

Registered No. SC 068503
Charity Registration No. SC 006704

STRATHCARRON HOSPICE

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 MARCH 2011

STRATHCARRON HOSPICE

COMPANY INFORMATION

Members of the Council of Management

Mr A Jannetta (Chairman)
Mr T Ogilvie (Vice Chairman)
Mr S Reid (Honorary Treasurer)
Dr K Bell
Mrs E Hallam
Mr C Mather
Mrs R Cranston (Appointed 29 September 2010)

Dr E Millar
Mrs C Morrison
Rev Dr T Njuguna
Mr A Smith
Mr E Toal
Mr D Wheeler

Director of the Hospice

Mrs I McKie

Company Secretary

Mr W Andrew

Registered Office

Randolph Hill
Denny
Stirlingshire
FK6 5HJ

Registered Number

SC 068503

Charity Registration Number

SC 006704

Bankers

The Royal Bank of Scotland
32 Glasgow Road
Denny
FK6 6AY

Clydesdale Bank plc
Duke Street
Denny
FK6 6DD

Solicitors

Mathie MacLuckie
Wellington House
Dumbarton Road
Stirling
FK8 2RW

Auditors

Wylie & Bisset LLP
168 Bath Street
Glasgow
G2 4TP

Stockbrokers

Deutsche Bank Private Wealth Management
130 St Vincent Street
Glasgow
G2 5SE

REPORT OF THE COUNCIL OF MANAGEMENT

The Council of Management presents its report and the audited financial statements of the company and the group for the year ended 31 March 2011. The company information sheet on the preceding page forms an integral part of this report.

Structure, Governance and Management

Strathcarron Hospice was incorporated on 11 June 1979 as a company limited by guarantee. The number of members is limited to 500. On 31 March 2011 the company had 114 members (2010: 137), each of whom agree to contribute £5 in the event of the charity winding up. It is governed by the Memorandum and Articles of Association adopted by Special Resolution on 9 June 1980.

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

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

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

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

Members of the Council of Management and their interests

The members of the Council of Management at 31 March 2011 are listed on the company information sheet. All are directors of the company and comprise the trustees of the charity.

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

Recruitment and Appointment of the Council of Management

The Hospice adheres to recognised best practice in ensuring that there is a good balance of expertise within the Council of Management including individuals with clinical, fiscal, legal and legislative knowledge as well as representatives of the communities which the Hospice serves. The Executive Committee oversees the recruitment and appointment of Council Members and one person with appropriate expertise and interests has been co-opted to the Council since the last Annual General Meeting.

Council of Management Induction and Training

Prior to being appointed at the AGM new Council Members will usually have acted in a seconded capacity. An induction pack is provided which includes information on the role and duties of a director and the council papers from the previous year. In addition, the Hospice Director meets with potential Council Members for a tour of the facilities and a detailed briefing on the services provided.

The make-up of the Council of Management is such that it allows the Hospice to keep up to date with relevant legislation and guidelines. Furthermore, briefings are provided to the Council of Management and committees to update them on changes in legislation or policy, as is deemed necessary.

REPORT OF THE COUNCIL OF MANAGEMENT

(continued)

Risk management

The Hospice has embedded risk management across the organisation and the Council of Management oversees this process, agreeing and reviewing the high level strategic risks.

A risk register has been developed and high level risk is overseen by the Council of Management. Risk management is a formal and integral part of discussions at appropriate Committees and the Council of Management.

The Hospice has now completed a second five-year cycle of an internal audit programme, which started in 2001. This audit programme is based on a comprehensive strategic review setting out the opportunities available to the Hospice and the risks to which it is exposed. This provides the Council of Management with an overarching report on the risk management and policies and procedures in place within the Hospice. The internal audit plan is reviewed annually to examine any new areas of concern identified by the Council of Management or the Audit Committee. In addition to internal and external audit the Hospice is also subject to inspection by external bodies such as the Care Commission. With regard to financial risk the Council of Management monitors progress against the budget on a quarterly basis and the external investment managers, on a discretionary basis, manage the investment portfolio. These external arrangements are complimented within the Council of Management through the wide-ranging committee structure.

Review of activities

The principal activity of the company is the operation of a Hospice for the care of terminally ill people in the communities of Forth Valley, Cumbernauld and Kilsyth. The Hospice provides specialist palliative care to patients with active progressive illness and provides support to their families. Care is provided free to all patients and referrals come from General Practitioners and Hospital Consultants.

The Hospice also supports the wider health community, providing specialist advice and support to all health and care settings and educational courses for its own staff and health and care staff from across Scotland and beyond. The Hospice's services are provided by a multidisciplinary team and include community based care, day care, in-patient care, a specialist lymphoedema clinic, family support and bereavement service, education, training and research.

The Hospice will continue to develop its activities to meet need and provide the best possible specialist care. The majority of patients suffer from cancer, but increasingly the Hospice is working closely with other specialities to provide specialist palliative care to patients with a wider range of conditions. Overall activity increased during this period, with an 8% increase in referrals and a 7% increase in admissions.

The Hospice continued to receive excellent reports from the Care Commission and have continued to improve quality through investment in staff and the fabric of the building.

The Hospice works closely with both NHS Forth Valley and NHS Lanarkshire and participates in their Managed Clinical Networks. We are also represented on the NHS Forth Valley Palliative Care Strategy Implementation Group. The Hospice will continue to engage in wider strategic discussions both locally and nationally and is engaged with partner organisations in the implementation of the Audit Scotland Review of Palliative Care Services and also the Scottish Government's Action Plan for Palliative Care, "Living and Dying Well".

