

THE KILBRYDE HOSPICE

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

**Company Registration No. SC224366 (Scotland)
Charity Registration No. SC032424**

THE KILBRYDE HOSPICE

LEGAL AND ADMINISTRATIVE INFORMATION

Directors	Dr John Richards Mr Ian Stewart Mr Dennis Gallagher Mr Gordon McHugh Mr Brian Sweeney Dr Wendy Baxter Lady Susan Haughey Mr Adam Ingram Mrs Gretta McGuinness Dr Hosney Yosef Mrs Christine Sherry Mr Joe Lowe Mr Michael Graham
Business Development Manager	Mrs Donna Hegarty
Secretary	Dr John Richards
Charity number	SC032424
Company number	SC224366
Principal address	4 Bell Drive Hamilton International Technology Park Blantyre Glasgow G72 0FB
Registered office	4 Bell Drive Hamilton International Technology Park Blantyre Glasgow G72 0FB
Auditors	William Duncan & Co 30 Miller Road Ayr Ayrshire KA7 2AY
Bankers	Royal Bank of Scotland East Kilbride Branch 24/25 Princes Square East Kilbride G74 1LJ
Solicitors	Maclay Murray & Spens 1 George Square Glasgow G2 1AL

THE KILBRYDE HOSPICE

CONTENTS

	Page
The Director's report	1 - 5
Statement of the Director's responsibilities	6
Independent auditors' report	7 - 8
Statement of financial activities	9
Balance sheet	10
Cash flow statement	11
Notes to the accounts	12 - 24

THE KILBRYDE HOSPICE

THE DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2014

The Directors present their report and accounts for the year ended 31 March 2014.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's memorandum and articles of association, the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

Structure, governance and management

The charity is a company limited by guarantee and has no share capital. Its activities and operations are governed by its Memorandum and Articles of Association.

The Directors who served during the year were:

Dr John Richards

Mr Ian Stewart

Mr Dennis Gallagher

Mr Gordon McHugh

Mr Brian Sweeney

Dr Wendy Baxter

Lady Susan Haughey

Mr Adam Ingram

Mrs Gretta McGuinness

Dr Hosney Yosef

Mrs Christine Sherry

Mr Joe Lowe

(Appointed 16 August 2013)

Mr Andrew Kerr

(Resigned 16 August 2013)

Ms Rachel Carmichael

(Resigned 16 August 2013)

Mr Michael Graham

(Appointed 22 August 2014)

The current directors are fully responsible for the recruitment and appointment of new directors.

None of the Directors has any beneficial interest in the company. All of the Directors are members of the company and guarantee to contribute £1 in the event of a winding up.

The charity is controlled by the Management Committee. Meetings are held regularly, and implementation of management decisions is done on a day to day basis by Mr D Gallagher, Chairman and Mr I Stewart, Treasurer.

The Chairman and Treasurer of The Kilbryde Hospice as representatives of the board of directors are also directors of The Kilbryde Hospice (Construction) Ltd which is a newly formed subsidiary of the charitable company. The Kilbryde Hospice has contracted with its subsidiary company to design, project manage and construct the new Hospice on its behalf.

The results of the subsidiary company The Kilbryde Hospice (Construction) Ltd are not consolidated in these accounts on the grounds that, after consolidation adjustments to exclude intra group transactions and balances, the change to the current reported results to include the subsidiary results would be immaterial and it is felt that the additional costs would be disproportionate to the benefits of doing so. The subsidiary accounts can be made available on request or obtained from Companies House.

The Management Committee have assessed the major risks to which the Kilbryde Hospice is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

THE KILBRYDE HOSPICE

THE DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

Objectives and activities

The principal aim of the charity is the provision of palliative care for those in Lanarkshire suffering from life-threatening and end-of-life illnesses. This last year we have made significant advances to allow for the increase in the range of supporting services we provide.

The charity, in partnership with NHS Lanarkshire, has successfully completed the sixth year of operating the Kilbryde Hospice Drop-in Centre, within the Red Deer Centre in East Kilbride. This facility is jointly funded with an ongoing financial commitment from both parties of 50% of running costs.

The Drop-In Centre services will transfer to the new Kilbryde Hospice once constructed as part of the 1st phase of our development.

