



# **St Columba's Hospice**

## **ST. COLUMBA'S HOSPICE LIMITED ANNUAL REPORT & ACCOUNTS**

**Year ended 31st March 2015**

Company number SC48700  
Charity number SC003634

## ST COLUMBA'S HOSPICE LIMITED

### CHAIRMAN'S REPORT

We have now been in our new building for over a year and are working to ensure that we make the most of the excellent facilities it provides. During the period a number of our executive team members retired and we appointed a new Chief Executive, Jackie Husband, a new Clinical Services Director, Dot Partington, and replacements for our Facilities Manager, Volunteer Services Manager and a Director of Education and Research.

The arrival of the Chief Executive coincided with the development of a five year strategic plan. The plan was developed using input obtained during consultations with patients and their families, staff, volunteers and Governors, and reflects the desire of St Columba's to respond to the palliative care needs of our community in a constantly changing healthcare environment. The plan is ambitious and challenging in terms of both clinical and social care but we believe that the achievement of its objectives will enable the Hospice to maintain its reputation as one of the leaders in the Hospice movement in the UK.

Fundraising will continue to be a major challenge as we endeavour to bridge the gap between the annual running costs and the funding we receive from NHS Lothian. Our total income for the year was just under £7m compared to £8.7m in the previous year. The reduction can be attributed to a number of factors, the main one being a decrease in legacy income from £3.1m to £1.5m. Legacies have been an important source of our funding for many years but can fluctuate significantly from one year to the next.

Operating costs increased to £8.7m (2014 £8.0m) against which we received a contribution of £2.1m (2014 £2.2m). This represents only 40% of the costs that qualify for Government funding and highlights our dependence on external fundraising on a regular basis. The Government target for Hospice funding is 50% of qualifying costs and the current shortfall is approximately £500K.

In addition to our Voluntary Income we are fortunate to have an investment portfolio that generated income of £529K after management costs (2014 £454K), but interest rates remain extremely low and the return from our cash funds has been insignificant. It will be necessary to strictly control our costs whilst at the same time maximising income and donations as we implement the new strategic plan.

In addition to the changes in our executive team we are also losing the services of several board members. The Reverend Brian Hilsley moved to a new charge in East Lothian and Graham Burnside, Iain McLaren and Dr Fiona Skinner will complete their terms of appointment at the Annual General Meeting. Graham has been the Hospice Secretary for many years and has made a superb contribution to our affairs. Iain and Fiona will have completed two terms as Governors and we will greatly miss their advice and the knowledge that they have brought to our affairs.

Once again we have benefited from the wonderful support of our staff and volunteers. I regularly receive letters from patients' relatives expressing their gratitude for the care and compassion they experienced at St Columba's. These letters are a tribute to everyone in the team who work so hard to ensure that the Hospice maintains its outstanding reputation in our community.

Ian C Adam  
Chairman

## GOVERNORS' REPORT

The Governors are pleased to present their report together with the accounts of the Hospice for the year ended 31 March 2015.

### REFERENCE AND ADMINISTRATIVE DETAILS

#### President

The Countess of Rosebery

#### Vice-Presidents

Mr G B Archer, DL  
Mrs D Balfour

#### Board of Governors

##### Chairman

Mr Ian C Adam, CA

##### Hon. Secretary

Mr D N Dunsire, WS

(appointed 12 August 2014)

##### Governors

Dr N Bryson, MA, MSc, DPhil, FFA

Mr G M Burnside, WS

Dr P M Cantley BScHons(medSci), MBChB, FRCP, AFHEA

Mr J A O Hammond-Chambers

The Rev B Hilsley, LLB, BD

(resigned 17 March 2015)

Mr M Johnston

Prof H MacDougall, FRCS, FRCR, FRCPEd

Mr I A McLaren, BA, CA

Mrs E Moir, AML (QI), MSc, DipN (Lond), RMN, OBE

Dr F Skinner, MB, ChB, MRCP

Miss L Sydie, RGN, SCN, DN, HV, HVT, RNT

(No Governor had any contract of service with nor any financial interest in the Company in the year ended 31st March 2015.)

#### Note designating membership of sub-committees

A Audit and Risk Committee

I Investment Committee

R Remuneration & Nominations Committee

T St Columba's Trading Ltd

D St Columba's Hospice (2007) Ltd

#### Executive Directors

Mrs M F Dunbar, BSc, RGN, RM

Chief Executive Officer (retired 30 September 2014)

Mrs J Husband MSc, RGN, RNT

Chief Executive Officer (appointed 1 October 2014)

Dr D J F Brown, MBChB, MRCP, MD

Medical Director

Mrs D Partington, BSc, DipHE, PGcert

Clinical Services Director

St Columba's Hospice Ltd  
Registered Office: Challenger Lodge, Boswall Road, Edinburgh EH5 3RW  
Telephone 0131 551 1381  
Incorporated in 1971 (No. 48700)  
Charity No. SC 003634

<b>Bankers</b>	The Royal Bank of Scotland plc 36 St Andrew Square Edinburgh
<b>Solicitors</b>	Shepherd & Wedderburn LLP 1 Exchange Crescent Conference Square Edinburgh EH3 8UL
<b>Auditor</b>	Chiene + Tait LLP Chartered Accountants and Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL
<b>Investment Managers</b>	Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Governors, who are all non-executive directors of the Hospice company, are responsible for ensuring that the Hospice continues to provide care of a high quality at a reasonable cost and free at the point of delivery, that it complies with all relevant legislation and that the assets of the Hospice are well managed and wholly applied to the pursuit of the objects of the Hospice.

The recruitment of Hospice Governors (subject to a maximum of 20) is solely the responsibility of the Board of Governors itself. The Hospice's policy is to seek to include on the Board senior representatives of the major professional areas involved in the work of the Hospice (including medicine, nursing and social work), together with representatives of the churches and of relevant areas of legal and financial expertise. An induction programme on the work of the Hospice is provided to new Governors, together with general information on the role and responsibilities of charitable trustees (including the Scottish legislative framework).

Authority for management of the Hospice is delegated to the Chief Executive Officer and the Medical and Clinical Services Directors (who are not directors of St Columba's Hospice Limited). They provide reports to the six meetings of the Board of Governors and to three-weekly meetings of the Management Committee. In addition there are Audit and Risk, Investment, Remuneration and Nominations Committees which meet from time to time throughout the year (see chart page 4).

In the exercise of their responsibilities the Governors place a high degree of importance on the Hospice's system of internal control. The Hospice's Internal Control Policy involves the identification of the major risks to which the Hospice is exposed and the procedures to be followed in controlling and monitoring these risks. A risk management review process is in place to identify major risks and to review the systems established to minimise these risks. The Audit and Risk Committee, consisting of a number of Hospice Governors, monitors the risk management process and reports its findings to the Board of Governors. The risk management process is designed to enable the Board of Governors to conclude whether the major risks to which the Hospice is exposed have been identified and reviewed, and systems established to mitigate these risks.

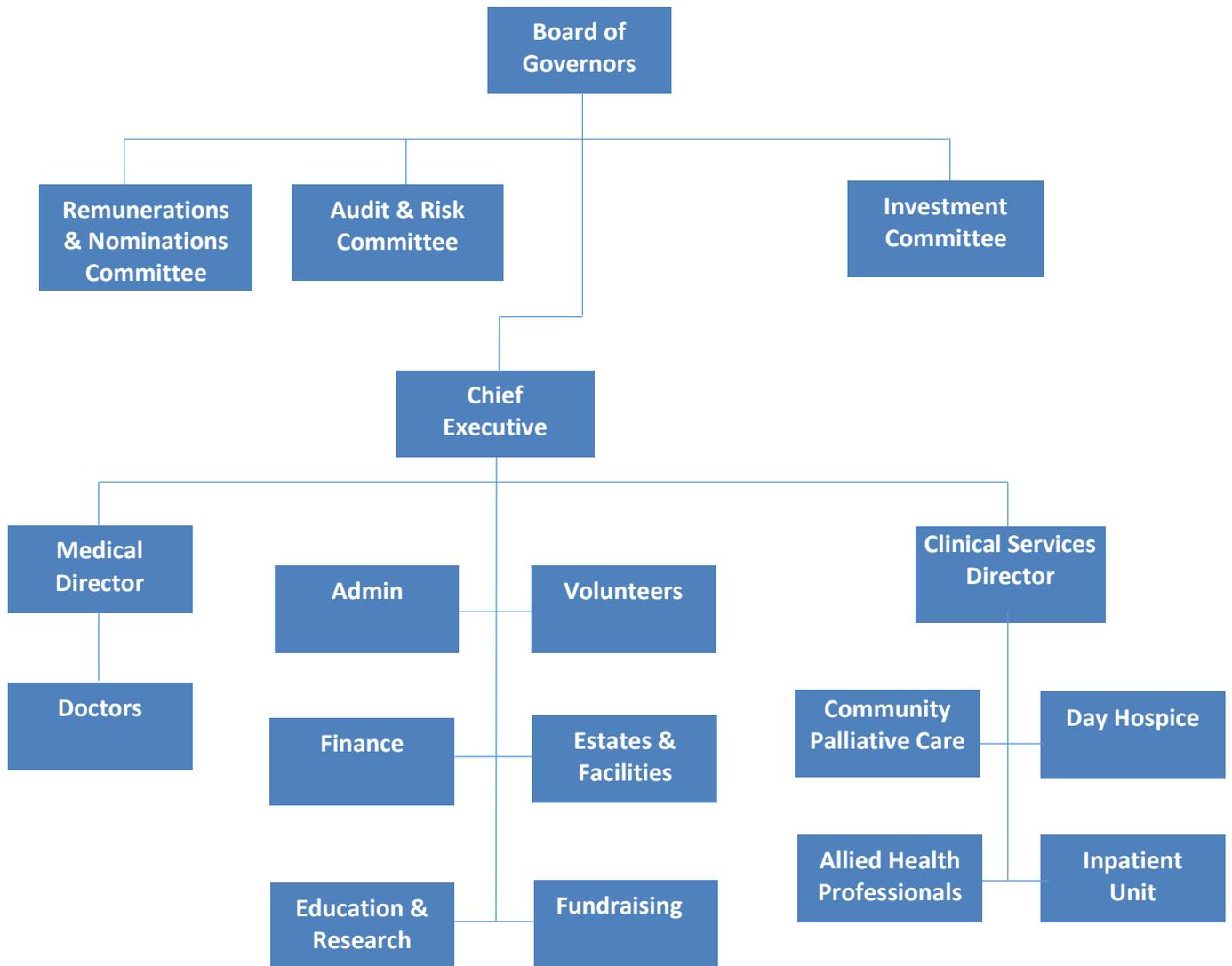
The Governors have reviewed the effectiveness of the Hospice's system of internal control in the year under review.