Plans for Future Periods

The Hospice is ambitious to develop its services but has taken a cautious approach in the current economic climate. Strathcarron Hospice has worked hard to increase its income from voluntary sources and fundraising activities. This is reflected in our fundraising income but some aspects of our voluntary source income were lower than anticipated as a result of the economic environment. The forthcoming year will be one of consolidation until there is greater clarity on the future impact of the recession on our income.

Strathcarron Hospice Retail Limited now runs 9 charity shops, together with the small amount of retailing carried out by the Hospice itself. Profits from the company are transferred to the Hospice by a Gift Aid donation. These increased by 7% compared with the first year of trading.

REPORT OF THE COUNCIL OF MANAGEMENT

(continued)

Financial review**Results for the year**

The operating result for the year shows a surplus of £1,519,160 however this has been impacted by a net credit of £1,551,000 arising in relation to the past service costs liability associated with the Falkirk Council Pension Fund. This is an exceptional gain in 2011 and when the impact of the gain is ignored, the operating result is a deficit of £31,840 (2010 £382,846 deficit).

The results for the year show net incoming resources of £1,519,160 (2010 £382,846 outgoing) before taking into account the realised losses and gains on investments, the decrease in the provision of investments losses and the actuarial gains on the Falkirk Council Pension Fund of £1.5million (2010 £3.4million loss). The total net movement in funds was an increase of £3,072,242 (2010 decrease of £3,430,172).

The net balance sheet deficit arising on the pension fund of £3,014,000 and associated movements recognised within the Statement of Financial Activity in 2011 reflects the volatile nature of the Falkirk Council Pension Fund. The deficit at 31 March 2010 was £5,998,000 and has reduced to £3,014,000 as a result of market factors and actuarial assumptions made. The exceptional gain of £1,551,000 in relation to the past service cost liability is principally due to a change in the indexation of pension payments from RPI to CPI.

Our financial results continue to demonstrate the degree of reliance on funds from fundraising activities, including income from investments and legacies to support the work of the Hospice. In particular, the legacy income of £816,673 received in the current year has contributed greatly toward the costs of the Hospice without which the operating deficit (ignoring pension fluctuations) would have been significantly greater.

Fundraising activities

Income from voluntary sources, legacies, fundraising activities and investments was £3.34 million, compared to £2.97 million in 2009/10, showing an increase of 12%. The greatest movement on this is in relation to the legacy income which has increased by £ 351,149 (75%). The remainder of the movement comprised: voluntary source income increased by £23,074 (2%), fundraising activities decreased by £10,858 (1%), shop net income increased by £23,341 (7%) and investment income decreased by £16,722 (7%).

The areas of income in which the Hospice could directly influence the outturn are comparable with 2010, whereas the income which is outwith the direct control of the Hospice, with the exception of legacy income, shows a decrease. The Trustees consider this to be principally as a result of the current economic climate.

Statutory funding

Core statutory funding amounted to £1,996,128. Whilst this is an increase from prior year levels of £92,799, this has not kept pace with inflation and increased activity. The percentage level of agreed statutory funding was around 39% in the year (2010 40%) showing a further move from the agreed level of statutory funding at 50% of costs. It is anticipated that the % level of statutory funding may decrease further in 2011/12.

Costs of generating fundraising income

The fundraising costs of £337,993 remain relatively consistent with the prior year, showing an increase of £6,088 (1.8%).

Charitable activities

The costs of delivering our care services were £4.9million (2009/10; £4.9million) after adjusting for the exceptional pension gain described above.

Investment policy

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

REPORT OF THE COUNCIL OF MANAGEMENT

(continued)

Reserves policy

The Council of Management has established a policy whereby reserves will be retained to generate income to meet operating costs and proposed capital expenditure. The level of these reserves would not be allowed to exceed that required to generate income in the region of 7% of operational costs plus any capital expenditure envisaged in the year. An amount equal to the unexpired depreciation on fixed assets has been designated as a separate fund and is not available for direct expenditure on charitable activities.

The policy is reviewed on a yearly basis to ensure that the reserves best meet the changing needs of the Hospice.

Statement of the responsibilities of the Council of Management

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

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

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

Auditors

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

ON BEHALF OF THE BOARD**A JANNETTA**

Chairman of the Council of Management

September 2011

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

We have audited the financial statements of Strathcarron Hospice for the year ended 31 March 2011 which comprise the Group Charitable Company Statement of Financial Activities, the Group Charitable Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Charitable Company Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 Annual 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 2011 and of the group's incoming resources and application of resources, including the group's and the parent 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 2006 (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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF STRATHCARRON HOSPICE
(continued)****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 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- The charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of trustees remuneration specified by law are not made; or
- We have not received all the information and explanations we required for our audit

Allister Gray (Senior Statutory Auditor)

*168 Bath Street
Glasgow
G2 4TP*

*For and on behalf of Wylie & Bisset LLP, Statutory Auditor
Wylie & Bisset LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006*

Date

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCOME AND EXPENDITURE ACCOUNT)

