

Charity Registration No. 011541 (Scotland)

Company Registration No. SC075515 (Scotland)

ARDGOWAN HOSPICE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

ARDGOWAN HOSPICE LIMITED

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ARDGOWAN HOSPICE LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	D Barron	
	P Bennett	
	I Hyslop	(Appointed 23 October 2023)
	S MacFarlane OBE	
	T Marshall	(Appointed 26 September 2022)
	G Maxwell	(Appointed 27 March 2023)
	F McAlister	
	P McAlpine	(Appointed 26 September 2022)
	J Nugent	
	M Rebecchi	(Appointed 12 December 2022)
	D Williams	
	J Wilson	(Appointed 4 October 2023)
Chief Executive	G Gardiner	
Chair of the Board	D Williams	
Charity number (Scotland)	011541	
Company number	SC075515	
Registered office	12 Nelson Street Greenock Scotland PA15 1TS	
Auditor	Consilium Audit Limited 169 West George Street Glasgow Scotland G2 2LB	
Bankers	Bank of Scotland 64/66 West Blackhall Street Greenock Scotland PA15 1XG	
	Royal Bank of Scotland 122 Cathcart Street Greenock Scotland PA15 1BA	
Solicitors	Patten & Prentice Solicitors 2 Ardgowan Square Greenock Scotland PA16 8PP	

ARDGOWAN HOSPICE LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Investment advisors

Rathbone Investment Management
George House
Glasgow
G2 1EH
Scotland

ARDGOWAN HOSPICE LIMITED

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

I present this report at the end of a year of continuing challenge and evolution in the life of Ardgowan Hospice, but one in which the commitment, dedication and professionalism of our staff and volunteers to the excellent care and support of patients, families, and the charity itself have continued unabated.

There has been significant change and addition within the Trustees group in 2022/23, with Mark Brown initially taking a six-month leave of absence from direct involvement in his role from the early Autumn to making the decision to step down permanently in February 2023. Mark had been one of the longest serving members of the Board, and his contribution and commitment to Ardgowan were hugely appreciated and it is important to put on record my thanks to him on behalf of Ardgowan. He has been replaced as Chair of our Finance, Resources and Risk Committee by Peter Bennett. We had a significant influx of new trustees over the year, with Pauline McAlpine, Marco Rebecchi, Trudi Marshall, and Gillian Maxwell all coming on board with a range of clinical, business, and community experience.

From the outset of my role as Chair, I have been clear that there was a need for an increase in the number of trustees on the Board to ensure effective and robust governance arrangements in the Charity to support the CEO and his team in delivering the service. It is pleasing and welcome that so many individuals, particularly from within Inverclyde, wish to devote their time voluntarily to the important work of trusteeship of one of the community's largest charities. As the financial year closes, there remains a need for some further trustee recruitment in 2023/24, and plans are in place regarding this.

This has been the first full year in post of our CEO, Graham Gardiner, and he has brought a wealth of experience and a different approach that has focussed on changing the culture and position of Ardgowan as an anchor institution within Inverclyde. There has been a significant evolution of our 'offer' to Inverclyde's population and stakeholder partners from within Ardgowan, which has seen us begin the journey of fulfilling our collective ambition to be the sector leader in the provision of palliative and end-of-life care across Scotland.

Graham commenced the necessary activity of evaluating the current status and place of the charity with a view to developing a draft strategic plan for the Board to consider and approve in early 2023/24 for the period 2023-2028. This activity has involved significant levels of engagement with patients and their families, the charity's workforce, and external stakeholders. Graham has utilised a full range of networking skills throughout his first year to establish key relationships with multiple statutory and voluntary sector providers across Inverclyde, many other fellow CEOs of Scottish hospices, and, importantly with Hospice UK and the Scottish Government. Evidence of the positive impact of this activity is the agreement by all parties involved that Graham should chair the multi-stakeholder development of an Inverclyde palliative and end of life care strategy.

Towards the year ending March 2022, we received resignations from our Head of Finance and Head of Fundraising, two key senior management team members. We embarked on an interim arrangement in the former position, the end point of which was an open recruitment culminating in the appointment of Fiona Conway as our new Head of Finance. Fiona came to us with a considerable level of senior and academic experience in financial management and very quickly settled into role, updating and modernising many of our systems to ensure continuing efficient and effective processes and financial governance. Likewise, in relation to fundraising, Elaine Grealey was appointed to the Head of Service role in the Summer 2022 and has also brought new energy and vision to the demands this role brings.

Continuing on the theme of senior management change, our Director of Care, Frances Downer, declared her intention to retire towards the end of the financial year and has been replaced on an interim basis by Hazel Gavin, acting up from her role as Nursing Services Manager. Ardgowan is incredibly grateful to Frances for her service and clinical leadership, particularly through the height of the pandemic.

