

REGISTERED COMPANY NUMBER: SC299663
REGISTERED CHARITY NUMBER: SC010159

**REPORT OF THE TRUSTEES AND
AUDITED FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 MARCH 2017
FOR**

ST ANDREW'S HOSPICE (LANARKSHIRE)



ST ANDREW'S HOSPICE (LANARKSHIRE)

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FOR THE YEAR ENDED 31 MARCH 2017**

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ST ANDREW'S HOSPICE (LANARKSHIRE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017

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 2017. 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

In line with the Scottish Governments Strategic Framework for Action on Palliative and End of Life Care (2015), 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 and end of Life Care is a further objective of the Hospice through the promotion and implementation of "Enriching & Improving Experience", the national palliative and end of life care training initiative.

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.

REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017

STRATEGIC REPORT

Achievement and performance

Charitable activities

Facilities

Following a successful bid to Patterson's Quarries through the Landtrust, the Hospice obtained a significant grant to carry out a refurbishment of its Dove Café. This work was completed in September 2016 and the new Café was officially opened on 8th October. The plans for the refurbishment of the clinical areas within the main Hospice reached a significant milestone at the Trustees Board meeting held on 12th October where the decision was taken to proceed with the refurbishment commencing in January 2017.

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.

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

- The decant of the In-patient Unit in January for the duration of the refurbishment to 2 wards at Wester Moffat Hospital.
- The roll out of electronic patient care record (Crosscare) to the Community and Day Services Teams
- The transfer of the Risk Register to the Datix electronic system.
- Implementation of electronic referrals via our new website.

Through the year we had 400 admissions to the inpatient wards with bed occupancy of 73.1%. These were respective changes of -10% and - 10% over the previous year. The average length of stay for patients was 16.74 days, a decrease of 2.7 days (14%) over the previous year. Prior to the planned decant in January 2017, the bed occupancy was intentionally reduced to allow us to undertake the safe movement and care of patients to one ward on the decant site at Wester Moffat. Therefore, for the 10 weeks prior to the decant we reduced the bed occupancy by 2 per week to ensure less than 14 patients required to be transferred on the 16th January. Following the decant we operated with only one ward open (14 beds) for nearly 3 weeks to allow the renovation work to be completed on the 2nd ward. These necessary measures were the reasons for the reduction in admissions and occupancy statistics.

Attendances at Day Services (Outpatients/Traditional Day Hospice plus new Wellbeing Programme) totalled 1,027 (decrease of 22%). Since December 2016, Day Services have operated from one room in the Education Suite. This has restricted the number of patients who can access the services. However, we have utilised the change in circumstance to pilot a new Wellbeing Programme as well as continue to offer Physiotherapy, Occupational Therapy and Complementary Therapy outpatient services. Our MS and Drop-In Peer Support Groups have also continued to meet.

The Bereavement Support and Counselling Service provides help to people, including those with no previous connection to the Hospice, with bereavement issues. The Services has seen 204 people (5% reduction) and provided 1,555 (33% increase) counselling sessions in the course of the year. The Children's Drop-in service has also supported 40 children and their carers who have been affected by loss and grief during the period. The Bereavement Support Service, with the exception of the Children's Drop-in, has been housed within Airdrie Health Centre since January 2017 to facilitate the refurbishment.

The facilities at Wester Moffat were inspected by HIS prior to the service decanting there and the Certificate of Registration transferred for the decant period. A full inspection has not taken place during 2016/17, however it is expected that one will take place on return to Henderson Street.

Liaison with other agencies

The Hospice is a member of the Scottish Hospices Forum, the Scottish Partnership for Palliative Care and Hospice U.K. Good links exist with many other Scottish Hospices where the sharing of; information, ideas and education resources happens regularly. In addition, St. Andrew's has linked with the majority of other Scottish Hospices to establish a National Hospice Fundraising Forum to benefit from economies of scale and collaborate on national fundraising initiatives.

STRATEGIC REPORT

Achievement and performance

Charitable activities

Liaison with other agencies (continued)

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 have shown considerable continuous improvement and indicate that St Andrew's Hospice continues to perform extremely well in the indicators measured. An additional benchmarking indicator was commenced during 2016/17 i.e. the number of days between patients first accessing specialist palliative care and their death.