The company has been granted charitable status in Scotland by the Inland Revenue and is fully recognised as a charity by the Office of the Scottish Charity Regulator (OSCR).

The Directors would like to express their thanks to the volunteers and staff, for the significant impact that the work done for the charity in fundraising and administrative functions has had on the achievements to date.

Achievements and performance

The Kilbryde Hospice was formed in October 2001, with the initial objective of raising sufficient funds to establish a Hospice facility in South Lanarkshire.

The charity's fundraising and administration department now occupies 3 offices at the registered office address. These are provided free of charge and the Directors would like to express their thanks to Aviat and Pension and Portfolio Management for this support. A market value rent of £15,000 has been included within the accounts to reflect this.

In April 2007, the Directors signed a Heads of Agreement with NHS Lanarkshire to work together to provide palliative care beds in South Lanarkshire.

As the first stage of this partnership, in April 2008, Kilbryde Hospice opened a palliative care Drop-In Centre in East Kilbride's Red Deer Centre, jointly funded with NHS Lanarkshire.

In December 2009, the NHS Lanarkshire Board agreed in principle to the allocation of a two acre site to the rear of Hairmyres Hospital for the construction of a hospice dependant on approval of the Kilbryde Hospice Business Case. The Kilbryde Hospice Business Case was formally approved by the NHS Lanarkshire Board in November 2010.

The Kilbryde Hospice Directors consulted with other palliative care providers across Scotland to identify best practice in hospice design and service delivery. On the basis of this research we have concluded that the new hospice should have three key roles in the enhancement of palliative care across Lanarkshire. Firstly, to provide an enhanced day care service for patients and carers with a wide range of treatments, services and support. Secondly, to develop in-community services to augment the day care facility, by providing some of these services in the home for individuals unable to travel to the hospice. Finally, to establish an in-patient, specialist palliative care facility to augment the service currently provided in Lanarkshire by St Andrews Hospice.

Following on from our consultation and research the Directors appointed The Kerr Practice as our architects to develop our concept designs. Their designs were submitted to the planning authorities in February 2012. Planning permission was granted on the designs in March 2012, the contract build tendering process was completed and CCG (Scotland) Ltd were appointed to be the main contractor for the hospice build. The build started in August 2013 and is due for completion by the end of August 2014.

THE KILBRYDE HOSPICE

THE DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

Our existing day hospice drop in service will move to our new facilities in November 2014 which will allow for continued expansion and growth of support services. The changes to drop in services over the last year are marked; there is an increasing demand for services. The people we are supporting have much more complex needs. More people are coming through referral or suggestion from a health or social care professional rather than self referral. Often two members of staff are required to assist patients with moving and handling.

The total number of visits to the centre April 2013 - March 2014 was 3753, with visits in recent months reflecting an annualised visit number in excess of 5000 visits per annum.

Cancer remains the most common condition that people present as having issues with and there are high numbers of people affected by Multiple Sclerosis and Parkinson's Disease utilising the day services with staff having now established good relationships with the specialist nurses involved. COPD patients are increasing and the number of carer visits to day services in a year was 751. There are good links with South Lanarkshire Carers Network, with regular visits to the centre from the Carer Development Officer.

Staff continue to liaise with Specialist Nurses to offer support to those with other life limiting conditions such as heart failure and Huntington's Disease.

The centre offers complementary therapy, nursing support, exercise classes, relaxation classes, counselling, music therapy, clinical hypnotherapy as well as peer support and group support. While all these service will continue there is scope and opportunity to introduce new services and develop existing ones.

The Care@home project is funded through the Change Fund and completed its 2nd year of operation in conjunction with our project partners, St Andrews Hospice and The Haven. This project allows the services of our day hospice to reach those unable to attend when they are most in need. This project will develop over the coming year to allow for its integration into core services once the Change Fund funding finishes in March 2015.

The fundraising department have had a successful year in 2013/14 despite having a gap between March and September with no designated fundraising personnel, whilst we were recruiting for the new Fundraising Manager who joined the team in September 2013.

The annual calendar of events continued with our corporate golf day, Autumn Ball and our first ever Burns Supper. We saw our first ever group head to the USA to do an overseas fundraising cycle challenge and enjoyed hosting challenge events closer to home including a firewalk. Alongside our own events we were lucky enough to be the beneficiary of several other large scale events including Gordon McHugh's fundraising ball, the Donna Mortimer Ballantyne charity ball and the Gay Ball ran by Robert and May Miller.

