

ARDGOWAN HOSPICE LIMITED

A C C O U N T S

YEAR ENDED 31 MARCH 2012

SATURDAY



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COMPANIES HOUSE

Scottish Charity No. SC011541

Company No. SC075515

ARDGOWAN HOSPICE LIMITED

COMPANY INFORMATION

TRUSTEES

H. Crawford
C. Chambers
J. Cumming (Treasurer)
D. Galbraith (Chairman)
J. Galbraith
J.C. Glenny
J. Kennedy
T. Lafferty
S. Paterson (Vice Chairman)
J. Rae
J. Reidy
J.B. Stewart
Dr.R. Ward

SECRETARY

K. Stevenson

CHIEF EXECUTIVE

D. McElroy

AUDITORS

Welsh Walker Limited
179A Dalrymple Street
Greenock PA15 1BX

BANKERS

Bank of Scotland
64/66 West Blackhall Street
Greenock PA15 1XG

SOLICITORS

Patten & Prentice
2 Ardgowan Square
Greenock

REGISTERED OFFICE

12 Nelson Street
Greenock PA15 1TS

COMPANY REGISTRATION
NUMBER

SC075515

SCOTTISH CHARITY NUMBER

SC011541

ARDGOWAN HOSPICE LIMITED**TRUSTEES' REPORT**

The Trustees of Ardgowan Hospice, who are also Directors of Ardgowan Hospice for the purposes of the Companies Act 2006, present their annual report and audited financial statements for the year ended 31 March 2012. In preparing their Annual Report and financial statements of the Charity, the Trustees have adopted the provisions of the Statements of Recommended Practice (SORP) "Accounting and Reporting by Charities" 2005.

Structure, Governance and Management**Constitution**

Ardgowan Hospice is a charitable company limited by guarantee and was incorporated on 13 July 1981. It is registered as a Scottish charity with the Office of the Scottish Charity Regulator (OSCR).

Ardgowan Hospice is governed by its Articles of Association, which define its sphere of activity and form its constitution.

The Articles were reviewed in 2010 to ensure full compliance with the Companies Act 2006 and the revised constitution was approved at the Annual General Meeting in October 2010.

Ardgowan Hospice is a membership organisation and criteria for membership are defined in the Articles of Association.

Trustees (Directors)

The Trustees (Directors) who served during the year were:-

F. M. Cherry	(resigned 24.10.11)
C. Chambers	(appointed 24.10.11)
J. Cumming	
D. Galbraith	
J. Galbraith	
J. Kennedy	
H. Crawford	
J.C. Glenny	
S. E. Lapsley	(resigned 24.10.11)
S. Paterson	
J. Rae	
J. Reidy	
J. B. Stewart	
Dr R. Ward	
T. Lafferty	(appointed 24.10.11)

The company does not have share capital but is limited by guarantee. The liability of members is limited to £1 each. At 31 March 2012 the company had 71 members.

Mrs Dorothy McElroy, appointed by the Trustees as Chief Executive in May 2005, to manage the day-to-day operations of the Charity intimated her intention to retire on 29th June 2012. Ken Stevenson has been appointed Interim CEO until a new CEO is in post.

No Trustee received remuneration or expenses during 2011/2012.

J. Galbraith will retire at the AGM in October 2012.

In June 2010 it was decided that the Hospice's governing body, the Council of Management, comprising members from a range of backgrounds and established under the Articles of Association, should be renamed "the Board of Trustees". The Board of Trustees meets four times a year.

No outside party can appoint Trustees.

New Trustees are appointed as required to complement the skills and experience of serving Trustees.

ARDGOWAN HOSPICE LIMITED**TRUSTEES' REPORT (Cont'd)**

A role description and statement of main responsibilities is used in the appointment of Trustees. A Code of Practice on Governance prepared in accordance with National Council for Voluntary Organisations (2005) Good Governance: a code for the voluntary and community sector NCVO is available for guidance. All Trustees are provided with copies of these documents.

All new Trustees are required to sign a conflict of interest statement; a fitness to practice statement and to provide an up to date CV on appointment.

All new Trustees undergo a period of induction, which includes time spent with the Chief Executive and key staff within the Hospice. A copy of the Ardgowan Trustee Induction Pack and also Help the Hospices Trustee Induction Pack is given to each new Trustee. Information supplied includes;

- Organisation chart
- Articles of Association
- Vision, Mission and Key Values
- Annual Review
- Strategic plan
- Trustee role description
- Trustees' individual skills and responsibilities
- List of current Trustees with dates of election

Attendance at relevant study days, seminars or conferences is discussed with Trustees as and when appropriate.

Statement of Trustees' Responsibilities

The Trustees, who are also Directors of Ardgowan Hospice Limited for the purpose of Company Law, are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare Financial Statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the profit or loss of the Charitable Company for that period.

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Governance

The Board of Trustees is responsible for setting the strategic direction for the Hospice against a governance framework which is designed to ensure probity and transparency for the decision making process. The Hospice's governance framework also recognises the delegation of functions to Committees of the Board although it does not take away the Board's responsibility to take executive action across the range of its responsibilities.

ARDGOWAN HOSPICE LIMITED**TRUSTEES' REPORT (Cont'd)**

The Board of Trustees reviewed its governance arrangements and in August 2010 approved the establishment of:

- (A) A Finance, Investment and Performance Management Committee which meets 6 times a year to:
1. Review the Hospice's financial, income generation and non-clinical performance; and
 2. Provide assurance to the Board that an appropriate system of internal control is in place to ensure that:
 - Business is conducted in accordance with law and proper standards;
 - Money is safeguarded and properly accounted for;
 - Financial Statements are prepared timeously, and give a true and fair view of the financial position of the Board for the period in question; and
 - Reasonable steps are taken to prevent and detect fraud and other irregularities.
- (B) A Healthcare Governance Committee which meets 4 times a year to:
1. Provide assurance to the Board that the Hospice's clinical governance arrangements are working effectively to safeguard and improve the quality of clinical care; and
 2. That a system is in place for the fair and effective management of all staff.
- (C) A Risk Management Committee which meets 4 times a year to:
1. Provide assurance to the Board that a system is in place to ensure that the Hospice is doing its best to meet its objectives whilst protecting patients, staff, the public and other stakeholders against risks of all kind;
 2. Ensure risk management is addressed in a systematic and documented manner;
 3. Monitor the effectiveness of arrangements to manage risk and to review regularly the Corporate Risk Register; and
 4. Provide assurance to the Board that the Hospice is in compliance with all relevant Health & Safety legislation and that all reasonable and practical steps are being taken to ensure a safe environment for patients, employees and volunteers.

