

REGISTERED NO. SC 068503
CHARITY REGISTRATION NO. SC 006704

STRATHCARRON HOSPICE
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018

COMPANIES HOUSE
EDINBURGH

31 OCT 2018

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STRATHCARRON HOSPICE

REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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STRATHCARRON HOSPICE

COMPANY INFORMATION

Members of the Council of Management

Mr D Wheeler (Resigned 27/09/17)
Dr E Millar (Chair)
Mrs C McKinlay
Dr M Fyall
Mr C Rodger (Appointed 27/09/17)
Mrs G Niven
Mrs S Struthers (Vice Chair)
Ms N Cliff (Appointed 27/09/17)

Ms R Davidson
Mr M McMonagle
Mr I Black (Appointed 27/09/17)
Mr C Mather (Resigned 27/09/17)
Mr D McGregor
Dr J Oliver
Mrs A Balfour

Chief Executive

Ms I McKie

Company Secretary

Mr W Andrew

Registered Office

Fankerton
Denny
Stirlingshire
FK6 5HJ

Registered Number

SC 068503

Charity Registration Number

SC 006704

Bankers

The Royal Bank of Scotland
25 Quakerfield
Stirling
FK7 8JA

Solicitors

Mathie MacLuckie
80 Murray Place
Stirling
FK8 2DR

External Auditors

Wylie & Bisset LLP
Chartered Accountants
168 Bath Street
Glasgow
G2 4TP

Internal Auditors

TIAA Limited
61 Dublin Street
Edinburgh
EH3 6NL

Stockbrokers

Tilney Bestinvest
130 St Vincent Street
Glasgow
G2 5SE

STRATHCARRON HOSPICE

REPORT OF THE COUNCIL OF MANAGEMENT

The Council of Management presents its report and the audited financial statements of the company and the group for the year ended 31 March 2018. The company information sheet on the preceding page forms an integral part of this report.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

Structure, Governance and Management

Strathcarron Hospice was incorporated on 11 June 1979 as a company limited by guarantee. The number of members is limited to 500. On 31 March 2018 the company had 165 members (2017:150), each of whom agree to contribute £5 in the event of the charity winding up. It is governed by the Memorandum and Articles of Association adopted by Special Resolution on 9 June 1980.

The Hospice is registered on the Register of Scottish Charities and has been recognised as a charity by HM Revenue & Customs. Consequently, there is no liability to taxation on any of its income used for charitable purposes.

The Hospice is governed by the Council of Management, but the day to day running has been delegated to the Chief Executive, who is an employee, but not a director of the company.

The frequency of meetings of the Council of Management and Committees is detailed below

Committee	Number of Meetings in Year
Council of Management	4
Executive Committee	1
Audit Committee	3
Fundraising Committee	4
Clinical Governance Committee	4
Building Committee	2
Investment Committee	2
Retail Committee	4

Members of the Council of Management and their interests

The members of the Council of Management at 31 March 2018 are listed on the company information sheet. All are directors of the company and comprise the Trustees of the charity.

Every member of the Council of Management is a member of the company. As the company is limited by guarantee it does not have a share capital, therefore none of the members of the Council of Management holds any shares. No members of the Council of Management received any remuneration or expenses during the year or the previous year.

Recruitment and Appointment of the Council of Management

The Hospice adheres to recognised best practice in ensuring that there is a good balance of expertise within the Council of Management including individuals with clinical, fiscal, legal and legislative knowledge as well as representatives of the communities which the Hospice serves. The Executive Committee oversees the recruitment and appointment of Council Members with appropriate expertise and interests.

Council of Management Induction and Training

Prior to being appointed at the AGM new Council Members will usually have acted in a seconded capacity. An Induction Pack is provided which includes information on the roles and duties of a Council Member and Council Papers from the previous year. In addition, the Hospice Chief Executive meets with potential Council Members for a tour of the facilities and a detailed briefing on the services provided.

STRATHCARRON HOSPICE

REPORT OF THE COUNCIL OF MANAGEMENT (continued)

The make-up of the Council of Management is such that it allows the Hospice to keep up to date with relevant legislation and guidelines and the background of the Council reflects the areas of activity that are overseen by Council. Briefings are provided to the Council of Management and Committees to update them on changes in legislation or policy. In 2013, with a grant from Help the Hospices, Council reviewed its corporate governance arrangements with assistance from a Consultant from CASS Business School. Overall the review found the Hospice's governance arrangements to be robust however some minor areas for improvement were identified including some changes to the format of meetings to ensure a focus on strategic issues and to ensure Council looked forward rather than reviewing retrospective activities. The findings and actions from the 2013 review were presented and discussed at the Council of Management meeting on 5th March 2018 to ensure they were still current and relevant. With minor amendments, Council confirmed that the corporate governance arrangements were fit for purpose.

STRATEGIC REPORT

The principal activity of the Company is the operation of the Hospice for the care of terminally ill patients in the communities of Forth Valley, Cumbernauld and Kilsyth. The Hospice provides specialist palliative care to patients with active progressive illness and provides support to their families. Care is provided free to all patients and referrals come from General Practitioners and Hospital Consultants. The Hospice supports the wider health community providing specialist advice and support across health and social care settings and educational courses for its own staff and health and care staff across Scotland and beyond. The Hospice now supports more patients in the community than in the Hospice building itself. The Hospice services are provided by a multidisciplinary team and in addition to inpatient care, provides community based care including Hospice@Home; Day Care; a specialist Lymphoedema clinic; family support and bereavement service; education, research and practice development.

The Hospice continued to make progress on its Five Year Strategy which it developed in December 2015 and with the advent of a new Chairperson in September 2017 the Hospice has commenced a review of its strategy to ensure it remains relevant.

A continued emphasis on the development of care and support in community settings is anticipated, in line with the wider NHS/Social Care agenda. The Hospice has continued to develop its Hospice@Home service and the process of external evaluation is now beginning to yield powerful evidence that the service reduces the use of inpatient bed days at the end of life. The service was graded as excellent by the Care Inspectorate for the second year running following an inspection in August 2017. The Hospice also continued to develop its volunteer befriending service and using external grant funding has been evolving its community support to develop Strathcarron Compassionate Neighbours who will offer a range of support to people with long term conditions to help them stay connected to their community.

In 2017 the Hospice upgraded its Day Care Unit, with funding from the Margaret Murdoch Trust. This has transformed the space and has had a positive impact on patient interaction.

The Hospice is actively involved in the Scottish Palliative and End of Life Research Group and the Palliative Care Research Society and continues to have a monthly research forum, a journal club and a writing group. Three research projects were completed in 2017/18 with four research projects currently underway. Our Education, Research and Practice Development Department continued to develop its work, supporting care homes as well as offering bespoke training to a range of health and social care staff.

The Hospice is actively engaged with the Health and Social Care Partnerships of the Integrated Joint Boards in the Forth Valley area and has also been involved in discussions with NHS Lanarkshire in respect of services to Cumbernauld & Kilsyth. A three year Service Level Agreement was signed with NHS Forth Valley in July 2017.

The Hospice also considered the impact of new legislation and put in place arrangements to ensure compliance with both the General Data Protection Regulation and the NHS Duty of Candour.

In respect of Strathcarron Hospice Retail Ltd the Hospice developed a new furniture shop in Falkirk and invested in additional staff to support its retail activities: it is anticipated that the restructuring of our retail

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REPORT OF THE COUNCIL OF MANAGEMENT (continued)

activities and the associated investment will result in improved financial performance going forward. The Hospice also experimented with ebay selling and will consolidate the arrangements for this in 2018/19.

Our Fundraising performance was good and the overall target was met. The Hospice's involvement in the Stirling Marathon and the relocation of the 10k run both contributed to a strong performance. A number of Scottish hospices, including Strathcarron, worked together and this culminated in a first successful joint event, a "bubble rush". The development of a new website at the end of the previous year has resulted in recent improvements to the interaction with our supporters.

PLANS FOR FUTURE YEARS

The Council of Management agreed to outline plans for the redevelopment of the front entrance to improve access for disabled and ambulance patients. In 2018/19 plans will be finalised and the work will be substantially underway. The Hospice is also reviewing potential ways of improving car parking availability.

