



**Chest
Heart &
Stroke
Scotland**



(limited by guarantee)

Strategic Report, Trustees' Report & Financial Statements 31 March 2016

Charity Number: SC018761
Company Number : SC129114



Chest Heart & Stroke Scotland

We are Scotland's Health Charity

Our vision is for a healthier Scotland where no one dies prematurely of preventable chest, heart or stroke conditions, and all of those affected receive the highest standards of treatment and support

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Achievements & performance

Over the past year, we have maintained our position as one of Scotland's major charitable funders of medical research. Our accreditation from the Association of Medical Research Charities (AMRC) assures our supporters that we operate to the highest standards of peer review in the selection of projects for funding.

Although research spending was down on the record level achieved in 2014, we were able to identify CHSS-funded projects which had a substantial impact on service improvement and patient care and funded approximately £0.5m of new medical research in Scotland.

Across the country we provide services to more than 18,000 people affected by chest, heart and stroke conditions. In spite of challenging general economic circumstances and continuing severe restrictions on NHS and other statutory funding, we were able to maintain and expand our network of patient services. During the year our specialist Stroke Nurses and Therapists supported almost 3,000 people when they moved home from hospital.

We continued to expand our range of patient information, with new and updated booklets and factsheets on all aspects of chest, heart and stroke conditions. We distribute more than 200,000 publications a year, all free to patients and carers.

Our Welfare Programme continues to distribute personal support grants to people in financial difficulty arising from chest, heart or stroke illness. These cover a range of purposes from respite care to specialist disability and communication equipment. During the year, we also supported specialist benefits advisors working in partnership with Citizens Advice Bureau in Lanarkshire and Fife. These services generate a return of more than £20 in client financial gain for every £1 spent by the Charity in supporting the posts. The Charity has detailed grant-making policies covering all

research, training and personal support grants, which are subject to continuous review by the relevant Committees. These specify the range of awards available, financial limits, criteria for applications, approval procedures and timescales. Full details are published on the Charity's website and are available from Head Office.

As well as directly providing services, we work with the National Health Service and Scottish Government to improve NHS services for patients, and with the public and media to enhance public awareness of risk factors for chest, heart and stroke illness.

Our Cross-Party Parliamentary Group on heart disease and stroke has been very active, with meetings in Holyrood every three months, bringing together patients, carers and clinicians with MSPs and Ministers to discuss current issues of concern.

More detailed information on the Charity's activities and achievements over the past year is provided in the CHSS Annual Review for 2015-16, available from the Charity's Head Office.



Volunteers

Volunteers are vital to the success of the organisation and the Charity is grateful for the committed and enthusiastic contribution of volunteers to its services, charity shops and fundraising activities. Our full-time Head of Volunteering reports to a Volunteer Steering Group, chaired by Dr Keith Weston, a member of the Council of CHSS and an active volunteer in a CHSS charity shop. CHSS is the largest charity to achieve re-accreditation of the UK Quality Investors in Volunteering standard 3 times.

Communication support volunteers aim to provide a bridge for service users between speech and language therapy and independent activities in the community. Other dedicated volunteers support patients affected by cardiac and respiratory illness by reducing social isolation and loneliness by providing a befriending service; help run affiliated chest, heart and stroke clubs; assist in CHSS retail shops; help with events and other fundraising activities, and provide administrative support to the Charity.

Across the Charity as a whole over the course of the year, 1,641 volunteers undertook over 60 roles and contributed 156,398 hours of service, representing an economic benefit worth an estimated total of £1,551,248 to the community – a slight increase of 7% over the corresponding figure for the previous year. We also support around 70 Groups who are affiliated to the charity whose volunteers contribute an additional 70,000 hours of service.

All CHSS volunteers receive a task description, complete an application form, provide referees and undergo induction and specialised training for the role that they undertake. Enhanced volunteers enable us to keep group activities and charity shops operating in 'emergency' circumstances, for example as a result of staff illness.

CHSS is the first organisation in Scotland to develop a Volunteer Portal – an online resource for volunteers to access all documents and information needed to undertake their role – embracing digital opportunities for the 21st Century Volunteer.



Donors and Supporters

The thousands of individuals and many community organisations, businesses and grant-making trusts across Scotland who support Chest Heart & Stroke Scotland are equally vital to the success of the organisation and the Charity is grateful to them all for their ongoing commitment in a difficult financial climate.

Gross income from legacies, donations, community fundraising and people raising sponsorship to take part in our events was £4,003,446 (up 2% on 2014-15) with a further £2,989,473 from retail sales and donations, up £476,309 (19%) on the previous year.

The increase in retail income was due to a combination of the full-year impact of the new shops opened during the previous year and new shops opened in the current year. Profits were enhanced substantially by more than £183,000 in Gift Aid on shop donations, and the Charity is grateful to all the individuals who donate goods for resale. A net contribution of £137,000 was also received from CHSA Trading Ltd, including funds generated from the sale of Christmas cards - an area of growth for Chest Heart & Stroke Scotland that is bucking the trend elsewhere. A substantial element of Retail income was reinvested for further growth in 2016-17.

Fundraising remained generally buoyant, other than Trust income which fell substantially on the previous year (down 50%). This reflects a change to much tighter criteria for most Trusts as their income reduces, combined with a very substantial increase in the number of charities and other organisations applying for funds. In common with others, our success rate for applications has reduced from 1:5 a few years ago to 1:10. However, the Charity has seen continued growth in donations from our most committed supporters - people who have lost loved ones to chest, heart and stroke illness. Chest Heart & Stroke Scotland is truly grateful to all those who think of giving to support our work at such a time.

As with most medical charities, legacies continue to be an important - though very variable - source of income for the Charity. The total value of bequests received during the year was £2,314,147 - an increase of 7.3% from the sum received last year.