We ran our annual Light a Light campaign at Christmas time and launched a brand new campaign called Tony's Path in memory of our founding Chairman, allowing supporters to sponsor a brick in the hospice's garden path with their own personal inscription.

Along with our campaigns and events, we have seen much support through community fundraising with various groups including churches, youth groups, schools and Rotary Clubs backing the hospice both financially and through giving their time at various fundraising events such as our community flag day.

We have also seen many local businesses show their support with Equi's Ice Cream and PTS Clean take Kilbryde Hospice on as their charity partner as well as Austin Lafferty promoting will writing in return for a donation to Kilbryde Hospice. We received substantial donations and ongoing support from City Holdings and the Sunday Mail Centenary Fund. Hamilton Business Improvement District also selected Kilbryde Hospice as their charity partner for a large scale public event taking place in Summer 2014.

We have seen an increase in the number of charitable trusts giving grants to the hospice and hope to grow this over the coming years.

THE KILBRYDE HOSPICE

THE DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

Kilbryde Hospice has also completed its fifth successful year in retail operations.

Our Hamilton store celebrated its first year of trading in December 2013. This store not only acts as an additional retail outlet for the hospice but also, due to its size, as a much needed storage facility for all the shops. Through this store we continue to reach an extended customer base, through the people of Hamilton and the surrounding areas.

We embraced the opportunity of opening a pop up shop on Rutherglen's main street in November 2013 and were welcomed by the public, who were keen to know more about the cause. Working closely with recently graduated architects from both Strathclyde and Robert Gordon's University, we were able to design and build shop fittings and fixtures using recycled materials at minimal cost to the charity. This "re-use" theme made the store aesthetically pleasing, unique and modern. The Rutherglen store, in the time it was opened, allowed us to broaden our customer base further. Many of these new customers were retained through our permanent stores in East Kilbride and Hamilton.

Autumn 2013 saw the relocation of our original East Kilbride store, to another area within the town centre. We took the opportunity to change the theme of the store and using the custom made fittings from our Rutherglen pop up shop, embraced the re-use theme in our flagship store. We have received lots of positive feedback from the public regarding our new location and look and done well to retain and even grow our customer base in our new location.

Our second outlet within East Kilbride town centre, selling furniture and household goods, completed its third year of trading in October 2013, proving it's self to be the most profitable of all our stores.

We continue to run coffee days, donation stations and external stalls, all adding to the retail fundraising efforts.

None of the above would be possible without the help and dedication of our retail volunteers.

Financial review

The results for the year are deemed satisfactory by the Management Committee.

Once operational, It will be the policy of the charity that unrestricted funds which have not been designated for a specific use should be maintained at a level equivalent to one year's expenditure. The trustees consider that reserves at this level will ensure that, in the event of a significant drop in funding, they will be able to continue the charity's current activities while consideration is given to ways in which additional funds may be raised. This level of reserves has been maintained throughout the year.

The net income for the year is not distributable to the members, and is transferred to the appropriate reserves to assist in the meeting of future capital expenditure, running costs, and maintenance of existing assets.

There are no restrictions on the charity's power to invest. The investment strategy is set by the directors and takes account of recent demand for funds and the quality of the funding applications. The directors consider the income requirements, the risk profile and the investment manager's view of the market prospects in the medium term. This strategy is set within an overall policy which states that the funds are to be invested in deposits with a view to ensuring that capital appreciation of the fund exceeds inflation. The unrestricted and restricted funds may be invested in any type of investment, except tobacco companies. Our strategy is reviewed with our investment managers annually.

Disclosure of information to auditors

Each of the directors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditors are aware of such information.

