

Yorkhill Children's Foundation



Consolidated Report and Financial Statements

Year ended 31 March 2011

Company number: SC222439
Charity number: SC007856



Hardie Caldwell LLP

CHARTERED ACCOUNTANTS & BUSINESS ADVISERS

Glasgow

Yorkhill Children's Foundation
Consolidated Report and Financial Statements 2011

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Company Information

Directors

Professor Peter Watson (Chairman) (Appointed 30 March 2011)
Mr Brian Simmers (Chairman) (Resigned 29 March 2011)
Mr Peter Raine (Vice Chairman) (Resigned 31 May 2011)
Mr Stuart Anderson (Secretary)
Mr Jonathan Bryden (Treasurer)
Professor Syed Faisal Ahmed (Appointed 30 March 2011)
Mr Graham Bell
Mr Rory Farrelly
Mr John Hughan
Mr Francis McGuire
Mr James Redfern (Resigned 30 June 2011)
Dr Alison Rennie
Mr David Russell
Mr Robert Tomlinson (Vice Chairman)
Professor Lawrence Weaver (Resigned 29 March 2011)

Chief Executive

Mrs Shona Cardie

Registered Office

5th Floor Queen Mother's Tower
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 Yorkhill Children's Foundation and the Group for the year to 31 March 2011.

I took over as Chairman of the Foundation in April 2011 after Brian Simmers, Chairman from 2001 – 2011 stood down. I would like to thank Brian for the tremendous support and dedication he gave to the Foundation in his ten year tenure. His valuable involvement and contribution has meant that I take over the Chair of an organisation which is in a very sound position.

As expected, 2010 – 2011 was a challenging year for fundraising. However, the Foundation's total consolidated income rose to a record £3,130,504 against the consolidated income budget which was set at £2,239,000.

This represents an increase of £812,562 from the 2009/10 consolidated income (excluding donated services). This increase is largely the result of a number of legacies included in 2010 - 2011 income totalling £806,962.

This year consolidated costs amounted to £643,178 (excluding new hospital appeal costs of £103,515), representing 20.5% of consolidated income.


Charitable expenditure and activities totalled 1,069,674.

Construction has now commenced on the site of the new South Glasgow Hospitals where the new children's hospital will be sited. We continue to work closely with key personnel within the Women & Children's Directorate of NHSGGC to identify areas of support from our Capital Appeal. The silent phase of the Appeal will continue until Autumn 2012 and work has started on Major Gifts fundraising as well as Trusts and Foundations.

Our Trading Company, which includes the Tea Bar and Gift Shop again produced an increased surplus of £54,145 (2010 £46,787). I would like to thank all the volunteers who work tirelessly to make this valuable contribution.

I would like to thank all the Foundation's staff for their hard work in this difficult economic time, the Board of Directors and members of the sub-committees for their voluntary time, advice and support, the management team of the Women & Children's Directorate and staff within the wider NHSGGC for their on-going support, and all our donors for their generosity.

We go into 2011 - 2012 with an ambitious and challenging strategy and I look forward to leading Yorkhill Children's Foundation to another successful year.



Peter Watson
Chairman

Dated: 27 September 2011

Directors' Report

The Directors present their Report and audited Financial Statements for the year ended 31 March 2011.

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 and governed under its Articles of Association (revised 2010) which established the objects and powers of the charitable company. These objects are:

- (i) To advance health (including the prevention or relief of sickness, disease and/or human suffering) among children, young people and users of maternity, paediatric and obstetric services, and with particular reference to the needs of those served by (i) the Women and Children's Directorate (and other relevant Directorates) of NHS Greater Glasgow & Clyde and/or (ii) any Community Health and Social Care Partnership of which NHS Greater Glasgow & Clyde is a member (or any successor Directorate, NHS organisation or health/social care partnership carrying out similar functions);
- (ii) To relieve the needs of children and 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 (i) the Women and Children's Directorate (and other relevant Directorates) of NHS Greater Glasgow & Clyde and/or (ii) any Community Health and Social Care Partnership of which NHS Greater Glasgow & Clyde is a member (or any successor Directorate, NHS organisation or health/social care partnership carrying out similar functions); and
- (iii) To promote education in the field of medicine and healthcare generally, including (without prejudice to that generality) support for research where the results of such research are disseminated for public benefit.