Financial review

The Statement of Financial Activities for the year is set out on page 15 of the financial statements. The Charity's annual budget, approved by the trustees, planned to operate at a deficit of approximately £121,000 for the year to 31 March 2016. Our gross income from all sources was £8,572,893 – an increase of 6.2% over the level achieved in 2015-16. However, mainly due to the expansion of retail and a reduction in the value of listed investments, the net negative movement in funds for the year was £997,346.

Income generated from the Charity's patient services from the National Health Service, Local Authorities and the Scottish Government reduced by 3% over the previous year to £1,420,209. This decrease reflected the end of several projects which had generated income in 2015-16 of £121,000 compared to £279,000 in the previous year. However, during the year, the Charity has also entered into several new agreements worth £106,000 in 2015-16 demonstrating the value placed by statutory agencies on the services provided by the Charity, even in times of severe restraint on public expenditure.

Investment policy and returns

In November 2012, the Charity appointed Brewin Dolphin as investment managers. During the third full year of this appointment, the relationship with Brewin Dolphin has been cemented resulting in total returns from investments, net of management fees, of £168,353. As permitted by the Charity's Articles of Association, the Trustees have given the investment managers discretion to manage the portfolio within an agreed risk profile. It is the Charity's policy specifically to avoid investment in the tobacco industry.

CHSA Trading Limited

CHSA Trading is a wholly-owned subsidiary of Chest Heart & Stroke Scotland, and carries out non-charitable trading activities on behalf of the Charity, i.e. the sale of CHSS Christmas cards and associated merchandise. As well as contributing

to the operating profit which the Trading Company transfers to the Charity's funds, CHSS Christmas cards continue to be a valuable means of maintaining supporters' loyalty to CHSS.

Changes in fixed assets

The movements in fixed assets are set out in Note 8 to the financial statements.

Reserves

The Trustees regularly review the Charity's reserves and as part of the current Strategic Plan, has a defined reserves policy. This takes into account a range of factors, including the unpredictability of legacy income, the need to maintain a buffer against an unforeseen reduction in service income, and the ability to respond to unexpected opportunities for service development.

The objectives of the Charity's reserves policy are: -

- To enable maximum use of donated funds for charitable purposes
- To ensure continuity of operations in the event of large variations in income
- To cover specific liabilities and identifiable risks;
- To enable CHSS to respond to unexpected opportunities for service development;
- To generate income to support charitable activities.

The target level of reserves as approved by the Trustees as part of the Charity's reserves policy is £5.2m (which represents approximately eight months of the Charity's unrestricted annual expenditure in the year). As at 31 March 2016, the level of free reserves (defined as total funds less tangible fixed assets and restricted reserves) stood at £3.57 million. The Charity is therefore operating outwith the parameters of its approved reserves policy but, as part of its Strategic Plan, is addressing this shortfall. Details of restricted funds are given in Note 16 to the financial statements.

Key Performance Indicators

In the Trustees' report for the prior year, a number of key performance indicators (KPIs) were set out, derived from the Charity's Strategic Plan, against which performance in the year to 31 March 2016 could be assessed. These KPIs, and progress against them, are as follows: -

- Direct expenditure on research should be maintained at a minimum of £500,000 - Not achieved; research expenditure £437,886.
- A minimum of 70% of total CHSS expenditure (excluding retail expenditure) should be on charitable services – achieved; charitable spend was 84% of total.
- CHSS should operate within its agreed Reserves Policy, ensuring maximum use of resources for charitable purposes, while covering identifiable risks and liabilities – not achieved; please refer to Reserves section above.
- The sickness absence rate across all CHSS activities should be less than 4.0% - achieved; sickness absence rate 3.6% for 2015-16.

KPIs for 2016-17

The following Key Performance Indicators have been identified against which to measure progress in the year to 31 March 2017: -

- A minimum of 70% of total CHSS expenditure should be on charitable services.
- CHSS should operate within its agreed Reserves Policy, ensuring maximum use of resources for charitable purposes, while covering identifiable risks and liabilities
- The sickness absence rate across all CHSS activities should be less than 4.0%

Future Plans

We are determined to build upon our successes and grow our ability to make a positive difference to the lives of those who need our support. To do this, we plan to define and develop a New Ambition for the organisation. This includes redesigning some of our services to ensure we can play a significant part in delivering strong personal and community outcomes through the new integrated health and social care structures. We will also undertake a fundamental and strategic review of our income generation strategies, developing and improving our communication and marketing functions and making sure they are fit for an age of digital connectedness and innovation. We will continue to make sure that we put the beneficiary and the supporter at the heart of everything we do. We will also review our Governance arrangements to ensure that the scrutiny and accountability of all these plans and all of our ongoing delivery is strong, constructive and appropriate for an organisation that is determined to rise to the claim of being 'Scotland's Health Charity' in order that the 500,000 people affected by Chest and Heart Disease and by Stroke can be supported to live stronger, longer lives.

Principal risks and uncertainties

The Charity operates a formal risk management process to assess business risks and implement risk management strategies. This involves identifying the types of risks the Charity faces, prioritising them in terms of potential impact and likelihood of occurrence, and identifying means of mitigating the risks. The organisation has a short-life working group representing all areas of the Charity's activities which reviews detailed methodology used in risk identification and management. The Group reports annually to the Charity's Council. The Trustees have confirmed that: -

- the risk assessment procedure undertaken by management has been satisfactory
- the major risks to which the Charity is exposed have been identified
- suitable action has been taken to mitigate

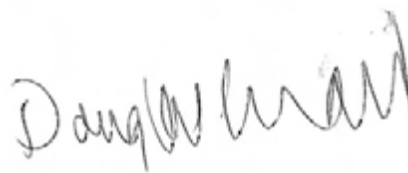
these risks

- responsibility for ongoing risk management should be delegated to the Finance & Audit Committee, with an annual report to Council.