THE KILBRYDE HOSPICE

THE DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2014

Auditors

A resolution proposing that William Duncan & Co be reappointed as auditors of the company will be put to the members.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

On behalf of the board of Directors

Mr Dennis Gallagher

Director

Dated: 19 September 2014

THE KILBRYDE HOSPICE

STATEMENT OF THE DIRECTOR'S RESPONSIBILITIES

The directors, who also act as trustees for the charitable activities of The Kilbryde Hospice, are responsible for preparing the The Director's Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the accounts comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE KILBRYDE HOSPICE

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE KILBRYDE HOSPICE

We have audited the accounts of The Kilbryde Hospice for the year ended 31st March 2014 set out on pages 9 to 24, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 (as amended). Our audit work has been undertaken so that we might state to the charitable company's members and its trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

As explained more fully in the statement of the Director's responsibilities, the directors, who also act as trustees for the charitable activities of The Kilbryde Hospice, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

Our responsibility is to audit and express an opinion on the accounts 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 accounts

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts 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 directors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Directors Report to identify material inconsistencies with the audited accounts 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 accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 (as amended).

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the The Director's Report for the financial year for which the accounts are prepared is consistent with the accounts.

THE KILBRYDE HOSPICE

INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE MEMBERS OF THE KILBRYDE HOSPICE

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 accounts 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.
- the directors were not entitled to prepare the accounts in accordance with the small companies regime and take advantage of the small companies' exemption in preparing The Directors Report and exemption from the requirement to prepare a Strategic Report.

Stephen Bargh CA MAAT (Senior Statutory Auditor)
for and on behalf of William Duncan & Co

Chartered Accountants
Statutory Auditor

30 Miller Road
Ayr
Ayrshire
KA7 2AY

Dated: 19 September 2014

William Duncan & Co is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE KILBRYDE HOSPICE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2014

	Notes	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<u>Incoming resources from generated funds</u>					
Donations and legacies	2	568,197	-	568,197	277,580
Fundraising income generated internally		312,445	-	312,445	304,406
Investment income	3	12,898	-	12,898	45,358
		893,540	-	893,540	627,344
Incoming resources from charitable activities	4	188,250	80,850	269,100	158,511
Total incoming resources		1,081,790	80,850	1,162,640	785,855
<u>Resources expended</u>					
Costs of generating funds					
Fundraising expenses generated internally	5	286,321	410	286,731	242,490
Net incoming resources available		795,469	80,440	875,909	543,365
Charitable activities					
Care for the terminally ill		253,644	88,129	341,773	235,484
Governance costs		11,545	-	11,545	7,937
Total resources expended		551,510	88,539	640,049	485,911
Net income/(expenditure) for the year/ Net movement in funds		530,280	(7,689)	522,591	299,944
Fund balances at 1 April 2013		2,738,522	35,589	2,774,111	2,474,167
Fund balances at 31 March 2014		3,268,802	27,900	3,296,702	2,774,111

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

THE KILBRYDE HOSPICE

BALANCE SHEET

AS AT 31 MARCH 2014

	Notes	2014		2013	
		£	£	£	£
Fixed assets					
Tangible assets	11	2,380,775		46,710	
Investments	12		1		-
		<u>2,380,776</u>		<u>46,710</u>	
Current assets					
Stocks		1,271		2,027	
Debtors	13	743,222		35,482	
Cash at bank and in hand		550,027		2,722,122	
		<u>1,294,520</u>		<u>2,759,631</u>	
Creditors: amounts falling due within one year	14	<u>(378,594)</u>		<u>(32,230)</u>	
Net current assets		<u>915,926</u>		<u>2,727,401</u>	
Total assets less current liabilities		<u>3,296,702</u>		<u>2,774,111</u>	
Income funds					
Restricted funds	16	27,900		35,589	
Unrestricted funds		<u>3,268,802</u>		<u>2,738,522</u>	
		<u>3,296,702</u>		<u>2,774,111</u>	

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2014. However as the company is a charity, it is subject to audit under the Charities and Trustee Investment (Scotland) Act 2005, with the audit also being carried out under the Companies Act 2006. No member of the company has deposited a notice, pursuant to section 476, requiring an audit of these accounts under the requirements of the Companies Act 2006.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

The accounts were approved by the Board on 19 September 2014

Mr Ian Stewart
Director

Mr Dennis Gallagher
Director

Company Registration No. SC224366

THE KILBRYDE HOSPICE

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	19	167,133	261,065
Capital expenditure			
Payments to acquire tangible fixed assets		<u>(2,339,226)</u>	<u>(21,956)</u>
Net cash outflow from capital expenditure		<u>(2,339,226)</u>	<u>(21,956)</u>
(Decrease)/increase in cash	20	<u><u>(2,172,095)</u></u>	<u><u>239,109</u></u>

THE KILBRYDE HOSPICE

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 2014

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention.

