



Yorkhill Children's Foundation

Consolidated Report and Financial Statements

Year ended 31 March 2009

Company number: SC222439
Charity number: SC007856

Contents	Page
Company information	1
Chairman's Report	2
Directors' Report	3
Independent Auditors' Report	8
Consolidated Statement of Financial Activities	10
Foundation Statement of Financial Activities	11
Consolidated Balance Sheet	12
Foundation Balance Sheet	13
Notes to the Consolidated Financial Statements	14

Company Information

Directors

Mr Brian M Simmers (Chairman)
Professor Forrester Cockburn (Vice Chairman)
Mr Stuart M Anderson (Secretary)
Mr Jonathan J Bryden (Treasurer)
Mr Rory Farrelly
Mr John Hughan
Mr Francis J McGuire
Mr John E Paterson (resigned 29 September 2008)
Mr Spencer F R Patrick
Mr Peter A M Raine
Mr James M Redfern
Dr Alison Rennie
Mr Robert M Scully
Mr Robert K Tomlinson
Professor Lawrence T Weaver

Executive Director

Mrs Shona Cardle

Registered Office

Royal Hospital for Sick Children
Yorkhill
Glasgow
G3 8SJ

www.yorkhillchildrensfoundation.org

Auditors

Hardie Caldwell LLP
Citypoint 2
25 Tyndrum Street
Glasgow
G4 0JY

Bankers

Bank of Scotland
174 Byres Road
Glasgow
G12 8SW

Solicitors

Burness
120 Bothwell Street
Glasgow
G2 7JL

Chairman's Report

This report covers the activities of the Foundation and Group for the year to 31 March 2009.

It is with great pleasure I can report that the Foundation's consolidated income for this year has reached £2,733,895, an increase of 33.2% on the previous year of £2,051,977. Costs for the year were again effectively controlled at £539,448 (19.7% of income) and this allowed charitable grants of £1,201,841 (2008 - £811,496) to be awarded.

The Directors' Report and Consolidated Statement of Financial Activities, which follow, provide full details of the Foundation's current structure, strategy and achievements.

In spite of the major increase in our income, the latter part of this operational year has been carried out during a difficult economic climate and Shona Cardle, Executive Director, and her staff are to be congratulated on a very impressive performance. It is expected that 2009/10 will be even more challenging.

For the past 2 years NHS Greater Glasgow & Clyde (NHSGGC) has been extending the maternity unit at the Southern General Hospital and this is planned for completion by the end of 2009. At that time the Queen Mother's Hospital at Yorkhill will close. There are also plans for developing a New Children's Hospital within a major re-development of the whole of the Southern General. This project is planned to be completed by the end of 2014 when the Royal Hospital for Sick Children, Yorkhill will also close.

NHSGGC and the Foundation commissioned a Feasibility Study to establish the anticipated level of success of a major Appeal in the current economic climate for the enhancement of the new children's hospital and the final report was received in May 2009. It recommended that a major appeal be launched to last 3-4 years with a target of £10 million to £15 million. This was approved by the Yorkhill Children's Foundation Board in May 2009. There is recognition that the Foundation will need to strengthen its current team and add major appeal expertise with the aim of continuing to raise funds for existing and future applications for grants while at the same time running an Appeal to raise funds for the new children's hospital.

This will be an exciting opportunity to grow the Foundation further for the benefit of NHSGGC's Women & Children's Directorate.

Our Trading Company, including the Gift Shop and Tea Bar, produced a surplus for the year of £32,886 (2008 - £39,547) and my thanks again to our hard working and loyal volunteers for this important contribution to our funds.

Finally my thanks to our extremely hard working staff, volunteers, the Foundation's Board of Directors and sub-committees for their voluntary time, advice and assistance, the management team of the Women & Children's Directorate and NHSGGC for their encouragement and support and all donors for their considerable generosity.

Thanks to your generosity we can all help sick children get better.

Brian M Simmers
Chairman

Dated:

Directors' Report

The Directors present their Report and audited Financial Statements for the year ended 31 March 2009.

Structure, Governance and Management

Governing Document

The Foundation is a charitable company limited by guarantee, incorporated and registered as a charity on 22 August 2001. The company is established under a Memorandum of Association which established the objects and powers of the charitable company and is governed under its Articles of Association. These objects are:

- (i) To relieve ill health and promote good health among young people and users of maternity and obstetric services and with particular reference to the needs of those currently served by the Royal Hospital for Sick Children, Yorkhill and The Queen Mother's Hospital and the Community Child Health Service operated by Yorkhill NHS Trust or any successor body.
- (ii) To relieve the needs of young people who suffer from mental and/or physical disability, illness or impairment and with particular reference to the needs of those currently served by the Royal Hospital for Sick Children, Yorkhill, The Queen Mother's Hospital and the Community Child Health Service operated by Yorkhill NHS Trust or any successor body.
- (iii) To promote education in the field of medicine and healthcare generally.

