38,216	(14,950)	23,266
	(41,245)	(174,005)	67,237	(148,013)
TOTAL FUNDS	10,725,247	(785,090)	-	9,940,157

Transfers from unrestricted represents support provided from unrestricted funds to restricted projects. The furniture fund transfers are in respect of capitalised expenditure.

The refurbishment project restricted fund deficit is expected to be cleared by future fund raising. In addition the trustees have designated funds for this project.

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

	Incoming resources	Resources expended	Gains and losses	Movement in funds
	£	£	£	£
Unrestricted funds				
General fund	6,557,122	(7,050,186)	(118,021)	(611,085)
Restricted funds				
Refurbishment project	335,869	(465,903)	-	(130,034)
Care at Home project	95,765	(124,553)	-	(28,788)
Reshaping Care/Thematic project	43,390	(94,539)	-	(51,149)
Crosscare project	79,750	(82,000)	-	(2,250)
VANL third sector locality	30,000	(30,000)	-	-
Furniture project	43,000	(4,784)	-	38,216
	627,774	(801,779)	-	(174,005)
TOTAL FUNDS	7,184,896	(7,851,965)	(118,021)	(785,090)

21. MOVEMENT IN FUNDS - continued

Unrestricted funds
Within the unrestricted funds the trustees have designated £2,500,000 to support the Refurbishment project.

Restricted funds
The Refurbishment project restricted fund relates to monies raised and expended on the Hospice refurbishment project. The fund is in deficit at the year end but future fund raising is expected to fund this deficit and the trustees have also designated funds to cover any project deficit.

The Care at Home project restricted fund relates to monies granted from the South Lanarkshire integrated Joint Board Health & Social Care Partnership joint project with The Haven and Kilbryde.

The Reshaping Care/Thematic project restricted fund relates to monies granted from the North Lanarkshire integrated Joint Board Health & Social Care Partnership for a joint project with Voluntary Action North Lanarkshire and Strathcarron Hospice.

The Crosscare project relates to monies granted from the NHS in respect of the electronic patients IT system.

Other restricted funds are for the purpose as per the title of the fund.

22. RELATED PARTY DISCLOSURES

The members of the charity are representatives of the Order of the Religious Sisters of Charity. £22,626 (2015: £22,386) was paid to the Order in respect of Sister Catherine Egan, Director of Patient & Public Liaison.

23. 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.

24. FIRST YEAR ADOPTION

Transitional relief
In making the transition to FRS 102 no restatement of balances was required in respect of 31 March 2015 nor was restatement of balances required at the date of transition. The date of transition was 1 April 2014.

	£
Net income/(expenditure) for the year ended 31 March 2015	
Net income/(expenditure) for the year under former UK GAAP	340,314
Net income/(expenditure) for the year under FRS 102	340,314
Balance Sheet at 31 March 2015	
Funds under former UK GAAP	10,725,247
Funds under FRS 102	10,725,247
Balance Sheet at 1 April 2014	
Funds under former UK GAAP	10,384,933
Funds under FRS 102	10,384,933