### **Subsidiary Undertakings**

St Columba's Trading Limited is a wholly owned subsidiary company. The company's principal activities are the sale of merchandise and the administration of a weekly prize draw.

St Columba's Hospice (2007) Limited is a wholly owned subsidiary company. Its principal activity is to design and build a new hospice for St Columba's Hospice Limited.

## Organisation Chart



## OBJECTIVES

St Columba's Hospice is constituted as a company limited by guarantee and, in terms of its limited Memorandum and Articles, its principal objective is to promote the relief of suffering by:

- establishing and maintaining hospice in-patient, day, community and outpatient services
- promoting evidence-based practice and research into palliative care and the education and training of medical, nursing and allied health professionals in this area
- encouraging the provision of spiritual and pastoral support for all connected to the Hospice's activities, whether as patients, families, volunteers or staff.

The three clinical Hospice services include a 30 bedded in-patient unit, a day service and a community palliative care service, all of which have the ability to see people as out-patients. Integral to the patient centered approach to hospice care is the expertise brought by an established multi-disciplinary specialist team, including physiotherapy, occupational therapy, social work and clinical pharmacy.

Our services offer care to patients irrespective of their diagnosis and encompass any advanced life limiting disease, both cancer and non-cancer. The purpose of hospice care is to improve the quality of life of those in our care, whilst extending support to their families and carers. The Hospice is open to all who may be in need of its care and referral can be made by members of both primary care teams and hospital clinical staff. There is no charge made for any of its clinical services. It is an independent Scottish charity with a fully integrated team of professional and administrative staff, who are supported by approximately 600 volunteers who are involved in all departments throughout the Hospice and Hospice shops.

The Hospice has always recognised that it has a responsibility to share its knowledge and experience with professional colleagues. Attachments within the Hospice are arranged and an external education programme is organised for students, doctors, nurses, clergy and allied health professionals.

## ACTIVITIES AND PLANS FOR FUTURE PERIODS

- Increase our capacity across all services by developing the ways we work, to meet the diverse needs of our community in an ever-changing and evolving healthcare environment
- Ensuring equitable access to our services for those who need it, where they need it, when they need it
- Increasing Community Palliative Care Team availability to 7-days a week
- Developing integrated Day and Outpatient Services supported by the expansion of Occupational Therapy and Physiotherapy teams
- Providing high quality, accessible information in a variety of audio, visual and culturally sensitive formats
- Developing patient centred care by undertaking research as a foundation for future methods of care planning, delivery and initiatives
- Enhancing support for patients, families and children by recruiting a lead to develop a multi-professional Patient and Family Support Service, which will include the creation of a dedicated space for therapeutic interventions
- Enabling patient and family wellbeing through the use of expressive art by implementing our art strategy
- Maximising the time our clinical staff spend with patients and families by adopting Releasing Time to Care approach

- Providing a welcoming and comforting environment by improving the interior design of the Hospice to create more personal and family spaces and expanding our current catering facilities for visitors
- Developing leaders for the future of the Hospice by implementing a bespoke Leadership Programme
- Maintaining high standards within education and research by working in partnership with universities, health and social care services and other independent organisations
- Using our resources ethically through good stewardship of consumables conservation of energy, sharing of resources between departments and appropriate recycling
- Increasing income to sustain current running costs and fund future developments by:
  - Increasing revenue through our rental network
  - Strengthening our events portfolio, annual campaigns and relationships with donors
  - Strengthening the number of donations and regular givers
- Inviting our community into our Hospice to find out more about what we do by hosting open days and events
- Changing the perception of a hospice, by making St Columba's Hospice an open and welcoming environment for all

## ACHIEVEMENTS AND PERFORMANCE

### ESTATES & FACILITIES

The last year has been a busy one for the Hospice with the move into the new building. This has been an exciting time as we see what

is possible from the buildings and what we needed to do to make them work even better. As we move to our second year of being in the building, we are already planning further improvements to the interior décor of the ward areas and to develop our outside spaces, so it doesn't stop there as we continue to improve our space.

## PATIENT CARE

### In-Patient Services

There were 443 (2014: 455) admissions to the inpatient unit of which 346 were first admissions and 97 were readmissions. There were a reduced number of admissions at the time of the Hospice move, which has reduced the annual total. The average length of stay was 18 days (2014: 17 days) and we discharged 35% (2014: 38%) of our patients either to home or to other healthcare facilities. Bed occupancy was 74% (2014: 72%), but this has been increasing over the last 6 months. Over the last 6 months there has been a new ward assistant volunteer role in the inpatient unit.

Over the last year, we have developed new documentation to record care in the inpatient unit in the last days of life. Consultation with patients, relatives, volunteers and staff supported the development of the new Person Centred Care at the End of Life document, which will be fully evaluated over the next few months, but the document appears to be working very well. The Liverpool Care Pathway was withdrawn in December 2014 at the Hospice and across Scotland.

### Outpatient Services

A medical outpatient clinic was launched in October 2014. Although the number of referrals have been small, this is now starting to increase and allows patients to be reviewed

who do not currently need to access other Hospice services, or provides a means to follow up patients recently discharged from the ward.

### **Day Hospice Services**

This year has seen 107 admissions to the service with a total of 1181 attendances (2013/2014: 1123).

The Day Hospice is a nurse led, multidisciplinary service which provides specialist palliative care support and symptom management for patients who are being cared for at home by their families and members of the wider primary care teams.

Patients remain under the care of their GP whilst attending Day Hospice and the team provide the primary care team with advice and guidance to support the needs of the patient and their family. The service supports patients with any life limiting illness and has good working relationships with non-malignant specialist services.

We are currently reviewing the service to expand the support we give to patients and their families. Staff have spent time in similar units researching ideas to take forward as part of the 5 year strategy – and have found this beneficial and inspiring.

Pivotal to running of the service are the volunteers who provide transport, hospitality and activities for the patients and supporting the nursing team to provide the best possible care.

### **Complementary Therapies**

The Complementary Therapists carried out a total of 580 therapy sessions (2013: 562)

Complementary therapies are carried out by a dedicated team of 5 volunteer therapists who are supported by a Clinical Nurse Specialist and Complementary Therapy Co-ordinator. They provide treatments for in-patients, out-patients, carers and bereavement support. They offer a wide variety of therapies including Reflexology, Indian head massage and Cranio-sacral therapy.

As part of the 5 year strategy we are now hoping to expand this service to give equality of service throughout the week.

### **Chaplaincy and Spiritual Care**

Spiritual care is an integral part of holistic care. The Chaplaincy team is led by a part time Chaplain who is supported by a team of volunteer Chaplains whose role is to be available to all patients and their families, and indeed to staff and volunteers, to offer support or to discuss matters of life or faith no matter their beliefs and values. During the last year there were over 500 direct contacts with members of the chaplaincy team.

### **Occupational Therapy**

The period of 2014-2015 has seen Occupational Therapy develop and expand the service. At the start of 2014 the Occupational Therapist post was made full time supported by a part time OT Assistant post.

The Occupational Therapy department provide a service to the in-patient unit focusing on improving and maintaining function, assessment for discharge home and psychological support for patients and carers. Patients who are supported by the Day Hospice are able to access OT when required both within the Day Hospice and in the community.

A community service is also provided with referrals received from the community nurses at the Hospice. This allows OT to be involved earlier with patients and families, supporting them to maximise their time at home with the provision of appropriate equipment and care services. This has proved successful as a means of supporting planned admissions for symptom management and discharges. During the last year 176 patients were supported by the Occupational Therapy team.

Looking forward to 2015-2016 as the Occupational Therapy service expands there will be much more availability to support patients and carers and develop new palliative care services both within the inpatient and day hospice services and within the community. This will not only focus on improving discharges, time of stay at home but also quality of life and symptom management.

### **Social Work Service**

Over the past year the Social worker has worked collaboratively with members of the multidisciplinary team in addressing the psychological, social and practical needs of patients, families and carers. This involves discharge planning, ensuring packages of care are in place to support patients returning home or to another place of care. Other roles include acting as advocate on behalf of patients/carers, liaising with housing/local authority social work/benefits agency and providing emotional support for patients/carers when facing difficult decisions.

The Social worker can see patients/carers in the ward, day hospice or in community.

### **Physiotherapy**

The aim of the Physiotherapy service is to improve the quality of life for our patients through optimising physical potential,

recognising the goals and aspirations of each individual patient; and providing therapy paced with their needs is at the core of our service. This is achieved through individualised treatment plans and goal-setting. Treatments include exercise therapy, functional rehabilitation, management of breathlessness and fatigue, mobility assessment and non-pharmacological pain control. The service is available to all ward patients and also provides input to outpatient, community and day-services patients. In the past 12 months the Physiotherapy service provided treatment plans for 200 patients.

### **Community Palliative Care Service**

The team consists of 4.8 WTE specialist nurses who support a population of 300,000 providing specialist palliative care to patients and their families.

Over last year the team admitted 476 new patients to the service and made a total of 3345 subsequent home visits. Support is provided in the patient's home but telephone support is also provided to patients, carers and health care professions – this totalled 8853 phone calls.

As part of our five year strategy we will be expanding our service to include 7 day a week support to patients and families. We will also have a staff nurse on secondment from the inpatient unit for part of this year and welcome this as a development and succession planning opportunity.

We have developed a new system which enables the team to triage referrals and ensure patients are prioritised and seen according to those with the most need.

We continue to attend gold standard meetings at GP's surgeries. The good working relationships with primary care colleagues are

essential to the service for joined up patient care as well as marketing of other Hospice services as they develop.

We have had a number of visitors to the team in the last year, including GP trainees, clinical nurse specialists and registrars from the local hospital. This has been very helpful and has been a good learning opportunity for all involved.