The Hospice is cognisant of the need to further develop its Hospice@Home service but also the need to secure more stable funding. The core service has been funded by Big Lottery and this funding is due to end in July 2019. The external evaluation will be completed in autumn 2018 and the Hospice will seek to secure funding from grant awarding bodies and also the NHS. Interim results of the evaluation demonstrate its effectiveness and in particular its positive impact in supporting people to die in their own homes when that is their wish.

The Hospice will also seek to further develop its community support and roll out the Strathcarron Compassionate Neighbours model, subject to Trust funding.

The instability of NHS funding is of concern and the Hospice will seek to establish a firm position with NHS Lanarkshire that recognises the Hospice's provision of services to Cumbernauld & Kilsyth for over 37 years and also recognises that the range of services offered by Strathcarron is more comprehensive than those offered by the other hospices in Lanarkshire.

RISK MANAGEMENT

As part of Governance, the findings and actions from the 2013 review were presented and discussed at the Council of Management meeting on the 5th March 2018 to ensure they were still current and relevant. Some minor amendments were highlighted, with the opinion that the current Corporate Governance arrangements were fit for purpose.

The Council of Management of the Hospice has a duty of care and is committed to providing high quality services through the application of safe and effective risk management principles with the core aims of:

- Minimising the risks to patient/staff/visitors and the general public
- Effectively targeting resources to key areas
- Safeguarding the assets of the organisation
- Promoting a culture of awareness

Four categories of risk have been identified and used as the basis for establishing holistic risk management:

- Clinical risk within the Hospice and the community
- Health, safety and environmental risk
- Organisational risk
- Financial risk

The Hospice maintains a high level Strategic Risk Register which is overseen by the Audit Committee with delegated responsibility to the following committees for appropriate input:

- Clinical Governance Committee – Clinical risk

STRATHCARRON HOSPICE

REPORT OF THE COUNCIL OF MANAGEMENT (continued)

- Audit Committee – Organisational/financial risk
- Investment Committee – Investment /reserves risks
- Health and Safety Committee – Health, safety and environmental risks
- Risk Management Committee – Risk Overview
- Retail Committee – Retail risks

The current strategic risks which are monitored and mitigated by the Audit Committee are as follows: -

- Physical disaster fire, flood, storm damage or catastrophic loss of service
- Inadequate or ineffective infection control including pandemics
- Clinical error leading to patient harm
- Poor External Inspection Reports
- Non-compliance with legislation or statutory requirements
- Data security and management of confidential information including patient and fundraising data
- Inadequate financial controls/procedures leading to financial disaster and/or reduction/loss of income/financial discrepancies
- Inadequate operational/financial retail process and procedures leading to financial irregularities and/or complete or partial loss of retail services.
- Inadequate facilities management process and procedure leading to partial or complete loss or disruption to site, utilities, plant, equipment, fabric including criminal activity

Strathcarron Hospice has a Strategic Risk Register which is reviewed regularly at the meetings of its Audit Committee and annually at the Council of Management. In respect of each risk control measures are in place which reduce the level of risk. The residual risks are all within the categories of major and moderate.

Financial review

Results for the year

The operating result for the year shows a surplus of £26,195 which is a decrease compared with the prior year surplus of £177,203 and is after accounting for a charge of £1,017,000 (2017: £541,000) in relation to the service costs associated with the Falkirk Council Pension Fund.

The operating result (£26,195 surplus) is before taking into account the realised losses and gains on investments and the actuarial gain on the Falkirk Council Pension Fund of £6,488,000 (2017: loss £3,550,000). The total net movement in funds was an increase of £6,419,199 (2017: £2,346,426 decrease).

The net balance sheet deficit arising in relation to the Falkirk Council Pension Fund is £6,216,000. The deficit has decreased from £11,687,000 at 31 March 2017 with associated movements recognised within the Statement of Financial Activities in 2018. These are as a result of market factors and actuarial assumptions made under the requirements of accounting standards.

The financial statements show unrestricted income funds of £12,996,114 prior to incorporating the Pension Scheme liability with regard to the Falkirk Council Pension Fund. The liability with regard to the Pension Fund as at 31 March 2018 has been estimated by actuaries to be £6,216,000. The decrease in the pension liability is offset by the loss in relation to the investments which gives rise to the surplus on unrestricted funds of £6,380,936.

The Pension Fund liability is estimated at 31 March 2018 based on actuarial assumptions and therefore is liable to fluctuate considerably in future years. The Trustees of the Hospice are satisfied that the Hospice can afford to make the ongoing contributions to the Fund on an ongoing basis and for this reason the financial statements of the Hospice have been drawn up on a going concern basis.

STRATHCARRON HOSPICE

REPORT OF THE COUNCIL OF MANAGEMENT (continued)

Going concern

The Trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The Trustees have given consideration to the going concern basis on which the financial statements are prepared in light of the pension deficit and are satisfied that the Hospice can afford to make the ongoing contributions to the Fund on an ongoing basis.

Income generating activities

Income from all sources has increased to a level of £9.05 million compared to £8.23m in 2016/17 representing an increase of 10%. Donations and legacy income has increased by £390k to £3 million, other trading activity income has increased by £354k to £2.99m and charitable activity income by £40k to £2.80m. Income from investment activities has increased by £39k to £257k.

The principal reasons for the increase are an uplift in legacies received and an increased in events & fundraising and lottery income. The Hospice has in place a 5-year financial plan to improve income and control expenditure and to work towards financial break-even without the reliance on legacy income.

Fundraising activities

The main fundraising activity undertaken by the Hospice is the Lottery, the income generated in 2018 was £469,843, compared to £446,762 in the previous year and this was in line with the expectations set with the lottery providers.

Cost of Charitable activities

The costs of delivering our care services were £7.267 million (2016/17: £6.434 million) after adjusting for the impact of pension accounting.

Volunteers' in Kind donations

Strathcarron Hospice has in the region of 300 volunteers (and a further 600+ in its shops) and without them the Hospice could not continue to provide such a high quality of patient care. Hospices are in an almost unique position of being able to recruit good quality volunteers and have them working alongside paid staff without any industrial relations issues. Hospices are significantly more efficient as a result of this free resource and the presence of volunteers does positively influence the whole atmosphere of the Hospice to create a very caring environment that makes time to help patients, their loved ones and indeed our own staff.

Overall in the Hospice and Hospice shops, the volunteers' contribution is estimated at over £1 million.

Investment policy

The Memorandum and Articles of Association permit the Council to invest in such stocks and shares in the UK as it considers appropriate. The Council devolves management of the portfolio to the Investment Committee and Tilney Bestinvest has been contracted to manage the portfolio on a discretionary basis. The policy is to adopt an income weighted, medium risk investment strategy to produce a combined growth of income and capital equating to plus 2.5% of a bespoke benchmark, based on 50% FT Gilts All Stocks and 50% FT All Share indices, measured over a 3-year period. The Council of Management reviews the policy annually and detailed management is conducted through half-yearly meetings held by the Investment Committee with the portfolio managers.

Reserves policy

The total funds at 31 March 2018 are £6,820,563 This is after accounting for a pension deficit of £6,216,000 which gives rise to funds of £13,036,563 prior to the pension deficit, split between a designated fixed asset fund of £3,706,885, general funds of £9,289,229 and restricted funds of £40,449. The general funds include £8,317,658 which is held in an Investment Fund. The remaining balance of Unrestricted Funds are available for use for any purpose.

The restricted funds of £40,449 are held in two funds restricted for specific use as described in note 21 to the accounts.

STRATHCARRON HOSPICE

REPORT OF THE COUNCIL OF MANAGEMENT (continued)

The Council of Management has established a broad policy whereby reserves will be retained at a level sufficient to provide running costs for three to six months. Taking into account contribution from the NHS this would be at a level of £1.3m to £2.6m. At the year end, largely as a result of the pension deficit, the freely available reserves held by the Hospice amount to £3,073,229 meaning the Hospice does hold the desired level of reserves. However, if the pension liability is excluded the Hospice would have £9,289,229 of freely available reserves. The Hospice continues to make small surpluses or deficits on an ongoing basis when pension accounting is excluded. The policy is reviewed on a yearly basis to ensure that the reserves best meet the changing needs of the Hospice.