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 consultant is the current Chairperson. 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 Hospice in South Lanarkshire. Both of these projects have received on-going funding for at least the next year. These projects provide palliative care support with input from CNSs, Complementary Therapists and Volunteer Befrienders to people and their carers in their own homes.

We have close links with South Lanarkshire's Health and Social Care Partnership, the lead commissioner of Palliative Care Services for both North and South Lanarkshire. Quarterly performance reports are submitted to them and these, along with the Hospice's financial performance, are reviewed at quarterly contract monitoring meetings.

At the beginning of 2017, a Short Life Working Group (SLWG) was established in Lanarkshire to "Develop an implementation plan for the Palliative Care section of NHS Lanarkshire's Healthcare Strategy, 'Achieving Excellence' and the H&SCPs Strategic Commissioning Plans." As well as considering future Palliative Care provision in the community and acute hospitals, the SLWG examined the options for future Specialist Palliative Care (SPC) bed provision. Representatives from all of the main key stakeholders sat on the SLWG including representatives from both St Andrew's and Kilbryde Hospices. The recommendation from a sub-group of this SLWG will, in the Summer/Autumn of 2017, be considered by the Integrated Joint Boards (IJBs) of the Health and Social Care Partnerships of North and South Lanarkshire and also the Board of NHS Lanarkshire. It is expected that, following agreement by those three Boards, a strategy can be finalised that will potentially change the current SPC bed configuration in Lanarkshire. Any change could result in a reduction of statutory bed funding for St Andrew's Hospice.

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 756 people attended 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. 31 students undertook and completed these modules.

Our courses on Communication, Loss, Grief and Bereavement Skills have been provided for 101 people, while a further 28 people undertook our course on Introduction to Spirituality in Healthcare.

175 people have attended our monthly lectures throughout the year.

This year has also seen the successful completion of the second cohort of students undertaking SVQ Level 2 in Health and Social Care when 5 of our auxiliary nurses were awarded this certificate. A further 7 auxiliary nurses are currently undertaking this award. When this cohort has completed the course, all existing auxiliary nurses in the Hospice will have SVQ level 2 as a minimum. We have delivered the "Addressing the Great Taboo" programme to 220 NHSL staff during the period.

George Beuken, the Hospices Head of Education and Support Services, presented his poster 'Addressing the Great Taboo' at the SPPC's annual conference where it was judged to be the winning poster at that event.

North Lanarkshire Council has had 34 staff members on Palliative Care Training this year.

Our Mission Effectiveness Training programme continued to be delivered to staff during the period.

We continue to be involved in external education, presenting both locally and nationally at conferences and other events.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017**

STRATEGIC REPORT

Achievement and performance

Charitable activities

Pastoral / Spiritual & Social Care

Attending to the Spiritual needs of our patients and families remains at the forefront of all we do. Patient discharge continues to be challenging when it is dependent upon the timeous establishment of a social care package. These can be difficult to secure in some areas, particularly in South Lanarkshire. Patients and families, who have no live church connection, or no religious belief, continue to regularly call upon members of the Spiritual Care Team to preside over their funerals.

Bereavement support: The counselling service providing help to people with no previous connection to the Hospice with bereavement issues has seen 204 people and provided 1,555 counselling sessions in the course of the year.

The children's Drop-in has also supported 40 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, together with returns on investments, provide 67% of our total running costs.

St Andrews Hospice, as with all charities that rely heavily on voluntary income, continues to face economic challenges. Our fundraising teams have over the year continuously reviewed all fundraising activities with a view to keeping existing activity fresh, and introducing new activity where appropriate.

In this financial year we did receive a significant increase in donations and voluntary income, the bulk of which came from 2 distinct areas, Donations from Legacies.

As the Hospice is undertaking a major refurbishment programme, a Capital Appeal Team has been running a separate fundraising campaign. Gifts and pledges to that appeal were substantial in this financial year and at 31st March had exceeded their "best-projection" target of £2.3m by £190,000. The Hospice has designated funds to augment this fundraising from its Reserves if required. Inevitably, the capital appeal will have had a negative yet unquantifiable impact upon general fundraising

Mindful of the need to broaden income streams, we started a process of investing in growing Lottery income. We undertook a pilot campaign of Lottery recruitment through an external provider which commenced in August. Following a successful five months of trial, Trustees approved investment in ongoing Lottery recruitment which will see income grow substantially over the next few years.