### **Counselling Service**

The Hospice counsellor received a total of 165 referrals this year; 29 patients and 116 relatives.

Patients and their families often experience a range of emotions as they journey towards end of life and many experience anticipatory grief. The Counselling Service endeavors to offer psychological and emotional support during this very difficult and painful time.

Patients often experience psychological pain, which can manifest as anguish and anxiety, having the opportunity to talk through these feelings and learn strategies to help cope can reduce these feelings and fears.

A total of 57 relatives engaged in pre-bereavement counseling/support. For many this meant they went on to need little or no support post bereavement.

### **Bereavement Service**

The bereavement service has received an increase in referrals this year and the service has expanded to include more volunteer counselors to meet demand.

The team have never needed to have a waiting list all bereaved relatives are offered assessment within 10 days of the referral

being made and the appropriated support planned according to their needs.

As part of the five year strategy the service will expand further to include a bereavement support group, offering relatives a choice of individual counselling or group support depending on their preference.

### **CLINICAL GOVERNANCE**

We are delighted that we have a new Clinical Governance Team who will be a key part of ensuring we can demonstrate care in the Hospice is of high quality, both internally, and to external organisations like Healthcare Improvement Scotland. The Hospice has been trying to rationalise its governance and reporting structures and will now have separate Clinical Governance and Clinical Risk Groups, which will report to the Management Committee and the Risk Management Group respectively.

### **EDUCATION AND RESEARCH**

This year a new Director of Education and Research has been recruited jointly funded by Queen Margaret University. This development places more emphasis on research and the remit of the Education Centre has been expanded to include research. This will support the Hospice to become a research active Hospice as well as developing a stronger partnership with university based research teams such as Queen Margaret University and the University of Edinburgh.

The team continues to support practice development and education within the Hospice. The focus of this year included development of The Person Centred Care at the End of Life Document. This project included consultations with clinical and non-clinical staff, patients and families and volunteers.

In addition, communication skills workshops for registered clinical staff, non-registered clinical staff and our fundraising team have been held.

Also clinical update days for all clinical staff were held over the autumn and winter.

A Dementia Working Group is led by a member of the education team and they are currently developing a care plan and symptom management tools suitable for this patient group.

The team continues to run palliative care programmes in partnership with Queen Margaret University. This year 6 students undertook the BSc in Professional Practice - Palliative Care Approach with 3 students graduating spring 2015. 24 students undertook studying as part of the Graduate Certificate in Palliative Care, this includes 4 members of staff from the Hospice. This programme has proved to be very popular and attractive for those health care professionals returning to studying. Twenty one students are on the MSc in Palliative Care programme including 4 members of staff from the Hospice.

## **FUNDRAISING**

Fundraising has been focussed on maintaining the momentum raised by the Blue Dove Campaign to rebuild St Columba's Hospice. Many new supporters were introduced to the Hospice during the rebuild and it is vital for our future success that we continue to nurture and develop all of our supporter relationships. It is only through the selfless generosity of all our supporters that we are able to provide our services free of charge. We remain extremely grateful to all who support us, in whatever way, and at whatever level is comfortable.

Our annual appeals continue to be an important source of revenue. The culmination of our Light a Light appeal in the annual tree

lighting celebration in Charlotte Square is an important part of the Christmas celebrations for many families who have used our services and we are gradually developing our Forget-me-not Appeal as an annual Spring appeal which we hope will have the same resonance with our supporters as Light a Light.

We are seeing a great deal of increased competition for our challenge events from commercial operators, however, we are weathering the storm. In spite of this the Celtic Challenge continues to be a great success and although The Push requires significant promotion, A Walk to Remember has remained steady.

Although we initially lost ground when we moved away from door to door collections, our lottery prize draw income has come back to previous levels and we are successfully recruiting new members through other methods.

Legacies, as in previous years, continue to be a vital source of revenue for the Hospice.

Our shops, as well as making a very valuable contribution to our funds, also provide us with fantastic awareness on the High St and continue to be an important part of our income generation activities. As with all our activities, we could not do what we do without the support of the very many volunteers who ensure that we can operate our shops with the lowest possible costs, thereby maximising the funds that come to the Hospice. We are extremely grateful to them and to all our fundraising volunteers.

## **HEALTHCARE IMPROVEMENT SCOTLAND**

The Hospice is regulated by Healthcare Improvement Scotland and is subject to external scrutiny on a regular basis.

An unannounced inspection took place on 12<sup>th</sup> August 2014. The Hospice was assessed on 2 Quality Themes related to the National Care Standards. The themes and grades awarded were:

Quality of Care and Support – 5 - Very Good  
Quality of Environment – 6 -Excellent

The inspection team reported that:

‘The service provides a very high standard of care, treatment and support to the patients and relatives using the service’.

‘There is a dedicated and caring team of staff who are focused on providing care and comfort to all patients and relatives’.

‘The service offers a high quality service which is appreciated and highly commended by patients and relatives’.

The inspection was very successful and resulted in no requirements and no recommendations.

## STAFF AND VOLUNTEERS

The last year has been an exciting one for our staff and volunteers in relocating and delivering care in such a wonderful facility. We have also seen several of our long serving staff retire, including our former chief executive, Margaret Dunbar (MBE). Staff and volunteers alike have worked hard to ensure that despite these many changes, we have continued to offer high quality end of life and palliative care to patients and families, whether at home or within the Hospice.

New staff appointments have been made and the Hospice continues to strive to be an “*employer of choice*” within the communities we serve. We aim to achieve this by professionally recruiting, developing and retaining highly qualified and caring staff whose talents, skills and performance enable

us to provide the highest quality of care to patients and their families. We can only do so by employing and involving people with the right skills, knowledge and experience into appropriate roles, and by ensuring they are supported through comprehensive training and effective ongoing management. Our Human Resources activities facilitate innovative, timely and effective human resources policies, procedures, training and systems, which adhere to all professional and legal requirements.

In the last year we employed around 165 permanent staff in a wide variety of roles. They are complemented by a small ‘bank’ of staff who do not have any regular commitment but are happy to step in at the last minute to provide support due to unforeseen gaps in staff cover. Our medical and nursing staff are highly trained palliative care professionals who provide compassionate and specialised care to terminally ill patients. They are joined by a wide variety of other specialists including physiotherapists, chaplaincy, social work, pharmacists and complementary therapists as well as our fundraising, maintenance, catering, cleaning and administrative support staff. All of whom, along with our volunteers, make up the “*team*” who provide such high quality care to our patients. It is truly a team effort and our success is built on that ongoing teamwork. Our staff are passionate about their work, and are deeply committed to meeting the physical, emotional, social and spiritual needs of patients and their family members alike.

Leadership throughout the Hospice is clear in its focus and direction. Our dynamic and ambitious senior team and managers together with staff and volunteers are delivering our strategic plans effectively, and are creating an environment where our staff and volunteers feel recognised and valued for the work that they do, for example with new ways of recognising their dedicated service.

Interest in volunteering for the Hospice continues to be strong, with a high number of enquiries. Work has started to map the professional skills of volunteers, with a view to building on these in due course.

Significant work on volunteering this year has included:

- Induction and orientation for all volunteers returning to the new Hospice
- Adjustment to some volunteer roles, and introduction of new roles
- A Volunteer Forum in November to inform the development of the new Strategy
- Volunteer Forums in the spring to share the draft strategy and inform volunteers about redecoration plans for the Wards
- An audit of the volunteer database, to check accuracy of key information
- The inclusion of Shop Volunteers on the volunteer database

As with any organisation, strength lies in teams. Staff and volunteers in teams across the Hospice work closely together to ensure that we meet the needs of our patients and families, and the needs of the staff and volunteers working within the Hospice. Thank you to you all.

## **FINANCIAL REVIEW**

### **Income**

During the financial year ended 31 March 2015 the total incoming resources of St. Columba's Hospice were £7.0m. This represents a decrease of 20% compared to the previous year (2014: £8.7m). Voluntary income has two main components: donations and legacies. Donations have been maintained at the 2014 level of £1.5m. Legacy

income has significantly decreased to £1.5m (2014: £3.1m). The funding from NHS Lothian of £2.1m has decreased slightly (2014: £2.2m).

### **Expenditure**

In May 2014 the Hospice moved back to the new building at Boswall Road. There was an overall increase in resources expended during the year to £8.6m (2014: £8.0m), comprising an increase of £0.6m of depreciation following the new building being brought into use. Other costs remained at the level of the previous year.

### **Net Movement in Funds**

The resulting net movement of funds has produced a deficit of £1.7m (2014 surplus: £0.7m). In addition, there were gains on investments of £3.8m (2014: £1.1m) and an actuarial loss on the pension scheme of £0.1m (2014: £0.2m), which resulted in a total net increase in funds of £2.0m (2014: £1.6m).

### **Development Expenditure**

A further £1m was spent on the New Build project rebuilding the Hospice at Challenger Lodge (2014: £7.9m) bringing the total cost, including professional fees, for Phase II of the project to £15.6m.

### **Hospice Reserves**

There was a net increase in funds during the year of £2m. The Building Renewal Fund now stands at £19.3m and represents the cost of redeveloping the new Hospice building. A further sum of £4.5m has been designated for future maintenance and developments.

## Investment Policy

The investments of the Hospice comprise a managed investment portfolio of equities, fixed income, alternative investments (hedge funds/commodity funds and commercial property funds) to provide an income to support the work of the Hospice and a separate managed cash portfolio.

The investment portfolio is managed by Sarasin & Partners whose objectives are to provide a return of 3% above the rate of inflation and to maintain the 'real' value (after inflation) of the Hospice's investment funds. The Governors have adopted a total return policy.

The investment portfolio is held in a segregated portfolio and has an agreed equity range of 60% minimum and 85% maximum and an agreed fixed income range of 15% minimum and 35% maximum. The manager can invest up to 10% in alternative investments and up to 25% in cash (where there is a minimum of 15% to be held in bonds and cash and a maximum of 35%). Additionally, there is to be no direct investment in tobacco companies.

The composite benchmark comprises an allocation of 75% to global equities (MSCI All Countries World Daily Net Total Return Index) and 25% to fixed income (split 15% FTSE Gilts All Stocks Total Return Index to cover UK fixed income and 10% to Merrill Lynch Sterling Non Gilt Index to cover global corporate bonds).