Finally, in respect of our senior team, we were delighted that Dr Holly McGuigan was successful at the beginning of 2023 in achieving Consultant status, and this has enabled us to review with NHS GGC, Accord and St Vincent hospices, the South Clyde on-call and consultant support arrangements that have been in a position of relative hiatus over the past three or four years. Professor Rob George and Dr Emma Hall continued to provide their virtual consultation to the specialty doctors and Advanced Nurse Practitioners who came in to post in the summer of 2022, and we are grateful to them for this. The impact of these changes to specialty doctor, consultant and stakeholder relationships over the past year has seen a dramatic upturn in the usage of inpatient beds and occupancy levels have been maintained at an optimum 85% since late 2022.

ARDGOWAN HOSPICE LIMITED

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

Our Community Nursing Team and their provision have also been under review through this year, intending to seek to have greater coverage and a bigger impact on individuals' and families' lives, and we are proud to have provided a care and support service to a total of 850 patients and families across all our services across Inverclyde over the whole year.

In other aspects of our clinical provision, discussions on the place for Compassionate Inverclyde and how this important service continues to evolve and develop have been led by our CEO and we expect clarity and direction to be established early in 2023/24. This connects with the work Graham has been undertaking also in partnership with the Health and Social Care Partnership on progressing a meaningful Service Level Agreement with our commissioning Integration Joint Board including robust key performance indicators for effective monitoring and impact.

Our fundraising efforts over the past year have continued to do well except for outcomes to applications for grants and trusts, which did not produce the returns anticipated. This is an area that our fundraising team will be focussing on in the next financial year, as well as putting in place new annual bespoke fundraising events such as 12 Days to Kiltmas. Our annual Ball in March continues to be a hugely well supported event in Greenock, with it being sold out very quickly and we are grateful to the sponsorship that we receive from local businesses, enabling the event to be so successful.

Ardgowan Hospice has benefitted yet again this year from the overwhelming generosity of people across Inverclyde who have felt the benefit of the services we provide to such an extent that they have made bequests from their estate to the charity on their passing. We continue not to budget expenditure against an unknown level of income, but such generosity does enable us to ensure both the financial wellbeing of the charity and undertake bespoke and necessary responses to extenuating circumstances that have the potential to negatively impact on the overall wellbeing of the service. An example of this was the Board's response to the cost-of-living crisis that swept across the UK in 2022. The Board sanctioned a proposal from the CEO at the end of 2022 to make a (£500) one-off payment to every member of staff in January (pro rata for part-time staff), and over the winter months, make available a breakfast and soup lunch to all our staff. This proved hugely successful, with a 95% take-up and was an important organisational response to a pressing need in our community. It could not have happened without the continuing legacy gifting that we receive.

I am pleased to report that we were able to finish the financial year in a strong position due to the receipt of further and final grant allocations from the Ardgowan Hospice Deed of Trust (which was subsequently wound up in early 2023) and non-budgeted legacy receipt.

Ardgowan has a hugely important place in the life of Inverclyde and its population. The support and contribution of so many volunteers, staff, patrons and donors in ensuring a continuing vibrancy, sensitivity, innovation and responsiveness to the needs of individuals with palliative and end-of-life needs, and their families is second to none in my experience. My sincere thanks to all for their contribution.

David Williams

Chairman

Dated: 13 December 2023

ARDGOWAN HOSPICE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2023

The Trustees of Ardgowan Hospice, who are also Directors of Ardgowan Hospice for the purposes of the Companies Act 2006, are pleased to present their annual report and audited financial statements for the year ended 31 March 2023.

The financial statements comply with the Charities and Trustees Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the Companies Act, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard application in the UK and Republic of Ireland.

Our Values

Compassion - "at the heart of compassion is kindness"

Appreciation - "encourage & help each other achieve our goals"

Respect - "we value each person as an individual"

Equality - "make sure nobody is excluded or left behind"

Our Mission

The mission of Ardgowan Hospice has remained unchanged over its 42 year history, it is that:

"Ardgowan Hospice, supported by 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."

Our Charitable Purposes

Set within the diverse demographics of Inverclyde where areas of significant poverty and deprivation border areas of significant affluence, Ardgowan Hospice has four charitable purposes which it seeks to achieve through a range of activities, delivered by a multi-disciplinary group of staff and volunteers, these 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; and
 - people with any other physical or mental infirmity, disability or disease.
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.

Our Vision

Our mission and charitable purposes give rise to our vision which drives all the work we do, it is to provide:

"Access to the best possible care and support for everyone living with a life limiting illness."

The Trustees have paid due regard to guidance issued by OSCR in deciding what activities the charity should undertake.