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 Anderson
Mr Rory Farrelly
Mr David Russell

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 Chief Executive on matters requiring decisions between board meetings.

A formal staff structure exists below the Chief Executive 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 109 (2010: 98).

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 Women & Children's Directorate of NHSGGC hospitals and for 2010/11 the consolidated income budget was set at £2,239,000.

Existing fundraising activities and new initiatives were carried out in a difficult economic climate and this was reflected in a total consolidated income of £3,130,504 which represents an increase of £812,562 from the 2009/10 consolidated income (excluding donated services). This increase is largely as a result of a number of legacies included in 2010/11 income totalling £806,962.

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 £643,178 (excluding new hospital appeal costs of £103,515), representing 20.5% of consolidated income.

Financial Review

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 2010/11 were £1,816,366. This represents 58% of total incoming resources. This percentage has been affected by the value of the legacies accrued at the year end (£666,911 as per Note 14). The largest of these (£515,000) has been earmarked by the Directors for the benefit of the New Children's Hospital Appeal and accordingly a designated reserve has been created at the year end. Excluding accrued legacies, the percentage expended would represent 74% of income.

The number of restricted funds held in the Foundation for various departments within the hospital has continued to rise, increasing from 75 to 89 individual funds. The strength of donations to these funds has also continued apace. Due to the nature of their work, certain funds attract a significantly high level of donations. Authority for expenditure from these funds has been delegated by the Trustees to the designated Fundholders and they take a long-term strategic view of expenditure from these funds, especially given the plans for the new South Glasgow Hospitals where the new children's hospital will be sited.

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 £575,000 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.

Directors' Report (cont'd)

Grant making policy

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

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 15 of the Companies Act 2006 relating to small companies.

Plans for Future Periods

In March 2011 the Board of Yorkhill Children's Foundation approved the Fundraising, Marketing and Communications Development Strategy 2011 – 2016, an ambitious five year strategy that will see the income of the organisation grow year on year to a budgeted and sustainable level of over £4 million per annum by financial year 2015/16. The Development Strategy will also deliver £10 million of funding for the new children's hospital currently being developed at the Southern General site.

In order to achieve this, Yorkhill Children's Foundation has developed its Fundraising, Marketing and Communications structure with three Fundraising Managers, supported by Fundraising Assistants, leading the Community Fundraising, Corporate and Event Fundraising, and Marketing and Communications Fundraising functions. The Development Strategy involves raising the profile of the organisation internally and externally as a national charity operating throughout Scotland and expanding all fundraising activities on a national level. A major new initiative, the Home Money Box Investment Programme, has been introduced as part of the Development Strategy. This involves the placement of Home Money Collection Boxes throughout Scotland over a two year period with the aim of converting new donors to regular committed giving through Direct Debit. The programme will also greatly increase the database of donors available to support other fundraising activities. The Board recognise that this initiative involves a significant initial level of investment, taking our expenditure outwith our normal cost: income ratio in the first two years but achieving an acceptable level of return on investment over the five year period.

Implementation of the Development Strategy will ensure the long term stability and growth of Yorkhill Children's Foundation. The strategy aims to build on existing activity and introduce new activities leading to Yorkhill Children's Foundation projecting a clearer and stronger identity throughout Scotland, with an increased net income and an expanded base of donors and supporters contributing to the overall funding of high quality service provision for a greater number of children and families.