References to Yorkhill in the Annual Report and Financial Statements relate to all neonatal, paediatric and obstetric departments within the Women & Children's Directorate of NHS Greater Glasgow & Clyde.

Appointment of Directors

Written applications for membership are considered by the Directors and an admitted member automatically constitutes a Director of the company.

At each Annual General Meeting, any Director appointed during the year and one third of remaining Directors, on a rotation basis, will retire. All retired Directors can offer themselves for re-appointment.

The following Directors will retire at the following AGM and will be eligible to offer themselves for re-election at this time:

Mr Stuart M Anderson
Mr Jonathan J Bryden
Mr John Hughan
Mr Robert M Scully
Mr Robert K Tomlinson

Directors represent independent professional individuals and medical and other staff of The Royal Hospital for Sick Children at Yorkhill. The maximum number of Directors is 16 and the Chair may not be an employee of Yorkhill.

Directors are appointed to the offices of Chair, Vice-Chair, Secretary and Treasurer.

Directors' Report (cont'd)

Director Induction and Training

Guidance notes and an induction pack are issued to Directors on appointment. In addition, informal briefings are provided by Directors at bi-monthly board meetings and sub-committees by members of the legal and accountancy professions. Opportunities exist for touring the facilities at the hospital.

Organisational Structure

Three sub-committees, each chaired by a Director, meet prior to board meetings to which recommendations are made. These are:

- Professional and Scientific Advisory Committee
- Financial and Legal Committee
- Fundraising and Marketing Committee

There is an established procedure of delegation for the approval of commitments and payments within the parameters of an annually approved operating budget.

Regular communication occurs between the Chair and the Executive Director on matters requiring decisions between board meetings.

A formal staff structure exists below the Executive Director covering the main activities of fundraising and administration.

Strategy and risk review

The Directors carry out half yearly reviews and other regular reviews of the Foundation's activities and produce a comprehensive strategic plan setting out the major opportunities available to the Foundation, particularly relating to fundraising.

The Directors monitor progress against the strategic objectives set out in the plan at each meeting and a comprehensive review of the plan is carried out annually.

The Directors have examined the major strategic, business and operational risks which the Foundation faces and have implemented a risk management strategy which comprises:

- an annual review of the risks which the Foundation may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan, and
- the implementation of procedures designed to minimise any potential impact on the Foundation should any of those risks materialise.

Subsidiary Trading Company

The Charity owns and operates a retail shop and tea bar under a separate company, Yorkhill Fund Trading Limited, which annually gifts an appropriate proportion of its net profits to the Foundation with the remainder being re-invested in the company.

The shop and tea bar are staffed by volunteers typically working 3 - 4 hours per week. Volunteers are also used for office administration, can collecting and speaking to community groups. The total number of volunteers is 98 (2008: 95).

Directors' Report (cont'd)

Objectives and Activities

The strategy of the Foundation is to raise finance through fundraising and appeals to support Yorkhill in the acquisition of equipment deemed essential to improve the wellbeing of children and mothers treated at Yorkhill.

Funds are also raised for research projects proposed by the medical faculties and other projects requested by hospital departments to improve the facilities and social environment of children in hospital.

Achievements and Performance

Each year the revenue budget is agreed to meet the known and anticipated requirements of the Yorkhill hospitals and for 2008 – 2009 the consolidated budget was set at £2,120,000.

The expansion of existing fundraising activities and the introduction of new initiatives have resulted in a major increase in income from both community and corporate fundraising in 2008/09. With the increased use of volunteers, the launch of a donated advertising campaign and greater use of the media, a heightened awareness of the work and brand of Yorkhill Children's Foundation were achieved. This resulted in a total consolidated income of £2,733,895 which surpassed budget income by £613,895. In addition, the number of restricted funds held in the Foundation for various departments within the hospital continues to rise

The expenditure budget reflects the costs of achieving this income while ensuring that the total resources expended, excluding grants payable, does not exceed 30% of revenue.

This year these consolidated costs amounted to £590,856, representing 21.6% of consolidated income.

Financial Review

Aside from investment income, the Foundation's income is made up primarily of voluntary donations from various sources including individuals, companies and trusts as detailed in the Statement of Financial Activities.

Total consolidated resources expended for 2008/09 are £1,808,289. This represents 66.1% of total incoming resources. As stated above, the number of restricted funds held in the Foundation for various departments within the hospital has continued to rise. Authority for expenditure from these funds has been delegated by the Trustees to the designated Fundholders. Fundholders take a long-term strategic view of expenditure from their funds.

Reserves policy

The policy is to retain sufficient funds required to meet the cost of salaries, insurances and other regular commitments for a period of one year.

This equates to £360,000 and is held in unrestricted funds. At this level, the Board of Directors believe that they would be able to continue the current activities of the Foundation in the event of a significant drop in funding.

Grant making policy

The Foundation invites applications for funding of medical equipment, research and other projects from the hospital departments and affiliated organisations.