The cash portfolio is managed by Royal London Cash Management Ltd who place cash with an agreed list of global banks with a rating by Standard & Poors long term AA-, except Lloyds Bank and Royal Bank of Scotland. Cash is placed for periods

depending on interest rates and the cash requirements of the Hospice.

The Hospice also holds a small direct holding in UK government stock.

The Investment Committee of the Hospice meets both managers on a six monthly basis to discuss performance and investment requirements.

## Investment Value

The value of the Hospice's investments as at 31st March 2015 was:

£38,131,561, being split £31,772,238 in the direct investment portfolio, £6,324,875 in cash and £34,448 in the UK Government stock.

## Investment Asset Allocation

The overall asset allocation (the investment and managed cash portfolios combined) as at 31<sup>st</sup> March 2015 was as follows:

Equities	65.48%
Fixed income	13.25%
Alternatives	4.68%
Cash	16.59%

This allocation is based on the view that equities will tend to provide a real return over the long term, in line with the requirement to meet the future funding needs of the Hospice. Cash holdings are high because of the current building expenditure.

## Investment Performance

The performance of the investment portfolio held with Sarasin & Partners on a rolling annual basis as at 31<sup>st</sup> March 2015 was as follows:

<u>Period</u>	<u>Portfolio</u>	<u>Benchmark</u>	<u>Relative Return</u>
2015	+15.1%	+17.4%	-2.3%
2014	+5.6%	+4.5%	+1.1%
2013	+17.3%	+14.3%	+3.0%

The investment portfolio has seen strong growth yet again in 2015, being strongly above long term averages, appreciating +15.1%, which was below the benchmark return of +17.4%.

Looking at the key asset classes, the investment manager has remained underweight in Fixed Interest (15% in the portfolio versus a benchmark weight of 25%) which detracted from performance as this asset class outperformed and the portfolio's holdings also underperformed against the Fixed Interest benchmark. The portfolio has been neutral in Equities (75% versus a benchmark of 75%) and within the portfolio, gains in North America and the Pacific Basin, were offset by weaker performance in the UK and Emerging Markets. Finally, the manager was overweight in Alternatives and Cash (with a weight of 10% versus benchmark weight of 0%) which added value through strong returns from Property.

Over the last three years to 31 March 2015, while CPI inflation has run at c1.53% per annum, the investment portfolio has grown above this and so the objective for the investment portfolio to exceed inflation plus 3%, as set out in the Investment Policy, has been achieved.

## Reserves Policy

St Columba's Hospice intends to continue to provide a palliative care service for patients in the Edinburgh and Lothian area. The requirement for this service has been reaffirmed by Lothian Health Board. The Governors therefore consider it prudent to have a level of reserves going forward to meet the medium and long term strategic objectives of the organisation.

The following pressures have created an uncertainty over future income:

- Lothian Health Board, while acknowledging the need for a palliative care service, is faced with financial pressures and has limited resources available to support all its services.
- Legacy income is unpredictable and could be volatile in future, and subject to reduction in property and equity values.

Going forward the following reserves have been designated by the Governors to meet these objectives:

### Building Renewal Fund

Restricted fundraising in respect of the New Build project of £7.1m was expended in the year and consequently has been transferred to the designated Building Renewal Fund. On final completion of the project the Governors will consider further designation of any residual Building Renewal funds.

### Sustainability Fund

This reserve has been designated by the Governors as necessary to dedicate to providing an income to meet part of the normal core work of the Hospice.

## General Fund

The General Fund is an accumulation of annual surpluses and provides support for any deficit in the short term funding of the Hospice.

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of St. Columba's Hospice Limited for the purposes of company law) are responsible for preparing the Governors' Annual Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and the group and of the results of the group for that period. In preparing these accounts, the Governors are required to :

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

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and

enable them to ensure that the accounts comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended). They are also responsible for safeguarding the assets of the 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 Governors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the Governors 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.

## AUDITOR

A resolution will be proposed at the Annual General Meeting that Chiene + Tait be re-appointed as auditor to the company and group for the ensuing year.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (revised 2005), Charities Accounts (Scotland) Regulations 2006 and in accordance with the Companies Act 2006.

## STRATEGIC REPORT

The Governors are pleased to present their strategic report for the year ended 31 March 2015.

### FAIR REVIEW OF THE BUSINESS (incorporating key performance indicators)

#### Patient Care

The Inpatient Unit had 443 admissions (2014: 455) of which 346 were first admissions and 97 were readmissions. The average length of stay was 18 days (2014: 17 days) and 35% of patients were discharged (2014: 38%) to home or other healthcare facilities.

There were 107 admissions to Day Services over the year, with a total of 1,181 attendances (2014: 1123).

The Community Palliative Care Service admitted 476 patients (2014: 624). The service supported 100 of these patients to die at home (2014: 128).

The Hospice is regulated by Healthcare Improvement Scotland who conducted an unannounced inspection in August 2014. The Hospice was assessed on 2 quality themes and received the 'very good' award in 5 categories and 'excellent' in 6 categories.

#### **Financial Review**

Total income for the year was £7m compared with £8.7m in the previous year. Legacy income decreased to £1.5m (2014: £3.1m). Net assets have increased from £55m to £56.9m.

Cash deposits reduced from £7.1m to £6.3m as payments were made towards the building development. The listed investments increased to £31.8m (2014: £28.2m). The portfolio outperformed the benchmark in two of the last three years.

## Plans for Future Periods

The Hospice intends to launch a five year strategic plan in the autumn of 2015. These plans are listed within the Governors Report - Activities and Plans for Future Periods on pages 5&6.

## PRINCIPAL RISKS AND UNCERTAINTIES

RISK	MITIGATION
Ensure patient safety	The Clinical Risk Group is responsible for ensuring clinical effectiveness. Clinical policies and procedures are in place.
Loss of reputation	Governance structure ensures the monitoring and review of all Hospice activities.
Reduction in Health Board Funding	Working with Hospice Quality Improvement Forum to evidence value for money.
Reduction of fundraising income	Development of a Fundraising Strategy.

## THE GOVERNORS' REPORT AND THE STRATEGIC REPORT HAVE BEEN APPROVED BY ORDER OF THE BOARD

TM Company Services Limited  
(Company Secretaries)  
1 Exchange Crescent  
Conference Square  
Edinburgh  
EH3 8UL

8 September 2015

**ST. COLUMBA'S HOSPICE LIMITED**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating Income and Expenditure Account)

**For the year ended 31 March 2015**

	Notes	Restricted Funds £	Un- restricted Funds £	2015 Total £	2014 Total £
<b>Incoming Resources</b>					
Incoming resources from generated funds:					
Voluntary income	2	56,363	2,955,325	<b>3,011,688</b>	4,681,541
Activities for generating funds	3	-	1,153,174	<b>1,153,174</b>	1,283,274
Investment income	4	400	662,988	<b>663,388</b>	589,985
Incoming resources from charitable activities:					
NHS Lothian		-	2,138,628	<b>2,138,628</b>	2,185,956
Education and other activities		-	15,027	<b>15,027</b>	3,149
<b>Total incoming resources</b>		56,763	6,925,142	<b>6,981,905</b>	8,743,905
<b>Resources expended</b>					
Cost of generating funds:					
Costs of generating voluntary income		734	221,948	<b>222,682</b>	284,356
Fundraising costs		-	1,255,729	<b>1,255,729</b>	1,253,545
Investment management costs		-	134,862	<b>134,862</b>	136,250
Charitable activities					
In-Patient care		-	6,124,349	<b>6,124,349</b>	5,459,950
Community services		-	355,356	<b>355,356</b>	340,309
Day Hospice		-	169,658	<b>169,658</b>	156,135
Education and research		-	302,149	<b>302,149</b>	298,318
Governance		-	125,514	<b>125,514</b>	91,289
<b>Total resources expended</b>	5	734	8,689,565	<b>8,690,299</b>	8,020,152
<b>Net incoming/(outgoing) resources before transfers and other recognized gains and losses</b>	6	56,029	(1,764,423)	<b>(1,708,394)</b>	723,753
Transfers between funds	14 & 15	(58,963)	58,963	-	-
<b>Net (outgoing)/incoming resources before transfers and other recognised gains and losses</b>		(2,934)	(1,705,460)	<b>(1,708,394)</b>	723,753
Other recognised gains and losses					
Gains/(losses) on investments					
Realised		-	58,781	<b>58,781</b>	373,212
Unrealised		-	3,749,062	<b>3,749,062</b>	674,646
Actuarial losses on defined benefit pension scheme	18	-	(123,000)	<b>(123,000)</b>	(213,000)
<b>Net movement in funds</b>		(2,934)	1,979,383	<b>1,976,449</b>	1,558,611
Total funds brought forward		45,685	54,905,031	<b>54,950,716</b>	53,392,105
<b>Total funds carried forward</b>	14 & 15	42,751	56,884,414	<b>56,927,165</b>	54,950,716

The deficit for the year for Companies Act purposes comprises the net outgoing resources plus realised gains and losses on investments less taxation and amounted to £1,649,613 (2014: surplus of £1,096,965).

All incoming revenues and resources expended derive from continuing activities.

The notes on pages 20 to 35 form part of these Accounts.