Standing Orders

Standing Orders are in place for proceedings and business of the Board of Trustees and Committees.

Management

Responsibility for day to day management of the Charity rests with the Chief Executive who leads the senior management team.

Related Parties

The Ardgowan Hospice (Goodwill) Ltd., which operates the Ardgowan Hospice Lottery, exists solely to raise funds for the Ardgowan Hospice Ltd.

Objectives and Activities**Charitable Purposes**

The charitable purposes of the Ardgowan Hospice are:

1. To promote the relief of suffering by caring and supporting;
 - Patients and families living with a life-limiting illness;
 - People with any chronic or terminal illness;
 - People with any disability or disease attributable to old age; or
 - People with any other physical or mental infirmity, disability or disease.

ARDGOWAN HOSPICE LIMITED**TRUSTEES' REPORT (Cont'd)**

2. To conduct, promote or encourage research into the care and treatment of people suffering from any such illness, disability, disease or infirmity, particularly into the care and treatment of people suffering from cancer or terminal illnesses.
3. To promote, encourage or assist in the teaching or training of healthcare professionals and students.
4. To provide, assist or encourage the provision of spiritual help and guidance for people attending the Hospice or working there.

The charitable purposes are summed up in our mission:

"Ardgowan Hospice, supported by the local community, aims to provide the highest quality care for patients and families living with a life limiting illness. The Hospice values quality of life, dignity, privacy and individual choice."

In keeping with its charitable purposes and its mission, the Hospice offers the following services:

- In-Patient Care
- Community Nurse Specialist Advice
- Patient & Family Support including Childhood Bereavement
- ACCESS at Ardgowan
- Bereavement Support
- Volunteer Patient Transport Service
- Chaplaincy
- Education Service for hospice staff and professionals in the community
- Specialist Lymphoedema Service
- Complementary Therapies
- Out-Patient clinic
- Consultant support to Inverclyde Royal Hospital
- Information, education and psychological support for patients and carers
- Physiotherapy

Details of Significant Activities

The organisation is involved in the direct care of Inverclyde patients with specialist palliative care needs within the 8 bed In-Patient Unit and ACCESS at Ardgowan. Care is delivered by a multi-professional team.

Out-Patient support, advice and treatment, is provided by a team of Community Nurse Specialists, Bereavement and Counselling Co-ordinator, Consultant in Palliative Medicine, Information and Support team and Lymphoedema Nurse Specialist.

An education service is provided in-house and teaching takes place with health professional and care staff within Inverclyde and wider afield.

A transport service is available for patients attending hospital appointments in the West of Scotland.

Volunteers

The Board of Trustees continues to be grateful for the indispensable and enthusiastic contribution which volunteers make across the whole spectrum of Hospice activities. During the year, 378 volunteers contributed approximately 74,000 hours of their time and talents to help the Hospice achieve its aims. This represents an economic benefit to the Hospice of over £700,000.

ARDGOWAN HOSPICE LIMITED

TRUSTEES' REPORT (Cont'd)

ACHIEVEMENTS AND PERFORMANCE

Summary of Key Achievements during the Year

- Celebrated 30 years of service to the people of Inverclyde.
- Supported 961 patients and families with life limiting illness living in Inverclyde:
 - o 107 patients were admitted to the In Patient Unit which had an average bed occupancy of 80%;
 - o 302 attended our Access at Ardgowan service;
 - o 212 were referred to our Community Nurse Specialists who made 1,497 home visits;
 - o 112 attended Out Patient Clinics;
 - o 97 attended Consultant Hospital appointments;
 - o 37 new patients attended the Lymphoedema Clinic;
 - o 94 Children and parents received 1:1 pre and post bereavement counselling and support; and
 - o Additionally, 1,074 Complimentary and beauty sessions were provided and our volunteer drivers covered 97,000 miles transporting patients to and from hospital.
- Reviewed the nursing skill mix within the In Patient Unit.
- Reviewed and revised our strategic and financial plans for the next 5 years.
- Increased access to patients with non malignant disease to 12% from 7.8%.
- Provided an education programme to local nursery teachers, geared towards supporting children who are bereaved
- Increased the uptake of our services and improved understanding of the range and benefit of our services by promoting the services provided by the hospice at different venues within Inverclyde.
- Continued to seek to improve the quality of our clinical services and practice through audit and listening to the views of patients and carers and introducing patient and carer satisfaction questionnaires which are sent out on discharge from all services.
- Successfully completed a pilot project working with local secondary schools to begin an open dialogue about illness, death and dying in our community
- Supported the Partnership group (comprising patients and carers) to host 6 community groups comprising over 100 visitors to raise awareness of hospice services.
- Introduced a new Employee Appraisal System incorporating a focus on living our key values.

ARDGOWAN HOSPICE LIMITED**TRUSTEES' REPORT (Cont'd)**

- Purchased a new Patient Administration System, Crosscare, to replace the previous system which was no longer supported externally.
- Replaced our computer server, updated the Fire Detection System in the In Patient Unit, replaced one of our vans and refurbished our Kilblain Street shop.
- Launched an Ardgowan Hospice Twitter Page to complement the existing Facebook Page and acquired 100 followers in 2 months
- Consolidated our flagship event, the Moonlight Walk, which has raised nearly £250,000 since launched in 2010.
- Piloted new fundraising events to attract new donors in the younger age group.

FINANCIAL REVIEW**Brief Review of the Charity's Financial Position**

In 2011/12 the hospice suffered during difficult economic conditions and had a deficit of £129,512 after the inclusion of Investment Income and Investment Growth.

The deficit has directly impacted on working capital resulting in a negative working capital of £14,511 at the year end, that said, the value of long term investments rose from £1,278,250 to £1,363,195.