Directors' Report (cont'd)

The applications are reviewed against certain criteria and objectives agreed by the Professional and Scientific Advisory Committee which makes recommendations to the Foundation's Board. Decisions regarding award of grants are taken at each Board Meeting.

Investment policy

The Board of Directors has considered the most appropriate policy for investing funds and has found that short to medium term investment of funds should be held in a mixture of current and term bank accounts to optimise interest earned.

Small company exemption

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Plans for Future Periods

In April 2008 the Scottish Government gave approval to proposals from NHS Greater Glasgow and Clyde (NHSGGC) for a new hospital development on the south side of Glasgow currently home to the Southern General Hospital. A key element of this major project is the building of a new children's hospital to replace the existing Royal Hospital for Sick Children presently situated at Yorkhill.

Yorkhill Children's Foundation and NHSGGC commissioned a Feasibility Study to investigate the viability of a major appeal by Yorkhill Children's Foundation to provide enhancements to the new children's hospital. It evaluated the likely success of an appeal, a realistic target, the requirements for staffing, office accommodation and other resources and provided an indication of the costs involved. The final report was received in May 2009 and recommended that a major appeal be launched to last 3-4 years with a target of £10 million to £15 million. In May 2009 the Foundation's Board of Directors gave approval to proceed with an appeal and approval that the costs will be met by the Foundation out of unrestricted funds. This cost will be phased over the duration of the appeal.

It is intended that the core work of Yorkhill Children's Foundation will continue during the appeal and a budget figure of £2.2million has been agreed. The fundraising strategy is to build on the increased support from the community and corporate sectors by providing a wider range of fundraising and volunteering opportunities, and to focus on reaching new audiences which have not previously been targeted. It is anticipated that a contribution will be made to the appeal from the Foundation on an annual basis and that a gradual integration of fundraising staff and activities will ensue.

Responsibilities of the Directors

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law and charity law and regulations require the directors to prepare financial statements for each financial year. Under company law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by company law and charity law and regulations to give a true and fair view of the state of affairs of the group and the company and of the surplus or deficit of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors' Report (cont'd)

Responsibilities of the Directors (cont'd)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and the company and to enable them to ensure that the financial statements comply with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006. They are also responsible for safeguarding the assets of the group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Hardie Caldwell LLP were appointed as Auditors by the Directors in the year under review. A resolution will be proposed at the Annual General Meeting that Hardie Caldwell be re-appointed as the Foundation's auditors.

Disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

On behalf of the Board

.....
S M Anderson
Director and Secretary

Dated:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YORKHILL CHILDREN'S FOUNDATION FOR THE YEAR ENDED 31 MARCH 2009

To the Directors and Members of Yorkhill Children's Foundation

This report is issued in respect of an audit carried out under section 235 of the Companies Act 1985 and section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005.

We have audited the financial statements of Yorkhill Children's Foundation Group for the year ended 31 March 2009 which comprise the Consolidated Statement of Financial Activities, Foundation Statement of Financial Activities, the Consolidated Balance Sheet, Foundation Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made exclusively to the members, as a body, in accordance with Section 235 of the Companies Act 1985, and to the charity's trustees, as a body, in accordance with section 44 (1) (c) of the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the members and the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity, its members as a body and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the trustees and auditors

The responsibilities of the trustees (who are the directors of the charity for the purposes of company law) for preparing the Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of Responsibilities of the Directors..

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006. We also report to you if, in our opinion, the information given in the Directors' Report is consistent with the financial statements, if the charity has not kept proper accounting records, or if information specified by law regarding trustees' remuneration and transactions with the charity is not disclosed, or if we have not received all the information and explanations we require for our work.

We read the other information published with the financial statements and consider whether it is consistent with the audited financial statements. The other information comprises only the Chairman's Report and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YORKHILL CHILDREN'S FOUNDATION FOR THE YEAR ENDED 31 MARCH 2009

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with the United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the group and the charity as at 31 March 2009 and of the group's and charity's incoming resources and application of resources, including the group's and the charity's income and expenditure, for the year then ended;
- have been properly prepared in accordance with the Companies Act 1985, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006; and
- the information given in the Directors' Report is consistent with the financial statements.