FOR THE YEAR ENDED 31 MARCH 2011

	Notes	Restricted £	Trading Subsidiary £	Unrestricted £	2011 Total £	2010 £
Incoming resources						
Charitable activities	3	17,171	-	1,990,780	2,007,951	1,903,329
Generated funds:						
Voluntary source income		-	-	1,151,112	1,151,112	1,128,038
Fundraising activities		-	-	800,271	800,271	811,129
Shop sales		-	540,453	-	540,453	527,348
Income Legacies		-	-	816,673	816,673	465,524
Investment income	8	-	-	225,698	225,698	242,420
Total incoming resources		17,171	540,453	4,984,534	5,542,158	5,077,788
Resources expended						
Charitable activities:						
Recurring charitable costs	4, 5	18,998	-	4,958,039	4,977,037	4,772,870
Pension service cost provision	4, 5	-	-	(1,551,000)	(1,551,000)	95,000
		18,998	-	3,407,039	3,426,037	4,867,870
Generating funds	4, 5	-	191,808	337,993	529,801	533,949
Governance costs	5	-	-	43,213	43,213	45,520
Investment manager fees		-	-	23,947	23,947	13,295
Total resources expended		18,998	191,808	3,812,192	4,022,998	5,460,634
Net incoming/(outgoing) resources before other recognised gains and losses						
		(1,827)	348,645	1,172,342	1,519,160	(382,846)
Realised investment (losses)		-	-	(42,601)	(42,601)	(8,247)
Investment provision decrease/(increase)	10	-	-	42,683	42,683	352,921
Net incoming/(outgoing) resources before transfers		(1,827)	348,645	1,172,424	1,519,242	(38,172)
Transfers between funds		170	-	(170)	-	-
Trading company payments		-	(348,645)	348,645	-	-
Net incoming/(outgoing) resources Pension Scheme adjustments:		(1,657)	-	1,520,899	1,519,242	(38,172)
Actuarial gains/(losses) on defined benefit pension schemes	15	-	-	1,553,000	1,553,000	(3,392,000)
Net movement in funds		(1,657)	-	3,073,899	3,072,242	(3,430,172)
Reconciliation of funds						
Funds brought forward		1,657	-	427,572	429,229	3,859,401
Funds carried forward		-	-	3,501,471	3,501,471	429,229

- All activities relate to continuing operations.
- All gains and losses recognised in the year are included above.
- The net outgoing resources before the pension scheme actuarial losses is the net income for Companies Act purposes.

**CONSOLIDATED BALANCE SHEET
AT 31 MARCH 2011**

	Notes	£	2011 £	2010 £
Fixed assets:				
Tangible assets	9		2,067,930	2,122,719
Investments	10		4,452,385	4,367,261
			<hr/>	<hr/>
			6,520,315	6,489,980
			<hr/>	<hr/>
Current assets:				
Stocks		13,410		16,255
Debtors	11	105,008		58,209
Cash at bank and in hand		215,798		132,013
		<hr/>		<hr/>
		334,216		206,477
Creditors: amounts falling due within one year				
	12	339,060		269,228
		<hr/>		<hr/>
Net current (liabilities)/assets			(4,844)	(62,751)
			<hr/>	<hr/>
Net assets excluding pension deficit			6,515,471	6,427,229
Defined benefit pension scheme liability	15		(3,014,000)	(5,998,000)
			<hr/>	<hr/>
Net assets including pension deficit			3,501,471	429,229
			<hr/> <hr/>	<hr/> <hr/>
Reserves:				
Restricted funds				
			-	1,657
			<hr/>	<hr/>
Unrestricted funds:				
Designated fixed asset fund			2,067,930	2,122,719
General funds available for distribution			4,447,541	4,302,853
			<hr/>	<hr/>
Unrestricted income funds excluding pension liability			6,515,471	6,425,572
Pension fund	15		(3,014,000)	(5,998,000)
			<hr/>	<hr/>
Total unrestricted funds			3,501,471	427,572
			<hr/>	<hr/>
Total funds	13		3,501,471	429,229
			<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved by the Council of Management on September 2011 and signed on its behalf by:

A JANNETTA

Chairman of the Council of Management

S REID

Member of Council and Honorary Treasurer

Company Registration No. SC068503

The notes on pages 11 to 19 form part of these financial statements.

CHARITY BALANCE SHEET

AT 31 MARCH 2011

	Notes	£	2011 £	2010 £
Fixed assets:				
Tangible assets	9		2,067,930	2,122,719
Investments	10		4,452,485	4,367,361
			<hr/>	<hr/>
			6,520,415	6,490,080
Current assets:				
Debtors	11	173,619		78,386
Cash at bank and in hand		148,206		94,753
		<hr/>		<hr/>
		321,825		173,139
Creditors: amounts falling due within one year	12	326,769		235,990
		<hr/>		<hr/>
Net current (liabilities)/assets			(4,944)	(62,851)
			<hr/>	<hr/>
Net assets excluding pension deficit			6,515,471	6,427,229
Defined benefit pension scheme liability	15		(3,014,000)	(5,998,000)
			<hr/>	<hr/>
Net assets including pension deficit			3,501,471	429,229
			<hr/> <hr/>	<hr/> <hr/>
Reserves:				
Restricted funds			-	1,657
			<hr/>	<hr/>
Unrestricted funds:				
Designated fixed asset fund			2,067,930	2,122,719
General funds available for distribution			4,447,541	4,302,853
			<hr/>	<hr/>
Unrestricted income funds excluding pension liability			6,515,471	6,425,572
Pension fund	15		(3,014,000)	(5,998,000)
			<hr/>	<hr/>
Total unrestricted funds			3,501,471	427,572
			<hr/>	<hr/>
Total funds	13		3,501,471	429,229
			<hr/> <hr/>	<hr/> <hr/>