The risk management report to the Council in September 2015 identified twelve major strategic risks facing the Charity and its subsidiary company, of which the most significant were: -

- long-term reductions in statutory funding for services
- death or serious injury at a fundraising event
- potential reputational damage arising from a range of potential circumstances
- disruption caused by sustained loss of access to the charity's Head Office.

The Strategic Report is approved by the board and signed on its behalf by:



Dr J Douglas Stuart

Date: 3 November 2016

Trustees Report

Structure, governance and management

The Charity is a charitable company limited by guarantee and was set up on 24 December 1990. It is governed by a Memorandum and Articles of Association, which were amended and updated in June 2013. It is a registered Scottish Company (Scottish Company Number SC129114) and registered with the Office of the Scottish Charity Regulator (OSCR) (Scottish Charity Number SC018761).

The Chairman of Council, the Charity's governing body, is Dr Roger Smith, re-elected in November 2013. The Chief Executive at 31 March 2016 was Mr Mark O'Donnell. The registered office, which is the principal office of the Charity, is detailed on Page 1.

CHSS is governed by a Council of up to 30 members drawn from throughout Scotland, and from a range of backgrounds including medicine, nursing, therapy, social care, business and industry, patient and volunteer representation.

The legal and administrative information on pages 1 and 2 form part of the Trustees' Report.

Over the course of the past three years, the Charity has undertaken a comprehensive review of governance matters, including adoption of a formal policy of declaration of interests, a Code of Conduct for Trustees, and the Charity Commission's 'Hallmarks of an effective charity'. In June 2013 Council approved a report evidencing the Charity's adherence to these governance standards and continues to review this adherence on an annual basis.

The charity is currently undertaking a skills audit of Council membership to help identify and fill any gaps in the range of expertise and experience needed to fulfil its responsibilities. A Board self-appraisal scheme is also being introduced. Individual induction meetings are held with new Trustees. Formal training needs assessments are undertaken and a trustee training programme has been in operation for a number of years. The Charity maintains a formal register of interest, which is updated annually.

Responsibility for oversight of the Charity's services is delegated to an Executive Committee, and for finance, human resources, IT and fundraising to a Finance and Audit Committee. Both comprise a majority of Council members, with powers to co-opt others. Responsibility for research and welfare activity is delegated to specialist committees both of whom have a majority of co-opted members.

The Chairman of Council serves for a five-year term, and may be re-elected for a further five years; the Chairmen of Committees serve for three years, and may be re-elected for a further three years. Standing Orders have been drawn up for Council and Committees which define their responsibilities.

Management remuneration policies, procedures and practices

Senior Management staff remuneration is set by the Finance and Audit committee which is currently made up of four Trustees and one co-opted member.

At 31 March 2016, the Charity considered Key Senior Management to be the following:

Chief Executive:

Mr Mark O'Donnell

Director of Corporate Services:

Mr Paul Bannon

Director of Advice & Support:

Mrs Margaret Sommerville

Director of Fundraising:

Mrs Penelope Blackwell

Director of Community Support Services:

Mrs Linda Morrow

Director of Public Relations:

Mrs Jan Buncle

Details of total key management remuneration and benefits are included in Note 7.

Objectives and activities

Our mission is to improve the quality of life for people in Scotland affected by chest, heart and stroke illness, through medical research, influencing public policy, advice and information, and support in the community.

To fulfil this mission, we have set ourselves five key objectives, which are: -

- to fund high-quality research into the prevention, treatment, rehabilitation and social impact of chest, heart and stroke illness
- to provide the highest professional standards of independent, confidential advice and support in the community
- to provide directly, and support others to provide, locally-accessible community services throughout Scotland
- to work in partnership with the NHS to promote evidence-based, patient-centred care and support, and to encourage innovative service developments
- to involve patients and carers in the Charity's activities, and represent their interests to Government and other agencies

Our main charitable activities are: -

- funding medical research
- communication support for people affected by stroke, particularly those with speech and language difficulties (aphasia)
- the CHSS Advice Line and patient information
- nursing and other support services in the community for people affected by stroke, heart failure and respiratory conditions (COPD)
- education and training activities, including training for patient involvement
- support for voluntary chest, heart and stroke groups

- personal support grants and welfare benefits advice
- campaigning to Government, the NHS and other agencies on health issues
- representational activities on behalf of patients and carers.

Statement of Trustees' Responsibilities

The Trustees are responsible for preparing the strategic report, the trustees' annual report and the financial statements in accordance with applicable law and with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company and charity law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees 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 group and the parent charity and of the incoming resources and application of resources, including its income and expenditure, of the group for the year.

In preparing those financial statements the Trustees are required to: -

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

The Trustees are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the group and parent charity and enable them to ensure that the financial

statements comply with the Charities and Trustee Investment Scotland Act 2005, regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended), and the requirements of the Companies Act 2006.

They are also responsible for safeguarding the assets of the group and parent charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Trustees are responsible for the maintenance and integrity of the financial information included on the Charity's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements and other information included in annual reports may differ from legislation in other jurisdictions.

Auditor

It is the Trustees' assessment that there is no relevant audit information which the auditor has not been made aware of, and they have taken all necessary steps to ensure that the auditor has been made aware of all relevant audit information.

The Trustees have overall responsibility for ensuring that the Charity has appropriate systems of control, financial and otherwise. They are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities, and to provide reasonable assurance that: -

- the Charity is operating efficiently and effectively;
- its assets are safeguarded against unauthorized use or disposition;
- proper records are maintained and financial information used within the Charity or for publication is reasonable;
- the Charity complies with relevant laws and regulations

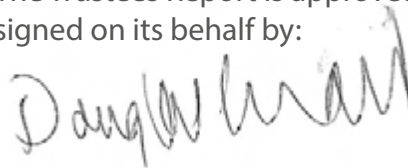
The systems of internal control are designed to

provide reasonable, but not absolute, assurance against material misstatement or loss.