ARDGOWAN HOSPICE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Achievements and performance

Financial review

Overall, the income derived from various sources, see bullet points below, analysed over the various individual activities as follows:

- Income from grants and donations fell by 55.5% to £515,384 (2022: £1,157,910)
- Legacy income rose by 375.5% to £829,084 (2022: £174,356)
- Fundraising income fell by 3.5% to £281,776 (2022: £291,977)
- Income from the Lottery fell by 7.0% to £306,992 (2022: £330,253)
- Retail income rose by 16.3% to £330,519 (2022: £284,147)

Reserves

Ardgowan Hospice has a reserves policy, which considering the unpredictability of legacy income, is designed to maintain a buffer against unforeseen reductions in 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 six months operating costs. The Trustees regularly review the hospice's reserves level. At current levels of operational expenditure, the target level of reserves would be £1,686,470

The method of calculating our reserves was changed during 2016/17 to exclude fixed assets, designated funds, and restricted reserves, to focus on free funds, which is generally accepted to be a more appropriate calculation of the funding available in the organisation in an emergency.

On 31 March 2023, the level of free funds was £619,243. The level of free funds on 31 March 2022, calculated on the same basis, was £594,414.

Whilst this level of free funds is below the target in the reserves policy, the Board accept that the current position is a result of several years of operating at a deficit. The Board have approved a long-term recovery plan which will see the hospice operate within existing free funds levels whilst reversing the deficit, with a return to a surplus position enabling us to start to rebuild the level of free funds.

Principal Funding Sources

The Hospice is partly funded by a contribution from Inverclyde Health and Social Care Partnership (HSPC) based on an NHS Service Level Agreement (SLA). The HSPC funding does not cover capital expenditure. For the year 1 April 2022 to 31 March 2023, the HSPC provided funding of £1,514,470; for the previous financial year 2021/22, HSPC funding was £1,524,036) a 0.6% decrease on the previous year.

The remainder of the funds required to provide the Hospice services, is raised through legacies, donations, gifts and grants, fundraising, retail shops, the Lottery and the 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. All expenditure is either directly related to this objective, relates to an activity required to support this objective, or is an investment in fundraising activities to generate additional funds, which will in turn be used to further the objectives of the organisation.

ARDGOWAN HOSPICE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Investment Policy and Returns

During 2016/17, the Board agreed to a change in investment policy, moving all investments from a medium risk level to a low risk profile. Whilst recognising that this would reduce the income from the investments, this was considered to be acceptable in order to achieve greatly reduced volatility in the value of the portfolio. In February 2020 the Board reaffirmed this strategy which with the emerging Coronavirus situation, proved to be remarkably prudent, as within weeks the virus was categorised as a pandemic (March 2020). The Board regularly reviews this strategy under the authority delegated to the Hospice Finances, Resources and Risk Board Sub Committee.

The primary objective of the Charity's current investment approach is a balance of capital and income growth. As permitted by the Charity's Articles of Association, the Trustees have appointed Investment Managers (Rathbones) and given them discretion to manage the portfolio within an agreed profile of low risk. Rathbones act as the hospice custodian and any uninvested 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, Resources and Risk Board Sub Committee, as required, to report on investment performance.

The Trustees has assessed the major risks to which the charity is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

Going Concern

These accounts have been prepared on a going concern basis. In 2022/23, the hospice ended the year in surplus and this despite the challenges initiated by the pandemic. This is in part due to the revisions that have been made to the staffing structure. Additionally, going forward, the Board has decided that legacy income will not be included within the annual budget setting process and that expenditure should be set at a level without recourse to legacy income due to the difficulty of predicting this income in advance. Legacy income will instead be used to strengthen the free reserves of the hospice until they reach the levels required by our reserves policy. The current economic environment remains uncertain, but the Trustees are of the opinion that the reserves, bank facilities and investments held, together with the organisational efficiencies, will together ensure financial stability in the long-term. The Board and Management are focused on this requirement and regularly review costs and income so that early intervention is applied when required.

Structure, governance and management

Ardgowan Hospice Limited is a charitable company limited by guarantee, 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 the criteria for membership are defined in the Articles of Association. The company does not have share capital but is limited by guarantee. On 31 March 2023 the company had 26 members, each of whom agrees to a liability limited to £1 in the event of the charity winding up.

ARDGOWAN HOSPICE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Trustees (Directors)

The Trustees (Directors) in office during the year ended 31 March 2023 were as follows:

D Barron	
P Bennett	
M Brown	(Resigned 20 February 2023)
I Hyslop	(Appointed 23 October 2023)
S MacFarlane OBE	
T Marshall	(Appointed 26 September 2022)
G Maxwell	(Appointed 27 March 2023)
F McAlister	
P McAlpine	(Appointed 26 September 2022)
J Nugent	
M Rebecchi	(Appointed 12 December 2022)
M Moore	(Resigned 31 July 2023)
D Williams	
J Wilson	(Appointed 4 October 2023)

Recruitment and Appointment of Trustees

The Board of Trustees, comprising members from a range of backgrounds and established under the Articles of Association, meet at least 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.

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 the National Council for Voluntary Organisations (NCVO) - Charity Governance Code (13 July 2017 / refreshed December 2020 / further review pending), is available for guidance. All Trustees are provided with copies of these documents within induction packs.

All newly appointed Trustees are required to sign a Declaration of Interests statement which includes confirming that they are willing to act as a Trustee for the organisation; that they are fit to practice; and are asked to provide a background of their career history to date pre appointment.