**ST. COLUMBA'S HOSPICE LIMITED**

**CONSOLIDATED and COMPANY BALANCE SHEETS**

**As at 31 March 2015**

	Notes	Group 2015 £	Group 2014 £	Company 2015 £	Company 2014 £
<b>Fixed Assets</b>					
Tangible Assets	8	<b>19,695,525</b>	19,578,049	<b>19,695,525</b>	19,578,049
Investments	9	<b>38,131,561</b>	35,384,319	<b>38,141,661</b>	35,394,419
		<b>57,827,086</b>	54,962,368	<b>57,837,186</b>	54,972,468
<b>Current Assets</b>					
Stocks	10	<b>8,970</b>	4,000	-	-
Debtors	11	<b>192,149</b>	321,701	<b>187,838</b>	457,249
Cash at Bank and in Hand	12	<b>745,059</b>	1,596,231	<b>604,617</b>	959,726
		<b>946,178</b>	1,921,932	<b>792,455</b>	1,416,975
<b>Creditors:</b> Amounts falling due within one year	13	<b>(661,099)</b>	(870,584)	<b>(517,476)</b>	(375,727)
<b>Net Current Assets</b>		<b>285,079</b>	1,051,348	<b>274,979</b>	1,041,248
<b>Total Assets less Current Liabilities</b>		<b>58,112,165</b>	56,013,716	<b>58,112,165</b>	56,013,716
Net pension liabilities	18	<b>(1,185,000)</b>	(1,063,000)	<b>(1,185,000)</b>	(1,063,000)
<b>Net Assets</b>		<b>56,927,165</b>	54,950,716	<b>56,927,165</b>	54,950,716
<b>Representing:</b>					
Restricted Funds:					
Endowment	14	<b>42,751</b>	45,685	<b>42,751</b>	45,685
Unrestricted Funds:					
Designated	15	<b>37,364,246</b>	38,652,820	<b>37,364,246</b>	38,652,820
General		<b>14,001,713</b>	13,127,507	<b>14,001,713</b>	13,127,507
Revaluation reserve		<b>6,703,455</b>	4,187,704	<b>6,703,455</b>	4,187,704
Pension reserve		<b>(1,185,000)</b>	(1,063,000)	<b>(1,185,000)</b>	(1,063,000)
		<b>56,927,165</b>	54,950,716	<b>56,927,165</b>	54,950,716

Approved by the Board of Governors and signed on its behalf by:

Governor – I C Adam

Governor – I McLaren

8 September 2015

Company number SC048700

The notes on pages 20 to 35 form part of these Accounts.

**ST. COLUMBA'S HOSPICE LIMITED**

**CONSOLIDATED CASH FLOW STATEMENT**

**For the year ended 31<sup>st</sup> March 2015**

	2015		2014
	£	£	£
<b>Reconciliation of net incoming resources to net cash inflow from operating activities</b>			
Net (outgoing) / incoming resources	(1,708,394)		723,753
Less: Endowment fund expenditure	-		937
Less: Income from investments (excluding endowment)	(663,788)		(589,552)
Pension cost less contributions	81,000		26,000
Depreciation charges	1,195,934		534,753
(Increase) / decrease in stocks	(4,970)		10,785
Decrease in debtors	110,205		91,989
(Decrease) / increase in creditors	(209,485)		592,144
	<u>(1,199,498)</u>		<u>1,390,809</u>
<b>CONSOLIDATED CASH FLOW STATEMENT</b>			
<b>Net cash (outflow) / inflow from operating activities</b>	<b>(1,199,498)</b>		<b>1,390,809</b>
<b>Return on investments</b>			
Income from investments:			
General - interest received	25,620		73,795
General - dividends received	591,057		650,212
	<u>616,677</u>		<u>724,007</u>
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets	(1,313,410)		(8,134,878)
Payments to acquire investments	(8,609,112)		(18,625,822)
Receipts from sales of investments	9,653,771		25,117,787
	<u>(268,751)</u>		<u>(1,642,913)</u>
<b>Financing</b>			
Endowment fund income	400		433
Endowment fund expenditure	-		(937)
	<u>400</u>		<u>(504)</u>
<b>(Decrease) / increase in cash</b>	<b><u>(851,172)</u></b>		<b><u>471,399</u></b>
<b>RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS</b>			
(Decrease)/Increase in cash	(851,172)		471,399
Cash at bank and in hand at beginning of the year	<u>1,596,231</u>		<u>1,124,832</u>
Cash at bank and in hand at end of the year	<u>745,059</u>		<u>1,596,231</u>

The notes on pages 20 to 35 form part of these Accounts.

## ST. COLUMBA'S HOSPICE LIMITED

### NOTES to the ACCOUNTS

#### For the year ended 31 March 2015

#### 1. Accounting Policies

##### **Basis of Accounting**

The accounts are prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable accounting standards, and comply with the Statement of Recommended Practice (SORP): Accounting and Reporting by Charities (revised 2005), the Charities Accounts (Scotland) Regulations 2006 and the Companies Act 2006.

##### **Going Concern**

The financial statements have been prepared on a going concern basis. The trustees have assessed the charity's ability to continue as a going concern and have reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

##### **Basis of Consolidation**

The consolidated accounts incorporate the accounts of the charity and its subsidiary undertakings. A separate income and expenditure account for the charity is not presented as provided by section 408 of the Companies Act 2006.

The results of subsidiary undertakings are consolidated from the date of acquisition.

##### **Incoming Resources**

Income is recognised in the period in which the charity is entitled to receipt and the amount can be measured with reasonable certainty. Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

In accordance with this policy, legacies are included when the charity is advised by the personal representative of an estate that payment will be made and the amount involved can be quantified.

Voluntary contributions and Health Board income are accounted for in accordance with this policy.

##### **Income from Investments**

Dividends and interest are credited to the Income and Expenditure Account in the year in which they are receivable.

##### **Depreciation**

Depreciation is provided on buildings at 4 per cent per annum of the cost, on furniture and equipment at 20 per cent per annum of the cost, on computer equipment at 33.3 per cent per annum of the cost, on motor vehicles at 25 per cent per annum of the cost, and on leasehold fixtures and fittings at 25 per cent per annum. An impairment review is carried out when there is an indication that impairment has occurred. A full year of depreciation is charged in the year of purchase and none in the year of disposal.

##### **Fixed Assets**

Individual items over £1,000 are capitalised as fixed assets.

The cost of leasehold fixtures and fittings at Kirklands House includes the cost of professional fees in relation to moving assets from Boswall Road to Kirklands House. Leasehold fixtures and fittings have been depreciated on a straight line basis at 25% to coincide with the period of the lease with a full year's depreciation charged in the first year of the lease.

##### **Investments**

Investments held as fixed assets are revalued at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluation and disposals throughout the year.

## ST. COLUMBA'S HOSPICE LIMITED

### NOTES to the ACCOUNTS (Contd.)

#### For the year ended 31 March 2015

#### 1. Accounting Policies (Contd.)

##### Assets in the Course of Construction

Assets in the course of construction are carried at cost. Impairment reviews have been carried out on such assets by comparing their carrying value to the estimated future value in use. Impairment provisions are recognised where estimated future value in use is less than carried cost. Upon completion, assets are reallocated to freehold land and buildings and depreciation charged per annum.

##### Stock

Stocks are stated at the lower of cost and net realisable value.

##### Volunteers

The financial value of the participation of volunteers in the day to day running of the Hospice and in fundraising is not calculated.

##### Pensions

Contributions are charged to the Statement of Financial Activities to spread the cost of pensions over the employees' working lives with the Hospice.

In accordance with the requirements of FRS 17 and in accordance with SORP 2005, there is an accounting policy to recognise net pension assets and liabilities in respect of the charity's defined benefit pension scheme. Details of the pension scheme have been included within note 18.

##### Fund Accounting

Funds held by the charity are:

- Unrestricted general funds - these funds can be used in accordance with the charitable objects at the discretion of the Governors.
- Designated funds - these funds are set aside by the Governors out of unrestricted general funds for a specific future purpose or purposes.
- Restricted funds - these are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

The nature and purpose of each fund and a description of transfers between funds is explained in notes 14 and 15.

##### Resources Expended

Resources expended are included in the Income and Expenditure account on an accruals basis. Certain expenditure is directly attributable to restricted and designated funds and has been included in those cost categories. Some costs are apportioned between funds as considered appropriate by the Governors. Otherwise costs are attributed to the general fund. Expenditure on the governance of the Hospice, including external audit, legal advice and an allocation of administrative salaries, is included in the governance costs category.

#### 2 Voluntary Income

	Restricted Funds £	Unrestricted Funds £	2015 £	2014 £
Donations	56,363	1,485,072	<b>1,541,435</b>	1,532,658
Legacies	-	1,470,253	<b>1,470,253</b>	3,148,883
	<u>56,363</u>	<u>2,955,325</u>	<u><b>3,011,688</b></u>	<u>4,681,541</u>

In accordance with the provisions of SORP 2005, legacy income is only included in incoming resources where the legacy has been received or both the receipt and the amount is known with sufficient certainty. At the balance sheet date, the Hospice had received no notification of legacies (2014: £Nil).

**ST. COLUMBA'S HOSPICE LIMITED**

**NOTES to the ACCOUNTS (Contd.)**

**For the year ended 31 March 2015**

**3 Activities for Generating Funds**

	<b>2015</b>	2014
	<b>£</b>	£
Fundraising events	<b>266,906</b>	384,344
Operation of shops	<b>449,562</b>	460,196
St. Columba's Trading Limited	<b>436,706</b>	438,734
	<b>1,153,174</b>	1,283,274

**4 Investment Income**

	<b>2015</b>	2014
	<b>£</b>	£
UK Listed investments	<b>552,364</b>	532,901
Bank interest	<b>29,024</b>	49,084
Net return on pension	<b>82,000</b>	8,000
	<b>663,388</b>	589,985

**ST. COLUMBA'S HOSPICE LIMITED**

**NOTES to the ACCOUNTS (Contd.)**

**For the year ended 31 March 2015**

**5 Total Resources Expended**

Total support costs for the year, and their allocation to the activity cost categories disclosed in the Statement of Financial Activities, are set out below:-

		<b>Management &amp; Administration</b>	<b>Property Expenses</b>	<b>Depreciation</b>	<b>Total Support Costs</b>	<b>Costs Directly Allocated</b>	<b>2015 Total</b>
	%	£	£	£	£	£	£
<b>Costs of Generating Funds:</b>							
Voluntary Income		-	-	-	-	222,682	<b>222,682</b>
Fundraising Costs	10	98,703	38,995	119,593	257,291	998,438	<b>1,255,729</b>
Investment Management		-	-	-	-	134,862	<b>134,862</b>
<b>Charitable Activities:</b>							
In-Patient Care	79	779,752	308,058	944,789	2,032,599	4,091,750	<b>6,124,349</b>
Community Services	5	49,351	19,497	59,797	128,645	226,711	<b>355,356</b>
Day Hospice	2	19,741	7,799	23,918	51,458	118,200	<b>169,658</b>
Education & Research	4	39,481	15,598	47,837	102,916	199,233	<b>302,149</b>
Governance Costs		-	-	-	-	125,514	<b>125,514</b>
	<b>100</b>	<b>987,028</b>	<b>389,947</b>	<b>1,195,934</b>	<b>2,572,909</b>	<b>6,117,390</b>	<b>8,690,299</b>

<b>Comparative Information</b>		<b>Management &amp; Administration</b>	<b>Property Expenses</b>	<b>Depreciation</b>	<b>Total Support Costs</b>	<b>Costs Directly Allocated</b>	<b>2014 Total</b>
	%	£	£	£	£	£	£
<b>Costs of Generating Funds:</b>							
Voluntary Income		-	-	-	-	284,356	<b>284,356</b>
Fundraising Costs	10	96,000	66,248	55,575	217,823	1,035,722	<b>1,253,545</b>
Investment Management		-	-	-	-	136,250	<b>136,250</b>
<b>Charitable Activities:</b>							
In-Patient Care	79	758,403	523,355	421,102	1,702,860	3,757,090	<b>5,459,950</b>
Community Services	5	48,000	33,123	26,319	107,442	232,867	<b>340,309</b>
Day Hospice	2	19,200	13,250	10,526	42,976	113,159	<b>156,135</b>
Education & Research	4	38,400	26,499	21,051	85,950	212,368	<b>298,318</b>
Governance Costs		-	-	-	-	91,289	<b>91,289</b>
	<b>100</b>	<b>960,003</b>	<b>662,475</b>	<b>534,573</b>	<b>2,157,051</b>	<b>5,863,101</b>	<b>8,020,152</b>

Support costs have been allocated in direct proportion to the staff costs incurred for each category.