They include: -

- a Strategic Plan and an annual Budget approved by the Trustees
- regular consideration by the Trustees of financial results, variance from budgets, non-financial performance indicators and benchmarking reviews
- delegation of authority and segregation of duties
- identification and management of risks

The Trustees Report is approved by the board and signed on its behalf by:



Dr J Douglas Stuart
Chair of Finance and Audit Committee

Date: 3 November 2016

LEGAL AND ADMINISTRATIVE INFORMATION

31 March 2016

DIRECTORS

Dr Roger G Smith (Chair)
Mrs Hazel W Fraser (Vice Chair)
Dr J Douglas Stuart (Vice Chair)
Mrs Gill Alexander
Dr Alan Begg
Mr Michael Begg (from 05 February 2016)
Dr Gavin Boyd
Dr Charlie Chung
Theresa Douglas (from 19 February 2016)
Prof Gerry Fowkes (from 22 May 2015)
Dr David H Franklin
Prof James A R Friend
Mr James B Grant
Dr Anne Hendry
Dr Linda Ingham (from 22 May 2015)
Prof Peter Langhorne
Prof Gordon Lowe
Mrs Barbara Mitchelmore
Mr Neil Pirie
Dr Henry Prempeh
Professor Sir Lewis D Ritchie
Mr George T Sime
Dr Robert R C Stewart
Prof Allan Struthers
Mrs Sandra Walker
Mr Kenneth Walmsley
Dr Keith Weston
Mr John Wilson (from 21 January 2016)

SECRETARY

Mr M O'Donnell

REGISTERED OFFICE

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LEGAL AND ADMINISTRATIVE INFORMATION

31 March 2016

AUDITOR

BDO
Citypoint
65 Haymarket Terrace
Edinburgh
EH12 5HD

BANKERS

Royal Bank of Scotland plc
142-144 Princes Street
Edinburgh
EH2 4EQ

Bank of Scotland plc
The Mound
Edinburgh
EH1 1YZ

Santander UK plc
Bootle
Merseyside
L30 4GB

INVESTMENT MANAGERS

Brewin Dolphin
Sixth Floor
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

SOLICITORS

Blair Cadell
The Bond House
5 Breadalbane Street
Edinburgh
EH6 5JH

The Trustees, who are also directors of the Charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ending 31 March 2016. The Trustees have adopted the provisions of Charities SORP (FRS102), UK GAAP FRS (102) and the Companies Act 2006 in preparing the annual report and financial statements of the Charity.

CHEST HEART & STROKE SCOTLAND
(limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CHEST
HEART & STROKE SCOTLAND**

We have audited the financial statements of Chest Heart & Stroke Scotland for the year ended 31 March 2016 which comprise the Consolidated Statement of Financial Activities, the Charitable Company Statement of Financial Activities, the Consolidated and Charitable Company Balance Sheets, the Consolidated and Charity Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

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

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

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

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2016 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2016

3 NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARY

The charity has a wholly owned trading subsidiary, CHSA Trading Limited, which is incorporated in the UK. The company sells cards and gifts and acts as an agent for gift aid on the goods donated to our charity shops. A summary of its trading results is shown below.

Profit and Loss Account

| | 2016 | 2015 |
|-------------------------|------------------|--------------|
| | £ | £ |
| Turnover | 901,711 | 793,345 |
| Cost of sales | (712,345) | (643,633) |
| Gross profit | 189,366 | 149,712 |
| Distribution costs | (34,350) | (26,615) |
| Administrative expenses | (153,960) | (122,007) |
| Interest income | 152 | 132 |
| Corporation Tax | (177) | (177) |
| Net profit retained | 1,031 | 1,045 |

Assets, liabilities and funds:

| | | |
|-------------|------------------|-----------|
| Assets | 286,625 | 259,031 |
| Liabilities | (146,204) | (119,642) |
| Total funds | 140,421 | 139,389 |

Audited financial statements of the subsidiary have been filed with the Registrar of Companies.

By acting as an agent for the charity shops gift aid, the Trading company has enabled the charity to turn £614,570 (2015: £673,043) of clothes sales into gift aided donations. As a result, the charity has been able to claim £183,041 (2015: £202,021) of gift aid. Both the gift aid and the gift aided sales are classified as donations rather than retail. Retail donations also includes £25,329 (2015: £24,830) directly handed into our shops.

The Trading company charged the charity a management fee of £609,447 (2015: £574,592) for fundraising activities. The cost of sales increased by the same amount as the Trading company is charged with a share of the shop costs based on the proportion of gift aid sales to total sales.

4 GRANTS RECEIVABLE

| Group and Charity | Deferred Income | Amount Received | Deferred Income | Incoming Resources | Incoming Resources |
|--|------------------------|------------------------|------------------------|---------------------------|--------------------|
| | 2015 | 2016 | 2016 | 2016 | 2015 |
| | £ | £ | £ | £ | £ |
| Grants receivable from Health Boards, NHS Trusts and Local Authorities | 54,768 | 1,152,071 | (122,029) | 1,084,810 | 866,737 |
| Scottish Government | 66,667 | - | - | 66,667 | 66,667 |
| Scottish Executive Health Directorate | 209,845 | 206,134 | (147,247) | 268,732 | 532,764 |
| | 331,280 | 1,358,205 | (269,276) | 1,420,209 | 1,466,168 |

5 INVESTMENT INCOME

| | Group | 2015 | Charity | 2015 |
|----------------------------------|-----------------|----------|-----------------|----------|
| | 2016 | £ | 2016 | £ |
| | £ | | £ | |
| Income from Quoted Securities | 195,598 | 213,587 | 195,598 | 213,587 |
| Less: Investment Management Fees | (27,245) | (29,088) | (27,245) | (29,088) |
| | 168,353 | 184,499 | 168,353 | 184,499 |
| Bank interest | 1,142 | 3,537 | 990 | 3405 |
| | 169,495 | 188,036 | 169,343 | 187,904 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2016