The financial statements were approved by the Council of Management on September 2011 and signed on its behalf by:

A JANNETTA

Chairman of the Council of Management

S REID

Member of Council and Honorary Treasurer

Company Registration No. SC068503

The notes on pages 11 to 19 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2011

	£	2011 £	2010 £
Net incoming /(outgoing) resources for the year		1,519,160	(382,846)
Depreciation		133,126	137,478
FRS17 pension adjustment		(1,529,000)	(55,000)
Net return on pension finance		98,000	211,000
Investment income		(225,698)	(242,420)
Decrease/(Increase) in stock		2,845	(16,255)
(Increase)/Decrease in debtors		(46,789)	70,401
Increase/(Decrease) in creditors		69,832	(42,662)
		<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities		21,466	(320,304)
		<hr/>	<hr/>
Returns on investments and servicing of finance			
Investment income	225,275		242,003
Interest received	423		417
	<hr/>		<hr/>
Net cash inflow from return on investments and servicing of finance		225,698	242,420
		<hr/>	<hr/>
		247,164	(77,884)
		<hr/>	<hr/>
Capital expenditure and financial investment			
Purchase of tangible fixed assets	(78,337)		(31,637)
Acquisition of investments	(578,131)		(498,650)
Proceeds on sale of investments	493,089		486,945
	<hr/>		<hr/>
Net cash (outflow) from investing activities		(163,379)	(43,342)
		<hr/>	<hr/>
Increase /(Decrease) in cash		83,785	(121,226)
		<hr/> <hr/>	<hr/> <hr/>
Analysis of net funds			
		£	
At 1 April 2010		132,013	
Increase in year		83,785	
		<hr/>	
At 31 March 2011		215,798	
		<hr/> <hr/>	

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011****1. Legal status**

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

According to the Memorandum of Association of the company, every member undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, or within one year after he ceased to be a member, for payment of the debts and liabilities the company contracted before he ceased to be a member, and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributors amongst themselves, such amount as to be required, not exceeding £5. On 31 March 2011 the charity had 114 members. The number of members is limited to 500.

The company has charitable status for tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received, to the extent that such income or gains are applied to exclusively charitable purposes. The trading subsidiary is subject to Corporation Tax, but this is relieved by the transfer of all trading surpluses to the Hospice.

2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material to the financial statements.

The financial statements have been prepared in accordance with the relevant companies and charities legislation, applicable Accounting Standards including the Statement of Recommended Practice for charity accounts (so far as applicable to companies) and under the historical cost convention. To fully comply with the SORP, investments should be included at market value at the balance sheet date. The Council of Management do not consider that this would give a true and fair view and accordingly investments are included at the lower of historic cost and market value.

The financial statements consolidate the results of the wholly owned subsidiary company, Strathcarron Hospice Retail Limited.

Incoming resources

All incoming resources are included in the Consolidated SOFA when the company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Legacy income is brought into the financial statements once it is definite and quantifiable. It is credited to the General Fund except for that required to meet research costs in the year. Income received for specific purposes is credited to the appropriate Fund.

Resources expended

All expenditure is charged to the General Fund using the accruals basis and including Value Added Tax, except for expenditure relating to a specific fund which is charged to that Fund.

Where costs cannot be directly attributed to particular SOFA headings, they have been allocated to activities on a basis consistent with use of the resources.

Costs of generating funds include the costs incurred in generating voluntary income and investment management costs. These costs are regarded as necessary to generate funds that are needed to finance charitable activities.

Charitable activities expenditure enables the company to meet its charitable aims and objectives.

Governance costs are associated with the strategic planning and management of the company and reflect an element of the costs of the Director of the Hospice and members of senior management. They also include professional advice and audit fees.

Support costs are those which enable fundraising and charitable activities to be undertaken. Notes 4 and 5 give further information on the composition of support costs and the basis of apportionment to cost categories.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

(continued)

2. Accounting policies (continued)**Depreciation**

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

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

Investments

Investments are stated at the lower of cost or market value. No account is taken of accruing gains or unrealised appreciation. Provision is made when market value falls below cost at the year end.

Realised profits less losses on the sale of investments are credited to the General Fund.

Funds

Unrestricted funds are either general or designated. General funds are available for use at the discretion of the Council of Management in furtherance of the general objectives of the company and which have not been designated for another purpose. Designated funds are those set aside for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are used for specific purposes laid down by the donor. Expenditure which meets the criteria is charged to the fund. Details of the nature and purpose of funds are set out in Note 13.

Gifts in kind

Assets given for use by the company are included in income when receivable at the lower of cost to the donor or a reasonable estimate of their value to the company. No monetary value is attributable to services donated by volunteers.

Pensions

The Hospice participates in the Falkirk Council Pension Fund, a pension scheme providing benefits based on final pensionable pay, on behalf of certain employees. The assets of the scheme are held separately from those of the Hospice. The Hospice accounts for its pension costs under this scheme on a defined benefit basis under Financial Reporting Standard 17 (FRS17).

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

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

The Hospice also participates in the National Health Superannuation Scheme for Scotland which is a multi-employer scheme where the share of assets and liabilities applicable to each employer is not identified. The Hospice accounts for its pension costs under this scheme on a defined contribution basis as permitted by FRS17.