Hardie Caldwell LLP

Chartered Accountants and Registered Auditors
Glasgow Dated:

Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31 March 2009

	Note	Unrestricted funds £	Restricted funds £	2009 Total £	2008 Total £
Incoming resources from generated funds:					
Voluntary income	2	1,120,058	1,048,600	2,168,658	1,657,031
Activities for generating funds	3	310,047	28,711	338,758	223,381
Investment income	4	100,180	58,440	158,620	171,038
Donated Services	5	67,000	-	67,000	-
Other income		859	-	859	527
Total incoming resources		<u>1,598,144</u>	<u>1,135,751</u>	<u>2,733,895</u>	<u>2,051,977</u>
Resources expended					
Costs of generating funds:					
Costs of generating voluntary income	6	288,027	-	288,027	255,536
Activities for generating funds	6	197,833	-	197,833	131,320
Investment management costs	6	1,112	-	1,112	5,244
Cost of donated services	5	67,000	-	67,000	-
Total costs of generating funds		<u>553,972</u>	<u>-</u>	<u>553,972</u>	<u>392,100</u>
Charitable activities	7,8	1,152,122	65,311	1,217,433	825,506
Governance	6	36,884	-	36,884	19,895
Total resources expended		<u>1,742,978</u>	<u>65,311</u>	<u>1,808,289</u>	<u>1,237,501</u>
Net incoming /(outgoing) resources	9	(144,834)	1,070,440	925,606	814,476
Fund balance at 1 April 2008		<u>735,872</u>	<u>1,362,736</u>	<u>2,098,608</u>	<u>1,284,132</u>
Fund balance at 31 March 2009	19,20,21	<u><u>591,038</u></u>	<u><u>2,433,176</u></u>	<u><u>3,024,214</u></u>	<u><u>2,098,608</u></u>

All of the above results are derived from continuing operations. All gains and losses recognised in the year are included in the above.

The attached notes form part of these financial statements.

Foundation Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31 March 2009

	Unrestricted funds £	Restricted funds £	2009 Total £	2008 Total £
Incoming resources from generated funds:				
Voluntary income	1,120,058	1,048,600	2,168,658	1,657,031
Activities for generating funds	125,511	28,711	154,222	60,856
Investment income	130,992	58,440	189,432	207,492
Donated Services	67,000	-	67,000	-
Other income	859	-	859	527
	<u>1,444,420</u>	<u>1,135,751</u>	<u>2,580,171</u>	<u>1,925,906</u>
Resources expended				
Costs of generating funds:				
Costs of generating voluntary income	288,027	-	288,027	255,536
Activities for generating funds	45,219	-	45,219	5,909
Investment management costs	1,112	-	1,112	5,244
Cost of donated services	67,000	-	67,000	-
	<u>401,358</u>	<u>-</u>	<u>401,358</u>	<u>266,689</u>
Charitable activities	1,152,122	65,311	1,217,433	825,506
Governance	35,774	-	35,774	19,235
	<u>1,589,254</u>	<u>65,311</u>	<u>1,654,565</u>	<u>1,111,430</u>
Net incoming /(outgoing) resources	(144,834)	1,070,440	925,606	814,476
Fund balance at 1 April 2008	695,872	1,362,736	2,058,608	1,284,132
	<u>551,038</u>	<u>2,433,176</u>	<u>2,984,214</u>	<u>2,098,608</u>

All of the above results are derived from continuing operations. All gains and losses recognised in the year are included in the above.

Consolidated Balance Sheet
As at 31 March 2009

	Note	Unrestricted funds £	Restricted funds £	Total 2009 £	Total 2008 £
Current Assets					
Stock		22,977	-	22,977	20,624
Debtors	14	33,096	6,170	39,266	58,512
Cash at bank and in hand	15	2,176,798	2,433,672	4,610,470	3,718,756
		<u>2,232,871</u>	<u>2,439,842</u>	<u>4,672,713</u>	<u>3,797,892</u>
Creditors: amounts falling due within one year	16	1,630,050	6,666	1,636,716	1,613,734
Net Current Assets		602,821	2,433,176	3,035,997	2,184,158
Creditors: amounts falling due after more than one year	17	11,783	-	11,783	85,550
Net Assets		<u>591,038</u>	<u>2,433,176</u>	<u>3,024,214</u>	<u>2,098,608</u>
Representing :					
Accumulated Funds					
Unrestricted Funds:					
Designated fund	19			360,000	300,000
General funds	19			231,038	435,872
	19,20			<u>591,038</u>	<u>735,872</u>
Restricted Funds	19,21			<u>2,433,176</u>	<u>1,362,736</u>
	19			<u>3,024,214</u>	<u>2,098,608</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities and were authorised for issue by the Board of Directors and signed on its behalf by:

.....
Brian M Simmers
(Chairman)

.....
Jonathan J Bryden
(Treasurer)

Dated:

Dated:

The attached notes form part of these financial statements.

Foundation Balance Sheet
As at 31 March 2009

	Note	Unrestricted funds £	Restricted funds £	Total 2009 £	Total 2008 £
Fixed assets					
Investments	13	100	-	100	100
Current Assets					
Debtors	14	65,870	6,170	72,040	98,060
Cash at bank and in hand	15	2,120,322	2,433,672	4,553,994	3,653,607
		<u>2,186,192</u>	<u>2,439,842</u>	<u>4,626,034</u>	<u>3,751,667</u>
Creditors: amounts falling due within one year	16	1,623,471	6,666	1,630,137	1,607,609
Net Current Assets		562,721	2,433,176	2,995,897	2,144,058
Creditors: amounts falling due after more than one year	17	11,783	-	11,783	85,550
Net Assets		<u>551,038</u>	<u>2,433,176</u>	<u>2,984,214</u>	<u>2,058,608</u>
Representing :					
Accumulated Funds					
Unrestricted Funds:					
Designated fund	19			360,000	300,000
General funds	19			191,038	395,872
	19,20			<u>551,038</u>	<u>695,872</u>
Restricted Funds	19,21			2,433,176	1,362,736
	19			<u>2,984,214</u>	<u>2,058,608</u>

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities and were authorised for issue by the Board of Directors and signed on its behalf by:

.....
Brian M Simmers
(Chairman)

.....
Jonathan J Bryden
(Treasurer)

Dated:

Dated:

The attached notes form part of these financial statements.