6 ANALYSIS OF TOTAL EXPENDITURE - GROUP

| | Staff costs £ | Other costs £ | Support costs £ | Total 2016 £ | Total 2015 £ |
|--------------------------------------|------------------|------------------|--------------------|--------------------|--------------------|
| Costs of generating funds | | | | | |
| Fundraising | 542,443 | 288,038 | 143,381 | 973,862 | 891,686 |
| Retail costs | 1,286,401 | 1,275,016 | 441,735 | 3,003,152 | 2,229,027 |
| | 1,828,844 | 1,563,054 | 585,116 | 3,977,014 | 3,120,713 |
| Direct charitable expenditure | | | | | |
| Community Services | 1,177,405 | 299,639 | 303,713 | 1,780,757 | 1,843,297 |
| Advice and Support | 1,768,250 | 358,210 | 386,952 | 2,513,412 | 2,519,394 |
| Research grants | 38,888 | 437,886 | 28,503 | 505,277 | 287,129 |
| Welfare | 33,343 | 259,383 | 3,828 | 296,554 | 257,114 |
| Influencing public policy | 130,464 | 55,545 | (17,056) | 168,953 | 144,972 |
| | 3,148,350 | 1,410,663 | 705,940 | 5,264,953 | 5,051,906 |
| Total resources expended | 4,977,194 | 2,973,717 | 1,291,056 | 9,241,967 | 8,172,619 |

Support costs by activity

| | Staff costs £ | Other costs £ | Overhead costs £ | Total £ | Total 2015 £ |
|--------------------------------------|------------------|------------------|---------------------|------------------|--------------------|
| Costs of generating funds | | | | | |
| Fundraising | 56,672 | 17,506 | 69,203 | 143,381 | 139,683 |
| Retail costs | 194,237 | 10,312 | 237,186 | 441,735 | 386,812 |
| | 250,909 | 27,818 | 306,389 | 585,116 | 526,495 |
| Direct charitable expenditure | | | | | |
| Community Services | 138,875 | 19,152 | 145,686 | 303,713 | 312,457 |
| Advice and Support | 169,408 | 26,608 | 190,936 | 386,952 | 385,168 |
| Research grants | 16,085 | 8,707 | 3,711 | 28,503 | 23,452 |
| Welfare | 1,683 | 89 | 2,056 | 3,828 | 4,247 |
| Influencing public policy | (33,083) | 668 | 15,359 | (17,056) | (14,997) |
| | 292,968 | 55,224 | 357,748 | 705,940 | 710,327 |
| Total resources expended | 543,877 | 83,042 | 664,137 | 1,291,056 | 1,236,822 |

Support costs are allocated to charitable expenditure based on full time employee equivalents for finance, IT, HR and administration and by time spent for PR. Under Support costs by activity above, within the Overhead costs of £664,137 are governance costs of £11,391 (2015: £9,268). In addition, included in Other costs above of £83,042, are governance costs of £17,752 (£18,506). Under Retail costs - Other costs of £1,275,016 above, are further governance costs of £5,735 (2015: £3,840)

Governance costs are made up as follows:

| | 2016 £ | 2015 £ |
|------------------------------|---------------|---------------|
| Annual report/Strategic plan | 16,404 | 16,407 |
| Trustees expenses | 1,454 | 2,251 |
| Audit | 14,103 | 12,635 |
| Trustees meetings | 27 | 242 |
| Professional Fees | 2,890 | 79 |
| | 34,878 | 31,614 |

Welfare grants

Welfare grants are awarded by a separate committee for applications made on behalf of individuals affected by chest, heart and stroke illnesses. The total of such grants made were £171,926 (2015: £210,847). In addition, funding is also given to two Citizen Advice offices in Scotland to provide advice to individuals affected by chest, heart and stroke illnesses in seeking government benefits applicable to their situation. The amounts paid to these organisations were as follows:

| | Total 2016 £ | Total 2015 £ |
|-----------------|--------------------|--------------------|
| Fife CAB | 40,000 | 40,000 |
| Lanarkshire CAB | 45,686 | 43,559 |
| | 85,686 | 83,559 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2016

6a ANALYSIS OF TOTAL EXPENDITURE - CHARITY ONLY

| | Staff costs £ | Other costs £ | Support costs £ | Total 2016 £ | Total 2015 £ |
|--------------------------------------|------------------|------------------|--------------------|--------------------|--------------------|
| Costs of generating funds | | | | | |
| Fundraising | 542,443 | 288,038 | 143,381 | 973,862 | 891,686 |
| Retail costs | 1,261,019 | 1,153,837 | 441,735 | 2,856,591 | 2,126,866 |
| | 1,803,462 | 1,441,875 | 585,116 | 3,830,453 | 3,018,552 |
| Direct charitable expenditure | | | | | |
| Community Services | 1,177,405 | 299,639 | 303,713 | 1,780,757 | 1,843,297 |
| Advice and Support | 1,768,250 | 358,210 | 386,952 | 2,513,412 | 2,519,394 |
| Research grants | 38,888 | 437,885 | 28,503 | 505,276 | 287,129 |
| Welfare | 33,343 | 259,383 | 3,828 | 296,554 | 257,114 |
| Influencing public policy | 130,464 | 55,545 | (17,056) | 168,953 | 144,973 |
| | 3,148,350 | 1,410,662 | 705,940 | 5,264,952 | 5,051,907 |
| Total resources expended | 4,951,812 | 2,852,537 | 1,291,056 | 9,095,405 | 8,070,459 |