All new Trustees undergo a period of induction, which includes time spent with the Chief Executive and key staff within the Hospice. An Ardgowan Hospice Trustee Induction Pack is circulated to each new Trustee and information within includes:

- Organisation Structure
- Articles of Association
- Board and Board Sub Committee Meeting Structure with relevant dates
- Vision, Mission and Key Values
- Report and Financial Statements for most recent year-end period
- Our Strategy
- Trustee Role Description
- Hyperlinks to useful websites for information / training

Attendance at relevant study days, seminars or conferences is discussed with Trustees as and when appropriate. We also host two Trustee / Senior Management Away Days in March and September every year.

ARDGOWAN HOSPICE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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 Sub Committees of the Board although it does not take away the Board's responsibility to take executive action across the range of its responsibilities. Standing Orders are in place for proceedings and business of the Board of Trustees and Board Sub Committees.

As at 31 March 2023, the Board of Trustees has established two Board Sub Committees, which meet four times a year, a further Sub Committee is pending:

- Finance, Resources and Risk
- Care, Governance and Performance

The Board has also established the following Board Sub Committee which meet as and when required:

- Trustees' Appointments Committee

Management

Responsibility for the day-to-day running of the Charity rests with the Chief Executive, who reports to the Board of Trustees and is supported by the Senior Management Team (SMT). The SMT consists of senior managers whose remits cover the areas of Clinical Care, Income Generation, Human Resources and Finance and Operations.

A budget is set annually in advance and is submitted to the Board of Trustees for approval.

Listed below are details of key staff who were members of the SMT during the reporting period:

- Chief Executive - Graham Gardiner
- Director of Care - Frances Downer
- Head of Income Generation - Elaine Grealey
- Head of People and Culture - Rebecca Morrison
- Consultant in Palliative Medicine - Dr Holly McGuigann

Pay and Remuneration

Ardgowan Hospice Pay Scale is closely related to the NHS Scotland Agenda for Change Pay and Grading System as the basis for setting the pay rate for all appointments. All roles are assessed to the appropriate banding of the salary scale, but the specific point awarded within that band will depend on the appointee's skills and experience.

For Senior Management and other hard to fill roles there is scope for negotiation and it is recognised that for the purposes of recruitment and / or retention the Board of Trustees might, on occasion, consider increasing the salary of a member of the SMT, or all of the SMT.

Risk Management

The Trustees have overall responsibility for ensuring that the Hospice has assessed the major risks to which it is exposed and has a risk management strategy in place which comprises:

- The establishment of two Board Sub Committees which feed into the Board.
- The establishment of policies, systems and procedures to mitigate risks.
- The establishment of procedures designed to minimise or manage any potential impact on the hospice should risks materialise.
- Monitoring and review of the Strategic and Operational Risk Registers at the relevant Board Sub Committees and at the full meeting of the Board of Trustees on a quarterly basis.

Related Parties

It was agreed by the Board, that the necessity to operate a separate company for the sole purpose of operating a Lottery was not required and as such the operation of the Lottery was transferred back to the main company Ardgowan Hospice Limited. The former subsidiary, the Ardgowan Hospice Lottery Limited is now closed.

There are no related party issues and the company Ardgowan Hospice Limited operates as a single entity.

ARDGOWAN HOSPICE LIMITED

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Statement of Trustees' responsibilities

The Trustees, who are also the 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 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 charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Trustees are required to:

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

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

In accordance with the company's articles, a resolution proposing that Consilium Audit Limited be reappointed as auditor of the company will be put at a General Meeting.

The Trustees' report was approved by the Board of Trustees.

D Williams

Trustee

Dated: 13 December 2023

ARDGOWAN HOSPICE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF ARDGOWAN HOSPICE LIMITED

Opinion

We have audited the financial statements of Ardgowan Hospice Limited (the 'charity') for the year ended 31 March 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant 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 charitable company's affairs as at 31 March 2023 and of its 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 requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 charity 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

In auditing the financial statements, we have concluded that the trustees' (who are also the directors of the company for company law purposes) use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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.

ARDGOWAN HOSPICE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF ARDGOWAN HOSPICE LIMITED

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of the charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they 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 charity'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 charitable company or to cease operations, or have no realistic alternative but to do so.