Key Management personnel and remuneration

Key management personnel and remuneration: The Trustees consider the Council of Management, the Chief Executive and the Senior Management Team as comprising the key management personnel of the charity in charge of directing and controlling the charity and running the charity on a day to day basis. All Trustees' give of their time freely and no Trustee remuneration was paid in the year, nor any Trustee expenses reimbursed as disclosed in note 4 to the accounts. Trustees are required to disclose all relevant interests and register them with the Chief Executive and in accordance with the Hospice's policy withdraw from decisions where a conflict of interest arises. The pay of the charity's Chief Executive is reviewed annually along with members of the Senior Management Team.

Statement of the responsibilities of the Council of Management

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

Company law requires the 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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 financial statements; and
- 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 that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STRATHCARRON HOSPICE

REPORT OF THE COUNCIL OF MANAGEMENT (continued)

Auditors

A resolution to reappoint Wylie & Bisset LLP as auditors to the company will be proposed at the Annual General Meeting.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'E. Millar', written in a cursive style.

E Millar

Chairman of the Council of Management

Date: 3 September 2018

Independent Auditor's Report to the Trustees and Members of Strathcarron Hospice for the Year Ended 31 March 2018

Opinion

We have audited the financial statements of Strathcarron Hospice (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2018 which comprise the Group and Parent Charitable Company's Statement of Financial Activities, the Group and Parent Charitable Company's Balance Sheets, the Group and Parent Charitable Company's Cash Flow Statements and the related notes and accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2018, and of the group's and parent charitable company's incoming resources and application of resources 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the report and financial statements other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Trustees and Members of Strathcarron Hospice for the Year Ended 31 March 2018

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Council of Management, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report included within the Report of the Council of Management has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Report of the Council of Management.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and then Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, the Trustees (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Trustees and Members of Strathcarron Hospice for the Year Ended 31 March 2018

Auditor's responsibilities for the audit of the financial statements

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 the Acts and relevant regulations made or having effect thereunder. 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.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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 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 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 the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Jenny Simpson (Senior statutory auditor)

For and on behalf of Wylie & Bisset LLP, Statutory Auditor

Date: 3 September 2018

168 Bath Street
Glasgow
G2 4TP

STRATHCARRON HOSPICE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2018
(incorporating an income and expenditure account)

	Note	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Pension Funds 2018 £	Total Funds 2018 £	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Pension Funds 2017 £	Total Funds 2017 £
Income and endowments from:									
Donations and legacies	5	3,000,827	-	-	3,000,827	2,571,346	39,628	-	2,610,974
Charitable activities	6	2,493,512	308,306	-	2,801,818	2,508,175	253,964	-	2,762,139
Other trading activities	7	2,990,034	-	-	2,990,034	2,635,884	-	-	2,635,884
Investments	8	257,086	-	-	257,086	217,816	-	-	217,816
Other Incoming Resources	9	-	-	-	-	3,961	-	-	3,961
Total Income		8,741,459	308,306	-	9,049,765	7,937,182	293,592	-	8,230,774
Expenditure on:									
Raising funds									
Other trading activities	10	1,731,295	-	-	1,731,295	1,598,984	-	-	1,598,984
Investment management	11	25,708	-	-	25,708	20,603	-	-	20,603
Charitable activities	12	5,908,835	340,732	1,017,000	7,266,567	5,589,487	303,497	541,000	6,433,984
Total Expenditure		7,665,838	340,732	1,017,000	9,023,570	7,209,074	303,497	541,000	8,053,571
Net income/(expenditure) and net movement in funds before gains and losses on investments									
		1,075,621	(32,426)	(1,017,000)	26,195	728,108	(9,905)	(541,000)	177,203
(Loss)/gain on investments	17	(94,996)	-	-	(94,996)	1,026,371	-	-	1,026,371
Net income/(expenditure) for the year		980,625	(32,426)	(1,017,000)	(68,801)	1,754,479	(9,905)	(541,000)	1,203,574
Transfers between funds		(70,689)	70,689	-	-	(1,286)	1,286	-	-
Actuarial gains/(losses) on defined benefit pension schemes	26	-	-	6,488,000	6,488,000	-	-	(3,550,000)	(3,550,000)
Net movement in funds		909,936	38,263	5,471,000	6,419,199	1,753,193	(8,619)	(4,091,000)	(2,346,426)
Funds reconciliation									
Total Funds brought forward	21	12,086,178	2,186	(11,687,000)	401,364	10,332,985	10,805	(7,596,000)	2,747,790
Total Funds carried forward	21	12,996,114	40,449	(6,216,000)	6,820,563	12,086,178	2,186	(11,687,000)	401,364

The Statement of Financial Activities includes all gains and losses recognised in the year.

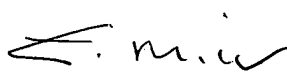
All income and expenditure derive from continuing activities.

STRATHCARRON HOSPICE

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2018

	Note	2018	2017
		£	£
Fixed assets:			
Tangible assets	16a	3,706,885	3,804,790
Investments	17	8,317,658	7,440,500
Total Fixed Assets		<u>12,024,543</u>	<u>11,245,290</u>
Current assets:			
Stocks	18	71,520	93,200
Debtors	19	420,332	960,446
Cash at bank and in hand	24	976,878	447,339
		<u>1,468,730</u>	<u>1,500,985</u>
Liabilities:			
Creditors falling due within one year	20	<u>(455,258)</u>	<u>(657,911)</u>
Net Current Assets		1,013,472	843,074
Net assets excluding pension deficit		<u>13,038,015</u>	<u>12,088,364</u>
Defined benefit pension scheme liability	26	(6,216,000)	(11,687,000)
Provision for liabilities		<u>(1,452)</u>	<u>-</u>
Net assets including pension deficit		<u>6,820,563</u>	<u>401,364</u>
Funds:			
Restricted funds	21	40,449	2,186
Unrestricted Funds:			
Designated fixed asset funds	21	3,706,885	3,804,790
General funds		9,289,229	8,281,388
Unrestricted income funds excluding pension liability	21	12,996,114	12,086,178
Pension fund		<u>(6,216,000)</u>	<u>(11,687,000)</u>
Total unrestricted funds		<u>6,780,114</u>	<u>399,178</u>
Total funds		<u>6,820,563</u>	<u>401,364</u>

These financial statements were approved by the Council of Management on 3 September 2018 and signed on its behalf by:


E MILLAR
Chairman of the Council of Management


D MCGREGOR
Member of Council

Company Registration No. SC 068503

STRATHCARRON HOSPICE

CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDING 31 MARCH 2018 (incorporating an income and expenditure account)

	Note	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Pension Funds 2018 £	Total Funds 2018 £	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Pension Funds 2017 £	Total Funds 2017 £
Income and endowments from:									
Donations and legacies	5	3,000,827	-	-	3,000,827	2,571,346	39,628	-	2,610,974
Charitable activities	6	2,493,512	308,306	-	2,801,818	2,508,175	253,964	-	2,762,139
Other trading activities	7	1,398,370	-	-	1,398,370	1,241,802	-	-	1,241,802
Investments	8	725,820	-	-	725,820	620,197	-	-	620,197
Other Incoming Resources	9	-	-	-	-	3,961	-	-	3,961
Total Income		7,618,529	308,306	-	7,926,835	6,945,481	293,592	-	7,239,073
Expenditure on:									
Raising funds									
Other trading activities		578,768	-	-	578,768	598,043	-	-	598,043
Investment management	11	25,708	-	-	25,708	20,603	-	-	20,603
Charitable activities	12	5,908,835	340,732	1,017,000	7,266,567	5,589,487	303,497	541,000	6,433,984
Total Expenditure		6,513,311	340,732	1,017,000	7,871,043	6,208,133	303,497	541,000	7,052,630
Net income/(expenditure) and net movement in funds before gains and losses on investments		1,105,218	(32,426)	(1,017,000)	55,792	737,348	(9,905)	(541,000)	186,443
(Loss)/gain on investments	17	(94,966)	-	-	(94,966)	1,026,371	-	-	1,026,371
Net income/(expenditure)		1,010,222	(32,426)	(1,017,000)	(39,204)	1,763,719	(9,905)	(541,000)	1,212,814
Transfers between funds		(70,689)	70,689	-	-	(1,286)	1,286	-	-
Actuarial gains/(losses) on defined benefit pension schemes	26	-	-	6,488,000	6,488,000	-	-	(3,550,000)	(3,550,000)
Net movement in funds		939,533	38,263	5,471,000	6,448,796	1,762,433	(8,619)	(4,091,000)	(2,337,186)
Funds reconciliation									
Total Funds brought forward		12,058,465	2,186	(11,687,000)	373,651	10,296,032	10,805	(7,596,000)	2,710,837
Total Funds carried forward		12,997,998	40,449	(6,216,000)	6,822,447	12,058,465	2,186	(11,687,000)	373,651

The Statement of Financial Activities includes all gains and losses recognised in the year.