The economic challenges in the High Street also affect the charity retail sector. Income in St. Andrew's shops was down last year by around 5%. This was due in part to shop closures for periods as we installed and trained staff in the new Electronic Point of Sale (EPOS) tills. However, this investment is expected to realise significant additional income from Gift Aid which it enables us to claim.

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.

Financial review

Financial position

The financial activities of the charity are as set out in the attached financial statements.

During the period under review, the overall income, including Capital Appeals monies, was £8,639,490 (2016: £7,184,896).

The net expenditure for the year was £1,084,969 (2016: net expenditure of £785,090). The 2017 net expenditure is after an exceptional item of £2,104,307 being the loss on the deconstruction of the Hospice's previous internal clinical areas prior to their refurbishment.

The total of the accumulated Unrestricted Funds at 31 March 2017 was £8,320,127 (2016: £10,088,170), of which £2,500,000 has been designated in respect of the ongoing refurbishment project.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017**

STRATEGIC REPORT

Financial review

Principal funding sources

NHS Lanarkshire is the single largest funder providing 32.6% of our total income. Our grant agreement identifies areas of core business where the NHS provides 50% of 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 2017, was £2,346,518 (2016: £2,004,598).

Reserves policy

The target of the Hospice within this year was to achieve a minimum of 3 months of free reserves.

The overall financial position remains healthy at the end of the year. The Hospice has free unrestricted reserves before designation that cover 10.5 months (2016 – 8.5 months) operating costs.

Going concern

The charitable company has cash resources and currently 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 that Board. Reporting into the Integrated Governance Committee are the following sub committees; Clinical Audit, Medicines, Management, Control of Infection, Health & Safety, Patient Experience, Information Governance, Education and Fundraising.

The major strategic risks and uncertainties for the charity are;

1. the continuation of the current financial arrangement and partnership with South Lanarkshire's Health and Social Care Partnership (See "*liaison with other agencies*" above).
2. the maintenance of the current fundraising activities in a difficult financial climate.
3. 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.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017**

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 2016/17 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 2016-2019.

Hospice refurbishment

The Group commissioned and oversaw the following preparatory work to allow the Board of Trustees to make decisions relating to the Hospice refurbishment as follows:

- Consideration of the refurbishment funding models.
- Main contractor tendering process.
- Main contractor selection.
- Contractor selection for Wester Moffat refurbishment.
- Refurbishment loan consideration and lender selection.

Clinical Strategy

- Contributing and responding to NHSL's Palliative Care Strategy Review.

IT Strategy

- The introduction of an electronic patient care record (Crosscare).
- The roll-out of the Electronic Point of Sale (EPOS) system into all retail outlets.

Fundraising Strategy

- Lottery Canvassing contracting out - pilot exercise and contract award.

Trustee Induction Training

- The commissioning of an external trainer to deliver an induction training session for new and existing trustees.

Investment strategy

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017**

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.

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

The Senior Management Team currently consists of the Chief Executive, Acting Deputy Chief Executive/Head of Service Development and Governance, Acting Deputy Chief Executive/Head of Clinical Services, Head of Fundraising, Head of Medical Services, Director of Mission, Acting 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 charity 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 executives now comprise the key management personnel in charge of directing and controlling, running and operating the charity on a day to day basis. Until August 2016 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

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.

ST ANDREW'S HOSPICE (LANARKSHIRE)

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 MARCH 2017

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
Sister Rita Dawson
Mr Matt Donnelly
Mrs Marian Gardner
Mr Stephen Giusti
Mrs Marcella MacLean
Mr George McCall
Mr Harry McMenamin
Sister Geraldine O'Connor

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

Senior Management Team

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

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 MARCH 2017**

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.