Principal Financial Management Policies

The Hospice is non-profit making, and is unlikely to produce any significant operating surplus year on year. It plans to invest any surplus to provide for situations where there may be a reduction in income or to enable the Hospice to respond to opportunities for service development. Reports are produced monthly, highlighting variances of actual income and expenditure against budget with material differences being investigated. Further, cash flow reports and forecasts are produced monthly to ensure that adequate cash resources are available to meet expenditure obligations.

Principal Funding Sources

The Hospice's principal funding sources are NHS Greater Glasgow & Clyde, legacies, donations, gifts and grants, fundraising, hospice retail shops, the Goodwill Lottery and Friends of Ardgowan Hospice.

Relationship between Expenditure and the Charity's Key Objectives

The charity's key objective is to provide high quality specialist palliative care to patients and carers in Inverclyde.

Fundraising Performance against Objectives Set

The funding deficit of £204,854 was mainly due to a poorer than average year in receipt of legacies, an underperformance versus budget in fundraising in a difficult economic climate and an underperformance in achievement of Trust income. Shop income did not meet the budgeted figures while the income from Statutory Bodies was under budget purely as a correction of an overpayment in the previous financial year. The Deed of Trust funded the acquisition of a new computer server and a new patient administration system.

ARDGOWAN HOSPICE LIMITED

TRUSTEES' REPORT (Cont'd)

The following is an analysis of the detailed operational variances:

	Actual	Budget	Variance
Source of Income:			
Income from Investments	£44,992	£40,000	£4,992
Gross Fundraising	£391,560	£445,000	-£53,440
Legacies and Bequests	£135,062	£230,000	-£94,938
Income from Statutory Bodies	£1,103,222	£1,125,000	-£21,778
Grants and Trusts	£123,787	£182,000	-£58,213
Donations	£216,668	£213,500	£3,168
Retail Shop Income	£292,405	£316,000	-£23,595
Furniture Shop Income	£189,551	£200,000	-£10,449
Other Income	£15,942	£8,000	£7,942
Interest Receivable	£1,328	£2,000	-£672
Friends of Ardgowan Hospice	£32,604	£35,000	-£2,396
Deed of Trust	£28,920	£0	£28,920
Goodwill Lottery	£217,389	£193,134	£24,255
E-bay	£1,350	£10,000	-£8,650
Total	£2,794,780	£2,999,634	-£204,854

Investment Policy and Returns

The objective of the Charity's investment approach is to achieve a balanced return between income and capital growth. As permitted by the Charity's Articles of Association, the Trustees have appointed investment managers (Speirs & Jeffrey) and given them discretion to manage the portfolio within an agreed profile of medium risk. Speirs & Jeffrey act as the hospice custodian and any un-invested cash is held in a segregated bank account.

It is the Charity's policy not to invest directly in tobacco companies.

The investment manager attends the Finance, Investment & Performance Review Committee as required to report on investment performance.

Investment performance achieved against objectives set

Over the 12 months to 31st March 2012, the percentage total return for 2011/12 was 7.1% which was slightly better than the return on the Hospice index of investment performance of 6.5% for the same period with the value of investments increasing to £1,363,195 from £1,278,250 after receiving income and dividends amounting to £44,992.

Reserves

Ardgowan Hospice has a reserves policy, which taking into account the unpredictability of legacy income, is designed to maintain a buffer against unforeseen reductions in service income and enable the Hospice to respond to unexpected opportunities for service development.

The Hospice's reserves policy is to maintain the level of reserves at a level equal to at least 6 months operating costs. The Trustees regularly review the Hospice's reserves.

At 31 March 2012, the level of reserves stood at £1,348,684 representing approximately 5.8 months of operating costs excluding Lottery costs.

ARDGOWAN HOSPICE LIMITED

TRUSTEES' REPORT (Cont'd)

Plans for the Future

Our future plans include:

- Addressing the growing gap between projected income and expenditure to avoid significant challenges in the coming years.
- Ensuring that the hospice is cost efficient providing value for money in line with current NHS guidelines.
- Providing a minimum of 2 Registered Nurses on each shift and intruding twelve hour shifts in the In Patient Unit to provide better support for highly dependent patients with complex needs.
- Delivering an education programme for carers and providing group support for carers at ACCESS
- Working with the Inverclyde Community Learning Disability Team to enhance the local provision of palliative care to the people with learning disabilities.
- Continuing to focus on safety, clinical outcomes and patient experience to drive year on year improvement in the quality of care we provide.
- Reviewing our bereavement service to reflect best practice nationally.
- Continuing to support registered nurses to gain a post graduate certificate in Palliative Care in order to enable us to continue to provide the best possible care and keep in line with National Standards.
- Continuing to promote open discussion of the issues surrounding illness, death and dying with primary and secondary schoolchildren and involve pupils in the life of the hospice.
- Developing an implementation plan for the roll out of the new patient administration system, Crosscare, into all clinical areas
- Incorporating the Communications Strategy into a new Marketing and Communications Strategy
- Developing an IT strategy

Statement of Disclosure to Auditor

So far as the Trustees are aware, there is no relevant audit information of which the charitable company's auditors are unaware. Additionally, the Trustees have taken all the necessary steps that they ought to have taken as Trustees in order to make themselves aware of all relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, Welsh Walker Limited, are deemed to be re-appointed under Section 487 (2) of the Companies Act 2006.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued in March 2005).

By Order of the Board and signed on their behalf on 31st July 2012.