Support costs by activity

| | Staff costs £ | Other costs £ | Overhead costs £ | Total £ | Total 2015 £ |
|--------------------------------------|------------------|------------------|---------------------|------------------|--------------------|
| Costs of generating funds | | | | | |
| Fundraising | 56,672 | 17,506 | 69,203 | 143,381 | 139,683 |
| Retail costs | 194,237 | 10,312 | 237,186 | 441,735 | 386,812 |
| | 250,909 | 27,818 | 306,389 | 585,116 | 526,495 |
| Direct charitable expenditure | | | | | |
| Community Services | 138,875 | 19,152 | 145,686 | 303,713 | 312,457 |
| Advice and Support | 169,408 | 26,608 | 190,936 | 386,952 | 385,168 |
| Research grants | 16,085 | 8,707 | 3,711 | 28,503 | 23,452 |
| Welfare | 1,683 | 89 | 2,056 | 3,828 | 4,247 |
| Influencing public policy | (33,083) | 668 | 15,359 | (17,056) | (14,997) |
| | 292,968 | 55,224 | 357,748 | 705,940 | 710,327 |
| Total resources expended | 543,877 | 83,042 | 664,137 | 1,291,056 | 1,236,822 |

Support costs are allocated to charitable expenditure based on full time employee equivalents for finance, IT, HR and administration and by time spent for PR. Under Support costs by activity above, within the Overhead costs of £664,137 are governance costs of £11,391 (2015: £9,268). In addition, included in Other costs above of £83,042, are governance costs of £17,752 (£18,507).

Governance costs are made up as follows:

| | 2016 £ | 2015 £ |
|------------------------------|---------------|---------------|
| Annual report/Strategic plan | | |
| Trustees expenses | 16,404 | 16,407 |
| Audit | 1,454 | 2,251 |
| Trustees meetings | 8,545 | 8,890 |
| Professional Fees | 27 | 242 |
| | 2,713 | (15) |
| | 29,143 | 27,775 |

Welfare grants

Welfare grants are awarded by a separate committee for applications made on behalf of individuals affected by chest, heart and stroke illnesses. The total of such grants made were £171,926 (2015: £210,847). In addition, funding is also given to two Citizen Advice offices in Scotland to provide advice to individuals affected by chest, heart and stroke illnesses in seeking government benefits applicable to their situation. The amounts paid to these organisations were as follows:

| | Total 2016 £ | Total 2015 £ |
|-----------------|--------------------|--------------------|
| Fife CAB | 40,000 | 40,000 |
| Lanarkshire CAB | 45,686 | 43,559 |
| | 85,686 | 83,559 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2016

7 ANALYSIS OF TOTAL EXPENDITURE

| | Total | Total |
|-------------------------------------|------------------|-----------|
| Staff costs | 2016 | 2015 |
| | £ | £ |
| Wages and salaries | 4,818,756 | 4,451,795 |
| Social security costs | 398,337 | 378,173 |
| Pension costs | 296,748 | 255,528 |
| Redundancy and Termination payments | 7,230 | 3,624 |
| | 5,521,071 | 5,089,120 |

The average number of full-time equivalent employees during the year, analysed by function, was:

| | 2016 | 2015 |
|--|------------|------|
| | No | No |
| Charitable activities | 89 | 91 |
| Retail | 57 | 48 |
| Fundraising and Influencing public policy | 22 | 21 |
| Management and administration of the charity | 17 | 15 |
| | 185 | 175 |

Employees receiving salaries, plus benefits in kind, of more than £60,000 were in the following bands:

| | 2016 | 2015 |
|---------------------------|------|------|
| | No | No |
| Between £70,001 - £80,000 | 1 | - |
| Between £80,001 - £90,000 | - | 1 |

The employee earning more than £70,000 participated in the defined contribution pension scheme and employer contributions in the year were £6,454 (2015: £8,669).

The key management personnel of the parent charity comprise the Trustees, the Chief Executive, Director of Corporate Services, Director of Advice & Support, Director of Community Stroke Services, Director of Fundraising and the Director of Public Relations. The total employee benefits of the key management personnel of the Charity were £359,011 (2015: £331,895).

The key management personnel of the group comprise those of the Charity and the key personnel of its wholly owned subsidiary, CHSA Trading Ltd. CHSA Trading Ltd does not have any employees and so the key management personnel of this subsidiary company are the Board members of this subsidiary company and the Head of Retail & Trading Operations (who is an employee of the parent charity). The employee benefits of the key personnel of CHSA Trading Ltd were £51,811 (2015: £42,527).

Accordingly, the total employee benefits of key management personnel for the group was therefore £410,822 (2015: £374,422)

No Trustee received any remuneration from the charity, but a total of £489 (2015: £350) was reimbursed to 4 (2015: 4) Trustees for expenses incurred on behalf of the charity.

Since 1992 the charity has purchased insurance to protect it from any loss arising from the neglect or default of its Trustees or other officers and to indemnify the Trustees or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the year was £1,717 (2015: £3,625) and provides cover up to a maximum of £2 million in any one year.

| | | |
|---|---------|---------|
| Total Expenditure also includes: | 2016 | 2015 |
| | £ | £ |
| Depreciation: owned fixed assets | 166,861 | 110,738 |
| Auditors' remuneration (including fees and expenses) | 10,115 | 9,475 |
| Auditors' remuneration (in respect of other services provided) | 2,635 | 2,000 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2016