The Kilbryde Hospice is reliant upon continuing income streams from donations, fundraising and existing agreements with the NHS in order to both maintain the existing level of out-patient care and develop the new hospice to help those patients requiring in-patient hospice services. The Directors are confident that the ongoing support from the local community together with health authorities and grant making organisations will allow the continuing provision of out-patient services at current levels and are actively seeking funding to allow the development of the new hospice and the provision of palliative care to in-patients. The accounts are therefore prepared on the going concern basis.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006.

Group Accounts

The results of the subsidiary company The Kilbryde Hospice (Construction) Ltd are not consolidated in these accounts on the grounds that after excluding intra group transactions and balances the subsidiary results are immaterial to the group. The subsidiary accounts can be made available on request or obtained from Companies House.

1.2 Incoming resources

Donations, legacies and gifts are recognised in the SOFA in the year in which they are received.

Fundraising income is also recognised in the year of receipt except for event income where income is recognised when invoiced.

Gifts in kind are valued at the directors estimate of the market value of the donation.

Revenue grants are recognised in the Income and Expenditure account in the year in which they are received. Capital grants are also recognised in the Income and Expenditure account in the year in which they are received; both are credited to reserves as appropriate to the nature and conditions attaching to the grant.

1.3 Resources expended

Expenditure other than that which has been capitalised, is charged to the Income and Expenditure Account on an accruals basis, inclusive of Value added Tax.

'Cost of generating funds' comprises all costs and expenses considered to relate directly to achieving and maintaining the objects of the Kilbryde Hospice. Other expenditure in respect of costs incurred to allow the various departments, staff members and volunteers to actively raise funds, maintain quality standards and comply with statutory obligations are allocated as appropriate.

THE KILBRYDE HOSPICE

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

1 Accounting policies (Continued)

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	2% straight line
Computer Equipment	33.33 reducing balance
Charity Shop Fittings & Equipment	15% reducing balance & 33.33% reducing balance
Motor vehicles	25% reducing balance

No depreciation is charged on land and buildings during the period of planning and construction.

1.5 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.6 Investments

Fixed asset investments are stated at the cost of the share capital purchased on set up of the subsidiary.

1.7 Stock

Stock is valued at the lower of cost and net realisable value.

1.8 Pensions

The charity operates a defined contributions pension scheme. Contributions are charged in the accounts as they become payable in accordance with the rules of the scheme.

1.9 Accumulated funds

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

Designated funds comprise funds which have been set aside at the discretion of the Directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

1.10 Taxation

The Kilbryde Hospice has been approved as a charity by the Inland Revenue, numbered SC 032424 and is granted exemption from liability to taxation by Part 11 s466 to s493 of the Corporation Tax Act 2010 (CTA 2010).

All tax deducted from deeds of covenant and other taxed income is recoverable.

1.11 Voluntary help

Voluntary help is not included in the accounts. A significant amount of work is undertaken for the Kilbryde Hospice on an unpaid basis by volunteers. The financial value attached to the unpaid volunteer help has not been quantified and is not reflected in the financial statements. However, the Hospice recognises and acknowledges the significant reduction in running costs achieved by the provision of such help.

1.12 Reserves Policy

The Kilbryde Hospice gives consideration to the level of reserves, which reflect the inherent risk in the charity's area of activity. The balances of funds on reserve are monitored in relation to its operational and financial plans to ensure that sufficient funding is available to meet the charity's objectives on a continuing basis.

THE KILBRYDE HOSPICE

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

1 Accounting policies (Continued)

2 Donations and legacies

	2014 £	2013 £
Donations and gifts	566,697	273,580
Legacies receivable	1,500	4,000
	568,197	277,580
	568,197	277,580
Donations and gifts		
Unrestricted funds:		
Donations and gift aid	466,441	208,940
Gifts in kind	100,256	64,640
	566,697	273,580
	566,697	273,580

3 Investment income

	2014 £	2013 £
Interest receivable	12,898	45,358
	12,898	45,358
	12,898	45,358

4 Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Care for the terminally ill	188,250	80,850	269,100	158,511
	188,250	80,850	269,100	158,511
	188,250	80,850	269,100	158,511