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 report in accordance with the Act and relevant regulations made or having effect thereunder.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- We identified the laws and regulations applicable to the company through discussions with directors and management and from our knowledge of the regulatory environment relevant to the company.
- We assessed the extent of compliance with laws and regulations through making enquiries of management and inspecting legal correspondence.
- We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud.
- To address the risk of fraud through management bias and override of controls, we tested journal entries to identify unusual transactions, we assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias and we investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

ARDGOWAN HOSPICE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF ARDGOWAN HOSPICE LIMITED

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Brian Thomson BA(Hons) CA (Senior Statutory Auditor)
for and on behalf of Consilium Audit Limited

Statutory Auditor

169 West George Street
Glasgow
Scotland
G2 2LB

Date: 13 December 2023

Consilium Audit Limited is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

ARDGOWAN HOSPICE LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2023

		Unrestricted funds 2023	Restricted funds 2023	Total 2023	Unrestricted funds 2022	Restricted funds 2022	Total 2022
	Notes	£	£	£	£	£	£
Income and endowments from:							
Donations and legacies	3	1,175,816	168,652	1,344,468	1,146,828	185,438	1,332,266
Charitable activities	4	1,514,470	-	1,514,470	1,524,036	-	1,524,036
Other trading activities	5	912,448	6,839	919,287	905,321	1,056	906,377
Investments	6	32,780	-	32,780	24,903	-	24,903
Other income	7	14,042	-	14,042	52,628	-	52,628
Total income		3,649,556	175,491	3,825,047	3,653,716	186,494	3,840,210
Expenditure on:							
Raising funds	9	1,028,986	-	1,028,986	787,187	-	787,187
Charitable activities	10	2,495,851	198,292	2,694,143	2,389,034	196,718	2,585,752
Total resources expended		3,524,837	198,292	3,723,129	3,176,221	196,718	3,372,939
Net gains/(losses) on investments	14	(98,522)	-	(98,522)	35,364	-	35,364
Net incoming/(outgoing) resources before transfers		26,197	(22,801)	3,396	512,859	(10,224)	502,635
Gross transfers between funds		(1,368)	1,368	-	-	-	-
Net income/(expenditure) for the year/ Net movement in funds		24,829	(21,433)	3,396	512,859	(10,224)	502,635
Fund balances at 1 April 2022		1,486,075	306,307	1,792,382	973,216	316,531	1,289,747
Fund balances at 31 March 2023		1,510,904	284,874	1,795,778	1,486,075	306,307	1,792,382

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

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

ARDGOWAN HOSPICE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

		2023	2022
	Notes	£	£
Fixed assets			
Tangible assets	15	823,976	883,223
Current assets			
Stocks	16	1,110	3,801
Debtors	17	119,634	333,967
Investments	18	1,132,759	1,237,056
Cash at bank and in hand		989,027	1,085,013
		<u>2,242,530</u>	<u>2,659,837</u>
Creditors: amounts falling due within one year	19	<u>(1,270,728)</u>	<u>(1,750,678)</u>
Net current assets		971,802	909,159
Total assets less current liabilities		<u>1,795,778</u>	<u>1,792,382</u>
Income funds			
Restricted funds	20	284,874	306,307
<u>Unrestricted funds</u>			
Designated funds	21	891,661	891,661
General unrestricted funds		<u>619,243</u>	<u>594,414</u>
		1,510,904	1,486,075
		<u>1,795,778</u>	<u>1,792,382</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 March 2023, although an audit has been carried out under section 144 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements under the requirements of the Companies Act 2006, for the year in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 13 December 2023

P Bennett
Trustee
Company Registration No. SC075515

D Williams
Trustee

ARDGOWAN HOSPICE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	26		(99,510)		280,441
Investing activities					
Purchase of tangible fixed assets		(46,191)		-	
Proceeds on disposal of tangible fixed assets		-		300	
Purchase of investments		(447,010)		(333,365)	
Proceeds on disposal of investments		463,945		344,673	
Interest received		3,128		39	
Investment income		29,652		24,864	
Net cash generated from investing activities			3,524		36,511
Net (decrease)/increase in cash and cash equivalents			(95,986)		316,952
Cash and cash equivalents at beginning of year			1,085,013		768,061
Cash and cash equivalents at end of year			989,027		1,085,013

ARDGOWAN HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Ardgowan Hospice Limited is a private company limited by guarantee incorporated in Scotland. The registered office is 12 Nelson Street, Greenock, PA15 1TS, Scotland.

1.1 Accounting convention

The financial statements have been prepared in accordance with the charity's Statement of Recommended Practice, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

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.

1.4 Income

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 the 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 condition 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.

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 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.

ARDGOWAN HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

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

1.5 Expenditure

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.

- 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 including 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.

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 the 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.

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, 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 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.

ARDGOWAN HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

All assets costing more than £500 are capitalised and are valued at historical cost.

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

Property and improvements	2% to 25% straight line
Equipment	20% straight line
Furnishings	20% reducing balance
IT software and equipment	20% straight line
Motor vehicles	25% reducing balance

1.7 Current 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.

1.8 Stocks

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

1.9 Cash and cash equivalents

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.

1.10 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.

1.11 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.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charitable company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

ARDGOWAN HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

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 scheme. Contributions payable for the year are charged to the Statement of Financial Activities, as they become payable in accordance with the rules of the Scheme.

1.13 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.

1.14 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.

1.15 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.

1.16 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.

2 Judgements and key sources of estimation and uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Depreciation

Fixed assets are depreciated over the useful life of assets. The useful life of fixed assets are based on the knowledge of senior management, with reference to the assets expected useful life.