Operating Leases

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**
(continued)

3. Income

	Charitable	Generated	2011 Total	2010 Total
	£	£	£	£
Public source income (below)	1,996,128	-	1,996,128	1,903,329
Fundraising	-	800,271	800,271	811,129
Voluntary source income	-	1,080,282	1,080,282	1,011,005
Education	-	23,976	23,976	32,104
Day care	-	8,815	8,815	7,785
Shop income	-	540,453	540,453	527,348
Other income	-	49,862	49,862	77,144
	<hr/>	<hr/>	<hr/>	<hr/>
	1,996,128	2,503,659	4,499,787	4,369,844
Legacy income	-	816,673	816,673	465,524
Investment income	-	225,698	225,698	242,420
	<hr/>	<hr/>	<hr/>	<hr/>
	1,996,128	3,546,030	5,542,158	5,077,788
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Public source income comprises the following income sources:

	£	£
Forth Valley Health Board	1,490,797	1,408,634
Lanarkshire Health Board	505,331	494,695
	<hr/>	<hr/>
	1,996,128	1,903,329
	<hr/> <hr/>	<hr/> <hr/>

4. Operating costs

	Charitable	Fundraising	2011 Total	2010 Total
	£	£	£	£
Care within hospice	3,387,763	-	3,387,763	3,122,882
Day care	170,929	-	170,929	162,614
Home care	441,862	-	441,862	453,625
Education	170,285	-	170,285	176,795
Fundraising	-	288,433	288,433	263,830
Catering	86,418	-	86,418	85,390
Fabric	146,136	-	146,136	116,198
Periodic maintenance	69,474	-	69,474	64,949
Depreciation	133,126	-	133,126	137,478
Pension service cost provision	(1,551,000)	-	(1,551,000)	95,000
Shop expenses	-	191,808	191,808	202,044
	<hr/>	<hr/>	<hr/>	<hr/>
	3,054,993	480,241	3,535,234	4,880,805
Research	36,107	-	36,107	31,384
Net cost of pension finance	98,000	-	98,000	211,000
	<hr/>	<hr/>	<hr/>	<hr/>
	3,189,100	480,241	3,669,341	5,123,189
Administration expenses (Note 5)	236,937	49,560	286,497	278,630
	<hr/>	<hr/>	<hr/>	<hr/>
	3,426,037	529,801	3,955,838	5,401,819
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

(continued)

5. Administration expenses	Charitable	Fundraising	Governance	2011 Total	2010 Total
	£	£	£	£	£
Salaries (incl. NIC)	172,974	28,434	35,542	236,950	219,699
Travel	706	-	-	706	139
Insurance	20,804	-	-	20,804	22,846
Telephone	12,490	2,053	2,567	17,110	13,269
Postage	11,034	1,814	2,267	15,115	21,645
Printing & stationery	13,805	2,269	2,837	18,911	26,889
Professional fees	5,124	14,990	-	20,114	19,663
	<u>236,937</u>	<u>49,560</u>	<u>43,213</u>	<u>329,710</u>	<u>324,150</u>
Salaries allocation	73%	12%	15%		

Administration expenses have been allocated on an actual basis where possible, otherwise the allocation is on the same basis as salaries.

6. Staff costs	2011	2010
	£	£
Administration	196,671	181,445
Medical	637,542	602,901
Nursing	1,707,627	1,661,794
Para-medical and chaplaincy	330,441	300,171
Education	134,534	140,774
Domestic & catering	354,318	355,521
Fundraising	132,228	125,986
Research	36,107	31,384
	<u>3,529,468</u>	<u>3,399,976</u>
Social Security	252,734	239,944
Pension costs:		
Employer's contribution paid	534,352	507,613
Current service cost provision	(1,529,000)	(55,000)
	<u>2,787,554</u>	<u>4,092,533</u>

No members of the Council of Management received any remuneration or expenses during the year or the previous year.

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

	2011			2010		
	F/T	P/T	Total	F/T	P/T	Total
Administration	4	10	14	4	11	15
Medical	4	5	9	5	5	10
Nursing	14	56	70	12	60	72
Para-medical & chaplaincy	4	7	11	4	7	11
Education	2	3	5	2	3	5
Domestic & catering	4	23	27	4	21	25
Fundraising	4	2	6	4	2	6
	<u>36</u>	<u>106</u>	<u>142</u>	<u>35</u>	<u>109</u>	<u>144</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

(continued)

6. Staff costs (continued)

Employees earning more than £60,000 per annum were as follows:

	2011	2010
£ 60,001 to £ 70,000	2	3
£ 70,001 to £ 80,000	-	-
£ 80,001 to £ 90,000	1	1
£ 90 001 to £ 100,000	1	-

Pension contributions were paid for these employees.