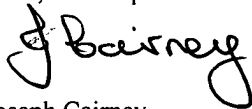
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 6 September 2017 and signed on the board's behalf by:



Mr Joseph Cairney
Trustee

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 2017 on pages thirteen to twenty eight. 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 ten, 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 2017 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

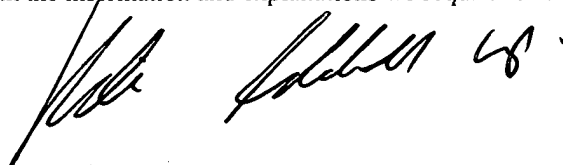
In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

**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

6 September 2017

ST ANDREW'S HOSPICE (LANARKSHIRE)

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	Unrestricted funds £	Restricted funds £	Expendable Endowment fund £	2017 Total funds £	2016 Total funds £
INCOME AND ENDOWMENTS FROM						
Donations and legacies	3	2,126,751	127,919	1,002,407	3,257,077	1,742,556
Charitable activities	6					
Palliative care		2,829,256	190,473	-	3,019,729	2,938,100
Other trading activities	4	2,285,366	-	-	2,285,366	2,425,368
Investment income	5	72,838	-	4,480	77,318	77,972
Other income		-	-	-	-	900
Total		<u>7,314,211</u>	<u>318,392</u>	<u>1,006,887</u>	<u>8,639,490</u>	<u>7,184,896</u>
EXPENDITURE ON						
Raising funds	7	1,791,270	169,420	-	1,960,690	1,832,410
Charitable activities	8					
Palliative care:						
Excluding exceptional item		5,568,447	346,158	-	5,914,605	6,019,555
Exceptional item		<u>2,104,307</u>	<u>-</u>	<u>-</u>	<u>2,104,307</u>	<u>-</u>
Total		<u>9,464,024</u>	<u>515,578</u>	<u>-</u>	<u>9,979,602</u>	<u>7,851,965</u>
Net gains/(losses) on investments		<u>255,143</u>	<u>-</u>	<u>-</u>	<u>255,143</u>	<u>(118,021)</u>
NET INCOME/(EXPENDITURE)		(1,894,670)	(197,186)	1,006,887	(1,084,969)	(785,090)
Transfers between funds	21	<u>126,627</u>	<u>338,772</u>	<u>(465,399)</u>	<u>-</u>	<u>-</u>
Net movement in funds		(1,768,043)	141,586	541,488	(1,084,969)	(785,090)
RECONCILIATION OF FUNDS						
Total funds brought forward		<u>10,088,170</u>	<u>(148,013)</u>	<u>-</u>	<u>9,940,157</u>	<u>10,725,247</u>
TOTAL FUNDS CARRIED FORWARD		<u>8,320,127</u>	<u>(6,427)</u>	<u>541,488</u>	<u>8,855,188</u>	<u>9,940,157</u>

CONTINUING OPERATIONS

All income and expenditure has arisen from continuing activities.

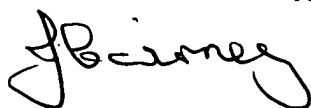
The notes form part of these financial statements

ST ANDREW'S HOSPICE (LANARKSHIRE) (REGISTERED NUMBER: SC299663)

BALANCE SHEET
AT 31 MARCH 2017

	Notes	Unrestricted funds £	Restricted funds £	Expendable Endowment fund £	2017 Total funds £	2016 Total funds £
FIXED ASSETS						
Tangible assets	15	2,262,051	-	541,488	2,803,539	4,465,284
Investments	16	<u>2,346,518</u>	<u>-</u>	<u>-</u>	<u>2,346,518</u>	<u>2,004,598</u>
		<u>4,608,569</u>	<u>-</u>	<u>541,488</u>	<u>5,150,057</u>	<u>6,469,882</u>
CURRENT ASSETS						
Debtors	17	634,751	-	-	634,751	379,829
Cash at bank		<u>3,787,881</u>	<u>30,588</u>	<u>-</u>	<u>3,818,469</u>	<u>3,708,078</u>
		4,422,632	30,588	-	4,453,220	4,087,907
CREDITORS						
Amounts falling due within one year	18	<u>(711,074)</u>	<u>(37,015)</u>	<u>-</u>	<u>(748,089)</u>	<u>(602,632)</u>
NET CURRENT ASSETS/(LIABILITIES)						
		<u>3,711,558</u>	<u>(6,427)</u>	<u>-</u>	<u>3,705,131</u>	<u>3,485,275</u>
TOTAL ASSETS LESS CURRENT LIABILITIES						
		8,320,127	(6,427)	541,488	8,855,188	9,955,157
CREDITORS						
Amounts falling due after more than one year	19	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,000)</u>
NET ASSETS/(LIABILITIES)						
		<u>8,320,127</u>	<u>(6,427)</u>	<u>541,488</u>	<u>8,855,188</u>	<u>9,940,157</u>
FUNDS						
Unrestricted funds	21				8,320,127	10,088,170
Restricted funds					(6,427)	(148,013)
Expendable Endowment funds					<u>541,488</u>	<u>-</u>
TOTAL FUNDS						
					<u>8,855,188</u>	<u>9,940,157</u>