Duncan Galbraith

Duncan Galbraith
Chairman

ARDGOWAN HOSPICE LIMITED

INCOME AND EXPENDITURE ACCOUNT
for the year ended 31 March 2012

	NOTE	2012 Total Funds £	2011 Total Funds £
Fundraising Income - General		425,514	400,541
- Retail		292,405	275,157
Donations - General		216,668	207,966
- Trusts		152,707	218,995
Furniture Store		189,551	181,829
Goodwill Company - Lottery - gross income		217,389	210,011
		<hr/>	<hr/>
		1,494,234	1,494,499
Less Fundraising Expenses		(126,142)	(105,764)
		<hr/>	<hr/>
		1,368,092	1,388,735
Income from Statutory Sources		1,103,222	1,163,052
		<hr/>	<hr/>
Net Operating Income		2,471,314	2,551,787
Less: Expenditure		(2,832,385)	(2,762,743)
		<hr/>	<hr/>
Operating Deficit	6	(361,071)	(210,956)
Other Income	7	62,262	62,927
		<hr/>	<hr/>
Deficit for year before legacies		(298,809)	(148,029)
Legacies		135,062	361,330
		<hr/>	<hr/>
(Deficit)/ surplus for year before exceptional items		(163,747)	213,301
Gain from sale of investments		34,235	23,604
		<hr/>	<hr/>
(Deficit) / Surplus for year		(129,512) =====	236,905 =====
Where of:			
Ardgowan Hospice Limited		(134,041)	236,861
Ardgowan Hospice (Goodwill) Limited		4,529	44
		<hr/>	<hr/>
		(129,512) =====	236,905 =====

ARDGOWAN HOSPICE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS & LOSSES
For the year ended 31 March 2012

	NOTE	2012 £	2011 £
(Deficit) / Surplus for year		(129,512)	236,905
Unrealised gain on investments		6,071	47,903
		<u>(123,441)</u> =====	<u>284,808</u> =====

ARDGOWAN HOSPICE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES
for the year ended 31 March 2012

	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Incoming resources				
Incoming resources from generated funds				
Voluntary income:				
Donations, gifts & grants	340,455	28,920	369,375	426,961
Legacies	135,062	-	135,062	361,330
Activities for generating funds:				
Goodwill lottery income	217,389	-	217,389	210,011
Fund-raising activities	392,909	-	392,909	368,331
Friends of Ardgowan Hospice	32,605	-	32,605	32,210
Shop income	292,405	-	292,405	275,157
Furniture Store	189,551	-	189,551	181,829
Investment income	46,320	-	46,320	36,809
Incoming resources from charitable activities				
Fees received	1,103,222	-	1,103,222	1,163,052
Other income	15,942	-	15,942	26,118
Total incoming resources	2,765,860	28,920	2,794,780	3,081,808
Resources expended				
Costs of generating funds				
Fundraising activities	(126,142)	-	(126,142)	(105,764)
Management & administration costs (Note 3)	(63,881)	-	(63,881)	(67,874)
Shop expenditure	(244,376)	-	(244,376)	(213,024)
Charitable activities (Note 2C)	(2,339,707)	(40,851)	(2,380,558)	(2,317,650)
Goodwill Lottery Expenditure (Note 2d)	(137,860)	-	(137,860)	(158,872)
Governance costs (Note 4)	(5,710)	-	(5,710)	(5,323)
Total resources expended	(2,917,676)	(40,851)	(2,958,527)	(2,868,507)
Net incoming/(outgoing) resources before other recognised gains and losses	(151,816)	(11,931)	(163,747)	213,301
Other recognised gains/(losses)				
Gains / (Losses) on investment assets	40,306	-	40,306	71,507
Net movement in funds	(111,510)	(11,931)	(123,441)	284,808
Reconciliation of funds				
Total funds brought forward as restated	2,445,353	657,297	3,102,650	2,817,842
Total funds carried forward	2,333,843	645,366	2,979,209	3,102,650

The Statement of Financial Activities includes all gains and losses in the year.
All incoming resources and resources expended derive from continuing activities.

ARDGOWAN HOSPICE LIMITED

CONSOLIDATED BALANCE SHEET
as at 31 March 2012

	NOTE	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible Assets	9		1,630,525		1,649,963
Investments	10		1,363,195		1,278,250
CURRENT ASSETS			<u>2,993,720</u>		<u>2,928,213</u>
Debtors	11	125,348		368,652	
Cash at Bank		262,434		228,503	
		<u>387,782</u>		<u>597,155</u>	
CREDITORS - amounts falling due within one year	12	(402,293)		(422,718)	
NET CURRENT ASSETS			<u>(14,511)</u>		<u>174,437</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,979,209		3,102,650
Creditors - amounts falling due outwith one year	13		-		-
NET ASSETS			<u>2,979,209</u>		<u>3,102,650</u>
THE FUNDS OF THE CHARITY					
Unrestricted Funds					
- General	14		2,090,943		2,205,439
- Revaluation Reserve	14 & 20		242,900		239,914
Total Unrestricted Funds			<u>2,333,843</u>		<u>2,445,353</u>
Restricted Funds	14 & 19		645,366		657,297
TOTAL CHARITY FUNDS			<u>2,979,209</u>		<u>3,102,650</u>

The financial statements were authorised for issue and approved by the Board on 31st July 2012 and signed on their behalf by

Duncan Galbraith

Duncan Galbraith
Chairman

Company number: SC075515

ARDGOWAN HOSPICE LIMITED

COMPANY BALANCE SHEET
as at 31 March 2012

	NOTE	£	2012 £	£	2011 £
FIXED ASSETS					
Tangible Assets	9		1,630,468		1,649,847
Investments	10		1,363,195		1,278,250
CURRENT ASSETS			<u>2,993,663</u>		<u>2,928,097</u>
Debtors	11	125,348		368,652	
Cash at Bank		229,720		188,257	
		<u>355,068</u>		<u>556,909</u>	
CREDITORS - amounts falling due within one year	12	(377,631)		(385,936)	
NET CURRENT ASSETS			<u>(22,563)</u>		<u>170,973</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,971,100</u>		<u>3,099,070</u>
Creditors - amounts falling due outwith one year	13		-		-
NET ASSETS			<u>2,971,100</u>		<u>3,099,070</u>
THE FUNDS OF THE CHARITY					
Unrestricted Funds					
- General	14		2,082,834		2,201,859
- Revaluation Reserve	14 & 20		242,900		239,914
Total Unrestricted Funds			<u>2,325,734</u>		<u>2,441,773</u>
Restricted Funds	15 & 19		645,366		657,297
TOTAL CHARITY FUNDS			<u>2,971,100</u>		<u>3,099,070</u>

The financial statements were authorised for issue and approved by the Board on 31st July 2012 and signed on their behalf by