Notes to the Consolidated Financial Statements
For the year ended 31 March 2009

1. Accounting Policies

The principal accounting policies adopted are as follows:

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" revised 2005, applicable accounting standards and the Financial Reporting Standard for Smaller Entities.

The Foundation has availed itself of Paragraph 3 (3) of Schedule 4 of the Companies Act and adapted the Companies Act formats to reflect the special nature of the Foundation's activities.

(b) Group financial statements

These financial statements consolidate the results of the Foundation and its wholly owned trading subsidiary Yorkhill Fund Trading Limited on a line by line basis incorporating income and expenditure under activities and cost for generating funds respectively.

(c) Parent company status

The Foundation is a company limited by guarantee. The members of the company are the Directors named on page 1. In the event of the Foundation being wound up, the liability in respect of the guarantee is limited to £1 per member of the Foundation.

(d) Charitable status

The Foundation is registered with the Office of the Scottish Charity Regulator and HM Customs & Excise as a Scottish Charity for tax purposes and has no liability to corporation tax.

(e) Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Directors in furtherance of the general objectives of the Foundation and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Directors for particular purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Foundation for particular purposes. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income is allocated to the appropriate fund.

Notes to the Consolidated Financial Statements
For the year ended 31 March 2009

1. Accounting Policies (cont)

(f) Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Foundation is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the Foundation being notified of an impending distribution or the legacy being received.

Trading turnover is attributable to one principal activity, the retailing of goods and food.

(g) Resources expended

All expenditure is accounted for on an accruals basis as a liability is incurred.

Costs of generating funds are those costs incurred in attracting voluntary income and those costs associated with managing the income from the trading subsidiary.

Charitable expenditure comprises both direct costs of grant payments awarded and an allocation of support costs associated with that activity.

Governance costs include those incurred in meeting the statutory and strategic management needs of the charity.

Support costs have been allocated between expenditure categories based on the use of resources. Costs relating to a particular activity are allocated directly, others are apportioned on an appropriate basis e.g. staff time.

(h) Gifts in Kind

Where gifts in kind are donated for the purposes of auction or other sale at events organised by the Foundation, the proceeds from the auction are included in the activities for generating funds figures in the Statement of Financial Activities.

Where goods or services are donated directly to the Foundation, these are included in the Statement of Financial Activities if the value is known with any certainty.

(i) Tangible fixed assets and depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected useful economic lives as follows:

Computer equipment	over 3 years
Fixtures and fittings	over 4 years

(j) Stocks

Stocks are valued at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition.

Notes to the Consolidated Financial Statements
For the year ended 31 March 2009

1. Accounting Policies (cont)

(k) Reserve policy

The Directors have examined the requirement for retaining reserves within the Foundation. Reserves have been defined as the amounts required to meet the cost of salaries, insurances and other regular commitments for a period of a year, together with sums necessary to meet the cost of replacement computer equipment. The Directors believe the sum of £360,000 should be maintained in respect of the Main Fund and this has been set up as a designated fund as at the year end.

(l) Commitments

Full commitments to charitable donations out of existing funds are provided for in the financial statements.

	Unrestricted Funds £	Restricted Funds £	Total 2009 £	Total 2008 £
2. Consolidated voluntary income				
Donations from Individuals	730,635	743,053	1,473,688	1,410,404
Corporate donations	65,854	16,395	82,249	62,235
Donations from Trusts & Foundations	30,430	18,475	48,905	102,362
Legacies	293,139	270,677	563,816	82,030
	<u>1,120,058</u>	<u>1,048,600</u>	<u>2,168,658</u>	<u>1,657,031</u>

	Unrestricted Funds £	Restricted Funds £	Total 2009 £	Total 2008 £
3. Consolidated income from activities for generating funds				
Trading	184,536	-	184,536	162,525
Charity challenges	11,492	-	11,492	45,994
YCF events	114,019	507	114,526	4,515
Course registration fees	-	28,204	28,204	10,347
	<u>310,047</u>	<u>28,711</u>	<u>338,758</u>	<u>223,381</u>

Incoming resources from trading activities are stated net of Value Added Tax and represent the value of sales made in the course of Yorkhill Fund Trading Limited's principal activity, which is retailing of goods and services.