Directors' Report (cont'd)

Responsibilities of the Directors

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

Company law requires the Directors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the group and of the surplus or deficit of the charity and 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Directors are responsible for ensuring that adequate accounting records are maintained that are sufficient to show and explain the charity's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

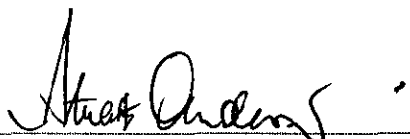
Auditors

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 418 of the Companies Act 2006) 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



Stuart Anderson
Director and Secretary

Dated: 27 September 2011

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YORKHILL CHILDREN'S FOUNDATION FOR THE YEAR ENDED 31 MARCH 2011

To the Directors and Members of Yorkhill Children's Foundation

We have audited the consolidated and parent company financial statements of Yorkhill Children's Foundation for the year ended 31 March 2011 which comprise , the Consolidated Statement of Financial Activities, Foundation Statement of Financial Activities, the Consolidated Balance Sheet, Foundation Balance Sheet and the related notes numbered 1 to 23.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and to the charitable company's trustees, as a body, in accordance with section 44(1c) of the Charities and Trustee Investment (Scotland) Act 2005. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, and the charitable company's trustees as a body for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

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

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

We read all the information in the Directors' Report and Chairman's Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF YORKHILL CHILDREN'S FOUNDATION FOR THE YEAR ENDED 31 MARCH 2011

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 March 2011 and of the group's and charitable company'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, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.


Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 or 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 accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report.



Marion Hopper
Senior Statutory Auditor
For and on behalf of
Hardie Caldwell LLP
Statutory Auditor
Glasgow

Dated: 30 September 2011

Hardie Caldwell LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Consolidated Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For the year ended 31 March 2011

	Note	Unrestricted funds £	Restricted funds £	2011 Total £	2010 Total £
Incoming resources from generated funds:					
Voluntary income	2	1,974,537	625,645	2,600,182	1,821,796
Activities for generating funds	3	291,448	196,062	487,510	457,712
Investment income	4	17,913	23,521	41,434	37,189
Donated Services	5	-	-	-	467,000
Other income		1,378	-	1,378	1,245
Total incoming resources		2,285,276	845,228	3,130,504	2,784,942
Resources expended					
Costs of generating funds:					
Costs of generating voluntary income					
Costs of generating voluntary income	6	355,263	103,514	458,777	382,463
Activities for generating funds	6	219,964	39,415	259,379	273,762
Investment management costs	6	1,293	-	1,293	1,177
Cost of donated services	5	-	-	-	467,000
Total costs of generating funds		576,520	142,929	719,449	1,124,402
Charitable activities	7,8	588,918	480,756	1,069,674	1,264,682
Governance	6	27,243	-	27,243	28,012
Total resources expended		1,192,681	623,685	1,816,366	2,417,096
Net incoming /(outgoing) resources	9	1,092,595	221,543	1,314,138	367,846
Fund balance at 1 April 2010		694,835	2,697,225	3,392,060	3,024,214
Fund balance at 31 March 2011	19,20,21	1,787,430	2,918,768	4,706,198	3,392,060

All of the above results are derived from continuing operations. All gains and losses recognised in the year and previous 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 2011

	Unrestricted funds £	Restricted funds £	2011 Total £	2010 Total £
Incoming resources from generated funds:				
Voluntary income	1,974,537	625,645	2,600,182	1,821,796
Activities for generating funds	131,267	196,062	327,329	287,576
Investment income	17,904	23,521	41,425	37,177
Donated Services	-	-	-	467,000
Other income	1,378	-	1,378	1,245
Total incoming resources	2,125,086	845,228	2,970,314	2,614,794
Resources expended				
Costs of generating funds:				
Costs of generating voluntary income	355,263	103,514	458,777	382,463
Activities for generating funds	60,974	39,415	100,389	104,744
Investment management costs	1,293	-	1,293	1,177
Cost of donated services	-	-	-	467,000
Total costs of generating funds	417,530	142,929	560,459	955,384
Charitable activities	588,918	480,756	1,069,674	1,264,682
Governance	26,043	-	26,043	26,882
Total resources expended	1,032,491	623,685	1,656,176	2,246,948
Net incoming /(outgoing) resources	1,092,595	221,543	1,314,138	367,846
Fund balance at 1 April 2010	654,835	2,697,225	3,352,060	2,984,214
Fund balance at 31 March 2011	1,747,430	2,918,768	4,666,198	3,352,060