Included within property expenses in the year to 31 March 2014 were the following exceptional items: a provision of £250,000 for the cost of dilapidations at Kirklands House; and a provision of £150,000 for the cost of repairs to a retaining wall at Boswall Road.

**ST. COLUMBA'S HOSPICE LIMITED**

**NOTES to the ACCOUNTS (Contd.)**

**For the year ended 31 March 2015**

**6 Net Incoming Resources**

This is stated after charging:

	<b>2015</b>	2014
	£	£
Auditor's remuneration:		
audit fee - current year	<b>16,300</b>	16,125
fees for non audit services	<b>2,840</b>	1,125
Depreciation	<b><u>1,195,934</u></b>	<u>534,573</u>

<b>7 Staff Costs</b>	<b>2015</b>	2014
	£	£
Wages and Salaries	<b>4,197,008</b>	4,091,411
Social Security Costs	<b>311,908</b>	313,536
Pension Costs	<b>560,294</b>	421,239
	<b><u>5,069,210</u></b>	<u>4,826,186</u>

(a) The average monthly number of employees during the year was :

Full-time	<b>69</b>	75
Part-time	<b><u>111</u></b>	<u>95</u>
	<b>180</b>	170

(b) No remuneration or expenses were paid to the Governors (2014: £Nil).

(c) Employees' remuneration

The numbers of employees whose emoluments were above £60,000 for the year were:

Between £60,000 and £69,999	<b>1</b>	-
Between £90,000 and £99,999	-	1
Between £100,000 and £109,999	<b>2</b>	2

Pension costs for the above employees were £37,109 (2014: £51,727).

**ST. COLUMBA'S HOSPICE LIMITED**

**NOTES to the ACCOUNTS (Contd.)**

**For the year ended 31 March 2015**

**8 Tangible Fixed Assets**

Group	Freehold Assets in the Land & Course of Buildings Construction		Leasehold Fixtures & Fittings	Motor Vehicles	Furniture & Equipment	TOTAL
	£	£				
<b>Cost</b>						
At 1st April 2014	5,750,856	14,619,401	789,075	76,091	779,221	22,014,644
Additions	-	1,043,913	-	-	269,497	1,313,410
Transfer between asset categories	15,663,314	(15,663,314)	-	-	-	-
Disposals	-	-	(789,075)	-	-	(789,075)
At 31st March 2015	<u>21,414,170</u>	<u>-</u>	<u>-</u>	<u>76,091</u>	<u>1,048,718</u>	<u>22,538,979</u>
<b>Depreciation</b>						
At 1st April 2014	1,186,213	18,476	596,530	63,418	571,958	2,436,595
Amount provided in year	220,360	624,875	192,545	8,464	149,690	1,195,934
Transfer between asset categories	643,351	(643,351)	-	-	-	-
Disposals	-	-	(789,075)	-	-	(789,075)
At 31st March 2015	<u>2,049,924</u>	<u>-</u>	<u>-</u>	<u>71,882</u>	<u>721,648</u>	<u>2,843,454</u>
<b>Net Book Value</b>						
At 31st March 2015	<u>19,364,246</u>	<u>-</u>	<u>-</u>	<u>4,209</u>	<u>327,070</u>	<u>19,695,525</u>
At 31st March 2014	<u>4,564,643</u>	<u>14,600,925</u>	<u>192,545</u>	<u>12,673</u>	<u>207,263</u>	<u>19,578,049</u>

Company	Freehold Assets in the Land & Course of Buildings Construction		Leasehold Fixtures & fittings	Motor Vehicles	Furniture & Equipment	TOTAL
	£	£				
<b>Cost</b>						
At 1st April 2014	5,750,856	14,619,401	789,075	76,090	777,524	22,012,946
Additions	-	1,043,913	-	-	269,497	1,313,410
Transfer between asset categories	15,663,314	(15,663,314)	-	-	-	-
Disposals	-	-	(789,075)	-	-	(789,075)
At 31st March 2015	<u>21,414,170</u>	<u>-</u>	<u>-</u>	<u>76,090</u>	<u>1,047,021</u>	<u>22,537,281</u>
<b>Depreciation</b>						
At 1st April 2014	1,186,213	18,476	596,530	63,418	570,260	2,434,897
Amount provided in year	220,360	624,875	192,545	8,464	149,690	1,195,934
Transfer between asset categories	643,351	(643,351)	-	-	-	-
Disposals	-	-	(789,075)	-	-	(789,075)
At 31st March 2015	<u>2,049,924</u>	<u>-</u>	<u>-</u>	<u>71,882</u>	<u>719,950</u>	<u>2,841,756</u>
<b>Net Book Value</b>						
At 31st March 2015	<u>19,364,246</u>	<u>-</u>	<u>-</u>	<u>4,208</u>	<u>327,071</u>	<u>19,695,525</u>
At 31st March 2014	<u>4,564,643</u>	<u>14,600,925</u>	<u>192,545</u>	<u>12,672</u>	<u>207,264</u>	<u>19,578,049</u>

**ST. COLUMBA'S HOSPICE LIMITED**

**NOTES to the ACCOUNTS (Contd.)**

**For the year ended 31 March 2015**

**8 Tangible Fixed Assets (Contd.)**

The group and company incurred £1,043,913 (2014: £7,888,474) on additions in relation to the redevelopment project. During the year to 31 March 2015 Phase II of the redevelopment was completed and was brought into use. As a result the cost was transferred out of 'assets in the course of construction' into 'freehold land and buildings'. The cost of leasehold fixtures and fittings above represents the cost of renovations completed at Kirklands House along with professional fees incurred in relation to moving assets from Boswall road to Kirklands House.

**9 Investments**

<b>Group</b>	<b>Cash Deposits</b>	<b>Listed Investments</b>	<b>TOTAL</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost or Valuation</b>			
At 1st April 2014	7,125,897	28,258,422	35,384,319
Additions at Cost	198,978	8,410,134	8,609,112
Disposals	(1,000,000)	(8,610,932)	(9,610,932)
Unrealised Net Gain on Revaluation	-	3,749,062	3,749,062
At 31st March 2015	<u>6,324,875</u>	<u>31,806,686</u>	<u>38,131,561</u>
Historic cost as at 31st March 2015 (2014: £24,258,551)		<u>25,103,231</u>	

**Geographical analysis of listed investments**

UK listed investments included in above	5,971,156	18.8%
Non-UK Listed investments included in above	25,835,530	81.2%
	<u>31,806,686</u>	

**The top 10 investment holdings by value at 31 March 2015 were :**

	<b>£</b>
Sarasins Sterling Bond Class B I Inc	5,052,285
Hartford Financial	859,931
Borgwarner Plc	803,382
Citigroup	798,515
JP Morgan Chase	728,746
Carmax Inc	693,904
Costco Wholesale Corp	678,234
United Technologies Corp	651,883
Amgen Inc	595,702
Fresenius	585,154
	<u>11,447,736</u>

The Sarasin Sterling Bond represented a holding greater than 5% of the total investments held.

**Company**

Total investments as above	38,131,561
Investments in Subsidiaries:	10,100
At 31 March 2015	<u>38,141,661</u>
At 31 March 2014	<u>35,394,419</u>

## ST. COLUMBA'S HOSPICE LIMITED

### NOTES to the ACCOUNTS (Contd.)

#### For the year ended 31 March 2015

#### 9 Investments (Contd.)

Details of the subsidiary undertakings, which are registered in Scotland and also have a 31 March accounting year end, are as follows:-

Name	Principal activity	Proportion of ordinary shares held
St. Columba's Trading Limited	Fundraising activities	100%
St. Columba's Hospice (2007) Limited	Property design-and-build services	100%

St. Columba's Trading Limited generates profit through the sale of goods, the running of a weekly prize draw and the profits from a second hand bookshop. All profits are passed on to the Hospice by gift aid. In the year to 31 March 2015 the company had turnover of £446,024 (2014: £450,715), expenditure of £232,330 (2014: £290,425) and generated a profit of £172,462 (2014: £160,290). At 31 March 2015 the aggregate amount of assets, liabilities and funds was £10,000 (2014: £10,000).

St. Columba's Hospice (2007) Limited provided services to the Hospice. In the year to 31 March 2015 the company had turnover of £849,582 (2014: £8,224,097), expenditure of £821,066 (2014: £7,990,931) and generated a profit of £28,516 (2014: £233,166). At 31 March 2015 the aggregate amount of assets, liabilities and funds was £100 (2014: £100).