	Unrestricted Funds £	Restricted Funds £	Total 2009 £	Total 2008 £
4. Consolidated investment income				
Interest received from bank deposits	100,180	58,440	158,620	171,038
	<u>100,180</u>	<u>58,440</u>	<u>158,620</u>	<u>171,038</u>

Notes to the Consolidated Financial Statements
For the year ended 31 March 2009

5. Donated services

The Forrest Media Group have donated all void advertising space in and around Glasgow in 2009 to Yorkhill Children's Foundation. Cestrian Imaging have donated the printing of the billboards for these sites. The campaign commenced in March 2009 and the value of the advertising in this period was £67,000.

6. Allocation of consolidated costs

	Basis	Voluntary Income	Activities for generating funds	Investment income	Charitable Activities	Governance	2009 Total	2008 Total
Grants payable	1				1,201,841		1,201,841	811,496
Staff costs	2	204,729	6,910	1,082	15,562	19,890	248,173	214,005
Recruitment costs	1	810					810	506
Event Organiser	1	-					-	7,337
Volunteer expenses	1	2,872					2,872	2,289
Travel & entertaining inc function attendance costs	1	8,479				911	9,390	11,590
Promotional materials inc brochures, leaflets & website	1	24,251					24,251	14,583
Training	1	6,246					6,246	4,657
Insurances	1	6,367				1,192	7,559	7,566
Audit fees	1					4,515	4,515	2,717
Bank charges	1	11,782					11,782	8,270
Office equipment & stationery	1	10,916					10,916	14,818
Communications	1	4,387					4,387	636
IT costs	1/2	3,492	30	30	30	149	3,731	3,306
Memberships & publications	1	2,747					2,747	1,939
Miscellaneous	1	1,043					1,043	591
Cost recovery from Sunday Post Appeal Feasibility Study	1	(94)					(94)	(785)
Charity Challenges	1		4,974				4,974	2,359
YCF Events	1		33,304				33,304	3,550
Trading	1		152,615			1,110	153,725	126,071
		<u>288,027</u>	<u>197,833</u>	<u>1,112</u>	<u>1,217,433</u>	<u>36,884</u>	<u>1,741,289</u>	<u>1,237,501</u>

Costs are allocated as follows:

1. Direct attribution
2. Time allocation

Notes to the Consolidated Financial Statements
For the year ended 31 March 2009

	Unrestricted Funds £	Restricted Funds £	Total 2009 £	Total 2008 £
7. Direct consolidated charitable activities				
Grants to Yorkhill:				
MRI Scanner Appeal		160	160	1,007
Magic Million Appeal		(122,782)	(122,782)	14,038
Medical Equipment	174,215	-	174,215	402,796
Research & Development	215,841	-	215,841	148,971
Ward refurbishment	100,000		100,000	
Art & Design projects	450,000		450,000	
Other Projects	176,474	187,933	364,407	236,684
	<u>1,116,530</u>	<u>65,311</u>	<u>1,181,841</u>	<u>803,496</u>
Grants to affiliated bodies	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>8,000</u>
	1,136,530	65,311	1,201,841	811,496
Support costs allocated (Note 6)	<u>15,592</u>	<u>-</u>	<u>15,592</u>	<u>14,010</u>
	<u><u>1,152,122</u></u>	<u><u>65,311</u></u>	<u><u>1,217,433</u></u>	<u><u>825,506</u></u>

8. Grants awarded in the period

(a) Restricted funds – other projects

Grants in respect of funds donated to specific departments of Yorkhill for which the accounts are administered by NHS Greater Glasgow & Clyde amounted to £66,625 (2008: £36,389).

Notes to the Consolidated Financial Statements
For the year ended 31 March 2009

8. Grants awarded in the period (Cont)		£
	(b) Unrestricted funds	
	MRI compatible video screen	19,500
	Portable screen for difficult intubation fibroscope	5,745
	Dietary information books	14,196
	Ward 7A Refurbishment	100,000
	Royal Scottish National Opera hospital visits	14,500
	Development of milk management system	77,600
	Cardiac head camera	21,443
	Family Support & Information Centre environmental improvements	6,229
	New Maternity Hospital – Art & Design project	200,000
	Nurse led intervention for constipation & soiling trial	50,000
	'History of Yorkhill' book	10,000
	Complimentary Therapies for Parents	4,000
	Extended Admission Relief	3,500
	Clowndoctors hospital visits	5,500
	Echocardiography equipment	150,871
	Achamore Centre – Art & Design project	250,000
	Portable bladder scanner	18,525
	Nurse Education	40,000
	Development of pre-admission service	17,572
	YCF Clinical research fellowships	82,500
	YCF Prize PhD studentship	60,000
	Small research grants	40,000
	Over / (under) spends on grants written off / (back)	(62,040)
		1,129,641
	Grants awarded of £2,500 or less	6,889
		1,136,530

9. Net incoming resources: Group		2009	2008
		£	£
	The amount is stated after charging		
	Audit and accountancy fees	5,625	3,377

10. Directors' remuneration

The Directors received no remuneration in the period, nor re-imburement of expenses (2008: £Nil).