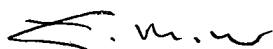
All income and expenditure derive from continuing activities.

STRATHCARRON HOSPICE

CHARITY BALANCE SHEET AS AT 31 MARCH 2018

	Note	2018	2017
		£	£
Fixed assets:			
Tangible assets	16b	3,645,173	3,712,861
Investments	17	8,317,758	7,440,600
Total Fixed Assets		<u>11,962,931</u>	<u>11,153,461</u>
Current assets:			
Stocks	18	18,453	20,842
Debtors	19	565,582	1,151,093
Cash at bank and in hand	24	898,296	329,989
		<u>1,482,331</u>	<u>1,501,924</u>
Liabilities:			
Creditors falling due within one year	20	<u>(406,815)</u>	<u>(594,734)</u>
Net Current Assets		1,075,816	907,190
Net assets excluding pension deficit		<u>13,038,447</u>	<u>12,060,651</u>
Defined benefit pension scheme liability	26	<u>(6,216,000)</u>	<u>(11,687,000)</u>
Net assets including pension deficit		<u>6,822,447</u>	<u>373,651</u>
Funds:			
Restricted funds	21	40,449	2,186
Unrestricted Funds		6,781,998	371,465
Total funds		<u>6,822,447</u>	<u>373,651</u>

These financial statements were approved by the Council of Management on 3 September 2018 and signed on its behalf by:



E MILLAR
Chairman of the Council of Management



D MCGREGOR
Member of Council

STRATHCARRON HOSPICE

CONSOLIDATED AND CHARITY STATEMENT OF CASH FLOWS FOR THE YEAR ENDING 31 MARCH 2018

	Note	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Cash flows from operating activities:					
Net cash provided by/ (used in) operating activities	23	1,378,609	1,014,997	373,147	(247,814)
Cash flows from investing activities:					
Proceeds from the sale of tangible fixed assets		-	-	10,861	3,961
Purchase of tangible fixed assets		(134,002)	(134,002)	(105,516)	(84,856)
Purchase of Investments		(1,645,301)	(1,645,301)	(1,684,934)	(1,684,934)
Proceeds from the sale of investments		673,147	673,147	1,209,652	1,209,652
Interest received		187	187	497	497
Gift Aid received from subsidiary		-	402,381	-	508,977
Other Investment Income		256,899	256,899	217,319	217,319
Net cash (used in)/ provided by investing activities		(849,070)	(446,689)	(352,121)	170,614
Change in cash and cash equivalents in the year		529,539	576,249	21,026	(77,200)
Cash and cash equivalents brought forward	24	447,339	329,989	426,313	407,189
Cash and cash equivalents carried forward	24	976,878	898,296	447,339	329,989

STRATHCARRON HOSPICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these accounts.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The charity constitutes a public benefit entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Going concern

The trustees consider that there are no material uncertainties about the charity's ability to continue as a going concern.

The Pension Fund liability is estimated at 31 March 2018 based on actuarial assumptions and therefore is liable to fluctuate considerably in future years. The Trustees of the Hospice are satisfied that the Hospice can afford to make the ongoing contributions to the Fund on an ongoing basis.

(b) Funds structure

Unrestricted income funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects. Unrestricted funds include designated funds where the trustees, at their discretion, have created funds for specific purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor or trust deed, or through the terms of an appeal.

Further details of each fund are disclosed in note 21.

(c) Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donations, are recognised when the charity has been notified in writing of both the amount and settlement date. In the event that a donation is subject to conditions that require a level of performance before the charity is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the charity and it is probable that those conditions will be fulfilled in the reporting period.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

STRATHCARRON HOSPICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

1. Accounting Policies (continued)

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment advisor of the dividend yield of the investment portfolio.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

(d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings. For more information on this attribution refer to note (f) below.

- Expenditure on charitable activities includes Specialist Palliative Care and other activities undertaken to further the purposes of the charity and their associated support costs;
- Raising funds – other trading activities includes fundraising costs, shop costs and lottery costs;
- Investment management costs – costs associated with the management of the charity's investment portfolio

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

(e) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

STRATHCARRON HOSPICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

(f) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on time spent. The allocation of support and governance costs is analysed in note 13.

(g) Tangible fixed assets and depreciation

Heritable Property is stated at cost. Following the implementation of FRS102 'The Financial Reporting Standard applicable in UK and Republic of Ireland' the parent company adopted a policy of not revaluing tangible fixed assets. At the 1 April 2014 the carrying amounts of tangible fixed assets were uplifted to fair value which was then treated as deemed cost in line with the transitional provisions of FRS102.

A review for impairment of heritable property is carried out if events or changes in circumstances indicate that the carrying value amount of the property may not be recoverable.

Depreciation is provided on fixed assets for the purpose of writing off each asset over its estimated useful life at the following rates:

- Heritable property - 2% p.a. on a straight line basis
- Equipment - 10% & 20% p.a. on a straight line basis

(h) Fixed asset investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The charity does not acquire put options, derivatives or other complex financial instruments.

The main form of financial risk faced by the charity is that of volatility in equity markets and investment markets due to wider economic conditions, the attitude of investors to investment risk, and changes in sentiment concerning equities and within particular sectors or sub sectors.

(i) Stock

Stock is included at the lower of cost or net realisable value.

(j) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(k) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

STRATHCARRON HOSPICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

(l) Creditors and provisions

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

(m) 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.

(n) Pensions

The Hospice participates in the Falkirk Council Pension Fund, a pension scheme providing benefits based on final or career average pensionable pay, on behalf of certain employees. The assets of the scheme are held separately from those of the Hospice. The Hospice accounts for its pension costs under this scheme on a defined benefit basis under Financial Reporting Standard 102 (FRS102).

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and are discounted at the rate of return on a high quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is considered recoverable) or deficit is recognised in full. The movement in the scheme (deficit)/surplus is split between operating charges, finance items and actuarial gains and losses.

The Hospice also participates in the National Health Superannuation Scheme for Scotland which is a multi-employer scheme where the share of assets and liabilities applicable to each employer is not identified. The Hospice accounts for its pension costs under this scheme on a defined contribution basis as permitted by FRS102. This scheme is not available to new employees and there are only 4 active members.

(o) Contingent liabilities

A contingent liability is identified and disclosed for those grants resulting from:

- a possible obligation which will only be confirmed by the occurrence of one or more uncertain future events not wholly within the trustees' control; or
- a present obligation following a grant offer where settlement is either not considered probable; or
- the amount has not been communicated in the grant offer and that amount cannot be estimated reliably.

(p) Operating leases

The charity classifies the lease of properties as operating leases; the title to the properties remains with the lessor. Rental charges are charged on a straight line basis over the term of the lease.

(q) 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 with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

STRATHCARRON HOSPICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

(r) Taxation

The company is a charitable company within the meaning of Section 467 of the Corporation Tax Act 2010. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 of Part 11 of the Corporation Tax Act 2010 and section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied for charitable purposes only.

2. Legal status

The company is limited by guarantee and does not have a share capital. On 14 July 1980, the Secretary of State at the Department of Trade authorised the company to dispense with the word "Limited".

According to the Memorandum of Association of the company, every member undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, or within one year after he ceased to be a member, for payment of the debts and liabilities the company contracted before he ceased to be a member, and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributors amongst themselves, such amount as to be required, not exceeding £5. On 31 March 2018 the charity had 165 members. The number of members is limited to 500.

3. Financial activities of the subsidiary

The wholly owned trading subsidiary Strathcarron Hospice Retail Limited, which is incorporated in Scotland, runs charity shops with surpluses donated to Strathcarron Hospice by way of gift aid. This year the subsidiary reported a loss after tax of £29,597 (2017: loss of £5,819). The charity owns the entire share capital of 100 ordinary shares of £1.