8 TANGIBLE FIXED ASSETS

Group & Charity

| | Freehold Land & Buildings £ | Office Equipment & Computers £ | Retail Improvements | Motor Vehicles £ | Total £ |
|-------------------------|--|---|--------------------------------|---------------------------------|--------------------|
| Cost | | | | | |
| At 1 April 2015 | 125,707 | 36,500 | 514,274 | 235,929 | 912,410 |
| Additions | - | 42,279 | 474,872 | 41,104 | 558,255 |
| Disposals | - | - | (23,758) | (58,729) | (82,487) |
| At 31 March 2016 | 125,707 | 78,779 | 965,388 | 218,304 | 1,388,178 |
| Depreciation | | | | | |
| At 1 April 2015 | 64,643 | 28,767 | 98,925 | 180,391 | 372,726 |
| Charge for the year | 2,514 | 7,733 | 118,314 | 38,300 | 166,861 |
| Disposals | - | - | (7,128) | (58,729) | (65,857) |
| At 31 March 2016 | 67,157 | 36,500 | 210,111 | 159,962 | 473,730 |
| Net book value | | | | | |
| At 31 March 2016 | 58,550 | 42,279 | 755,277 | 58,342 | 914,448 |
| At 31 March 2015 | 61,064 | 7,733 | 415,349 | 55,538 | 539,684 |

Included within Retail Improvements are assets under the course of construction amounting to £46,617 (2015: £38,298) which are not depreciated until brought into operational use.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2016

9 TAXATION

The company, being a charity, is eligible for exemption from tax under Section 505 Income and Corporation Taxes Act 1988. The charity's trading subsidiary, CHSA Trading Limited gift aids an amount equal to its taxable profit to the Charity each year therefore no tax liability arises. For the year ended 31 March 2016, the amount of gift aid is £130,000 (2015: £107,500).

10 INVESTMENTS

a) Quoted Investments

| | 2016 | 2015 |
|---|--------------------|-----------|
| | £ | £ |
| Market value at 31 March 2015 | 5,292,113 | 4,980,558 |
| Less : Disposals at opening book value | (1,196,598) | (142,207) |
| Add: Acquisitions at cost | 668,443 | 65,082 |
| Net unrealised investment (loss)/ gain for the year | (382,514) | 388,680 |
| Market value at 31 March 2016 | 4,381,444 | 5,292,113 |
| Cash deposits held for investment | 78,192 | 28,428 |
| | 4,459,636 | 5,320,541 |
| Historical cost at 31 March 2016 | 4,288,503 | 4,934,528 |

The portfolio is split as follows:

| | 2016 | | 2015 | |
|-------------------------------------|------------------|--------------|-------------|----------|
| | £ | % | £ | % |
| UK Equity based investments | 3,704,817 | 83.1 | 4,358,058 | 81.9 |
| UK Fixed Interest based investments | 676,627 | 15.1 | 934,055 | 17.6 |
| Short term deposits | 78,192 | 1.8 | 28,428 | 0.5 |
| | 4,459,636 | 100.0 | 5,320,541 | 100.0 |

As at 31 March 2016 and 31 March 2015, there were no individual holdings that represented over 5% of total market value.

b) Investment in subsidiary undertaking

| | £ |
|---------------------------------|----------|
| Cost at 1 April 2015 | 199,900 |
| Additions in year | - |
| Cost at 31 March 2016 | 199,900 |
| Provision at 1 April 2015 | - |
| Write back in year | - |
| Provision at 31 March 2016 | - |
| Net book value at 31 March 2016 | 199,900 |
| Net book value at 31 March 2015 | 199,900 |

Details of the subsidiary undertaking, which is registered in Scotland, at the balance sheet date are as follows:

| Name of company and business | Class of Shares | Holding % |
|---|----------------------------|----------------------|
| CHSA Trading Limited Sales of cards and gifts, and gift aid commission | Ordinary | 100 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2016

| 11 | STOCKS | Group 2016 £ | 2015 £ | Charity 2016 £ | 2015 £ |
|-----------|-----------------------|-----------------------------|-------------------|-------------------------------|-------------------|
| | Goods held for resale | 6,356 | 3,190 | - | - |

| 12 | DEBTORS | Group 2016 £ | 2015 £ | Charity 2016 £ | 2015 £ |
|-----------|--------------------------------|-----------------------------|-------------------|-------------------------------|-------------------|
| | Other debtors | 200,405 | 52,895 | 203,589 | 52,895 |
| | Legacies receivable | 312,603 | 649,577 | 312,603 | 649,577 |
| | Prepayments and accrued income | 258,188 | 254,050 | 258,188 | 254,050 |
| | | 771,196 | 956,522 | 774,380 | 956,522 |

| 13 | RESEARCH GRANTS | Chest £ | Heart £ | Stroke £ | Other projects £ | Total £ |
|-----------|-------------------------------------|--------------------|--------------------|---------------------|-----------------------------|--------------------|
| | At 1 April 2015 | 159,789 | 581,296 | 298,200 | 80,884 | 1,120,169 |
| | Grants written back during the year | - | (39,079) | - | - | (39,079) |
| | Grants paid during the year | (84,416) | (156,021) | (136,632) | (68,387) | (445,456) |
| | | 75,373 | 386,196 | 161,568 | 12,497 | 635,634 |
| | Grants awarded during the year | - | 96,120 | 256,360 | 118,544 | 471,024 |
| | At 31 March 2016 | 75,373 | 482,316 | 417,928 | 131,041 | 1,106,658 |

Research grants were awarded to the following institutions during the year:

| | £ |
|------------------------------|----------------|
| University of Glasgow | 73,064 |
| University of Aberdeen | 77,155 |
| University of Edinburgh | 89,909 |
| Royal Infirmary of Edinburgh | 112,352 |
| University of Edinburgh | 118,544 |
| | 471,024 |

Details of research awards made each year are published by the Charity. A copy of "Research Awards 2016" is obtainable from the Public Relations Dept, Chest, Heart & Stroke Scotland, Third Floor, Rosebery House, 9 Haymarket Terrace, Edinburgh, EH12 5EZ.

| | Group 2016 £ | 2015 £ | Charity 2016 £ | 2015 £ |
|--|-----------------------------|-------------------|-------------------------------|-------------------|
| Research grants falling due within one year | 684,156 | 715,533 | 684,156 | 715,533 |
| Research grants falling due after more than one year | 422,502 | 404,636 | 422,502 | 404,636 |
| | 1,106,658 | 1,120,169 | 1,106,658 | 1,120,169 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2016