Duncan Galbraith

Duncan Galbraith
Chairman

Company number: SC075515

ARDGOWAN HOSPICE LIMITED

CASH FLOW STATEMENT
for the year ended 31 March 2012

	2012 £	2011 £
Reconciliation of net income/(outgoing) resources to net cash inflow/(outflow) from operating activities		
Net (outgoing)/incoming resources before other recognised gains and losses	(129,512)	236,905
Depreciation charges	82,185	91,558
(Gain)/Loss on sale of investments	(34,235)	(23,604)
Loss on sale of fixed assets	281	-
Interest received	(1,328)	(1,496)
(Increase)/Decrease in Debtors	243,304	(186,170)
Increase/(Decrease) in Creditors	(20,425)	(19,922)
Net cash inflow/(outflow) from operating activities	140,270	97,271

CASH FLOW STATEMENT

Net cash inflow/(outflow) from operating activities	140,270	97,271
Returns on investments and servicing of finance (Note 15)	1,328	1,496
Capital Expenditure and Financial Investment (note 15)	(107,667)	(172,613)
Increase/(Decrease) in Cash	33,931	(73,846)
Reconciliation of net cash flow to movement in net funds (Note 16)		
Increase/(Decrease) in Cash	33,931	(73,846)
Net funds at 1 April	228,503	302,349
Net funds at 31 March	262,434	228,503

ARDGOWAN HOSPICE LIMITED

**NOTES TO THE ACCOUNTS
for the year ended 31 March 2012**

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. The accounting policies have been applied consistently throughout the year and in the preceding year.

Status of Company

Ardgowan Hospice Limited is a company limited by guarantee of its members and does not have a share capital.

The Company is a Registered Charity.

Basis of Accounting

The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005, applicable accounting standards and the historic cost basis of accounting except for investments and certain tangible fixed assets which have been included at revalued amounts.

Basis of Consolidation

The group accounts consolidate the accounts of Ardgowan Hospice Limited and Ardgowan Hospice (Goodwill) Limited drawn up to the 31 March this year. No individual Statement of Financial Activities is presented for the Ardgowan Hospice Limited as permitted by Section 408 of the Companies Act 2006.

Investments

Investments are included at market value at the year end.

Gains and losses on disposal and revaluation of investments are charged or credited to the Statement of Financial Activities.

Fund Accounting

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity. Unrestricted funds include a revaluation reserve representing the restatement of investment assets at market values.
- Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.
- All income and expenditure is dealt with through the Income and Expenditure Account, other than Capital Income received.

Statement of Financial Activities

This additional statement, produced to comply with the Statement of Recommended Practice is effectively a restatement of the Income and Expenditure Account in a different format, incorporating information on movements in capital resources to form a single statement of all movements between opening and closing fund balances.

ARDGOWAN HOSPICE LIMITED**NOTES TO THE ACCOUNTS (cont.)
for the year ended 31 March 2012****Incoming Resources**

All incoming resources are included in the statement of financial activities when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants, donations and gifts and is included in full in the Statement of Financial Activities when receivable. Grants, where entitlement is not conditional on the delivery of a specific performance by the charity, are recognised when the charity becomes unconditionally entitled to the grant.
- Donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these accounts.
- Incoming resources from charitable trading activity are accounted for when earned.
- Incoming resources from grants, where related to performance and specific deliverables, are accounted for as the charity earns the right to consideration by its performance.
- Investment Income is credited to the Income and Expenditure Account on the basis of actual dividends and interest received during the year.
- Legacies are accounted for when the company is informed that an amount is due to it.

Resources Expended

Expenditure is recognised on an accrual basis as a liability is incurred. Expenditure includes any VAT which cannot be fully recovered, and is reported as part of the expenditure to which it relates:

- The costs of generating voluntary income are not significant and have not been separately disclosed.
- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fees and costs linked to the strategic management of the charity.

Fixed Assets

All tangible fixed assets are initially recorded at cost. The property at 12 Nelson Street and the shop at 12 Kempock Street have subsequently been revalued, with the revaluation surplus above cost being taken to the revaluation reserve.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life,
as follows:-

Property and Improvements	-	2% - 25% straight line
Equipment and Furnishings	-	20% reducing balance
Motor Vehicles	-	25% reducing balance
Shops - Property & Improvements	-	20% straight line
IT Software & Equipment	-	20% straight line

ARDGOWAN HOSPICE LIMITED

NOTES TO THE ACCOUNTS (contd.)
for the year ended 31 March 2012**Pensions**

A number of the Hospice employees have opted to remain in the National Health Service Superannuation Scheme. This is a defined benefit scheme administered independently from the Hospice. The contributions payable to the scheme are charged to the Statement of Financial Activities in respect of the relevant accounting period.

The Hospice also operates a defined contribution pension scheme. Contributions payable for the year are charged in the Statement of Financial Activities, as they become payable in accordance with the rules of the Scheme.

Deferred Income

Grants are credited to Deferred Income. Grants towards Capital Expenditure are released to the Profit & Loss Account over the expected useful life of the asset.

Grants on which the donor has placed restrictions, but not limited the time period in which it can be spent, are taken to Restricted Reserves and released when the relevant expenditure is incurred.

2a. SUMMARY OF EXPENDITURE

	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Direct Charitable Expenditure	2,339,707	40,851	2,380,558	2,317,650
Lottery Expenditure	137,860	-	137,860	158,872
Management & Admin Costs	63,881	-	63,881	67,874
Shop Expenditure	244,376	-	244,376	213,024
Fundraising Expenditure	126,142	-	126,142	105,764
Governance Costs	5,710	-	5,710	5,323
	<u>2,917,676</u>	<u>40,851</u>	<u>2,958,527</u>	<u>2,868,507</u>
	=====	=====	=====	=====

2b. CHARITABLE EXPENDITURE

	Staff Costs 2012 £	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Hospice Services	2,028,484	311,223	40,851	2,380,558	2,317,650
Fundraising	66,049	60,093	-	126,142	105,764
Shop Expenses	96,811	147,565	-	244,376	213,024
Management & Admin	4,361	59,520	-	63,881	67,874
Lottery Costs	-	137,860	-	137,860	158,872
Governance Costs	-	5,710	-	5,710	5,323
	<u>2,195,705</u>	<u>721,971</u>	<u>40,851</u>	<u>2,958,527</u>	<u>2,868,507</u>
	=====	=====	=====	=====	=====