7. Professional fees

	2011	2010
	£	£

Included in resources expended are:

External auditors' remuneration	7,395	7,350
Other services – subsidiary's audit fee	2,500	2,500
Internal auditors' remuneration	4,556	4,449

8. Income from investments

	2011	2010
	£	£
Dividend income	225,275	242,003
Interest from short term deposits	423	417
	<u>225,698</u>	<u>£ 242,420</u>

9. Fixed assets

Group & Company	Heritable property	Fittings and equipment	Total
	£	£	£
Cost:			
At 1 April 2010	3,766,921	690,648	4,457,569
Additions	-	78,337	78,337
At 31 March 2011	<u>3,766,921</u>	<u>768,985</u>	<u>4,535,906</u>
Depreciation:			
At 1 April 2010	1,775,884	558,966	2,334,850
Charge for the year	75,338	57,788	133,126
At 31 March 2011	<u>1,851,222</u>	<u>616,754</u>	<u>2,467,976</u>
Net book value:			
At 31 March 2011	<u>1,915,699</u>	<u>152,231</u>	<u>2,067,930</u>
At 31 March 2010	<u>1,991,037</u>	<u>131,682</u>	<u>2,122,719</u>

In 1992 the Strathcarron Hospice Trust gifted to the company the titles to the heritable land on which the alterations, building and development have been carried out. No value has been attached to land in the financial statements as no independent valuation has been made and the directors do not consider that the expenditure involved in obtaining such a valuation would be justified in the furtherance of the Hospice's purposes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**

(continued)

10.	Investments		2011	2010
	Group & Company		£	£
	Listed Investments at cost:			
	At 1 April 2010		4,581,095	4,577,637
	Additions		578,131	498,650
	Disposals		(535,690)	(495,192)
	At 31 March 2011		<u>4,623,536</u>	<u>4,581,095</u>
	Provision for diminution in value of investments:			
	At 1 April 2010		213,834	566,755
	Movement in year		(42,683)	(352,921)
	At 31 March 2011		<u>171,151</u>	<u>213,834</u>
	Net book value:			
	At 31 March 2011		4,452,385	4,367,261
	Company			
	Unlisted Investments – Strathcarron Hospice Retail Ltd		100	100
	Total Investments		<u>4,452,485</u>	<u>4,367,361</u>
	Investments at market value		<u>5,384,361</u>	<u>5,034,421</u>

The company holds all the shares of Strathcarron Hospice Retail Limited which is registered in Scotland. This company was formed to operate the Strathcarron Hospice shops on 2 April 2009.

Investments consist of UK quoted investments and cash of £15,748 (2010 £88,909) awaiting re-investment. There are holdings valued at £1,747,129 in various UK Treasury Stock and in Alliance Trust and Edinburgh Investment Trust valued at £227,449 and £273,613 respectively.

11.	Debtors	Group		Company	
		2011	2010	2011	2010
			£	£	£
	Trade debtors	18,024	23,147	18,024	23,117
	Owed by subsidiary company	-	-	70,734	22,195
	Prepayments and accrued income	84,861	33,074	84,861	33,074
	Other debtors	2,123	1,988	-	-
		<u>105,008</u>	<u>58,209</u>	<u>173,619</u>	<u>78,386</u>
12.	Creditors falling due within one year	Group		Company	
		2011	2010	2011	2010
			£	£	£
	Sundry creditors	189,360	167,604	177,069	134,366
	Accruals & deferred income	70,887	26,365	70,887	26,365
	Taxes & social security	78,813	75,259	78,813	75,259
		<u>£ 339,060</u>	<u>£ 269,228</u>	<u>£ 326,769</u>	<u>£ 235,990</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**
(continued)

13. **Accumulated funds – Group & Company**

The purposes of the various funds are as follows:

General Fund

This is the operating fund of the Hospice.

Fixed assets

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

Research Fund

The Hospice is committed to the use of Research as a tool to add to the evidence base for palliative care. Funds are designated from legacy income to fund two fixed term posts to undertake research projects approved, on behalf of the Council of Management, by the Clinical Governance Committee.

Included within this Fund is the Molly Parson's Scholarship which was established to mark Molly Parson's outstanding contribution to the development of Strathcarron Hospice. It enables members of the Hospice staff to study and report on aspects of palliative care provision relative to the work at Strathcarron.

Child Bereavement Fund

This is funding of a part-time social worker advising in cases of child bereavement. The project covers the Strathcarron Hospice catchment area but is not limited to those directly connected to the Hospice.

Awards for All

This is funding for the development of creative skills among the Hospice patients.

	Balance b/f	Income	Expend.	Gains/ (losses)	Transfers	Balance c/f
	£	£	£	£	£	£
General	(1,695,147)	5,488,880	(3,967,893)	1,553,082	54,619	1,433,541
Designated funds						
Fixed assets	2,122,719	-	-	-	(54,789)	2,067,930
Research	-	36,107	(36,107)	-	-	-
Restricted funds						
Child Bereavement Fund	-	17,171	(17,171)	-	-	-
Awards for All	1,657	-	(1,827)	-	170	-
	<u>£ 429,229</u>	<u>£ 5,542,158</u>	<u>£(4,022,998)</u>	<u>£ 1,553,082</u>	<u>£ -</u>	<u>£ 3,501,471</u>

A significant proportion of the general funds require to be maintained for the pension fund liability and hence are not available for use.

14. **Financial commitments**

The group has annual commitments in respect of property leases as follows:

	2011	2010
	£	£
Expiring in less than one year	80,730	80,730
Expiring in two to five years	12,500	12,500
	<u>£ 93,230</u>	<u>£ 93,230</u>

The charity has no operating lease commitments.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2010**

(continued)

15. Pension commitments

Five members of staff were members of the unfunded National Health Service Superannuation Scheme for Scotland. Contributions paid to this scheme in the year were £22,788 (2010 £23,260).

The Hospice operates within the Local Government Superannuation Scheme by virtue of being permitted to participate in the Falkirk Council Pension Fund. This scheme is a defined benefit scheme on which the most recent actuarial valuation was carried out at 31 March 2011. As part of this exercise, a separate valuation has been provided for the portion of the scheme relating to the Hospice. The contributions made to the scheme during the year were £511,564 (2010 £484,353).