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

**Consolidated Balance Sheet
As at 31 March 2011**

	Note	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Fixed assets					
Investments	13	19,592	-	19,592	12,022
Current Assets					
Stock		31,118	-	31,118	17,520
Debtors	14	682,091	2,237	684,328	45,351
Cash at bank and in hand	15	2,103,140	2,934,397	5,037,537	5,129,693
		<u>2,816,349</u>	<u>2,936,634</u>	<u>5,752,983</u>	<u>5,192,564</u>
Creditors: amounts falling due within one year	16	(1,048,511)	(17,866)	(1,066,377)	(1,812,526)
Net Current Assets		1,767,838	2,918,768	4,686,606	3,380,038
Creditors: amounts falling due after more than one year		-	-	-	-
Net Assets		<u>1,787,430</u>	<u>2,918,768</u>	<u>4,706,198</u>	<u>3,392,060</u>
Representing :					
Accumulated Funds					
Unrestricted Funds:					
Designated fund	19			575,000	450,000
Designated Appeal reserve	19			515,000	-
General funds	19			697,430	244,835
	18,19			<u>1,787,430</u>	<u>694,835</u>
Restricted Funds	18,20			2,918,768	2,697,225
	18			<u>4,706,198</u>	<u>3,392,060</u>

The accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective 2008) and were authorised for issue by the Board of Directors and signed on its behalf by:


Peter Watson
(Chairman)


Jonathan Bryden
(Treasurer)

Dated: 27 September 2011

Dated: 27 September 2011

The attached notes form part of these financial statements.

Foundation Balance Sheet
 As at 31 March 2011

	Note	Unrestricted funds £	Restricted funds £	Total 2011 £	Total 2010 £
Fixed assets					
Investments	13	19,692	-	19,692	12,122
Current Assets					
Debtors	14	735,486	2,237	737,723	92,792
Cash at bank and in hand	15	2,034,361	2,934,397	4,968,758	5,052,966
		<u>2,769,847</u>	<u>2,936,634</u>	<u>5,706,481</u>	<u>5,145,758</u>
Creditors: amounts falling due within one year	16	(1,042,109)	(17,866)	(1,059,975)	(1,805,820)
Net Current Assets		1,727,738	2,918,768	4,646,506	3,339,938
Creditors: amounts falling due after more than one year		-	-	-	-
Net Assets		<u>1,747,430</u>	<u>2,918,768</u>	<u>4,666,198</u>	<u>3,352,060</u>
Representing :					
Accumulated Funds					
Unrestricted Funds:					
Designated reserve	19			575,000	450,000
Designated Appeal reserve	19			515,000	-
General funds	19			657,430	204,835
	18,19			<u>1,747,430</u>	<u>654,835</u>
Restricted Funds	18,20			2,918,768	2,697,225
	18			<u>4,666,198</u>	<u>3,352,060</u>

The accounts have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective 2008) and were authorised for issue by the Board of Directors and signed on its behalf by:


 Peter Watson
 (Chairman)


 Jonathon Bryden
 (Treasurer)

Dated: 27 September 2011

Dated: 27 September 2011

The attached notes form part of these financial statements.

Notes to the Consolidated Financial Statements
For the year ended 31 March 2011

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 (effective April 2008).

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 2011

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) Realised and unrealised gains and losses

Realised gains/losses are calculated as the difference between the investments carrying value and its disposal proceeds.

Unrealised gains/losses are calculated as the difference between the market value of investments at the end of the year compared with the start of the year, and cost of additions in the year, as relevant.

(h) 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.

(i) Grants payable

Grants are recognised in full in the Statement of Financial Activities in the year in which they are approved. In light of the nature of the projects and activities, grants may not be fully paid at the year end and this is reflected in the creditors figure.

(j) 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.