ARDGOWAN HOSPICE LIMITED

NOTES TO THE ACCOUNTS (contd.)
for the year ended 31 March 2012

2c. CHARITABLE EXPENDITURE

	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Wages	1,975,614	-	1,975,614	1,933,569
Depreciation	41,197	40,851	82,048	91,440
Transport Costs	50,444	-	50,444	42,880
Medical Supplies	53,743	-	53,743	49,068
Catering	28,736	-	28,736	31,620
Heat & Light	25,062	-	25,062	24,689
Repairs & Renewals	25,883	-	25,883	18,274
Other Patient Costs	23,280	-	23,280	20,916
Pension	52,870	-	52,870	32,746
Patient Therapy Costs	-	-	-	5,289
Rates	8,647	-	8,647	8,043
Supervisory Costs	6,524	-	6,524	6,274
Cleaning	9,994	-	9,994	8,917
Travel Expenses	4,486	-	4,486	5,109
Training	10,574	-	10,574	9,751
Recruitment Costs	1,311	-	1,311	1,672
Subscriptions	3,429	-	3,429	9,342
Uniforms	1,894	-	1,894	1,392
General Expenses	4,971	-	4,971	3,816
Printing, Stationery & Postage	-	-	-	330
Butterfly Project	10,263	-	10,263	9,416
Legal Expenses	-	-	-	1,099
Computer Costs	785	-	785	1,998
	<u>2,339,707</u>	<u>40,851</u>	<u>2,380,558</u>	<u>2,317,650</u>

2d. GOODWILL LOTTERY EXPENDITURE

	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Prizes	69,750	-	69,750	66,750
Staff Pension Costs	1,894	-	1,894	2,615
Salaries	39,853	-	39,853	59,461
Commission	10,462	-	10,462	11,249
Starvale Fees	12,578	-	12,578	11,439
Rent	-	-	-	1,593
Printing, Stationery & Postage	1,093	-	1,093	1,264
Repairs & Renewals	-	-	-	672
Telephone	600	-	600	696
Insurance	-	-	-	436
Travelling Expenses	600	-	600	630
Advertising	571	-	571	266
Audit Fees	1,022	-	1,022	494
Bank Charges	-	-	-	15
General Expenses	82	-	82	1,174
Depreciation	137	-	137	118
Insurance proceeds	(782)	-	(782)	-
	<u>137,860</u>	<u>-</u>	<u>137,860</u>	<u>158,872</u>

ARDGOWAN HOSPICE LIMITED

NOTES TO THE ACCOUNTS (contd.)
for the year ended 31 March 2012

3. MANAGEMENT & ADMINISTRATION COSTS

	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Computer Costs	19,084	-	19,084	15,208
Printing, Stationery & Postage	15,940	-	15,940	13,006
Pension	4,361	-	4,361	9,106
Telephone	10,712	-	10,712	13,157
Insurance	9,231	-	9,231	11,404
General Expenses	264	-	264	626
Training Costs	36	-	36	177
Payroll Costs	2,800	-	2,800	2,800
Subscriptions	761	-	761	1,422
Bank Charges	237	-	237	828
Travel Expenses	174	-	174	140
Loss on sale of assets	281	-	281	-
	<u>63,811</u>	<u>-</u>	<u>63,811</u>	<u>67,874</u>

4. GOVERNANCE COSTS

	Unrestricted Funds 2012 £	Restricted Funds 2012 £	Total Funds 2012 £	Total Funds 2011 £
Audit Fees	5,710	-	5,710	5,323
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

5. TURNOVER

	2012 £	2011 £
Turnover (Operating Income)	2,974,780	3,081,808
Less: Marketing & Fundraising expenses	(126,142)	(105,764)
	<u>=====</u>	<u>=====</u>
Net Operating Income	2,848,638	2,976,044

6. OPERATING SURPLUS

	2012 £	2011 £
The surplus is stated after charging -		
Auditor's Remuneration - Ardgowan Hospice	5,710	4,800
- Ardgowan Hospice (Goodwill) Limited	1,022	494
Auditor's Remuneration (other services provided)		
- Ardgowan Hospice	-	523
- Ardgowan Hospice (Goodwill) Limited	-	-
Depreciation of Tangible Assets	82,185	91,558
	<u>=====</u>	<u>=====</u>

ARDGOWAN HOSPICE LIMITED

NOTES TO THE ACCOUNTS (contd.)
for the year ended 31 March 2012

7. OTHER INCOME	2012 £	2011 £
Income from Investments	44,992	35,313
Interest Received	1,328	1,496
Miscellaneous Income (membership fees etc)	15,942	26,118
	<hr/>	<hr/>
	62,262	62,927
	=====	=====

8. STAFF NUMBERS AND COSTS

The average monthly number of whole time equivalent employees during the year was -

	2012 No	2011 No
Nursing Staff	31	31
Administration and Ancillary Staff	30	30
Lottery Staff	2	2
	<hr/>	<hr/>
	63	63
	===	===

The costs incurred in respect of these employees were -

	£	£
Wages (including social security costs)	2,129,373	2,121,189
Pension costs	66,332	43,248
	<hr/>	<hr/>
	2,195,705	2,164,437
	=====	=====

No employees received emoluments in excess of £60,000 (2011 - one employee received emoluments in excess of £60,000).

ARDGOWAN HOSPICE LIMITED

NOTES TO THE ACCOUNTS (contd.)
for the year ended 31 March 2012

9. GROUP FIXED ASSETS

	Property & Improvement s £	Equipment £	Furnishing s £	I.T. Equipment £	Motor Vehicles £	Total £
Cost or Valuation						
At 1 April 2011	1,919,208	367,957	113,061	-	51,631	2,451,857
Additions	12,839	29,335	1,259	14,145	6,000	63,578
Disposals	-	-	(1,435)	-	(3,500)	(4,935)
At 31 March 2012	1,932,047	397,292	112,885	14,145	54,131	2,510,500
Depreciation						
At 1 April 2011	405,458	264,270	90,476	-	41,690	801,894
Provided for in the year	44,107	26,582	4,890	2,829	3,777	82,185
Disposals	-	-	(1,435)	-	(2,669)	(4,104)
At 31 March 2012	449,565	290,852	93,931	2,829	42,798	879,975
Net Book Value						
At 31 March 2012	1,482,482	106,440	18,954	11,316	11,333	1,630,525
At 31 March 2011	1,513,750	103,687	22,585	-	9,941	1,649,963

The properties at 12 Nelson Street and 12 Kempock Street were valued at their open market value for existing use on 31 March 1996 by Fyfe, Gerrard & Paton. The Trustees are not aware of any material changes since the last valuation.