10 Stocks	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Branded Goods	<u>8,970</u>	<u>4,000</u>	<u>-</u>	<u>-</u>

11 Debtors	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Tax Recoverable	<b>16,400</b>	87,172	<b>16,400</b>	87,172
Other Debtors	<b>175,749</b>	234,529	<b>171,438</b>	224,223
Amounts owed by Group Companies	-	-	-	145,854
	<u><b>192,149</b></u>	<u>321,701</u>	<u><b>187,838</b></u>	<u>457,249</u>

12 Cash at Bank and in Hand	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Interest Bearing Deposit and Current Accounts	<b>743,609</b>	1,594,781	<b>603,477</b>	958,586
Cash	<b>1,450</b>	1,450	<b>1,140</b>	1,140
	<u><b>745,059</b></u>	<u>1,596,231</u>	<u><b>604,617</b></u>	<u>959,726</u>

**ST. COLUMBA'S HOSPICE LIMITED**

**NOTES to the ACCOUNTS (Contd.)**

**For the year ended 31 March 2015**

**13 Creditors: Amounts falling due within one year**

	<b>2015</b>	<b>Group</b>	<b>2015</b>	<b>Company</b>
	£	2014	£	2014
	£	£	£	£
Trade Creditors	<b>2,339</b>	309,450	<b>7,194</b>	13,341
Other taxes and social security	<b>18,751</b>	2,071	<b>18,751</b>	2,071
Accruals and Deferred Income	<b>640,009</b>	559,063	<b>208,143</b>	360,315
Amounts owed by Group Companies	-	-	<b>283,388</b>	-
	<u><b>661,099</b></u>	<u>870,584</u>	<u><b>517,476</b></u>	<u>375,727</u>

**14 Restricted Funds**

<b>Company</b>	<b>Balance at 1</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Balance at</b>
	<b>April 2014</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>31 March</b>
	£	£	£	£	2015
	£	£	£	£	£
<b>Endowment</b>					
Rooney-McMichen Memorial Fund	3,334	-	-	(3,334)	-
McConnell Memorial Fund	21,613	200	-	-	21,813
Croom Fund	20,738	200	-	-	20,938
	<u>45,685</u>	<u>400</u>	<u>-</u>	<u>(3,334)</u>	<u>42,751</u>
<b>Rebuild Fund</b>	-	56,363	(734)	(55,629)	-
	<u>45,685</u>	<u>56,763</u>	<u>(734)</u>	<u>(58,963)</u>	<u>42,751</u>

<b>Group</b>	<b>Balance at 1</b>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>Balance at</b>
	<b>April 2014</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>31 March</b>
	£	£	£	£	2015
	£	£	£	£	£
<b>Endowment</b>					
Rooney-McMichen Memorial Fund	3,334	-	-	(3,334)	-
McConnell Memorial Fund	21,613	200	-	-	21,813
Croom Fund	20,738	200	-	-	20,938
	<u>45,685</u>	<u>400</u>	<u>-</u>	<u>(3,334)</u>	<u>42,751</u>
<b>Rebuild Fund</b>	-	56,363	(734)	(55,629)	-
	<u>45,685</u>	<u>56,763</u>	<u>(734)</u>	<u>(58,963)</u>	<u>42,751</u>

**ST. COLUMBA'S HOSPICE LIMITED**

**NOTES to the ACCOUNTS (Contd.)**

**For the year ended 31 March 2015**

**14 Restricted Funds (Contd.)**

The Rooney-McMichen Memorial Fund was established to provide funds for the provision of childcare facilities for staff and visitors, these facilities are no longer provided by the Hospice. This fund is no longer in use and approval to have the fund balance transferred to unrestricted reserves was obtained from OSCR.

The McConnell Memorial Fund was gifted to provide funds for nurse education.

The Croom Fund was established to provide funds for staff training.

The Rebuild Fund represents specific donations to the New Build Campaign.

The Ros Pilcher Charitable Trust was gifted to aid staffing costs within the Hospice Shops activities.

**Transfers**

The balance of the Rebuild Fund was transferred to the designated building renewal fund on the final day of the year on the basis that the restricted funding had been spent on the new build project.

**15 Unrestricted Funds**

Group	Balance at		Expenditure	Revaluation gains realised	Gains/ (losses) on investments/ pension scheme	Transfers	Balance at	
	1 April 2014	Income					31 March 2015	
	£	£	£	£	£	£	£	
<b>Designated Funds</b>								
Building Renewal	24,652,820	-	(863,711)	-	-	(4,424,863)	19,364,246	
Sustainability Fund	14,000,000	-	-	-	-	4,000,000	18,000,000	
	<u>38,652,820</u>	<u>-</u>	<u>(863,711)</u>	<u>-</u>	<u>-</u>	<u>(424,863)</u>	<u>37,364,246</u>	
<b>General Fund</b>								
General Fund	13,127,507	6,598,096	(7,499,808)	1,292,092	-	483,826	14,001,713	
Revaluation Reserve	4,187,704	-	-	(1,292,092)	3,807,843	-	6,703,455	
Pension Reserve	(1,063,000)	82,000	(81,000)	-	(123,000)	-	(1,185,000)	
	<u>16,252,211</u>	<u>6,680,096</u>	<u>(7,580,808)</u>	<u>-</u>	<u>3,684,843</u>	<u>483,826</u>	<u>19,520,168</u>	
<b>Total</b>	<u>54,905,031</u>	<u>6,680,096</u>	<u>(8,444,519)</u>	<u>-</u>	<u>3,684,843</u>	<u>58,963</u>	<u>56,884,414</u>	

**ST. COLUMBA'S HOSPICE LIMITED**

**NOTES to the ACCOUNTS (Contd.)**

**For the year ended 31 March 2015**

**15 Unrestricted Funds (Contd.)**

Company	Balance at 1 April 2014	Income	Expenditure	Revaluation gains realised	Gains/ (losses) on investments/ pension scheme	Transfers	Balance at 31 March 2015
	£	£	£	£	£	£	£
<b>Designated Funds</b>							
Building Renewal	24,652,820	-	(863,711)	-	-	(4,424,863)	19,364,246
Sustainability Fund	14,000,000	-	-	-	-	4,000,000	18,000,000
	<u>38,652,820</u>	<u>-</u>	<u>(863,711)</u>	<u>-</u>	<u>-</u>	<u>(424,863)</u>	<u>37,364,246</u>
<b>General Fund</b>							
General Fund	13,127,507	6,598,096	(7,499,808)	1,292,092	-	483,826	14,001,713
Revaluation Reserve	4,187,704	-	-	(1,292,092)	3,807,843	-	6,703,455
Pension Reserve	(1,063,000)	82,000	(81,000)	-	(123,000)	-	(1,185,000)
	<u>16,252,211</u>	<u>6,680,096</u>	<u>(7,580,808)</u>	<u>-</u>	<u>3,684,843</u>	<u>483,826</u>	<u>19,520,168</u>
<b>Total</b>	<u><u>54,905,031</u></u>	<u><u>6,680,096</u></u>	<u><u>(8,444,519)</u></u>	<u><u>-</u></u>	<u><u>3,684,843</u></u>	<u><u>58,963</u></u>	<u><u>56,884,414</u></u>

The Building Renewal Fund has been designated by the Governors for the re-build of Hospice accommodation. On completion of the redeveloped Hospice, a transfer out of the fund has been made into the Building Maintenance fund to provide future funding for on-going maintenance / development work at the Hospice. The Building Renewal fund represents the carrying value of the redeveloped Hospice.

The Sustainability Fund has been designated by the Governors for the purpose of providing sustainable core income for the future operational requirements of the Hospice in view of current uncertain economic conditions and the potential downward impact on investment income and income from legacies. As running costs have increased, the Governors have decided to increase the designation by £4 million to £18 million which represents annual operating costs over a two year period.

**16 Analysis of Group Net Assets between Funds**

	Restricted Funds £	Designated Funds £	General Funds £	Total £
Tangible Fixed Assets	-	19,364,246	331,279	19,695,525
Investments	42,751	18,000,000	20,088,810	38,131,561
Cash at Bank and in Hand	-	-	745,059	745,059
Other Net Current Assets	-	-	(459,980)	(459,980)
Net Pension Liabilities	-	-	(1,185,000)	(1,185,000)
	<u>42,751</u>	<u>37,364,246</u>	<u>19,520,168</u>	<u>56,927,165</u>

## ST. COLUMBA'S HOSPICE LIMITED

### NOTES to the ACCOUNTS (Contd.)

#### For the year ended 31 March 2015

#### 17 Financial commitments

At 31 March 2015 the group was committed to making annual payments under non-cancellable operating leases as follows:

	<b>Land &amp; Buildings</b>	<b>Other</b>	<b>Land &amp; Buildings</b>	<b>Other</b>
	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Operating leases which expire:				
within one year	<b>29,250</b>	-	144,250	35,279
two to five years	<b>19,000</b>	<b>13,162</b>	12,000	-
more than five years	<b>16,000</b>	-	16,000	13,162
	<b>64,250</b>	<b>13,162</b>	<b>172,250</b>	<b>48,441</b>

At 31 March 2015 the group also had commitments of £nil (2014: £502,351) under contracts with the building design team and construction company. The company took possession of the new Hospice building in April 2014.

#### 18 Pensions

The Hospice operated a defined contribution scheme for a small number of employees which is now closed and there are no contributing employees. The assets of the scheme are held separately from those of the Hospice in an independently administered fund and the charge for the year amounted to £Nil (2014: £Nil).

The Hospice has closed the Lothian Pension Fund to new entrants as at 31 March 2014. Staff will automatically be enrolled into a new defined contribution scheme from 1 April 2014. This scheme is administered by Scottish Life and will be the scheme available to new employees.

Being an "admitted body", the Hospice participates in defined benefit schemes operated by the National Health Service and the Lothian Pension Fund. The National Health Service scheme is not funded but benefits from statutory protection. The balance of the pension cost charge as shown in note 7 comprises the Hospice's contributions (being 13.5% and 19.0% respectively) to these two schemes. The amount outstanding in respect of the Lothian Pension Fund was £Nil (2014: £Nil). Contribution rates for the current year for employees for both schemes range from 5% to 10% and relate to earnings.

The contributions paid by the Hospice to the Lothian Pension Fund are set by the Fund Actuary at each triennial actuarial valuation (the most recent being as at 31 March 2011). The contributions payable over the period to 31 March 2016 are estimated to be £309,000.