Notes to the Consolidated Financial Statements
For the year ended 31 March 2011

1. Accounting Policies (cont)

(k) Investments and investment income

Investments in these financial statements are shown at market value.

Unrealised gains / losses on revaluation and gains / losses realised on disposal are taken to the Statement of Financial Activities.

Investment income represents dividends received from listed investments, and interest receivable in the year gross of tax.

(l) Tangible fixed assets and depreciation

Fixed assets are capitalised where the cost of any item exceeds £1,000.

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

(m) 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.

(n) 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 £575,000 should be maintained in respect of the Main Fund and this has been set up as a designated fund as at the year end.

(o) Commitments

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

Notes to the Consolidated Financial Statements
For the year ended 31 March 2011

	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
2. Consolidated voluntary income				
Donations from Individuals	1,033,446	600,414	1,633,860	1,515,525
Corporate donations	90,485	2,740	93,225	41,778
Donations from Trusts & Foundations	43,644	22,491	66,135	179,190
Legacies	806,962	-	806,962	85,303
	<u>1,974,537</u>	<u>625,645</u>	<u>2,600,182</u>	<u>1,821,796</u>

	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
3. Consolidated income from activities for generating funds				
Trading	214,326	-	214,326	216,922
Charity challenges	28,735	37,577	66,312	61,458
YCF events	48,387	102,207	150,594	147,100
Course registration fees	-	56,278	56,278	32,232
	<u>291,448</u>	<u>196,062</u>	<u>487,510</u>	<u>457,712</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 food.

	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
4. Consolidated investment income				
Interest received from bank deposits	17,062	23,521	40,583	37,189
Dividend income	610	-	610	-
Unrealised gains/(losses)	241	-	241	-
	<u>17,913</u>	<u>23,521</u>	<u>41,434</u>	<u>37,189</u>

5. Donated services

There were no donated services in the year (2010: Void advertising space worth £467,000).

Notes to the Consolidated Financial Statements
For the year ended 31 March 2011

6. Allocation of consolidated costs

	Basis	Voluntary Income	Activities for generating funds	Investment income	Charitable Activities	Governance	2011 Total	2010 Total
Grants payable	1				1,056,489		1,056,489	1,250,326
Staff costs	2	300,594	41,113	1,259	13,151	18,189	374,306	288,006
Consultant fees re New Hospital Appeal	1	15,556					15,556	23,379
Brand development	1	13,349					13,349	6,106
Recruitment costs	1	2,770					2,770	1,140
Volunteer expenses	1	2,470					2,470	2,622
Travel & entertaining inc function attendance costs	1	8,784				951	9,735	11,672
Promotional materials inc brochures, leaflets & website	1	40,316					40,316	23,216
Training	1	11,969					11,969	6,257
Insurances	1	4,666				1,321	5,987	7,537
Audit & legal fees	1					5,414	5,414	5,580
Bank charges	1	30,585					30,585	17,676
Office equipment & stationery	1	13,674					13,674	41,167
Communications	1	6,102					6,102	7,181
IT costs	1/2	4,009	34	34	34	168	4,279	6,505
Memberships, publications & research materials	1	3,418					3,418	3,599
Miscellaneous	1	515					515	749
Feasibility Study		-					-	5,031
Charity Challenges	1		11,120				11,120	25,116
YCF Events	1		48,123				48,123	47,082
Trading	1		158,989			1,200	160,189	170,149
		<u>458,777</u>	<u>259,379</u>	<u>1,293</u>	<u>1,069,674</u>	<u>27,243</u>	<u>1,816,366</u>	<u>1,950,096</u>

Costs are allocated as follows:

1. Direct attribution
2. Time allocation

Notes to the Consolidated Financial Statements
 For the year ended 31 March 2011

	Unrestricted Funds £	Restricted Funds £	Total 2011 £	Total 2010 £
7. Direct consolidated charitable activities				
Grants to Yorkhill:				
Medical Equipment	203,883	66,328	270,211	665,471
Research & Development	229,641	-	229,641	153,093
Other Projects	142,209	380,540	522,749	397,162
	<u>575,733</u>	<u>446,868</u>	<u>1,022,601</u>	<u>1,215,726</u>
Grants to affiliated bodies	-	33,888	33,888	34,600
	<u>575,733</u>	<u>480,756</u>	<u>1,056,489</u>	<u>1,250,326</u>
Support costs allocated (Note 6)	13,185	-	13,185	14,356
	<u>588,918</u>	<u>480,756</u>	<u>1,069,674</u>	<u>1,264,682</u>

8. Grants awarded in the period

(a) Restricted funds

Charitable expenditure in respect of funds donated to specific departments of Yorkhill for which the accounts are administered by Yorkhill Children's Foundation (see Note 20 for a detailed breakdown).

(b) Restricted funds – Grants to affiliated bodies

Grants in respect of funds donated to specific departments of Yorkhill for which the accounts are administered by NHS Greater Glasgow & Clyde.

Notes to the Consolidated Financial Statements
For the year ended 31 March 2011

8. Grants awarded in the period	£
(c) Unrestricted funds – grants awarded from unrestricted funds	
Diabetic publications	5,257
Telemetry equipment	83,610
Clinical research facility	19,500
Recreational resources	24,000
Neonatal transport base	61,300
Sensory centre DVD	10,000
Complementary therapies for parents	4,900
ENT Suites	30,988
Dermatology & allergy service	6,000
Clowndoctors hospital visits service	10,000
Extended admission relief	3,500
Visual acuity testing charts	5,920
Smoking cessation during pregnancy trial	46,053
Transfer frame for neonates in intensive care	12,500
Vein locator equipment	3,882
Small research grants	40,000
PhD studentship	60,000
Clinical research fellowship	62,500
MRI sky ceiling	6,240
Operating room camera head	6,800
Cardiac headlamp	8,545
Theatre trolleys	56,250
Paediatric data recorder kit	3,359
Monitors	30,948
Over / (under) spends on grants written off / (back)	(37,854)
	<u>564,198</u>
Grants awarded of £2,500 or less	11,535
	<u>575,733</u>

9. Net incoming resources: Group	2011	2010
	£	£
The amount is stated after charging		
Audit and accountancy fees	<u>4,970</u>	<u>4,660</u>

10. Directors' remuneration

The Directors received no remuneration in the period, nor re-imbusement of expenses (2010: £Nil).

Notes to the Consolidated Financial Statements
For the year ended 31 March 2011

11. Staff costs	2011	2010
	£	£
Salaries	324,169	251,752
Employers NI	32,789	25,163
Pension costs	17,348	11,091
	<u>374,306</u>	<u>288,006</u>

The average number of employees in the year was 12 (2010: 10).

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.

The number of employees whose emoluments (excluding pension costs) fell within the following bands, was:

£60,001 - £70,000	1	-
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12. Tangible fixed assets – Group and Foundation	Fixtures & Fittings	Computer Equipment	Total
	£	£	£
Cost :			
At 1 April 2010	2,599	6,563	9,162
Disposals	-	-	-
	<u>2,599</u>	<u>6,563</u>	<u>9,162</u>
At 31 March 2011	2,599	6,563	9,162
Depreciation :			
At 1 April 2010	2,599	6,563	9,162
Disposals	-	-	-
	<u>2,599</u>	<u>6,563</u>	<u>9,162</u>
At 31 March 2011	2,599	6,563	9,162
Net book value :			
At 31 March 2011	<u>-</u>	<u>-</u>	<u>-</u>
At 1 April 2010	<u>-</u>	<u>-</u>	<u>-</u>

Notes to the Consolidated Financial Statements
For the year ended 31 March 2011

	Group 2011 £	Group 2010 £	Foundation 2011 £	Foundation 2010 £
13. Investments				
100 ordinary shares in Yorkhill Fund Trading Limited, a trading subsidiary	-	-	100	100
Shares in UK stock exchange companies	19,592	12,022	19,592	12,022
	<u>19,592</u>	<u>12,022</u>	<u>19,692</u>	<u>12,122</u>

Yorkhill Fund Trading Limited's profit for the year ended 31 March 2011 was £nil (2010 : £nil) after transferring £54,145 (2010 : £46,787) to Yorkhill Children's Foundation. At 31 March 2011, its capital and reserves totalled £40,100 (2010 : £40,100). The Foundation holds the entire issued share capital of the company whose principal activity is retailing.