A summary of the financial activities undertaken by the subsidiary is set out below:

	2018	2017
	£	£
Turnover	1,591,664	1,394,082
Cost of sales	(86,836)	(83,454)
Administration costs	(1,064,239)	(917,487)
Gift aid payment to Strathcarron Hospice	(468,734)	(398,960)
Net (loss)	<u>(28,145)</u>	<u>(5,819)</u>
Taxation	(1,452)	-
Retained in subsidiary	<u>(29,597)</u>	<u>(5,819)</u>

The assets and liabilities of the subsidiary were:

Fixed assets	61,712	91,929
Current assets	181,448	240,405
Current liabilities	(240,071)	(301,100)
Total net assets	<u>1,637</u>	<u>31,234</u>
Aggregate share capital and reserves	<u>1,637</u>	<u>31,234</u>

STRATHCARRON HOSPICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

4. Related party transactions and trustees' expenses and remuneration

The Trustees all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2017: £nil). It is the charity's policy to not pay expenses to Trustees.

During the year no trustee had any personal interest in any contract or transaction entered into by the charity (2017: none).

Donations totally £2,131 (2017: £7,539) were made by 4 trustees (2017: 4)

5. Income from donations and legacies

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Donations	1,153,296	1,153,296	1,090,477	1,090,477
Income from trusts	93,170	93,170	81,669	81,669
Legacies	1,754,361	1,754,361	1,438,828	1,438,828
	<u>3,000,827</u>	<u>3,000,827</u>	<u>2,610,974</u>	<u>2,610,974</u>

6. Income from charitable activities

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
NHS Forth Valley	1,939,984	1,939,984	1,944,386	1,944,386
NHS Lanarkshire	552,072	552,072	552,072	552,072
Other income	4,683	4,683	4,669	4,669
Palliative Care	305,079	305,079	261,012	261,012
	<u>2,801,818</u>	<u>2,801,818</u>	<u>2,762,139</u>	<u>2,762,139</u>

Income from charitable activities includes £1,939,984 (2017: £1,944,386) received from NHS Forth Valley and £552,072 (2017: £552,072) from NHS Lanarkshire towards running costs of the Hospice services. There are no unfulfilled conditions or contingencies associated with these government grants.

STRATHCARRON HOSPICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

7. Income from other trading activities

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Education and Conference Income	51,340	51,340	53,364	53,364
Events & Fundraising Income	840,727	840,727	706,817	706,817
Lottery income	469,843	469,843	446,762	446,762
Catering Income	36,460	36,460	34,859	34,859
Shop Income	1,591,664	-	1,394,082	-
	<u>2,990,034</u>	<u>1,398,370</u>	<u>2,635,884</u>	<u>1,241,802</u>

8. Investment income

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Dividends - equities	256,899	256,899	217,319	217,319
Interest on cash deposits	187	187	497	497
Gift Aid from SHRL	-	468,734	-	402,381
	<u>257,086</u>	<u>725,820</u>	<u>217,816</u>	<u>620,197</u>

9. Other income (Group & Charity)

	2018 £	2017 £
Gain on disposal of tangible fixed assets held for the charity's own use	-	3,961
	<u>-</u>	<u>3,961</u>

10. Raising funds – expenditure on other trading activities (Group)

	Direct Costs £	Support Costs £	Total 2018 £	Total 2017 £
Fundraising & Events costs	293,983	112,895	406,878	429,027
Education & Conference costs	171,890	-	171,890	169,016
Shop expenses	1,152,527	-	1,152,527	1,000,941
	<u>1,618,400</u>	<u>112,895</u>	<u>1,731,295</u>	<u>1,598,984</u>

11. Investment management costs (Group and Charity)

	2018 £	2017 £
Investment management costs:		
Investment manager fees	25,708	20,603
	<u>25,708</u>	<u>20,603</u>

STRATHCARRON HOSPICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

12. Analysis of expenditure on charitable activities (Group and Charity)

	Specialist Palliative Care £	2018 £	2017 £
Care within the Hospice	5,115,273	5,115,273	4,421,921
Day care	206,691	206,691	243,704
Home Care	763,239	763,239	723,970
Maintenance	123,165	123,165	134,218
Depreciation	193,606	193,606	177,603
Governance costs (note 13)	62,789	62,789	51,138
Support costs (note 13)	488,803	488,804	411,430
Net cost of pension finance (note 26)	313,000	313,000	270,000
	<u>7,266,567</u>	<u>7,266,567</u>	<u>6,433,984</u>

13. Allocation of governance and support costs (Group)

The breakdown of support costs and how these were allocated between governance and other support costs is shown in the table below:

Cost type	Total allocated £	Governance related £	Other support costs £	Basis of apportionment
Staff costs	378,041	56,706	321,335	Staff time
Travel	101,019	-	101,019	Staff time
Insurance	32,156	-	32,156	Usage
Telephone	46,085	6,912	39,173	Usage
Postage	17,932	2,690	15,242	Usage
Printing and Stationery	30,707	4,606	26,101	Usage
Professional fees	52,547	4,630	47,917	Usage
Total	<u>658,487</u>	<u>75,544</u>	<u>582,943</u>	

Governance costs:	2018 £	2017 £
Auditor's remuneration	6,000	6,000
Support costs (see above)	<u>75,544</u>	<u>60,413</u>
	<u>81,544</u>	<u>66,413</u>

Breakdown of governance and support costs by activity;

	Support costs £	Governance £	2018 £	2017 £
Raising funds	94,140	18,755	112,895	101,357
Specialist palliative care	<u>488,803</u>	<u>62,789</u>	<u>551,592</u>	<u>462,568</u>
	<u>582,943</u>	<u>81,544</u>	<u>664,487</u>	<u>563,925</u>

STRATHCARRON HOSPICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

14. Analysis of staff costs and remuneration of key management personnel

	Group 2018 £	Group 2017 £
Administration	283,072	242,865
Medical	600,390	581,669
Nursing	2,037,756	2,095,674
Paramedical & clinical support	465,155	372,384
Education	117,392	114,277
Domestic & catering	348,784	415,689
Fundraising	604,085	520,456
Hospice at Home	385,668	225,172
	<u>4,842,302</u>	<u>4,225,314</u>
Social Security costs	389,150	402,693
Employer's Pension costs	901,238	906,774
Current service costs (note 26)	704,000	271,000
	<u>6,836,690</u>	<u>6,148,653</u>
	2018 £	2017 £
Key management personnel remuneration	<u>740,652</u>	<u>698,184</u>

The disclosures with regard to Key management personnel include senior medical staff.

The Charities SORP FRS102 requires disclosure of employee pension benefits associated with key management personnel. This includes the change in the net defined benefit liability arising from employee service rendered during the reporting period on an individual basis. This information requires to be obtained from professional actuaries at significant cost. It is the Council of Management's view this information is cost prohibitive and they believe it is of little benefit to the reader and consequently the information has not been obtained or disclosed.

The number of employees whose employee benefits fell within the following bands are as follows:

	2018 £	2017 £
£70,000 - £80,000	1	2
£80,000 - £90,000	1	2
£90,000 - £100,000	2	1
£100,000 - £110,000	1	-
	2018 No.	2017 No.
The average weekly number of persons, by headcount, employed by the charity during the year was:	<u>174</u>	<u>171</u>

STRATHCARRON HOSPICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

15. Net income/(expenditure) for the year - Group

This is stated after charging:	2018	2017
	£	£
Depreciation	194,714	195,383
Loss/(profit) on disposal of fixed assets	37,193	(3,961)
External auditor's remuneration	6,000	6,000
Other services		
- Subsidiary audit fee	3,000	2,800
- Non-audit services	-	10,112
Internal auditor's remuneration	3,420	5,234
Payments under operating leases	40,356	274,581

16a. Tangible Fixed Assets – Group

	Heritable Property £	Fittings & Equipment £	Total £
Cost or valuation			
At 1 April 2017	3,997,024	1,015,419	5,012,443
Additions	-	134,002	134,002
Disposals	-	(793,095)	(793,095)
At 31 March 2018	3,997,024	356,326	4,353,350
Depreciation			
At 1 April 2017	405,046	802,607	1,207,653
Charge for the year	135,160	59,554	194,714
Eliminated on disposals	-	(755,902)	(755,902)
At 31 March 2018	540,206	106,259	646,465
Net book value			
At 31 March 2018	3,456,818	250,067	3,706,885
At 31 March 2017	3,591,978	212,812	3,804,790

The Heritable Property was valued by an independent valuer DVS on 10 December 2015, wherein the property was valued on an existing use basis in accordance with the RICS Professional Standards at a value of £3,986,188. The transitional provisions of FRS102 in relation to property valuations were applied and the revised valuation is taken as deemed cost.