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

The Hospice is required to state the following details in its financial statements to comply with FRS17.

FRS17 – Balance sheet disclosure

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

	2011	2010
	% p.a.	% p.a.
Inflation/Pension Increase Rate	2.8	3.8
Salary Increase Rate	5.1	5.3
Expected Return on Assets	6.9	7.2
Discount rate	5.5	5.5

Life expectancy is based on the PFA 92 and PMA 92 year of birth mortality tables for non-pensioners and pensioners. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	21.6 years	25.0 years
Future pensioners	23.1 years	26.6 years

The Employer's Assets in the scheme at 31 March and the expected annual rate of return were:

	Long	2011	Long	2010
	Term Ret.	Fund	Term Ret.	Fund
	% p.a.	Value	% p.a.	Value
		£000's		£000's
Equities	7.5	8,465	7.8	7,637
Bonds	4.9	1,448	5.0	1,289
Property	5.5	891	5.8	694
Cash	4.6	334	4.8	298
		<u>11,138</u>		<u>9,918</u>

The net pension liability was:

	2011	2010
	£'000	£'000
Estimated Employer Assets	11,138	9,918
Present Value of Scheme Liabilities	(14,152)	(15,916)
Net Pension liability	<u>(3,014)</u>	<u>(5,998)</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**
(continued)

15. **Pension commitments (continued)**

FRS17 –Statement of Financial Activities disclosure:

	2011	2010
	£'000	£'000
Current service cost	539	333
Past service cost	(1,551)	95
	<u>(1,012)</u>	<u>428</u>
Contributions by employer	(517)	(483)
	<u>(1,529)</u>	<u>55</u>
	<u><u>875</u></u>	<u><u>2,507</u></u>

Reconciliation of fair value of scheme assets:

	2011	2010
	£'000	£'000
Opening fair value of scheme assets	9,918	7,235
Expected Return on Assets	726	461
Contributions by Members	199	186
Contributions by Employer	517	483
Actuarial Gains/(Losses)	147	2,043
Estimated Benefits Paid	(369)	(490)
	<u>11,138</u>	<u>9,918</u>

Reconciliation of defined benefit obligation:

	2011	2010
	£'000	£'000
Opening defined benefit obligation	15,916	9,685
Current Service Cost	539	333
Interest Cost	824	672
Contributions by Members	199	186
Actuarial Losses/(Gains)	(1,406)	5,435
Past service costs	(1,551)	95
Estimated Benefits Paid	(369)	(490)
	<u>14,152</u>	<u>15,916</u>

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

	2011	2010	2009	2008	2007
	£'000	£'000	£'000	£'000	£'000
Scheme assets	11,138	9,918	7,235	8,298	8,185
Defined benefit obligation	(14,152)	(15,916)	(9,685)	(9,017)	(9,986)
Deficit	<u>(3,014)</u>	<u>(5,998)</u>	<u>(2,450)</u>	<u>(719)</u>	<u>(1,801)</u>
Experience adjustments on scheme assets	147	2,043	(2046)	(821)	(65)
Experience adjustments on scheme liabilities	-	-	(730)	(1)	1

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011**
(continued)

15. **Pension commitments** (continued)

Analysis of the amount charged to staff costs (Note 6):

	2011	2010
	£'000	£'000
Current service cost	539	333
Past service (gain)/cost	(1,551)	95
	<u>(1,012)</u>	<u>428</u>
Total operating charge	(1,012)	428
Less: contributions paid	(517)	(483)
	<u>(1,529)</u>	<u>(55)</u>
Current service cost provision	<u>(1,529)</u>	<u>(55)</u>

The amount charged to operating costs (Note 4) was:

	2011	2010
	£'000	£'000
Expected Return on Employer Assets	726	461
Interest on Pension Scheme Liabilities	(824)	(672)
	<u>(98)</u>	<u>(211)</u>
Net cost of financing and assets	<u>(98)</u>	<u>(211)</u>

FRS17 – Statement of Financial Activities

Analysis of the amount recognised in the Statement of Financial Activities was:

	2011	2010
	£'000	£'000
Changes in value of scheme assets		
Actuarial Gains/(Losses)	147	2,043
Changes in defined benefit obligations		
Actuarial (Losses)/Gains	1,406	(5,435)
	<u>1,553</u>	<u>(3,392)</u>
Actuarial loss recognised in SOFA	<u>1,553</u>	<u>(3,392)</u>

Movement in deficit during the year:

	2011	2010
	£'000	£'000
Deficit at beginning of the year	(5,998)	(2,450)
Movement in year		
Current Service Cost	(539)	(333)
Past Service Cost	1,551	(95)
Employer contributions	517	483
Net return on financing and assets	(98)	(211)
Actuarial gains/(losses)	1,553	(3,392)
	<u>(3,014)</u>	<u>(5,998)</u>
Deficit at end of year	<u>(3,014)</u>	<u>(5,998)</u>

The estimated employer's contributions for the year to 31 March 2011 are £539,000.