Shares held in UK Stock Exchange Companies– Group & Foundation

Market value at 1 April 2010	12,022
Additions	7,329
Disposals	-
Gain / (loss) on revaluation	241
Market Value at 31 March 2011	<u>19,592</u>
Cost at 31 March 2011	<u>19,351</u>

These shareholdings arose from a legacy received in 2010 and will be sold at some future date.

	Group 2011 £	Group 2010 £	Foundation 2011 £	Foundation 2010 £
14. Debtors				
Amount due from Yorkhill Fund Trading Limited	-	-	54,077	47,441
Prepayments	7,550	4,615	7,550	4,615
Accrued Income	676,778	40,736	676,096	40,736
	<u>684,328</u>	<u>45,351</u>	<u>737,723</u>	<u>92,792</u>

Accrued income (Group and Foundation) includes five legacies totalling £666,911 notified before the year end and accrued into income (2010: £7,329).

Notes to the Consolidated Financial Statements
 For the year ended 31 March 2011

	Group 2011 £	Group 2010 £	Foundation 2011 £	Foundation 2010 £
15. Cash at bank and in hand				
Unrestricted funds	2,103,140	2,434,271	2,034,361	2,357,544
Restricted funds	2,934,397	2,695,422	2,934,397	2,695,422
	<u>5,037,537</u>	<u>5,129,693</u>	<u>4,968,758</u>	<u>5,052,966</u>

	Group 2011 £	Group 2010 £	Foundation 2011 £	Foundation 2010 £
16. Creditors: amounts falling due within one year				
Grants payable	822,025	1,775,607	822,025	1,775,607
Accruals	232,261	33,480	228,302	29,781
Other creditors	(334)	432	(334)	432
Other taxation and social security	12,425	3,007	9,982	-
	<u>1,066,377</u>	<u>1,812,526</u>	<u>1,059,975</u>	<u>1,805,820</u>

	Foundation 2011 £	Foundation 2010 £
17. Commitments		
At 31 March 2011, the Foundation had annual commitments under non-cancellable operating leases on equipment as follows:-		
Expiry Date:		
Between one and two years	979	-
Between two and five years	-	979
	<u>979</u>	<u>979</u>

Notes to the Consolidated Financial Statements
For the year ended 31 March 2011

18. Consolidated Funds	Unrestricted £	Restricted £	Total £
At 1 April 2010	694,835	2,697,225	3,392,060
Net movement in funds for period	1,092,595	221,543	1,314,138
At 31 March 2011	<u>1,787,430</u>	<u>2,918,768</u>	<u>4,706,198</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

Provide funds for specific funds and projects as detailed in Note 20.

19. Consolidated Unrestricted funds	Balance at 1 April 2010 £	Income £	Expenditure £	Balance at 31 March 2011 £
Foundation general reserves	204,835	1,430,941	978,346	657,430
Foundation designated reserve	450,000	125,000	-	575,000
Foundation designated Appeal reserve	-	515,000	-	515,000
Trading company reserves	40,000	214,335	214,335	40,000
	<u>694,835</u>	<u>2,285,276</u>	<u>1,192,681</u>	<u>1,787,430</u>

The general designated reserve exists to allow the current activities of the Foundation to continue in the event of a significant drop in funding. 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.