On the historical cost basis, property and improvements would have been included as follows:

Cost	£
AT 1 April 2011	1,858,469
Additions	-
Disposals	-
At 31 March 2012	1,858,469
Depreciation based on cost	
At 1 April 2011	347,811
Charge for year	37,169
On disposals	-
At 31 March 2012	384,980
Net Book Value	
At 31 March 2012	1,473,489
At 31 March 2011	1,510,658

ARDGOWAN HOSPICE LIMITED

NOTES TO THE ACCOUNTS (contd.)
for the year ended 31 March 2012

9. GROUP FIXED ASSETS

	Property & Improvement s £	Equipment £	Furnishing s £	I.T. Equipment £	Motor Vehicles £	Total £
Cost or Valuation						
At 1 April 2011	1,919,208	366,052	113,061	-	51,631	2,451,857
Additions	12,839	29,335	1,181	14,145	6,000	63,500
Disposals	-	-	-	-	(3,500)	(3,500)
At 31 March 2012	1,932,047	397,292	114,242	14,145	54,131	2,509,952
Depreciation						
At 1 April 2011	405,458	262,481	90,476	-	41,690	800,105
Provided for in the year	44,107	26,582	4,753	2,829	3,777	82,048
Disposals	-	-	-	-	(2,669)	(2,669)
At 31 March 2012	449,565	290,852	95,229	2,829	42,798	879,484
Net Book Value						
At 31 March 2012	1,482,482	106,440	19,013	11,316	11,333	1,630,468
At 31 March 2011	1,513,750	103,571	22,585	-	9,941	1,649,847

The properties at 12 Nelson Street and 12 Kempock Street were valued at their open market value for existing use on 31 March 1996 by Fyfe, Gerrard & Paton. The Trustees are not aware of any material changes since the last valuation.

On the historical cost basis, property and improvements would have been included as follows:

Cost	£
AT 1 April 2011	1,858,469
Additions	-
Disposals	-

At 31 March 2012	1,858,469
------------------	-----------

Depreciation based on cost

At 1 April 2011	347,811
Charge for year	37,169
On disposals	-

At 31 March 2012	384,980
------------------	---------

Net Book Value

At 31 March 2012	1,473,489
At 31 March 2011	1,510,658

ARDGOWAN HOSPICE LIMITED

NOTES TO THE ACCOUNTS (contd.)
for the year ended 31 March 2012

10. CONSOLIDATED & COMPANY INVESTMENTS

	2012 £	2011 £
Listed Investments		
Cost		
At 1 April	986,587	926,665
Additions	339,879	205,725
Disposals	(172,444)	(145,803)
	<u>1,154,022</u>	<u>986,587</u>
At 31 March	1,154,022	986,587
Cash deposits at 31 March	<u>32,179</u>	<u>120,740</u>
Market Value		
At 31 March	<u>1,363,195</u>	<u>1,278,250</u>

The investments are held primarily to provide an investment return for the company.

No investments are held by the subsidiary company, all investments are held by the parent company.

11. DEBTORS

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Prepayments	24,493	32,048	24,493	32,048
Other debtors	100,855	336,244	100,855	336,244
	<u>125,348</u>	<u>368,652</u>	<u>125,348</u>	<u>368,652</u>

12. CREDITORS - amounts falling due
within one year

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Accruals	58,233	61,713	33,571	29,236
Other Creditors	336,920	326,131	336,920	321,826
Deferred Income	7,140	34,874	7,140	34,874
	<u>402,293</u>	<u>422,718</u>	<u>377,631</u>	<u>385,936</u>

13. CREDITORS - amounts falling due
outwith one year

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Deferred Income	-	-	-	-
	<u>----</u>	<u>----</u>	<u>----</u>	<u>----</u>

ARDGOWAN HOSPICE LIMITED

NOTES TO THE ACCOUNTS (contd.)
for the year ended 31 March 2012

14a. STATEMENT OF MOVEMENT ON RESERVES - GROUP

	Unrestricted Funds General £	Unrestricted Funds - Revaluation Reserve £	Restricted Funds £	Total £
Balance at 1 April 2011	2,205,439	239,914	657,297	3,102,650
Transfer (to)/from Income and Expenditure Account in year	(151,816)	-	(11,931)	(163,747)
Gain on revaluation/disposal of investments	34,235	6,071	-	40,306
Transfer from Revaluation Reserve	<u>3,085</u>	<u>(3,085)</u>	<u>-</u>	<u>-</u>
Balance at 31 March 2012	<u>2,090,943</u>	<u>242,900</u>	<u>645,366</u>	<u>2,979,209</u>

14b. STATEMENT OF MOVEMENT ON RESERVES - COMPANY

	Unrestricted Funds General £	Unrestricted Funds - Revaluation Reserve £	Restricted Funds £	Total £
Balance at 1 April 2011	2,201,859	239,914	657,297	3,099,070
Transfer (to)/from Income and Expenditure Account in year	(156,345)	-	(11,931)	(168,276)
Gain on revaluation/disposal of investments	34,235	6,071	-	40,306
Transfer from Revaluation Reserve	<u>3,085</u>	<u>(3,085)</u>	<u>-</u>	<u>-</u>
Balance at 31 March 2012	<u>2,082,834</u>	<u>242,900</u>	<u>645,366</u>	<u>2,971,100</u>

15. GROSS CASH FLOWS

Returns on Investments and Servicing of finance	2012 £	2011 £
Interest Received	<u>1,328</u>	<u>1,496</u>
Capital Expenditure and Financial Investment		
Movement in investment cash balance	88,561	(98,670)
Payments to acquire investments	(339,879)	(205,725)
Payments to acquire tangible fixed assets	(63,578)	(37,625)
Receipts from sale of investments	206,679	169,407
Proceeds from sale of fixed assets	550	-
	<u>(107,667)</u>	<u>(172,613)</u>

16. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2011 £	Cashflows £	At 31 March 2012 £
Cash at Bank	<u>228,503</u>	<u>33,931</u>	<u>262,434</u>

ARDGOWAN HOSPICE LIMITED

NOTES TO THE ACCOUNTS (contd.)
for the year ended 31 March 2012

17. PENSION

The Hospice participates in a defined benefit pension scheme, the National Health Service Superannuation Scheme, to provide retirement benefits to employees. The assets of the scheme are held separately from those of the Hospice in independently administered funds.