Allocation of expenditure between activities

Support costs are allocated between charitable activities and governance based on the time spent by senior management on undertaking the charity's activities.

ARDGOWAN HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Donations and gifts	286,665	168,652	455,317	345,546	185,438	530,984
Legacies receivable	829,084	-	829,084	174,356	-	174,356
Treasury Funding	-	-	-	626,926	-	626,926
Other	60,067	-	60,067	-	-	-
	<u>1,175,816</u>	<u>168,652</u>	<u>1,344,468</u>	<u>1,146,828</u>	<u>185,438</u>	<u>1,332,266</u>

4 Charitable activities

	2023	2022
	£	£
Hospice services	<u>1,514,470</u>	<u>1,524,036</u>

5 Other trading activities

	Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
	2023	2023	2023	2022	2022	2022
	£	£	£	£	£	£
Fundraising events	274,937	6,839	281,776	290,921	1,056	291,977
Shop income	330,519	-	330,519	284,147	-	284,147
Sponsorships and social lotteries	306,992	-	306,992	330,253	-	330,253
Other trading activities	<u>912,448</u>	<u>6,839</u>	<u>919,287</u>	<u>905,321</u>	<u>1,056</u>	<u>906,377</u>

ARDGOWAN HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Investments

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Income from listed investments	29,652	24,864
Interest receivable	3,128	39
	<u>32,780</u>	<u>24,903</u>

7 Other income

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
Other income	14,042	49,955
Coronavirus Job Retention Scheme	-	2,673
	<u>14,042</u>	<u>52,628</u>

8 Government grants

	2023	2022
	£	£
Inverclyde HSCP	1,514,470	1,524,036
HMRC	-	2,673
UK Treasury	-	626,926
	<u>1,514,470</u>	<u>2,153,635</u>

Inverclyde Health and Social Care Partnership (HSCP) funding was received for general running of the Hospice.

HMRC funding was received for the Coronavirus Job Retention Scheme.

UK Treasury support was received to support the Hospice during the pandemic.

There are no unfulfilled conditions or contingencies associated with any government grants received in the year. The charity did not receive any other form of government assistance.

ARDGOWAN HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Raising funds

	Unrestricted funds	Unrestricted funds
	2023	2022
	£	£
<u>Fundraising and publicity</u>		
Lottery costs	171,877	166,697
Fundraising	409,136	320,472
	<hr/>	<hr/>
Fundraising and publicity	581,013	487,169
	<hr/>	<hr/>
<u>Trading costs</u>		
Operating charity shops	447,973	288,163
	<hr/>	<hr/>
<u>Investment management</u>	-	11,855
	<hr/>	<hr/>
	1,028,986	787,187
	<hr/>	<hr/>

10 Charitable activities

	Charitable Activities	Charitable Activities
	2023	2022
	£	£
Share of support costs (see note 11)	2,613,305	2,433,288
Share of governance costs (see note 11)	80,838	152,464
	<hr/>	<hr/>
	2,694,143	2,585,752
	<hr/>	<hr/>
Analysis by fund		
Unrestricted funds	2,495,851	2,389,034
Restricted funds	198,292	196,718
	<hr/>	<hr/>
	2,694,143	2,585,752
	<hr/>	<hr/>

ARDGOWAN HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

11 Support costs

	Hospice services £	Governance costs £	2023 £	Hospice services £	Governance costs £	2022 £
Staff costs	2,231,611	64,253	2,295,864	2,166,609	131,132	2,297,741
Depreciation	35,849	-	35,849	21,081	-	21,081
Other staff costs	22,616	-	22,616	17,126	9,837	26,963
Travel	10,557	-	10,557	34,136	-	34,136
IT costs	18,051	-	18,051	8,801	-	8,801
Office costs	64,665	-	64,665	49,480	-	49,480
Professional fees	6,456	-	6,456	4,539	-	4,539
Consultancy fees	165,176	-	165,176	59,024	-	59,024
Vehicle costs	1,447	-	1,447	1,078	-	1,078
Cleaning costs	10,724	-	10,724	1,204	-	1,204
Equipment	937	-	937	3,786	-	3,786
Supervision	2,295	-	2,295	8,681	-	8,681
Hospice supplies	48,756	-	48,756	57,743	-	57,743
Audit fees	-	10,750	10,750	-	11,495	11,495
	<u>2,619,140</u>	<u>75,003</u>	<u>2,694,143</u>	<u>2,433,288</u>	<u>152,464</u>	<u>2,585,752</u>
Analysed between						
Charitable activities	<u>2,613,305</u>	<u>80,838</u>	<u>2,694,143</u>	<u>2,433,288</u>	<u>152,464</u>	<u>2,585,752</u>

Governance costs includes payments to the auditors of £10,750 (2022 - £11,495) for audit fees.

12 Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the charity during the year.