20. Consolidated and Foundation restricted funds	Balance at 1 April 2010 £	Income £	Expenditure £	Balance at 31 March 2011 £
Donated Funds held by the Foundation	2,694,042	811,340	486,282	3,019,100
Donated Funds held by NHS Greater Glasgow & Clyde	-	33,888	33,888	-
New Children's Hospital	3,183	-	103,515	(100,332)
	<u>2,697,225</u>	<u>845,228</u>	<u>623,685</u>	<u>2,918,768</u>

Notes to the Consolidated Financial Statements
For the year ended 31 March 2011

20. Consolidated and Foundation restricted funds (cont'd)

Restricted funds comprise the following:

(a) 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. Authority for expenditure from these funds has been delegated by the Trustees to the designated Fundholders and they take a long-term strategic view of expenditure from these funds. Additional analysis is provided below.

	Balance at 1 April 2010 £	Income £	Expenditure £	Balance at 31 March 2011 £
Age Appropriate Care Fund	-	28,235	2,204	26,031
Caledonia Ward Fund	19,378	3,594	15,483	7,489
Cardiology Investigation Fund	47,461	4,865	48,742	3,584
Cardiology Ward Fund	107,765	128,457	12,981	223,241
Children's Eye Fund	16,192	6,270	16,430	6,032
Children with Diabetes Fund	36,445	11,451	4,852	43,044
Cleft Surgery Team Fund	17,868	3,634	4,158	17,344
Echo Training Fund	14,397	14,816	11,030	18,183
ECMO Fund	18,752	8,712	-	27,464
ENT Suites	-	99,190	99,190	-
Fetal Medicine Fund	69,504	1,382	14,624	56,262
Fraser of Allander Neurosciences Unit Fund	42,521	16,298	1057	57,762
Fraser of Allander Research Fund	17,904	1,970	27	19,847
Intensive Care Unit Fund	194,871	56,499	19,404	231,966
ICU – Magic Million Appeal Balance	53,793	182	38,923	15,052
Lahore Twinning Fund	14,454	1,978	1,173	15,259
MediCinema Fund	171,698	1,171	5,896	166,973
NICU Fund	115,150	26,782	-	141,932
NICU Education Fund	32,107	3,092	-	35,199
Nurse Education Fund	23,729	134	2,169	21,694
Play Service Fund	19,892	8,153	18,132	9,913
Queen Mother's Neonatal Fund	175,685	822	27,271	149,236
Renal Unit Fund	64,410	15,597	-	80,007
Renal Ward Fund	15,382	13,482	12,218	16,646
Respiratory Fund	-	30,906	-	30,906
Schiehallion Play Fund	69,701	26,449	21,066	75,084
Schiehallion Unit Fund	955,459	122,024	13,491	1,063,992
Shine a Light Fund	16,447	20,054	16,626	19,875
Vein of Galen Fund	65,108	25,900	9,450	81,558
Wilson Family Bequest Fund - Capital	159,550	-	-	159,550
Wilson Family Bequest Fund – Interest	1,910	968	-	2,878
Other funds (under £15,000)	136,509	128,273	69,685	195,097
Total Donated Funds held by the Foundation	2,694,042	811,340	486,282	3,019,100

Notes to the Consolidated Financial Statements
 For the year ended 31 March 2011

20. Consolidated and Foundation restricted funds (cont'd)

(b) 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.

(c) New Children's Hospital

Provide funds for the New Children's Hospital which is due to open in 2015 on the site of the existing Southern General Hospital in Glasgow.

Cost are being incurred prior to income recognition. The Directors have created a designated reserve of £515,000 which more than adequately covers current expenditure levels and have every confidence that the Appeal will raise income well in excess of the costs incurred, therefore are comfortable carrying the current reserve for this project.

	Fixed assets £	Current assets less creditors £	31 March 2011 Total £
21. Analysis of consolidated net assets between funds			
Restricted funds	-	2,918,768	2,918,768
Unrestricted funds	19,592	1,767,838	1,787,430
	<u>19,592</u>	<u>4,686,606</u>	<u>4,706,198</u>

22. Indemnity Insurance

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

23. Related Party Transactions

During the year the design of various printed materials was sourced from Hyphen Design, a company owned by one of our Directors, Mr David Russell. The total value of the payments made in the year was £1,175 (2010: £1,085). There is no outstanding amount at the balance sheet date.