The financial statements were approved by the Board of Trustees on 6 September 2017 and were signed on its behalf by:



Mr Joseph Cairney
Trustee

The notes form part of these financial statements

ST ANDREW'S HOSPICE (LANARKSHIRE)

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

	Cashflow Notes	2017 £	2016 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>(222,871)</u>	<u>(418,373)</u>
Net cash provided by (used in) operating activities		<u>(222,871)</u>	<u>(418,373)</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(664,166)	(74,240)
Purchase of fixed asset investments		(186,062)	(80,248)
Sale of fixed asset investments		99,285	70,627
Interest received		5,651	8,384
Dividend income		<u>71,667</u>	<u>69,588</u>
Net cash provided by (used in) investing activities		<u>(673,625)</u>	<u>(5,889)</u>
Cash flows from financing activities:			
Income attributable to endowment		<u>1,006,887</u>	<u>-</u>
Net cash provided by (used in) financing activities		<u>1,006,887</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		110,391	(424,262)
Cash and cash equivalents at the beginning of the reporting period		<u>3,708,078</u>	<u>4,132,340</u>
Cash and cash equivalents at the end of the reporting period		<u><u>3,818,469</u></u>	<u><u>3,708,078</u></u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017**

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

	2017 £	2016 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(1,084,969)	(785,090)
Adjustments for:		
Depreciation charges	221,604	210,336
(Gain)/losses on investments	(255,143)	118,021
Interest received	(5,651)	(8,384)
Income attributable to endowment	(1,006,887)	-
Dividend income	(71,667)	(69,588)
Def. Lanarkshire Health Board Grant	(15,000)	(15,000)
Loss on asset deconstruction	2,104,307	-
(Increase)/decrease in debtors	(254,922)	76,339
Increase in creditors	<u>145,457</u>	<u>54,993</u>
Net cash provided by (used in) operating activities	<u>(222,871)</u>	<u>(418,373)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017**

1. GENERAL INFORMATION

The charity is a company limited by guarantee, incorporated and registered in Scotland, under company number SC299663, and has no share capital. The liability of each member in the event of winding up is limited to £1.

The charity's registered number is SC010159.

The registered office is 1 Henderson Street, Airdrie, ML6 6DJ.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

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 raising funds and charitable activities are charged to the Statement of Financial Activities on an accruals basis, inclusive of any irrecoverable Value Added Tax. 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, including the 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 and include support costs incurred in support of the direct costs.

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their useful lives as follows:

Assets under construction	- not depreciated during construction period
Freehold property	- 2% on cost
Fixtures and fittings	- 20% on cost
Motor Vehicles	- 25% on cost

Taxation

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

Fund accounting

Unrestricted funds are held for the furtherance of the charity's objectives and are expendable at the discretion of the Trustees.

Designated funds are unrestricted funds earmarked by the Trustees for a particular purpose; this designation has an administrative purpose only and does not legally restrict the Trustees' discretion to apply the fund.

Monies given by the donor where a restriction has been placed on the use thereof, or the restriction arises from the conditions of an appeal, etc are deemed to be restricted funds, in that they may only be expended for the specified purpose or in furtherance of a particular aspect of the objects of the charity.

Expendable Endowment Funds represent monies raised and expended on tangible fixed assets.

Further explanation of the nature and purpose of each of the charity's funds are included in the notes to the financial statements.

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.

Fixed asset investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date using the closing quoted market value. The Statement of Financial Activities includes net gains and losses arising on revaluation and disposals throughout the year.