ARDGOWAN HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

13 Employees

Number of employees

The average monthly number of employees during the year was:

	2023 Number	2022 Number
Average weekly employees	66	60

Employment costs

	2023 £	2022 £
Wages and salaries	2,314,594	2,263,844
Social security costs	213,086	182,132
Other pension costs	193,601	100,290
	<u>2,721,281</u>	<u>2,546,266</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2023 Number	2022 Number
£60,000 - £70,000	-	1
£70,000 - £80,000	1	-

14 Net gains/(losses) on investments

	Unrestricted funds	Unrestricted funds
	2023 £	2022 £
Gain/(loss) on sale of investments	<u>(98,522)</u>	<u>35,364</u>

ARDGOWAN HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

15	Tangible fixed assets								
		Property and IT improvements	software and equipment	Equipment	Motor vehicles	Furnishings	Total		
	Cost	£	£	£	£	£	£		
	At 1 April 2022	2,171,657	220,178	49,408	355,413	12,276	2,808,932		
	Additions	16,876	29,315	-	-	-	46,191		
	Disposals	-	(216,177)	(49,408)	(345,875)	(12,276)	(623,736)		
	At 31 March 2023	2,188,533	33,316	-	9,538	-	2,231,387		
	Depreciation and impairment								
	At 1 April 2022	1,352,473	170,625	44,224	347,407	10,980	1,925,709		
	Depreciation charged in the year	43,181	4,723	-	1,908	-	49,812		
	Eliminated in respect of disposals	-	(169,953)	(44,224)	(342,953)	(10,980)	(568,110)		
	At 31 March 2023	1,395,654	5,395	-	6,362	-	1,407,411		
	Carrying amount								
	At 31 March 2023	792,879	27,921	-	3,176	-	823,976		
	At 31 March 2022	819,184	49,553	5,184	8,006	1,296	883,223		

ARDGOWAN HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

16 Stocks

	2023	2022
	£	£
Finished goods and goods for resale	1,110	3,801
	<u> </u>	<u> </u>

17 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	10,210	10,930
Other debtors	45,242	307,787
Prepayments and accrued income	64,182	15,250
	<u> </u>	<u> </u>
	<u>119,634</u>	<u>333,967</u>

18 Current asset investments

	2023	2022
	£	£
Listed investments	1,132,759	1,237,056
	<u> </u>	<u> </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 mid-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' Report.

The main risk to the charity from the financial instruments lies in the combination of uncertain investment markets and volatility 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 not in any markets subject to exchange controls or trading restrictions. Further to potential Brexit implications as the new trade agreement is implemented, 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.

ARDGOWAN HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

19 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	778,139	1,237,754
Other creditors	71,184	73,260
Accruals and deferred income	421,405	439,664
	<hr/>	<hr/>
	1,270,728	1,750,678
	<hr/>	<hr/>

Included within accruals and deferred income is deferred income of £387,410 (2022: £380,191). Deferred income comprises Inverclyde Health & Social Care Partnership (HSCP) grant income received in advance for the year ended 31 March 2024 (2022: for the year ended 31 March 2023).

ARDGOWAN HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2023**

20 Restricted funds

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

	Movement in funds		Movement in funds		Transfers	Balance at
	Balance at income	Expenditure	Balance at income	Expenditure	31 March 2023	Balance at
	1 April 2021		1 April 2022			31 March 2023
	£	£	£	£	£	£
Barcappel Foundation	10,000	-	10,000	10,000	(20,000)	-
Childhood Bereavement Service	-	4,533	-	-	-	-
Compassionate Inverclyde	-	7,121	-	-	-	-
Hospice Development - assets	65,000	-	61,500	-	(3,500)	58,000
Inpatient Unit	-	29,950	-	-	-	-
Memory Tree	-	4,745	4,745	-	(26)	4,719
National Lottery	241,531	-	230,062	-	(14,746)	215,316
SPT - Patient Transport	-	48,663	-	25,000	(25,000)	-
Zero Waste Scotland	-	91,456	-	-	-	-
CVS Inverclyde - Warm Hands of Friendship	-	-	-	2,003	(2,313)	-
Hospice UK	-	-	-	9,169	(9,169)	-
The Ironbridge Trust	-	-	-	2,000	(2,000)	-
CVS Inverclyde - Inverclyde CMHWP Fund	-	-	-	11,980	(11,980)	-
The Thomas J Horne Memorial Trust	-	-	-	7,500	(7,629)	129
DWTF Cargill Fund	-	-	-	50,000	(50,201)	201
J & JR Wilson Trust	-	-	-	1,000	(1,000)	-
The Meikle Foundation	-	-	-	2,000	(2,000)	-
MV Hillhouse Trust	-	-	-	1,000	(1,000)	-
The Martin Charitable Trust	-	-	-	10,000	(10,025)	25
Miss IF Harvey Trust	-	-	-	4,000	(4,170)	170
Maurits Maulder Cantor Trust	-	-	-	2,000	(2,000)	-
Hernia Community	-	-	-	5,000	(5,000)	-
The Albert Hunt Trust	-	-	-	20,000	(20,358)	358
SBU Hodge Discretionary Trust	-	-	-	1,000	(1,000)	-

ARDGOWAN HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2023**

20	Restricted funds	(Continued)					
	McDonalds in the Community						
	Other fundraising						
	-	-	-	-	5,000	(5,175)	175
	-	26	(26)	-	6,839	-	-
	316,531	186,494	(196,718)	306,307	175,491	(198,292)	1,368
							284,874

ARDGOWAN HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

20 Restricted funds

(Continued)

Barcappel Foundation - Grant finding for the development of physiological services.