STRATHCARRON HOSPICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

16b. Tangible Fixed Assets - Charity

	Heritable Property £	Fittings and Equipment £	Total £
Cost or valuation			
At 1 April 2017	3,997,024	876,400	4,873,424
Additions	-	134,002	134,002
Disposals	-	(763,734)	(763,734)
At 31 March 2018	3,997,024	246,668	4,243,692
Depreciation			
At 1 April 2017	405,046	755,517	1,160,563
Charge for the year	135,160	45,652	180,812
Eliminated on disposals	-	(742,856)	(742,856)
At 31 March 2018	540,206	58,313	598,519
Net book value			
At 31 March 2018	3,456,818	188,355	3,645,173
At 31 March 2017	3,591,978	120,883	3,712,861

The Heritable Property was valued by an independent valuer DVS on 10 December 2015, wherein the property was valued on an existing use basis in accordance with the RICS Professional Standards at a value of £3,986,188. The transitional provisions of FRS102 in relation to property valuations were applied and the revised valuation is taken as deemed cost.

STRATHCARRON HOSPICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

17. Fixed Asset Investments – Group and Charity

Movement in fixed asset listed investments	2018	2017
	£	£
Market value brought forward at 1 April	7,440,500	5,938,847
Add: additions to investments at cost	1,723,227	1,684,934
Disposals at carrying value	(694,574)	(1,119,977)
Add net gain/ (loss) on revaluation	(151,495)	936,696
Market value as at 31 March	<u>8,317,658</u>	<u>7,440,500</u>

Net cash released from investments in the year was £525,516 (2017: £494,842).

Investments at fair value - Group	2018	2017
	£	£
Comprised:		
Equities	8,214,737	7,112,022
Cash held within the investment portfolio	102,921	328,478
Total	<u>8,317,658</u>	<u>7,440,500</u>

Investments at fair value - Charity	2018	2017
	£	£
Comprised:		
Equities	8,214,737	7,112,022
Investment in subsidiary company, at cost	100	100
Cash held within the investment portfolio	102,921	328,478
Total	<u>8,317,758</u>	<u>7,440,600</u>

All investments are carried at their fair value. Investment in equities and fixed interest securities are all traded in quoted public markets, primarily the London Stock Exchange. Holdings in common investment funds, unit trusts and open-ended investment companies are at the bid price. The basis of fair value for quoted investments is equivalent to the market value, using the bid price. Asset sales and purchases are recognised at the date of trade at cost (that is their transaction value). The significance of financial instruments to the ongoing financial sustainability of the Charity is considered in the financial review and investment policy and performance sections of the Trustees' Annual Report.

The main risk to the charity from financial instruments lies in the combination of uncertain investment markets and volatility in yield. In terms of specific risks including foreign exchange and credit risks, the charity uses specialist investment managers to balance and limit the overall financial risk by operating a portfolio which provides a high degree of diversification of holdings within a fairly wide band of investment asset classes all of which are quoted on recognised stock exchanges. In addition, the charity does not make use of riskier derivatives or more complex financial instruments in this area. Liquidity risk is expected to be low as all assets are traded in markets with high trading volumes and

STRATHCARRON HOSPICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

17. Fixed Asset Investments – Group and Charity (continued)

not in any markets subject to exchange controls or trading restrictions. In terms of potential Brexit implications, the charity, like most other entities, is monitoring developments closely but at this stage is relatively confident that the current portfolio and future plans for it will shield it from any significant risks when that process is completed.

Unlisted investments

	2018 £	2017 £
Company cost and net book value	100	100

Unlisted investments comprise 100% of the share capital of Strathcarron Hospital Retail Limited, a company registered in Scotland. This company was formed to operate the Strathcarron Hospice shops on 2 April 2009. Further details are given in Note 3.

18. Stock

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Stock	71,520	18,453	93,200	20,842
	71,520	18,453	93,200	20,842

19. Debtors

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Trade Debtors	12,988	5,862	27,025	23,837
Other debtors	312,424	311,918	20,402	-
Prepayments and accrued income	94,920	56,165	913,019	885,912
Owed by subsidiary	-	191,637	-	241,344
	420,332	565,582	960,446	1,151,093

20. Creditors: amounts falling due within one year

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Sundry creditors	241,166	205,980	439,784	390,360
Accruals	112,029	98,772	120,996	107,243
Taxation and social security	102,063	102,063	97,131	97,131
	455,258	406,815	657,911	594,734

STRATHCARRON HOSPICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

21. Analysis of charitable funds - Group

Analysis of Fund movements	As at 1 April 2016 £	Income £	Expenditure £	Transfers £	Gains/(Losses) £	As at 31 March 2017 £
Unrestricted Funds:						
Designated Funds:						
Fixed Assets	3,903,137	-	195,383	97,036	-	3,804,790
Total designated funds	3,903,137	-	195,383	97,036	-	3,804,790
General funds	6,429,848	7,937,182	7,013,691	(98,322)	1,026,371	8,281,388
Total Unrestricted funds excluding pension	10,332,985	7,937,182	7,209,074	(1,286)	1,026,371	12,086,178
Pension reserve	(7,596,000)	-	541,000	-	(3,550,000)	(11,687,000)
Total Unrestricted funds	2,736,985	7,937,182	7,750,074	(1,286)	(2,523,629)	399,178
Restricted funds						
Hospice@Home						
Big Lottery	-	139,809	139,809	-	-	-
Robertson Trust	-	20,000	20,000	-	-	-
FV Endowment	-	12,414	12,414	-	-	-
Donations	-	1,271	1,271	-	-	-
Seasons for Growth	-	30,762	31,304	542	-	-
Forth Valley	4,721	-	4,721	-	-	-
Befriending	6,084	57,167	61,065	-	-	2,186
Margaret Murdoch Trust	-	30,000	30,000	-	-	-
Dementia	-	2,169	2,913	744	-	-
Total restricted funds	10,805	293,592	303,497	1,286	-	2,186
TOTAL FUNDS	2,747,790	8,230,774	8,053,571	-	(2,523,629)	401,364

STRATHCARRON HOSPICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

21. Analysis of charitable funds – Group (continued)

Analysis of Fund movements	As at 1 April 2017 £	Income £	Expenditure £	Transfers £	Gains/(Losses) £	As at 31 March 2018 £
Unrestricted Funds:						
Designated Funds:						
Fixed Assets	3,804,790	-	194,714	96,809	-	3,706,885
Total designated funds	3,804,790	-	194,714	96,809	-	3,706,885
General funds	8,281,388	8,741,459	7,471,124	(167,498)	(94,996)	9,289,229
Total Unrestricted funds excluding pension	12,086,178	8,741,459	7,665,838	(70,689)	(94,996)	12,996,114
Pension reserve	(11,687,000)	-	1,017,000	-	6,488,000	(6,216,000)
Total Unrestricted funds	399,178	8,741,459	8,682,838	(70,689)	6,393,004	6,780,114
Restricted funds						
Hospice@Home						
Big Lottery	-	145,526	226,215	80,689	-	-
Robertson Trust	-	6,667	6,667	-	-	-
Donations	-	22,315	22,315	-	-	-
Seasons for Growth	-	51,821	24,106	-	-	27,715
Befriending	2,186	71,977	61,429	-	-	12,734
Cuddlebed	-	10,000	-	(10,000)	-	-
Total restricted funds	2,186	308,306	340,732	70,689	-	40,449
TOTAL FUNDS	401,364	9,049,765	9,023,570	-	6,393,004	6,820,563

STRATHCARRON HOSPICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

21. Analysis of charitable funds – Group (continued)

The unrestricted funds are available to be spent for any of the purposes of the charity.