Realised gains and losses

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

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017

2. ACCOUNTING POLICIES - continued**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.

Debtors

Debtors control account debtors, sundry debtors, legacy debtors and accrued income are recognised at the settlement amount due with appropriate allowances for any irrecoverable amounts when there is objective evidence that the asset is impaired.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank accounts with a short term of maturity, being twelve months or less, from opening of the deposit or similar account.

Creditors

Creditors control account creditors, other creditors and accrued expenses are recognised where the charity has a present obligation resulting from a past event that will probably result in a transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors control account creditors, other creditors and accrued expenses are recognised at their settlement amount after allowing for any discounts due.

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.

3. DONATIONS AND LEGACIES

	2017 £	2016 £
Donations and legacies	2,012,591	1,280,183
Gift aid	114,160	87,179
Refurbishment project	1,002,407	332,194
Furniture project	-	43,000
Café refurbishment project	99,696	-
Other projects	28,223	-
	<u>3,257,077</u>	<u>1,742,556</u>

4. OTHER TRADING ACTIVITIES

	2017 £	2016 £
Fundraising events	901,367	947,217
Shop income	913,988	958,088
Lottery	380,770	387,825
Café	66,510	83,522
Education income	9,665	15,610
Hospitality income	12,320	10,989
Other income	746	22,117
	<u>2,285,366</u>	<u>2,425,368</u>

ST ANDREW'S HOSPICE (LANARKSHIRE)

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017**

5. INVESTMENT INCOME

	2017	2016
	£	£
Dividend income	71,667	69,588
Deposit account interest	1,171	4,709
Refurbishment project interest	<u>4,480</u>	<u>3,675</u>
	<u>77,318</u>	<u>77,972</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2017	2016
		£	£
Deferred Lanarkshire Health Board Grant credit release	Palliative care	15,000	15,000
Lanarkshire Health Board Grant / Consultants and SHO - NHS grant funded	Palliative care	2,814,256	2,674,195
South Lanarkshire community palliative care project grant	Palliative care	78,342	95,765
North Lanarkshire community palliative care project grant	Palliative care	112,131	43,390
Crosscare project	Palliative care	-	79,750
VANL third sector locality	Palliative care	<u>-</u>	<u>30,000</u>
		<u>3,019,729</u>	<u>2,938,100</u>

7. RAISING FUNDS

Raising donations and legacies

	2017	2016
	£	£
Staff costs	887,330	791,951
Café provisions and consumables	48,079	37,533
Fundraising costs	387,888	399,085
Shop expenses	470,424	496,566
Lottery costs and prizes	105,225	81,107
Hospitality costs	7,102	6,509
Refurbishment project	<u>54,642</u>	<u>19,659</u>
	<u>1,960,690</u>	<u>1,832,410</u>

ST ANDREW'S HOSPICE (LANARKSHIRE)

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017**

8. CHARITABLE ACTIVITIES COSTS

	Direct costs excluding exceptional item (See Note 9) £	Direct costs excluding exceptional item (See Note 9) £	Support costs (See Note 10) £	Totals £
Palliative care	<u>4,462,968</u>	<u>2,104,307</u>	<u>1,451,637</u>	<u>8,018,912</u>

9. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2017 £	2016 £
Excluding exceptional item:		
Staff & consultant costs	3,122,722	3,046,322
Non payroll clinical costs	372,237	456,792
Premises costs	299,140	326,187
Other costs	151,490	112,539
Depreciation	199,444	189,302
Refurbishment project	154,393	356,937
South Lanarkshire community palliative care project	59,451	124,553
North Lanarkshire community palliative care project	104,091	94,539
Crosscare project	-	82,000
VANL education project	-	30,000
	<u>4,462,968</u>	<u>4,819,171</u>
Exceptional item:		
Loss on asset deconstruction	<u>2,104,307</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017

10. SUPPORT COSTS

	Management £	Governance costs £	Totals £
Palliative care	<u>1,432,937</u>	<u>18,700</u>	<u>1,451,637</u>

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

Management

	2017 Palliative care £	2016 Total activities £
Staff costs	1,360,707	1,112,083
Premises costs	33,238	36,243
Other costs	16,832	12,504
Depreciation	<u>22,160</u>	<u>21,034</u>
	<u>1,432,937</u>	<u>1,181,864</u>