The Lothian Pension Fund is a funded multi-employer scheme. An actuarial valuation for FRS 17 purposes at 31 March 2015 was carried out by a qualified independent actuary. The major assumptions used by the actuary were:

	<b>2015</b>	<b>2014</b>
	<b>%</b>	<b>%</b>
	<b>per annum</b>	<b>per annum</b>
Inflation/Pension increase rate	<b>2.1</b>	2.6
Salary increase rate	<b>4.0</b>	4.9
Expected return on assets	<b>3.1</b>	6.1
Discount rate	<b>3.1</b>	4.1

**ST. COLUMBA'S HOSPICE LIMITED**

**NOTES to the ACCOUNTS (Contd.)**

**For the year ended 31 March 2015**

**18 Pensions (Contd.)**

Life expectancy is based on the Fund's VitaCurves. Based on these assumptions, the average future life expectancies at age 65 are summarised below:

	<b>2015</b>		2014	
	<b>Males</b>	<b>Females</b>	Males	Females
	<b>years</b>	<b>years</b>	years	years
Current Pensioners	<b>22.1</b>	<b>23.7</b>	20.4	22.8
Future Pensioners	<b>24.2</b>	<b>26.3</b>	22.6	25.4

Breakdown of the expected return on assets by category:

	<b>2015</b>	2014
	<b>% per annum</b>	% per annum
Equities	<b>3.1</b>	6.6
Bonds	<b>3.1</b>	3.9
Property	<b>3.1</b>	4.8
Cash	<b>3.1</b>	3.7

Computation:

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2009 service and 75% of the maximum tax-free cash for post-April 2009 service.

<b>Fair Value of Employer Assets</b>	<b>2015</b>	2014
	<b>£'000</b>	£'000
Equities	<b>5,002</b>	4,832
Bonds	<b>1,232</b>	565
Property	<b>580</b>	502
Cash	<b>435</b>	377
	<b><u>7,249</u></b>	<u>6,276</u>
<b>Balance Sheet</b>		
Fair Value of Employer Assets	<b>7,249</b>	6,276
Present Value of Funded Liabilities	<b>(8,434)</b>	(7,339)
Net Underfunding in Funded Plans	<b>(1,185)</b>	(1,063)
Present Value of Unfunded Liabilities	<b>-</b>	-
Net Liability	<b><u>(1,185)</u></b>	<u>(1,063)</u>

**ST. COLUMBA'S HOSPICE LIMITED**

**NOTES to the ACCOUNTS (Contd.)**

**For the year ended 31 March 2015**

**18 Pensions (Contd.)**

	<b>2015</b>	2014
	<b>£'000</b>	£'000
<b>Recognition in the Profit or Loss</b>		
Current Service Cost	<b>428</b>	292
Interest Cost	<b>306</b>	302
Expected Return on Employer Assets	<b>(388)</b>	(310)
Past Service Cost	-	-
	<u><b>346</b></u>	<u>284</u>
Actual Return on Plan Assets	<u><b>1,094</b></u>	<u>350</u>
	<b>2015</b>	2014
	<b>£'000</b>	£'000
<b>Reconciliation of Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	<b>7,339</b>	6,621
Current Service Cost	<b>428</b>	292
Interest Cost	<b>306</b>	302
Contributions by Members	<b>93</b>	79
Actuarial Losses	<b>513</b>	252
Estimated Benefits Paid	<b>(245)</b>	(207)
Closing Defined Benefit Obligation	<u><b>8,434</b></u>	<u>7,339</u>
	<b>2015</b>	2014
	<b>£'000</b>	£'000
<b>Reconciliation of Fair Value of Employer Assets</b>		
Opening Fair Value of Employer Assets	<b>6,276</b>	5,789
Expected Return on Assets	<b>388</b>	310
Contributions by Members	<b>93</b>	79
Contributions by the Employer	<b>347</b>	266
Actuarial Gains	<b>390</b>	39
Benefits Paid	<b>(245)</b>	(207)
Closing Fair Value of Employer Assets	<u><b>7,249</b></u>	<u>6,276</u>

**ST. COLUMBA'S HOSPICE LIMITED**

**NOTES to the ACCOUNTS (Contd.)**

**For the year ended 31 March 2015**

**18 Pensions (Contd.)**

<b>Amounts for the current and previous accounting periods</b>	<b>2015 £'000</b>	<b>2014 £'000</b>	<b>2013 £'000</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
Fair Value of Employer Assets	7,249	6,276	5,789	4,924	4,662
Present Value of Defined Benefit Obligation	(8,434)	(7,339)	(6,621)	(5,621)	(5,045)
Deficit	(1,185)	(1,063)	(832)	(697)	(383)
Experience Gains/(Losses) on Assets	390	39	486	(165)	(79)
Experience Gains/(Losses) on Liabilities	363	2	6	(191)	-
<b>Amounts recognised in the SOFA as other recognised gains and losses</b>	<b>2015 £'000</b>	<b>2014 £'000</b>	<b>2013 £'000</b>	<b>2012 £'000</b>	<b>2011 £'000</b>
Actuarial (Losses)/Gains	(123)	(213)	(179)	(395)	445

<b>Analysis of projected amount to be charged to operating profit</b>	<b>Year to 31 March 2015</b>	
	<b>£'000</b>	<b>% of payroll</b>
Projected Current Service Cost	424	30.6%
Interest on Obligation	266	19.2%
Expected Return on Plan Assets	(227)	-16.4%
Past Service Cost	-	-
<b>Total</b>	<b>463</b>	<b>33.4%</b>
Employer's Contributions	309	

**19 Related Party Transactions**

During the year Tods Murray LLP invoiced the group £11,154 (2014: £36,857) for legal services and Shepherd and Wedderburn invoiced the group £7,806 (2014: £nil) for legal services. Mr G M Burnside, Governor, was a partner in Tods Murray LLP until 30 June 2014 and is now a consultant with Shepherd and Wedderburn LLP. Mr D N Dunsire, Governor, was a partner in Tods Murray LLP until 3 October 2014 and is now a consultant with Shepherd and Wedderburn LLP. There were amounts payable to Tods Murray LLP and Shepherd and Wedderburn LLP of £Nil (2014: £Nil) at the balance sheet date.

**20 Company Status**

The company is limited by guarantee and has no share capital. At 31st March 2015 the company had 33 (2014: 33) members each guaranteeing £1.00 to the company's assets if it should be wound up.

**ST. COLUMBA'S HOSPICE LIMITED**

**NOTES to the ACCOUNTS (Contd.)**

**For the year ended 31 March 2015**

**21 Charity Statement of Financial Activities**

	Restricted Funds £	Unrestricted Funds £	2015 Total £	2014 Total £
<b>Incoming Resources</b>				
Incoming Resources from Generated Funds				
Voluntary Income	56,363	2,946,027	<b>3,002,390</b>	4,669,588
Activities for Generating Funds	-	917,446	<b>917,446</b>	1,236,671
Investment Income	400	662,968	<b>663,368</b>	589,957
Incoming Resources from Charitable Activities				
NHS Lothian	-	2,138,628	<b>2,138,628</b>	2,185,956
Education and Other Activities	-	15,027	<b>15,027</b>	4,474
<b>Total Incoming Resources</b>	<u>56,763</u>	<u>6,680,096</u>	<u><b>6,736,859</b></u>	<u>8,686,646</u>
<b>Resources Expended</b>				
Cost of Generating Funds				
Cost of Generating Voluntary Income	734	221,948	<b>222,682</b>	284,356
Fundraising Costs	-	985,019	<b>985,019</b>	1,006,463
Investment Management Costs	-	134,862	<b>134,862</b>	136,250
Charitable Activities				
In-Patient Care	-	6,146,876	<b>6,146,876</b>	5,626,520
Community Services	-	356,782	<b>356,782</b>	351,184
Day Hospice	-	170,228	<b>170,228</b>	160,487
Education and Research	-	303,290	<b>303,290</b>	307,022
Governance Costs	-	125,514	<b>125,514</b>	90,611
<b>Total Resources Expended</b>	<u>734</u>	<u>8,444,519</u>	<u><b>8,445,253</b></u>	<u>7,962,893</u>
<b>Net Incoming/(Outgoing) Resources Before Transfers and Other Recognised Gains and Losses</b>	56,029	(1,764,423)	<b>(1,708,394)</b>	723,753
Transfers between funds	(58,963)	58,963	-	-
<b>Net (outgoing)/incoming resources before transfers and other recognised gains and losses</b>	(2,934)	(1,705,460)	<b>(1,708,394)</b>	723,753
<b>Other Recognised Gains and Losses</b>				
Gains/(losses) on Investments				
Realised	-	58,781	<b>58,781</b>	373,212
Unrealised	-	3,749,062	<b>3,749,062</b>	674,646
Actuarial losses on Defined Benefit Pension Scheme	-	(123,000)	<b>(123,000)</b>	(213,000)
<b>Net Movement in Funds in Year</b>	(2,934)	1,979,383	<b>1,976,449</b>	1,558,611
<b>Reconciliation of Funds</b>				
Total Funds Brought Forward	45,685	54,905,031	<b>54,950,716</b>	53,392,105
<b>Total Funds Carried Forward</b>	<u>42,751</u>	<u>56,884,414</u>	<u><b>56,927,165</b></u>	<u>54,950,716</u>

The deficit for the year for Companies Act purposes comprises the net outgoing resources plus realised gains and losses on investments less taxation and amounted to £1,649,613 (2014: surplus of £1,096,965).

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND GOVERNORS OF  
ST. COLUMBA'S HOSPICE LIMITED**



We have audited the accounts of St. Columba's Hospice Limited for the year ended 31 March 2015 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group 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 exclusively to the members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charity's governors, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the members and the charity's governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body and its governors as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of governors and auditor**

As explained more fully in the Governors' Responsibilities Statement set out on pages 11 and 12, the Governors (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 auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and the Companies Act 2006 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the accounts sufficient to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the 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 governors; and the overall presentation of the accounts. In addition, we read all the financial and non-financial information in the Governor's Report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2015, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND GOVERNORS OF  
ST. COLUMBA'S HOSPICE LIMITED (Contd.)**



**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Governors' Annual Report (including the Strategic Report) for the financial year for which the accounts are prepared is consistent with the accounts.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

**Jeremy Chittleburgh BSc CA (Senior Statutory Auditor)**

For and on behalf of

**CHIENE + TAIT LLP**

Chartered Accountants and Statutory Auditor

61 Dublin Street

Edinburgh

EH3 6NL

22 September 2015

**Chiene + Tait LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006**