Notes to the Consolidated Financial Statements
For the year ended 31 March 2009

11. Staff costs	2009	2008
	£	£
Salaries	226,280	187,242
Employers NI	10,579	17,952
Pension costs	11,314	8,811
	<u>248,173</u>	<u>214,005</u>

The average number of employees in the year was 10 (2008: 9). All of the company's employees work within fundraising and administration.

Contributions are made to all employees' money purchase pension schemes. All schemes are administered by funds independent from the charitable company. On the basis of the immateriality of the total charge it is not considered necessary to disclose any further information on the pension scheme arrangements in force.

12. Tangible fixed assets – Group and Foundation	Fixtures & Fittings	Computer Equipment	Total
	£	£	£
Cost :			
At 1 April 2008	2,599	6,563	9,162
Disposals	-	-	-
	<u>2,599</u>	<u>6,563</u>	<u>9,162</u>
At 31 March 2009	2,599	6,563	9,162
Depreciation :			
At 1 April 2008	2,599	6,563	9,162
Disposals	-	-	-
	<u>2,599</u>	<u>6,563</u>	<u>9,162</u>
At 31 March 2009	2,599	6,563	9,162
Net book value :			
At 31 March 2009	<u>-</u>	<u>-</u>	<u>-</u>
At 1 April 2008	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Consolidated Financial Statements
For the year ended 31 March 2009

	Group 2009 £	Group 2008 £	Foundation 2009 £	Foundation 2008 £
13. Investments				
100 ordinary shares in Yorkhill Fund Trading Limited, a trading subsidiary	-	-	<u>100</u>	<u>100</u>

Yorkhill Fund Trading Limited's profit for the year ended 31 March 2009 was £ nil (2008 : £ nil) after transferring £32,886 (2008 : £39,548) to the Yorkhill Children's Foundation. At 31 March 2009, its capital and reserves totalled £40,100 (2008 : £40,100). The Foundation holds the entire issued share capital of the company whose principal activity is retailing.

	Group 2009 £	Group 2008 £	Foundation 2009 £	Foundation 2008 £
14. Debtors				
Amount due from Yorkhill Fund Trading Limited	-	-	32,886	39,548
Prepayments	4,138	4,029	4,138	4,029
Accrued Income	<u>35,128</u>	<u>54,483</u>	<u>35,016</u>	<u>54,483</u>
	<u>39,266</u>	<u>58,512</u>	<u>72,040</u>	<u>98,060</u>

	Group 2009 £	Group 2008 £	Foundation 2009 £	Foundation 2008 £
15. Cash at bank and in hand				
Unrestricted funds	2,176,798	2,077,449	2,120,322	2,012,300
Restricted funds	<u>2,433,672</u>	<u>1,641,307</u>	<u>2,433,672</u>	<u>1,641,307</u>
	<u>4,610,470</u>	<u>3,718,756</u>	<u>4,553,994</u>	<u>3,653,607</u>

	Group 2009 £	Group 2008 £	Foundation 2009 £	Foundation 2008 £
16. Creditors: amounts falling due within one year				
Grants payable	1,591,110	1,579,072	1,591,110	1,579,072
Accruals	36,099	24,555	31,360	20,812
Other creditors	694	1,243	694	1,243
Other taxation and social security	<u>8,813</u>	<u>8,864</u>	<u>6,973</u>	<u>6,482</u>
	<u>1,636,716</u>	<u>1,613,734</u>	<u>1,630,137</u>	<u>1,607,609</u>

Notes to the Consolidated Financial Statements
For the year ended 31 March 2009

	Group 2009 £	Group 2008 £	Foundation 2009 £	Foundation 2008 £
17. Creditors: Amounts falling due after more than one year				
Grants payable	<u>11,783</u>	<u>85,550</u>	<u>11,783</u>	<u>85,550</u>
Grants payable in more than one year are payable as follows:-				
Between one and two years	11,783	55,000	11,783	55,000
Between two and five years	-	30,550	-	30,550

	Foundation 2009 £	Foundation 2008 £
18. Commitments		
At 31 March 2009, the Foundation had annual commitments under non-cancellable operating leases on equipment as follows:-		
Expiry Date:		
Between one and two years	232	-
Between two and five years	-	<u>463</u>

	Unrestricted £	Restricted £	Total £
19. Consolidated Funds			
At 1 April 2008	735,872	1,362,736	2,058,608
Net movement in funds for period	<u>(144,834)</u>	<u>1,070,440</u>	<u>925,606</u>
At 31 March 2009	<u>591,038</u>	<u>2,433,176</u>	<u>3,024,214</u>

These funds are retained in order to:

1) Unrestricted

Provide funds to meet the financial objectives of the Foundation, which are detailed in the Directors' Report.