THE KILBRYDE HOSPICE

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

4 Incoming resources from charitable activities

(Continued)

Included within income relating to Care for the terminally ill are the following grants

NHS Lanarkshire - Ground Rent	26,000	-
NHS Lanarkshire - Red Deer Centre	108,000	67,510
Jeffrey Charitable Trust	-	1,000
Cruden Foundation Trust	2,500	2,500
Hoover Foundation	-	250
MV Millhouse Trust	1,000	1,000
The James Weir	-	1,000
The Commonweal Fund	-	2,000
Garfield Weston Foundation	30,000	-
J & J R Wilson Trust	5,000	-
Isabel Harvey Charitable Trust	2,500	-
Ian Fleming Charitable Trust	1,500	-
The Netherton Trust	2,000	-
Bank of Scotland Charitable Trust	3,000	-
The James Wood Bequest Fund	1,000	-
The Annandale Charitable Trust	5,500	-
Kumho Tyres Cash for Causes	250	-
NHS Lanarkshire Change Fund - restricted	60,000	82,751
NHS Lanarkshire Crosscare Grant - restricted	20,850	-
Scotmid Community Grant - restricted	-	500
	269,100	158,511

5 Total resources expended

	Staff costs £	Depreciation £	Other costs £	2014 £	2013 £
Costs of generating funds					
Fundraising expenses generated internally	116,428	2,711	167,592	286,731	242,490
Charitable activities					
<u>Care for the terminally ill</u>					
Activities undertaken directly					
Direct staff costs	237,861	-	-	237,861	170,488
Other direct and direct support costs	18,888	780	84,244	103,912	64,996
Total	256,749	780	84,244	341,773	235,484
Governance costs	-	-	11,545	11,545	7,937
	373,177	3,491	263,381	640,049	485,911

Management and administration costs includes payments to the auditors of £4,250 (2013- £4,250) for audit fees and £9,425, including VAT, (2013- £25,050) for other services.

THE KILBRYDE HOSPICE

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

6 Fundraising expenses generated internally

	2014	2013
	£	£
Other costs comprise:		
Postage and stationery	7,309	6,205
Advertising	111	262
500 Club prizes	5,950	5,950
Event expenses	36,035	37,012
Collection expenses	1,356	1,175
Charity Shops expenses	18,363	15,974
Charity Shops rent gift in kind	40,000	40,000
Charity Shops water rates	8,489	7,730
Charity Shops heat & light	20,367	12,720
Charity Shops van gift in kind	7,140	7,140
Loss on disposal of assets	1,021	116
Retail Card Charges	1,320	2,309
Insurance	491	331
Shop rent	19,640	6,469
Postage and stationery - restricted	-	2,542
Event expenses - restricted	-	1,691
	<hr/>	<hr/>
	167,592	147,626
	<hr/> <hr/>	<hr/> <hr/>

THE KILBRYDE HOSPICE

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

7 Other direct and direct support costs

	2014	2013
	£	£
Other direct and direct support costs comprise:		
Accountancy support fees	5,075	20,800
Office rent gift in kind	15,000	15,000
Printing and stationery	2,290	756
Medical supplies	1,494	165
Vehicle insurance	1,890	1,162
Sundry expenses	7,274	3,375
Premises expenses	-	237
Motor expenses	369	208
Taxis	4,863	-
Vehicle leasing	2,600	-
Insurance	750	-
Legal and professional	1,476	-
Computer and software	2,601	2,237
Office machine maintenance	-	247
Ground rent	26,000	-
Accountancy support fees - restricted	5,600	5,500
Printing and stationery - restricted	2,477	249
Medical supplies - restricted	1,692	807
Insurance - restricted	750	359
Sundry expenses - restricted	2,024	1,498
Legal and professional - restricted	18	-
	<u>84,244</u>	<u>52,594</u>

8 Governance costs

	2014	2013
	£	£
Other governance costs comprise:		
Legal and professional	8,545	4,937
Audit fees	3,000	3,000
	<u>11,545</u>	<u>7,937</u>

9 Directors

None of the Directors (or any persons connected with them) received any remuneration during the year.

No member of the Management Committee received reimbursement of fundraising costs borne personally (2013 - £nil).