The Scheme provides benefits based on final pensionable pay and is subject to independent actuarial valuations every five years.

The Hospice is notified by the responsible body of the employer's contribution rates.

The National Health Service Pension Scheme is available to staff of more than one employer and it is not possible to identify each institution's share of the underlying assets and liabilities of the scheme. In the circumstances, Financial Reporting Standard Accounting for Retirement Benefits provides for contributions to such schemes to be accounted for as if it were a defined contribution scheme. As such, the cost recognised within the Hospice Statement of Financial Activities will be equal to the contribution payable to the scheme for the year.

It is not possible to identify the company's share of the underlying assets and liabilities of the pension scheme and accordingly, the company have treated the scheme as if it were a defined contribution scheme as permitted by FRS17 Accounting for Retirement Benefits.

The Hospice also operates a defined contribution pension scheme for those employees who do not participate in the National Health Service Scheme. Contributions payable for the year are charged in the Statement of Financial Activities.

During the year the Group paid £56,726(2011 - £43,248) towards the pension scheme.

18a. ANALYSIS OF NET ASSETS BETWEEN FUNDS - GROUP

	General Funds £	Restricted Funds £	Total Funds £
Tangible Asset	985,159	645,366	1,630,525
Investments	1,363,195	-	1,363,195
Current Assets	387,782	-	387,782
Current Liabilities	(402,293)	-	(402,293)
Long Term Liabilities	-	-	-
Net Assets at 31 March 2012	2,333,843	645,366	2,979,209

18b. ANALYSIS OF NET ASSETS BETWEEN FUNDS - COMPANY

	General Funds £	Restricted Funds £	Total Funds £
Tangible Asset	985,102	645,366	1,630,468
Investments	1,363,195	-	1,363,195
Current Assets	355,068	-	355,068
Current Liabilities	(377,631)	-	(377,631)
Long Term Liabilities	-	-	-
Net Assets at 31 March 2012	2,325,734	645,366	2,971,100

ARDGOWAN HOSPICE LIMITED

NOTES TO THE ACCOUNTS (contd.)
for the year ended 31 March 2012

19. MOVEMENT IN RESTRICTED FUNDS - COMPANY

	At 1 April 2011 £	Incoming Resources £	Outgoing Resources £	At 31 March 2012 £
Restricted Funds				
Capital Appeal	27,447	-	5,489	21,958
National Lotteries (Charities Board)	549,206	-	19,498	529,708
Refurbishment Appeal	80,644	-	10,080	70,564
Ardgowan Hospice Deed of Trust	-	28,920	5,784	23,136
	<u>657,297</u>	<u>28,920</u>	<u>40,851</u>	<u>645,366</u>
	=====	=====	=====	=====

Purpose of Restricted Funds

Capital Appeal	The balance will fund future depreciation and purchases of furniture and fittings. The money was raised as part of a capital appeal made by the Company and donors specified that the money must be retained for this purpose.
National Lotteries (Charities Board)	The balance will fund future depreciation of the New Building which was acquired in 2002. This money was received from the Community Fund.
Refurbishment Appeal	The balance will fund future depreciation of the refurbishment works carried out in 2007/2008. The donors specified that the money must be retained for this purpose.
Ardgowan Hospice Deed of Trust	Monies received funded the purchase of the new server and IT software in the year to March 2012.

20. REVALUATION RESERVE

	2012 £	2011 £
Revaluation surplus arising on:		
Tangible fixed assets	65,910	68,995
Investments	176,990	170,919
	<u>242,900</u>	<u>239,914</u>
	=====	=====

ARDGOWAN HOSPICE LIMITED

NOTES TO THE ACCOUNTS (contd.)
for the year ended 31 March 2012

21. TRUSTEES REMUNERATION AND EXPENSES

No Trustee received any remuneration or expenses during the year (2011 - £nil)

22. CAPITAL COMMITMENTS

At 31 March 2012 the charity had capital commitments as follows:

	2012 £	2011 £
Contracted for but not provided in the Financial Statements	- =====	- =====

23. FINANCIAL COMMITMENTS

At 31 March 2012 the charity was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2012:

	2012 £	2011 £
Operating leases which expire:		
Within one year	7,500	-
Between two and five years	39,250	45,850
In over five years	42,767	41,837
	<u>89,517</u> =====	<u>87,687</u> =====

24. TAXATION

As a charity, Ardgowan Hospice Limited is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or s256 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects. No tax charges have arisen in the Charity.

25. RELATED PARTY TRANSACTIONS

During the year the Charitable Company received £51,000 from the Ardgowan Hospice Deed of Trust. The Hospice are represented in the Deed of Trust by some Trustees serving on both boards.

WELSH WALKER

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Chartered Accountants

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES AND MEMBERS OF ARDGOWAN HOSPICE LIMITED

We have audited the financial statements of Ardgowan Hospice Limited. for the year ended 31 March 2012 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Company Balance Sheets, the Consolidated Cashflow Statement and the related notes. The financial framework that has been applied in their preparation is Applicable Law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the group and parent Charitable Company's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so we might state to the group and parent Charitable Company's 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 group and parent Charitable Company's Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 3, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Our responsibility is to audit and express an opinion on the financial statements in accordance with Applicable Law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the trustees report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2012 and of the group's and the parent charitable company's incoming resources and application of resources, including the group's and the parent charitable company's 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations (as amended).

Opinion on other matter prescribed by the Companies Act 2006

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

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 parent 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 parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Trustees' Annual Report.



Robert Foster
Senior Statutory Auditor
for and on behalf of
Welsh Walker Limited, Statutory Auditor

179A Dalrymple Street
Greenock
PA15 1BX

Welsh Walker Limited is eligible to act as an auditor on terms of section 1212 of the Companies Act 2006

Date: 31st July 2012