Childhood Bereavement Service - Grants to assist with the bereavement service.

Compassionate Inverclyde - Grant funding towards the development of CI services.

Hospice Development Assets - Hospice developments fund held as fixed assets.

Inpatient Unit - Relates to individual donations intended to support specific areas of the business.

Memory Tree - Donations received to memorialise loved ones in "Memory Tree Memorial" in Hospice access building.

National Lottery - Funding from the National Lotteries Community Fund in 1999 for the construction of the ACCESS building. Income is recognised as the building depreciates as per the grant accounting requirements.

SPT Patient Transport - Grant funding towards the Patient Transport Service costs.

Zero Waste Scotland - COVID response funding to support retail operations.

CVS Inverclyde - Warm Hands of Friendship - Provided a warm space for patients, families and carers for informal sessions delivering, nutritious snacks, engaging activities, advice and opportunities for peer support.

Hospice UK - Funding from the Rank Foundation to launch the Moving Forward Pilot as part of reintroducing day services following the pandemic.

The Ironbridge Trust - A contribution towards administration costs for Compassionate Inverclyde.

CVS Inverclyde - Inverclyde CMHMB Fund - Funding supporting the launch of MyLife delivering activities and events to improve mental wellbeing and provide opportunities for peer support to those impacted by life limiting conditions across Inverclyde.

The Thomas J Horne Memorial Trust - Unrestricted funding towards core costs.

DWT Cargill Fund - Unrestricted funding towards core costs.

J & JR Wilson Trust - A funding contribution to core costs to support our work with the elderly.

ARDGOWAN HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

20 Restricted funds

(Continued)

The Meikle Foundation - Unrestricted funding towards core costs.

MV Hillhouse Trust - Donation towards the continuing work of Ardgowan Hospice.

The Martin Charitable Trust - Unrestricted funding towards core costs.

Miss IF Harvey Trust - Unconditional donation towards core costs.

Maurits Maulder Cantor Trust - Unrestricted funding towards core costs.

Hermia Community - Community benefit donation to provide medical support to those suffering from malignant, neurological and wasting diseases.

The Albert Hunt Trust - Funding to support the core running costs associated with direct service delivery.

SBJ Hodge Discretionary Trust - Funding to support the core running costs.

McDonalds in the Community - Donation towards annual core costs.

Other funding - This is made up of a number of smaller donations to be used for the provision of specific services.

ARDGOWAN HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

21 Designated funds

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

	Balance at Expenditure 1 April 2021		Transfers	Movement in funds Balance at Income 1 April 2022		Balance at 31 March 2023
	£	£	£	£	£	£
Designated fixed asset fund	638,994	(47,333)	-	591,661	-	591,661
Contingency fund	-	-	300,000	300,000	-	300,000
	<u>638,994</u>	<u>(47,333)</u>	<u>300,000</u>	<u>891,661</u>	<u>-</u>	<u>891,661</u>

22 Analysis of net assets between funds

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
Fund balances at 31 March 2023 are represented by:						
Tangible assets	550,660	273,316	823,976	591,661	291,562	883,223
Current assets/(liabilities)	960,244	11,558	971,802	894,414	14,745	909,159
	<u>1,510,904</u>	<u>284,874</u>	<u>1,795,778</u>	<u>1,486,075</u>	<u>306,307</u>	<u>1,792,382</u>

23 Financial commitments, guarantees and contingent liabilities

In relation to existing leasehold properties, it is recognised that there are contingent liabilities for dilapidations, however, it is not yet possible to quantify the liabilities.

24 Operating lease commitments

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

	2023 £	2022 £
Within one year	33,833	40,500
Between two and five years	33,292	66,125
	<u>67,125</u>	<u>106,625</u>

ARDGOWAN HOSPICE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

25 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2023 £	2022 £
Aggregate compensation	266,972	208,899

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

26 Cash generated from operations

	2023 £	2022 £
Surplus for the year	3,396	502,635
Adjustments for:		
Investment income recognised in statement of financial activities	(32,780)	(24,903)
Loss on disposal of tangible fixed assets	55,626	1,292
Loss/(gain) on disposal of investments	87,362	(35,364)
Depreciation and impairment of tangible fixed assets	49,812	60,710
Movements in working capital:		
Decrease in stocks	2,691	-
Decrease/(increase) in debtors	214,333	(237,821)
(Decrease)/increase in creditors	(479,950)	13,892
Cash (absorbed by)/generated from operations	(99,510)	280,441

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.