THE KILBRYDE HOSPICE

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

10 Employees

Number of employees

The average monthly number of employees during the year was:

	2014 Number	2013 Number
Fundraising and Support	12	10
Patient care	5	4
	<u>17</u>	<u>14</u>

Total wages cost for the company is £373,178 (2013 - £261,071). This is split, wages and salaries £343,196 (2013 - £236,035) , pension costs £7,509 (2013 - £5,467) and social security costs £22,473 (2013 - £19,569).

There were no employees whose annual remuneration was £60,000 or more.

11 Tangible fixed assets

	Land and buildings	Computer Equipment	Charity Shop Fittings & Equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2013	33,322	8,112	4,673	10,000	56,107
Additions	2,336,308	1,818	1,100	-	2,339,226
Disposals	-	-	-	(7,500)	(7,500)
At 31 March 2014	<u>2,369,630</u>	<u>9,930</u>	<u>5,773</u>	<u>2,500</u>	<u>2,387,833</u>
Depreciation					
At 1 April 2013	-	2,538	1,238	5,620	9,396
On disposals	-	-	-	(5,829)	(5,829)
Charge for the year	-	2,076	582	833	3,491
At 31 March 2014	<u>-</u>	<u>4,614</u>	<u>1,820</u>	<u>624</u>	<u>7,058</u>
Net book value					
At 31 March 2014	<u>2,369,630</u>	<u>5,316</u>	<u>3,953</u>	<u>1,876</u>	<u>2,380,775</u>
At 31 March 2013	<u>33,322</u>	<u>5,574</u>	<u>3,434</u>	<u>4,380</u>	<u>46,710</u>

THE KILBRYDE HOSPICE

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

12 Fixed asset investments

	£
Market value at 1 April 2013	-
Acquisitions at cost	1
	1
Market value at 31 March 2014	1
	1
Historical cost:	
At 31 March 2014	1
	1

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
The Kilbryde Hospice (Construction) Ltd	Scotland	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

		Capital and reserves	Profit/(loss) for the year
	Principle Activities	£	£
The Kilbryde Hospice (Construction) Ltd	Project management and development of building projects	1	-
		1	-
		1	-

The results of the subsidiary company The Kilbryde Hospice (Construction) Ltd are not consolidated in these accounts on the grounds that after excluding intra group transactions and balances the subsidiary results are immaterial to the group.

The subsidiary accounts can be made available on request or obtained from Companies House.

THE KILBRYDE HOSPICE

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

13 Debtors	2014	2013
	£	£
Trade debtors	7,055	14,575
Amounts owed by group undertakings	685,757	-
Other debtors	32,715	13,405
Prepayments and accrued income	17,695	7,502
	<hr/> 743,222 <hr/>	<hr/> 35,482 <hr/>

14 Creditors: amounts falling due within one year	2014	2013
	£	£
Trade creditors	3,959	2,184
Taxes and social security costs	20,509	9,486
Accruals	347,956	19,260
Deferred income	6,170	1,300
	<hr/> 378,594 <hr/>	<hr/> 32,230 <hr/>

15 Share capital

The Kilbryde Hospice is a company limited by guarantee and not having a share capital. The liability of any one member is limited to £1 in the event of a winding up of the company.

The company is controlled by the Members of the Management Committee. No one person or entity exercises control over the company.

As the company has no share holders, the requirements of Financial Reporting Standard No.3 in respect of movements in shareholders' funds are considered inappropriate.

THE KILBRYDE HOSPICE

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2013 £	Movement in funds		Balance at 31 March 2014 £
		Incoming resources £	Resources expended £	
Awards for All	1,230	-	(410)	820
NHS Lanarkshire Change Fund	34,359	60,000	(88,129)	6,230
NHS Lanarkshire Crosscare Grant	-	20,850	-	20,850
	<u>35,589</u>	<u>80,850</u>	<u>(88,539)</u>	<u>27,900</u>

The Awards for all grant is for the promotion of services currently offered by The Kilbryde Hospice and to recruit volunteers to promote and support these services. The remaining balance relates to the carrying value of equipment to be released in line with the depreciation over the useful life of the assets.

The NHS Lanarkshire Change Fund Grant is for establishing an enhanced community palliative care at home service in partnership with St Andrew's Hospice, Airdrie and The Haven, Blantyre.