**FIVE YEAR SUMMARY OF FINANCIAL STATEMENTS
INCOME AND EXPENDITURE ACCOUNTS**

	2011 £	2010 £	2009 £	2008 £	2007 £
Income:					
Public source income	2,007,951	1,903,329	1,939,512	1,843,268	1,699,850
Voluntary source income	1,080,282	1,011,005	1,031,075	998,215	923,455
Legacies	816,673	465,524	531,872	198,315	211,862
Fundraising	800,271	811,129	933,768	749,544	618,017
Education	23,976	32,104	64,268	45,236	30,110
Day care	8,815	7,785	4,040	14,762	24,491
Other income	38,039	77,144	45,113	30,813	131,924
Donations from SHR	348,645	325,309	-	-	-
	<u>5,124,652</u>	<u>4,633,329</u>	<u>4,549,648</u>	<u>3,880,153</u>	<u>3,639,709</u>
Investment income	225,698	242,415	269,075	262,902	257,280
Total income	<u>5,350,350</u>	<u>4,875,744</u>	<u>4,818,723</u>	<u>4,143,055</u>	<u>3,896,989</u>
Expenditure:					
Operating costs:					
Fabric	215,610	181,147	189,403	93,344	64,522
Care within hospice	3,365,763	3,272,882	3,084,726	2,626,879	2,506,371
Day care	170,929	162,614	151,824	170,781	162,244
Home care	441,862	453,625	388,603	352,978	330,862
Education	206,392	208,179	286,528	287,428	240,335
Fundraising	288,433	263,830	236,591	195,763	151,156
Catering	86,418	85,390	80,098	73,406	58,891
Depreciation	133,126	137,478	133,268	125,577	162,965
Pension service cost provision	(1,529,000)	(55,000)	(78,000)	72,000	2,000
Net return on pension finance	98,000	211,000	30,000	(44,000)	(17,000)
	<u>3,477,533</u>	<u>4,921,145</u>	<u>4,503,041</u>	<u>3,954,156</u>	<u>3,662,346</u>
Administration expenses:					
Salaries	236,950	219,699	245,158	235,595	256,999
Travel	706	139	-	-	1,764
Insurance	20,804	22,846	23,694	24,675	25,665
Telephone	17,110	13,269	16,968	12,457	11,699
Postage	15,115	21,645	11,821	8,919	8,070
Printing & stationery	18,911	26,889	31,399	18,971	17,003
Professional fees	20,114	19,663	33,374	36,596	29,440
	<u>329,710</u>	<u>324,150</u>	<u>362,414</u>	<u>337,213</u>	<u>350,640</u>
Investment management fees	23,947	13,295	-	-	-
Total expenditure	<u>3,831,190</u>	<u>5,258,590</u>	<u>4,865,455</u>	<u>4,291,369</u>	<u>4,012,986</u>
Net (outgoing)/incoming resources	1,519,160	(382,846)	(46,732)	(148,314)	(115,997)
(Losses)/gains on sale of investments	(42,601)	(8,247)	(10,170)	122,633	(16,007)
(Provision for losses)/provision released	42,683	352,921	(424,852)	(62,247)	(1,793)
(Deficit)/surplus for year	1,519,242	(38,172)	(481,754)	(87,928)	(133,797)
Actuarial (losses)/gains on pension	1,553,000	(3,392,000)	(1,779,000)	1,110,000	659,000
	<u>£ 3,072,242</u>	<u>£ (3,430,172)</u>	<u>£ (2,260,754)</u>	<u>£ 1,022,072</u>	<u>£ 525,203</u>

**FIVE YEAR SUMMARY OF FINANCIAL STATEMENTS
BALANCE SHEETS**

	2011 £	2010 £	2009 £	2008 £	2007 £
Fixed assets:					
Tangible assets	2,067,930	2,122,719	2,228,560	2,321,130	2,374,015
Investments	4,452,485	4,367,361	4,010,882	4,585,308	4,541,190
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	6,520,415	6,490,080	6,239,442	6,906,438	6,915,205
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Current assets:					
Debtors	173,619	78,386	128,610	134,208	67,024
Cash at bank and on hand	148,306	94,753	253,239	265,506	175,586
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	306,825	173,139	381,849	399,714	242,610
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Current liabilities:					
Sundry creditors	247,956	160,731	241,426	401,107	197,640
Taxes & Social Security	78,813	75,259	70,464	65,890	61,092
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	326,769	235,990	311,890	466,997	258,732
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net current assets/ (liabilities)	(4,944)	(62,851)	69,959	(67,283)	(16,122)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	6,515,471	6,427,229	6,309,401	6,839,155	6,899,083
Defined benefit pension scheme liability	(3,014,000)	(5,998,000)	(2,450,000)	(719,000)	(1,801,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net assets	£ 3,501,471	£ 429,229	£ 3,859,401	£ 6,120,155	£ 5,098,083
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Accumulated funds					
Restricted income funds	-	1,657	38,298	79,788	52,969
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Unrestricted income funds:					
Designated fixed asset fund	2,067,930	2,122,719	2,228,560	2,321,130	2,374,015
Education fund		-	-	-	95,574
General funds available for distribution	4,447,541	4,302,853	4,042,543	4,438,237	4,472,099
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Unrestricted income funds excluding pension liability	6,515,471	6,425,572	6,271,103	6,759,367	6,846,114
Pension reserve	(3,014,000)	(5,998,000)	(2,450,000)	(719,000)	(1,801,000)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total unrestricted funds	3,501,471	427,572	3,821,103	6,040,367	5,045,114
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total funds	£ 3,501,471	£ 429,229	£ 3,859,401	£ 6,120,155	£ 5,098,083
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>