2) Restricted

(a) MRI Scanner Appeal

Provide funds to be expended in enhancements to the MRI scanner for the Diagnostic Imaging Department of Yorkhill. This appeal is closed.

Notes to the Consolidated Financial Statements
For the year ended 31 March 2009

19. Consolidated Funds (Cont)

(b) Magic Million Appeal

Provide funds towards the purchase of equipment and redevelopment of the intensive care and high dependency units within Yorkhill. This appeal has now closed.

(c) Donated Funds held by the Foundation

Provide funds for specific departments within Yorkhill, as specified by the donor on receipt of the donation, for which the Foundation has accounts set up.

(d) Donated Funds held by NHS Greater Glasgow & Clyde

Provide funds for specific departments within Yorkhill, as specified by the donor on receipt of the donation, the accounts for which are held by NHS Greater Glasgow & Clyde.

(e) New Children's Hospital

Provide funds for the New Children's Hospital which is due to open in 2014 on the site of the existing Southern General Hospital in Glasgow.

20. Consolidated Unrestricted funds	Balance at 1 April 2008 £	Income £	Expenditure £	Balance at 31 March 2009 £
Foundation general reserves	395,872	1,284,534	(1,489,368)	191,038
Foundation designated reserve	300,000	60,000	-	360,000
Trading company reserves	40,000	186,610	(186,610)	40,000
	<u>735,872</u>	<u>1,531,144</u>	<u>(1,675,978)</u>	<u>591,038</u>

Notes to the Consolidated Financial Statements
For the year ended 31 March 2009

	Balance at 1 April 2008 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2009 £
21. Consolidated and Foundation restricted funds					
MRI Scanner Appeal	-	160	(160)	-	-
Donated Funds held by the Foundation	1,312,736	1,059,475	(121,308)	130,060	2,380,963
Donated Funds held by NHS Greater Glasgow & Clyde	-	66,625	(66,625)	-	-
New Children's Hospital	50,000	2,213	-	-	52,213
	<u>1,362,736</u>	<u>1,128,473</u>	<u>(188,093)</u>	<u>130,060</u>	<u>2,433,176</u>
Magic Million Appeal	-	7,278	122,782	(130,060)	-
	<u>1,362,736</u>	<u>1,135,751</u>	<u>(65,311)</u>	<u>-</u>	<u>2,433,176</u>

The balance of the funds raised for the Magic Million Appeal were released in the year to the Intensive Care Unit Fund.

Notes to the Consolidated Financial Statements
For the year ended 31 March 2009

21. Consolidated Restricted funds (cont'd)

Donated Funds held by the Foundation are earmarked by the donor for a specific ward or department.

	Balance at 1 April 2008 £	Income £	Expenditure £	Transfers £	Balance at 31 March 2009 £
Cardiology Investigation Fund	59,389	5,702	-		65,091
Cardiology Ward Fund	11,689	63,646	(1,682)		73,653
Children's Eye Fund	4,351	11,333	(5,558)		10,126
Children with Diabetes Fund	14,032	9,400	-		23,432
ECMO Fund	11,362	6,270	-		17,632
Fetal Medicine Fund	51,491	23,333	(1,142)		73,682
Fraser of Allander Neurosciences Unit Fund	24,858	7,272	(150)		31,980
Fraser of Allander Research Fund	10,776	6,140	(121)		16,795
Intensive Care Unit Fund	87,478	75,375	(4,773)		158,080
ICU – Magic Million Appeal Balance	-	-	-	130,060	130,060
Lahore Twinning Fund	11,195	9,692	(1,743)		19,144
MediCinema Fund	157,808	33,713	(20,114)		171,407
Neonatal Surgery Unit Fund	58,848	32,371	-		91,219
Play Service Fund	6,624	15,061	(2,276)		19,409
Queen Mother's Neonatal Fund	109,917	44,530	(169)		154,278
Renal Unit Fund	31,692	36,419	(1,038)		67,073
Schiehallion Play Fund	22,710	52,132	(23,592)		51,250
Schiehallion Unit Fund	548,504	290,708	(4,674)		834,538
Vein of Galen Fund	-	46,816	-		46,816
Wilson Family Bequest Fund - Capital	-	158,470	-		158,470
Wilson Family Bequest Fund – Interest income	-	884	-		884
Other funds (under £10,000)	90,012	130,208	(54,276)		165,944
Total Donated Funds held by the Foundation	1,312,736	1,059,475	(121,308)	130,060	2,380,963

	Fixed assets £	Current assets less creditors £	31 March 2009 Total £
22. Analysis of consolidated net assets between funds			
Restricted funds	-	2,433,176	2,433,176
Unrestricted funds	100	590,938	591,038
	<u>100</u>	<u>3,024,114</u>	<u>3,024,214</u>

23. Indemnity Insurance

Indemnity insurance in respect of the Trustees, Directors and Officers of the Foundation is in place.