Governance costs

	2017 £	2016 £
Staff costs	10,000	10,000
Audit	<u>8,700</u>	<u>8,520</u>
	<u>18,700</u>	<u>18,520</u>

11. NET INCOME/(EXPENDITURE)

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

	2017 £	2016 £
Auditors' remuneration - audit	8,700	8,520
Depreciation - owned assets	<u>221,604</u>	<u>210,336</u>

12. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 March 2017 nor for the year ended 31 March 2016.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 March 2017 nor for the year ended 31 March 2016.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017

13. STAFF COSTS

	2017	2016
	£	£
Salary costs	4,161,331	3,919,322
Social security costs	344,257	325,724
Other pension costs	<u>204,987</u>	<u>194,585</u>
	<u>4,710,575</u>	<u>4,439,631</u>

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

	2017	2016
Administration	36	34
Fundraising	33	30
Household & Maintenance	25	31
Medical & Nursing	<u>132</u>	<u>123</u>
	<u>226</u>	<u>218</u>

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

	2017	2016
£60,001 - £70,000	<u>1</u>	<u>1</u>

The key management personnel of the charity now consists of the trustees, the chief executive and the two acting deputy executives. Until August 2016 the key management personnel were the trustees, the chief executive and the deputy chief executive. For the year to 31 March 2017 the costs of the key management roles were £116,809 (2016: £125,514).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017

14. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Expendable Endowment fund £	Total funds £
INCOME AND ENDOWMENTS FROM				
Donations and legacies	1,367,362	375,194	-	1,742,556
Charitable activities				
Palliative care	2,689,195	248,905	-	2,938,100
Other trading activities	2,425,368	-	-	2,425,368
Investment income	74,297	3,675	-	77,972
Other income	900	-	-	900
Total	6,557,122	627,774	-	7,184,896
EXPENDITURE ON				
Raising funds	1,832,243	167	-	1,832,410
Charitable activities				
Palliative care	5,217,943	801,612	-	6,019,555
Total	7,050,186	801,779	-	7,851,965
Net gains/(losses) on investments	(118,021)	-	-	(118,021)
NET INCOME/(EXPENDITURE)	(611,085)	(174,005)	-	(785,090)
Transfers between funds	(67,237)	67,237	-	-
Net movement in funds	(678,322)	(106,768)	-	(785,090)
RECONCILIATION OF FUNDS				
Total funds brought forward	10,766,492	(41,245)	-	10,725,247
TOTAL FUNDS CARRIED FORWARD	10,088,170	(148,013)	-	9,940,157

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017

15. TANGIBLE FIXED ASSETS

	Freehold property £	Asset under construction £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 April 2016	5,431,132	-	865,893	99,858	6,396,883
Additions	84,504	541,488	38,174	-	664,166
Eliminated on deconstruction	<u>(2,821,132)</u>	<u>-</u>	<u>(664,067)</u>	<u>-</u>	<u>(3,485,199)</u>
At 31 March 2017	<u>2,694,504</u>	<u>541,488</u>	<u>240,000</u>	<u>99,858</u>	<u>3,575,850</u>
DEPRECIATION					
At 1 April 2016	1,252,110	-	583,361	96,128	1,931,599
Charge for year	108,622	-	110,762	2,220	221,604
Eliminated on deconstruction	<u>(780,732)</u>	<u>-</u>	<u>(600,160)</u>	<u>-</u>	<u>(1,380,892)</u>
At 31 March 2017	<u>580,000</u>	<u>-</u>	<u>93,963</u>	<u>98,348</u>	<u>772,311</u>
NET BOOK VALUE					
At 31 March 2017	<u>2,114,504</u>	<u>541,488</u>	<u>146,037</u>	<u>1,510</u>	<u>2,803,539</u>
At 31 March 2016	<u>4,179,022</u>	<u>-</u>	<u>282,532</u>	<u>3,730</u>	<u>4,465,284</u>

16. FIXED ASSET INVESTMENTS

	Listed investments £
MARKET VALUE	
At 1 April 2016	2,004,598
Additions	186,062
Disposals	(99,285)
Revaluations	<u>255,143</u>
At 31 March 2017	<u>2,346,518</u>

All investments are listed in the UK.