The NHS Lanarkshire Crosscare Grant is a contribution to allow implementation of the 'Crosscare' software system. A service user database system to operate within the new Hospice.

17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2013 £	Movement in funds			Balance at 31 March 2014 £
		Incoming resources £	Resources expended £	Transfers £	
Establish a Hospice facility in South Lanarkshire	2,669,285	987,272	(362,474)	(25,281)	3,268,802
Red Deer Centre Running Costs	69,237	94,518	(189,036)	25,281	-
	<u>2,738,522</u>	<u>1,081,790</u>	<u>(551,510)</u>	<u>-</u>	<u>3,268,802</u>

THE KILBRYDE HOSPICE

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

18 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2014 are represented by:			
Tangible fixed assets	2,378,109	2,666	2,380,775
Investments	1	-	1
Current assets	1,269,286	25,234	1,294,520
Creditors: amounts falling due within one year	(378,594)	-	(378,594)
	<u>3,268,802</u>	<u>27,900</u>	<u>3,296,702</u>

19 Net cash inflow from operating activities

	2014 £	2013 £
Reconciliation to changes in resources		
Changes in resources before revaluations	522,591	299,944
Depreciation of tangible fixed assets	3,491	2,322
Loss on disposal of tangible fixed assets	1,671	116
Decrease/(increase) in stocks	756	(766)
Increase in debtors	(707,740)	(22,163)
Increase/(decrease) in creditors	346,364	(18,388)
	<u>167,133</u>	<u>261,065</u>

20 Reconciliation of net cash flow to movement in net funds

	2014 £	2013 £
(Decrease)/increase in cash	(2,172,095)	239,109
Net funds at 1 April 2013	2,722,122	2,483,013
Net funds at 31 March 2014	<u>550,027</u>	<u>2,722,122</u>

21 Analysis of net cash balances

	At 1 April 2013 £	Cash flow £	Non-cash changes £	At 31 March 2014 £
Cash at bank and in hand	2,722,122	(2,172,095)	-	550,027
	<u>2,722,122</u>	<u>(2,172,095)</u>	<u>-</u>	<u>550,027</u>

THE KILBRYDE HOSPICE

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

22 Commitments under operating leases

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
Between two and five years	-	-	5,098	-
In over five years	26,000	-	-	-
	<u>26,000</u>	<u>-</u>	<u>5,098</u>	<u>-</u>

The charitable company is committed under a long lease with NHS Lanarkshire for an annual ground rent of £26,000 for the Hospice site. This is a notional rent as it is later reimbursed by NHS Lanarkshire through funding received.

23 Commitments

Capital Commitments

On 12th April 2013, a wholly owned subsidiary was formed called The Kilbryde Hospice (Construction) Limited. The subsidiary was contracted by The Kilbryde Hospice to project manage the construction of the new Hospice build on the charitable company's behalf. The subsidiary has contracted with CCG (Scotland) Ltd, the main build contractor, to construct the new Hospice at a cost of £3,463,904. At the balance sheet date the subsidiary had committed to a stage 1 schedule of works for the construction, to the value of £2,800,000 of which £1,784,315 was paid at the balance sheet date.

In addition, professional fees and ancillary costs associated with the build are expected to be in the region of £400,000 of which £200,000 had been completed and paid at the balance sheet date.

The build began on the 26th August 2013 and is scheduled to be completed by September 2014.

THE KILBRYDE HOSPICE

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2014

24 Related parties

Controlling Parties

The charitable company was controlled throughout the year by its board of directors.

Related Parties

The Kilbryde Hospice (Construction) Ltd

During the year the subsidiary company provided project management services on the Hospice build amounting to £1,989,938 (2013: Nil).

At the date of approval, a charitable donation of £6,717 was approved by the directors of the subsidiary and made to the charitable parent company. The qualifying charitable donation is treated as being received in the accounting period ended 31st March 2014.

There was an inter company balance owed from The Kilbryde Hospice (Construction) Ltd of £685,757 as at 31st March 2014 (2013: Nil).

The City Charitable Trust

During the year The City Charitable Trust, a charitable organisation connected to director Lady Susan Haughey generously donated the sum of £317,000 towards the build costs of the Hospice.