Designated Funds – designation of funds is based on the overall group position. Details of the designated funds are as follows:

General Fund

This is the operating fund of the Hospice.

Fixed assets

This is a designated fund representing the unexpired depreciation on fixed assets. It is not available for direct expenditure on charitable activities.

Restricted funds comprise:

Hospice@Home – Our Hospice@Home service provides support to individual patients at the very end of life in their own homes. The support is provided by a defined Hospice@Home Team who, in turn, can call on support of a wide range of clinical staff from the Hospice. The income for the Hospice@Home fund is at present made up of grants from Big Lottery, The Robertson Trust and, in the prior year, NHS Forth Valley Endowments. In future years, we would hope to grow donations from other sources to allow the service to expand and also to take into account the fact that these grants are time limited.

Seasons for Growth - Seasons for Growth is the Children's Bereavement service offered by Strathcarron Hospice using a programme known as "Seasons for Growth". The main source of income for this is a grant from Children in Need but there are also some individual donations specifically for this service.

Forth Valley – Funding received to update local guidelines for palliative care on behalf of NHS Forth Valley MCN Palliative Care.

Befriending - The Befriending Project is a new project providing support to people out in the community who are in the last year of life. Using a network of volunteers, we provide respite for carers and also befriending for individuals to improve their quality of life. The main costs of the project are associated with the employment of a Project Manager who undertakes the assessment and matching of people and volunteers and also undertakes volunteer training. The project has received a number of grants, notably from Reshaping Care for Older People, The Stafford Trust and The Margaret Murdoch Charitable Trust.

Margaret Murdoch Trust – A grant was received from The Margaret Murdoch Trust specifically to contribute to the cost of upgrading of the Hospice's Day Care Unit. Work on the upgrading commenced in 2016/17 and was completed in early 2017/18.

Dementia – A grant was received from The Rank Foundation, administered through Hospice UK, specifically to improve the provision of a dementia friendly environment in the Inpatient Unit. This grant enabled the purchase of specialised equipment for patients with dementia.

Cuddlebed – Funding was received for the Hospice to purchase a cuddlebed.

Transfers – The transfer of £96,809 from unrestricted general funds to designated funds represents movements in fixed assets during the year. This also includes £10,000 from restricted funds to designated fixed assets for a cuddlebed which was capitalised during the year. £80,689 has also been transferred from unrestricted general funds to restricted funds to cover an overspend on the Big Lottery funded project.

STRATHCARRON HOSPICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

22. Net assets over funds – Group

As at 31 March 2017:	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2017 £
Tangible Fixed assets	-	3,804,790	-	3,804,790
Fixed Asset Investments	7,440,500	-	-	7,440,500
Stock	93,200	-	-	93,200
Debtors	960,446	-	-	960,446
Bank & Cash	445,153	-	2,186	447,339
Creditors	(657,911)	-	-	(657,911)
Pension Deficit	(11,687,000)	-	-	(11,687,000)
	<u>(3,405,612)</u>	<u>3,804,790</u>	<u>2,186</u>	<u>401,364</u>

As at 31 March 2018:	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2018 £
Tangible Fixed assets	-	3,706,885	-	3,706,885
Fixed Asset Investments	8,317,658	-	-	8,317,658
Stock	71,520	-	-	71,520
Debtors	420,332	-	-	420,332
Bank & Cash	936,429	-	40,449	976,878
Creditors	(455,258)	-	-	(455,258)
Provision	(1,452)	-	-	(1,452)
Pension Deficit	(6,216,000)	-	-	(6,216,000)
	<u>3,073,229</u>	<u>3,706,885</u>	<u>40,449</u>	<u>6,820,563</u>

STRATHCARRON HOSPICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

23. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Net income/ (expenditure) for the year per the statement of financial activities	(68,801)	(39,204)	1,203,574	1,212,814
Adjustments for:				
(Gains)/losses on investments	94,996	94,996	(1,026,371)	(1,026,371)
Investment Income received	(257,086)	(257,086)	(217,816)	(217,816)
Gift Aid received from subsidiary	-	(468,734)	-	(402,381)
Tax charge	1,452	-	-	-
Depreciation charges	194,714	180,812	195,383	177,554
FRS 102 pension adjustment	1,017,000	1,017,000	541,000	541,000
Loss/(Gain) on disposal of fixed assets	37,193	20,878	(2,381)	(3,961)
Decrease/(increase) in stocks	21,680	2,389	(27,413)	2,788
Decrease/(increase) in debtors	540,114	651,864	(559,351)	(761,106)
(Decrease)/Increase in creditors	(202,653)	(187,919)	266,522	229,665
Net cash provided by/ (used in) operating activities	1,378,609	1,014,997	373,147	(247,814)

24. Analysis of cash and cash equivalents

	Group 2018 £	Charity 2018 £	Group 2017 £	Charity 2017 £
Cash at bank and in hand	976,878	898,296	447,339	329,989
Total cash and cash equivalents	976,878	898,296	447,339	329,989

25. Operating lease commitments

At the reporting end date, the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows;

	2018 Land and Buildings £	2017 Land and Buildings £
Under 1 year	166,979	191,054
Between 2 and 5 years	159,354	353,442
Over 5 years	196,328	212,378
	522,661	756,874

STRATHCARRON HOSPICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

26. Pension Commitments

Four members of staff were members of the unfunded National Health Service Superannuation Scheme for Scotland. Contributions paid to this scheme in the year were £31,600 (2017: £35,095).

The Hospice operates within the Local Government Superannuation Scheme by virtue of being permitted to participate in the Falkirk Council Pension Fund. This scheme is a defined benefit scheme on which the most recent actuarial valuation was carried out at 31 March 2014. As part of this exercise, a separate valuation has been provided for the portion of the scheme relating to the Hospice. The contributions made to the scheme during the year were £1,247,000 (2017: £1,138,585).

The employer's contributions to the Scheme are being increased annually with the object of reducing the actuarial deficit at present shown by the Scheme.

The Hospice is required to state the following details in its financial statements to comply with FRS102.

The major assumptions made by the actuary in valuing the scheme are as follows:

	2018	2017
	% p. a	% p. a
Inflation/ Pension Increase Rate	2.4	2.4
Salary Increase Rate	2.9	3.9
Discount rate	2.7	2.6

Life expectancy is based on the Fund's VitaCurves assuming the current rate of improvements has peaked and will converge to a long term rate of 1.25% p.a. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	21.2 years	23.7 years
Future pensioners	22.7 years	25.5 years

The net pension liability was:

	2018	2017
	£'000	£'000
Estimated Employer Assets	23,099	23,315
Present Value of Scheme Liabilities	(29,315)	(35,002)
Net Pension Liability	<u>(6,216)</u>	<u>(11,687)</u>

There are no unfunded liabilities for which provision needs to be made.

STRATHCARRON HOSPICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

26. Pension Commitments (Continued)

FRS102 –Statement of Financial Activities disclosure:

	2018	2017
	£'000	£'000
Current service cost	1,670	1,161
Past service cost	-	-
		1,161
Contributions by employer	(966)	(890)
Pension service cost provision	704	271

Reconciliation of fair value of scheme assets:	2018	2017
	£'000	£'000
Opening fair value of scheme assets	23,315	18,836
Expected Return on Assets	614	667
Contributions by Members	281	260
Contributions by Employer	966	890
Actuarial Gains/(Losses)	(1,452)	3,358
Estimated Benefits Paid	(625)	(696)
	23,099	23,315

Reconciliation of defined benefit obligation:

	2018	2017
	£'000	£'000
Opening defined benefit obligation	35,002	26,432
Current Service Cost	1,670	1,161
Interest Cost	927	937
Contributions by Members	281	260
Actuarial Losses/(Gains)	(7,940)	6,908
Estimated Benefits Paid	(625)	(696)
	29,315	35,002

STRATHCARRON HOSPICE

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2018

26. Pension Commitments (Continued)

History of experience gains and losses for the years ended 31 March:

	2018 £'000	2017 £'000	2016 £'000	2015 £'000	2014 £'000
Scheme Assets	23,099	23,315	18,836	18,112	15,269
Defined benefit obligation	(29,315)	(35,002)	(26,432)	(27,446)	(20,650)
Deficit	<u>(6,216)</u>	<u>(11,687)</u>	<u>(7,596)</u>	<u>(9,334)</u>	<u>(5,381)</u>
Experience adjustments on scheme assets	(1,452)	3,358	(325)	1,744	248
Experience adjustments on scheme liabilities	(7,940)	(6,908)	2,795	(5,285)	9

Analysis of the amount charged to staff costs (Note 14):

	2018 £'000	2017 £'000
Current Service costs	1,670	1,161
Past service cost	-	-
Total operating charge	<u>1,670</u>	<u>1,161</u>
Less: contributions paid	<u>(966)</u>	<u>(890)</u>
Current service cost provision	<u>704</u>	<u>271</u>

Amount charged to operating costs (Note 12):

	2018 £'000	2017 £'000
Expected Return on Employer Assets	614	667
Interest on Pension Scheme Liabilities	<u>(927)</u>	<u>(937)</u>
Net cost of financing and assets	<u>(313)</u>	<u>(270)</u>

Analysis of the amount recognised in the Statement of Financial Activities

	2018 £'000	2017 £'000
Changes in value of scheme assets: Actuarial Gains	(1,452)	3,358
Changes in defined benefit obligations: Actuarial Gain/(loss)	7,940	(6,908)
Actuarial gain/(loss) recognised in SOFA	<u>6,488</u>	<u>(3,550)</u>

Movement in deficit during the year:

	2018 £'000	2017 £'000
Deficit at beginning of the year	(11,687)	(7,596)
Movement in year:		
Current Service Cost	(1,670)	(1,161)
Employer contributions	966	890
Net return on financing and assets	(313)	(270)
Actuarial (losses)/gains	6,488	(3,550)
Deficit at end of year	<u>(6,216)</u>	<u>(11,687)</u>

The estimated employer's contributions for the year to 31 March 2019 are £978,000.

STRATHCARRON HOSPICE

FIVE YEAR SUMMARY OF FINANCIAL STATEMENTS CONSOLIDATED INCOME AND EXPENDITURE ACCOUNTS

	2018	2017	2016	2015 (As restated)	2014
	£	£	£	£	£
Income:					
Public source income	2,492,056	2,501,127	2,176,815	2,138,518	2,073,325
Voluntary source income	1,246,466	1,172,146	1,151,114	993,195	1,043,701
Legacies	1,754,361	1,438,828	1,074,612	465,485	816,674
Fundraising	1,310,570	1,153,579	1,208,345	983,689	758,542
Education	51,340	53,364	50,616	72,170	56,460
Day care	6,773	6,148	4,955	3,298	5,279
Hospice at Home	298,306	254,864	168,337	109,492	-
Other income	41,143	38,820	36,850	45,895	56,140
Shop Sales	1,591,664	1,394,082	1,302,236	1,073,473	841,974
	8,792,679	8,012,958	7,173,880	5,885,215	5,652,095
Investment income	257,086	217,816	206,304	206,242	200,730
Total income	9,049,795	8,230,774	7,380,184	6,091,457	5,852,825
Expenditure:					
Operating costs:					
Fabric	-	-	54,938	92,296	87,415
Care within hospice	4,310,238	4,048,864	3,763,029	3,785,872	3,572,096
Day care	206,691	243,704	385,209	236,749	201,716
Home care	453,992	425,242	464,211	477,363	479,153
Education	171,890	169,016	170,888	146,686	154,859
Hospice at Home	309,247	298,728	208,945	124,161	-
Fundraising	293,983	327,670	300,850	357,671	304,839
Catering	101,035	102,057	90,338	83,147	88,633
Depreciation	193,606	177,603	152,780	202,723	120,642
Periodic maintenance	123,165	134,218	64,799	55,562	58,362
Research	-	-	-	-	18,687
Shop expenses	1,152,527	1,000,941	804,231	642,268	434,330
Operating costs pre pension	7,316,374	6,928,043	6,433,218	6,204,498	5,520,732
Pension service cost provision	704,000	271,000	426,000	177,000	101,000
Net return on pension finance	313,000	270,000	306,000	235,000	126,000
	8,333,374	7,469,043	7,165,218	6,616,498	5,747,732
Administrative expenses:					
Salaries	378,041	302,763	291,391	270,116	272,120
Travel	101,019	101,758	514	306	533
Insurance	32,156	29,127	25,381	26,101	23,688
Telephone	46,086	31,683	23,717	21,758	20,215
Postage	17,932	9,567	14,388	16,488	23,455
Printing & Stationery	30,702	24,170	20,709	26,091	26,643
Professional fees	58,547	64,857	62,538	51,796	41,626
	664,488	563,925	438,638	412,656	408,280
Investment management fees	25,708	20,603	19,740	24,249	24,345
Total expenditure	9,023,570	8,053,571	7,623,596	7,053,403	6,180,357
Net (outgoing)/incoming Resources	26,195	177,203	(243,412)	(961,946)	(327,532)
Gains/(losses) on Investments	(94,996)	1,026,371	(523,260)	232,496	205,354
(Provision for losses)/provision released	-	-	-	-	(13,898)
Surplus/ (Deficit) for year	(68,801)	1,203,574	(766,672)	(729,450)	(136,076)
Actuarial (losses)/ gains on pension	6,488,000	(3,550,000)	2,470,000	(3,541,000)	(506,000)
	6,419,199	(2,346,426)	1,703,328	(4,270,450)	(642,076)

STRATHCARRON HOSPICE

FIVE YEAR SUMMARY OF FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

	2018	2017	2016	2015 (As restated)	2014 (As restated)
	£	£	£	£	£
Fixed assets:					
Tangible assets	3,706,885	3,804,790	3,903,137	4,043,304	4,207,212
Investments	8,317,658	7,440,500	5,938,847	6,335,786	6,242,567
	<u>12,024,543</u>	<u>11,245,290</u>	<u>9,841,984</u>	<u>10,379,090</u>	<u>10,449,779</u>
Current assets:					
Stock	71,520	93,200	65,787	27,690	11,679
Debtors	420,332	960,446	401,095	182,570	457,462
Cash at bank and on hand	976,878	447,339	426,313	159,439	113,609
	<u>1,468,730</u>	<u>1,500,985</u>	<u>893,195</u>	<u>369,699</u>	<u>582,750</u>
Current liabilities:					
Sundry creditors and accruals	353,195	560,780	306,313	292,834	257,901
Taxes & Social Security	102,063	97,131	85,076	77,493	78,716
	<u>455,258</u>	<u>657,911</u>	<u>391,389</u>	<u>370,327</u>	<u>336,617</u>
Net current assets/ (liabilities)	1,013,472	843,074	501,806	(628)	246,133
	<u>13,038,015</u>	<u>12,088,364</u>	<u>10,343,790</u>	<u>10,378,462</u>	<u>10,695,912</u>
Provision	(1,452)	-	-	-	-
Defined benefit pension scheme liability	(6,216,000)	(11,687,000)	(7,596,000)	(9,334,000)	(5,381,000)
	<u>6,820,563</u>	<u>401,364</u>	<u>2,747,790</u>	<u>1,044,462</u>	<u>5,314,912</u>
Net assets	6,820,563	401,364	2,747,790	1,044,462	5,314,912
Accumulated funds					
Restricted income funds	<u>40,449</u>	<u>2,186</u>	<u>10,805</u>	<u>20,000</u>	<u>-</u>
Unrestricted income funds:					
Designated fixed asset fund	3,706,885	3,804,790	3,903,137	4,043,304	4,207,212
General funds	<u>9,289,229</u>	<u>8,281,388</u>	<u>6,429,848</u>	<u>6,315,158</u>	<u>6,488,700</u>
Unrestricted income funds excluding pension liability	12,996,114	12,086,178	10,332,985	10,358,462	10,695,912
Pension reserve	<u>(6,216,000)</u>	<u>(11,687,000)</u>	<u>(7,596,000)</u>	<u>(9,334,000)</u>	<u>(5,381,000)</u>
Total unrestricted funds	<u>6,780,114</u>	<u>399,178</u>	<u>2,736,985</u>	<u>1,024,462</u>	<u>5,314,912</u>
Total funds	6,820,563	401,364	2,747,790	1,044,462	5,314,912