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Debtors control account	6,530	840
Sundry debtors	114,012	84,092
Legacy debtors	235,764	140,000
VAT	74,367	11,167
Prepayments and accrued income	<u>204,078</u>	<u>143,730</u>
	<u>634,751</u>	<u>379,829</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Creditors control account	88,833	247,369
Social security and other taxes	110,708	113,929
Other creditors	9,505	16,000
Deferred income	209,644	158,880
Accrued expenses	314,399	51,454
Deferred government grants	<u>15,000</u>	<u>15,000</u>
	<u>748,089</u>	<u>602,632</u>

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:

	1 April 2016 £	Release of 2016 deferrals £	Deferral of 2017 income received £	31 March 2017 £
Fundraising Events	132,534	(132,534)	182,134	182,134
Care at Home project Grant	2,735	(2,735)	-	-
Reshaping Care project Grant	<u>23,611</u>	<u>(23,611)</u>	<u>27,510</u>	<u>27,510</u>
	<u>158,880</u>	<u>(158,880)</u>	<u>209,644</u>	<u>209,644</u>

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

	2017 £	2016 £
Deferred government grants	<u>-</u>	<u>15,000</u>

20. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017 £	2016 £
Within one year	220,533	176,933
Between one and five years	139,876	304,742
In more than five years	<u>-</u>	<u>8,000</u>
	<u>360,409</u>	<u>489,675</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31 MARCH 2017

21. MOVEMENT IN FUNDS

	At 1.4.16 £	Net movement in funds £	Transfers between funds £	At 31.3.17 £
Unrestricted funds				
General fund	7,507,420	(1,894,670)	207,377	5,820,127
Donations towards freehold property	80,750	-	(80,750)	-
Designated fund - Refurbishment project	<u>2,500,000</u>	<u>-</u>	<u>-</u>	<u>2,500,000</u>
	10,088,170	(1,894,670)	126,627	8,320,127
Restricted funds				
South Lanarkshire community palliative care project	-	18,891	(18,891)	-
North Lanarkshire community palliative care project	-	8,040	(8,040)	-
Refurbishment project	(171,279)	(323,813)	465,399	(29,693)
Furniture project	23,266	-	-	23,266
Café refurbishment project	<u>-</u>	<u>99,696</u>	<u>(99,696)</u>	<u>-</u>
	(148,013)	(197,186)	338,772	(6,427)
Endowment funds				
Expendable endowment fund	-	1,006,887	(465,399)	541,488
TOTAL FUNDS	<u>9,940,157</u>	<u>(1,084,969)</u>	<u>-</u>	<u>8,855,188</u>

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	7,314,211	(9,464,024)	255,143	(1,894,670)
Restricted funds				
South Lanarkshire community palliative care project	78,342	(59,451)	-	18,891
North Lanarkshire community palliative care project	112,131	(104,091)	-	8,040
Refurbishment project	-	(323,813)	-	(323,813)
Café refurbishment project	99,696	-	-	99,696
Other projects	<u>28,223</u>	<u>(28,223)</u>	<u>-</u>	<u>-</u>
	318,392	(515,578)	-	(197,186)
Endowment funds				
Expendable Endowment fund	1,006,887	-	-	1,006,887
TOTAL FUNDS	<u>8,639,490</u>	<u>(9,979,602)</u>	<u>255,143</u>	<u>(1,084,969)</u>

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 non capitalised monies expended on the Refurbishment project. Money is transferred into this fund from the Endowment fund which includes monies raised for the Refurbishment project. The fund is in deficit at the year end but future fund raising is expected to fund this deficit.

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

Endowment funds

The Expendable Endowment Fund represents monies raised for and monies capitalised on the Refurbishment project. Part of the monies raised have been transferred to the Refurbishment project restricted fund (see above).

22. CAPITAL COMMITMENTS

The charity is currently undertaking a refurbishment of the clinical areas of the Hospice. The charity has entered into a contract for this project committing to costs of £7,100,000.

23. RELATED PARTY DISCLOSURES

The members of the charity are representatives of the Order of the Religious Sisters of Charity. £22,586 (2016: £22,626) was paid to the Order in respect of Sister Catherine Egan, Director of Patient & Public Liaison.

24. STANDARD SECURITY

North Lanarkshire Council hold a security (to the value of £70,000) over the land on which the Hospice has been constructed.