14 OTHER CREDITORS falling due within one year

| | Group | | Charity | |
|-------------------------------|----------------|-------------|----------------|-------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £ | £ | £ | £ |
| Trade creditors | 211,934 | 136,338 | 210,014 | 134,838 |
| Due to subsidiary undertaking | - | - | - | 30,268 |
| Tax and social security costs | 101,804 | 100,041 | 101,804 | 100,041 |
| Other creditors | 250 | 6,965 | 250 | - |
| Deferred income - see note 15 | 313,859 | 404,152 | 313,859 | 404,152 |
| Accruals | 245,041 | 240,287 | 240,941 | 236,787 |
| | 872,888 | 887,783 | 866,868 | 906,086 |

15 DEFERRED INCOME

| | Group | | Charity | |
|--|------------------|------------------|------------------|------------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £ | £ | £ | £ |
| Deferred income at 1 April 2015 | 596,316 | 622,983 | 596,316 | 622,983 |
| Released during the year | (404,152) | (402,661) | (404,152) | (402,661) |
| Income deferred in year | 342,139 | 375,996 | 342,139 | 375,996 |
| Deferred income at 31 March 2016 | 534,303 | 596,318 | 534,303 | 596,318 |
| Deferred Income within 1 Year - see note 14 | 313,859 | 404,152 | 313,859 | 404,152 |
| Accruals and Deferred Income greater than 1 Year | 220,444 | 192,166 | 220,444 | 192,166 |
| Total Deferred Income | 534,303 | 596,318 | 534,303 | 596,318 |

Income is deferred when the charity receives grants or donations for which the conditions of recognition have not yet been met.

16 RESTRICTED FUNDS (Group and Charity)

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

| | Balance | Movement in Funds: | | Balance |
|---------------------------------|-----------------|---------------------------|------------------------|-----------------|
| | 31 March | Incoming | Expenditure, | 31 March |
| | 2015 | Resources | Gains, Losses | 2016 |
| | £ | £ | & Transfers | £ |
| Community services | - | 501,651 | (501,651) | - |
| Fundraising | 20,247 | - | (6,749) | 13,498 |
| Welfare Personal Support Grants | - | 10,000 | (10,000) | - |
| Research grants | - | 42,632 | (42,632) | - |
| Advice and Support | 343,096 | 978,596 | (1,040,600) | 281,092 |
| | 363,343 | 1,532,879 | (1,601,632) | 294,590 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2016

17 UNRESTRICTED FUNDS

| | Movement in Funds: | | | | Balance 31 March 2016 £ |
|---------|----------------------------------|----------------------------|-------------------------------------|----------------|----------------------------------|
| | Balance 31 March 2015 £ | Incoming Resources £ | Expenditure, Gains & Losses £ | Transfers £ | |
| Group | 5,395,436 | 7,040,014 | (7,968,607) | - | 4,466,843 |
| Charity | | | | | |
| General | 5,348,269 | 6,863,098 | (7,822,045) | - | 4,389,322 |

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Tangible Fixed Assets £ | Investments £ | Net Current assets/ (liabilities) £ | Creditors : amounts falling due after more than one year £ | Total £ |
|--------------------|-------------------------------|------------------|---|---|------------------|
| Restricted funds | 13,498 | - | 281,092 | - | 294,590 |
| Unrestricted funds | 900,950 | 4,459,636 | (250,797) | (642,946) | 4,466,843 |
| | 914,448 | 4,459,636 | 30,295 | (642,946) | 4,761,433 |

19 FINANCIAL COMMITMENTS

The charity has entered into operating leases which have the following minimum commitments:

| | 2016 £ | 2015 £ |
|---------------------|------------------|-----------|
| Land and buildings | 1,803,236 | 1,556,386 |
| Plant and machinery | 150,026 | - |
| Motor vehicles | 27,450 | - |
| | 1,980,712 | 1,556,386 |

The above commitments are payable as follows:

| | 2016 £ | 2015 £ |
|---|------------------|-----------|
| Not later than one year | 639,381 | 495,559 |
| Later than one year and not later than five years | 1,338,374 | 1,009,123 |
| Later than five years | 2,957 | 51,704 |
| | 1,980,712 | 1,556,386 |

20 RELATED PARTY TRANSACTIONS

During the year research grants of £Nil (2015: £Nil) were awarded to institutions/research teams in which some of the directors of Chest Heart and Stroke Scotland are employed.

The amount outstanding to such institutions at the year end was £28,249 (2015: £29,715)

There are no further related party transactions other than noted in Note 7 for Directors' reimbursement of expenses

CHEST HEART & STROKE SCOTLAND
(limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CHEST
HEART & STROKE SCOTLAND**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report and the strategic 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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

Martin Gill (Senior Statutory Auditor)
for and on behalf of BDO LLP, Statutory Auditor
Edinburgh
United Kingdom

Date:

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

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CHEST HEART & STROKE SCOTLAND
(limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING THE CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT)

for the year ended 31 March 2016

| | | Unrestricted funds | Restricted funds | Total 2016 | Unrestricted funds | Restricted funds | Total 2015 |
|---|--------------|-----------------------|---------------------|-------------------------|-----------------------|---------------------|-------------------------|
| | Note | £ | £ | £ | £ | £ | £ |
| Income | | | | | | | |
| <i>Voluntary income:</i> | | | | | | | |
| Legacies | | 2,314,147 | - | 2,314,147 | 2,148,272 | 9,415 | 2,157,687 |
| Donations and gifts | | 860,157 | 110,539 | 970,696 | 848,624 | 197,127 | 1,045,751 |
| Retail donations | 3 | 822,940 | - | 822,940 | 899,894 | - | 899,894 |
| Fundraising events | | 716,472 | 2,131 | 718,603 | 678,705 | 32,136 | 710,841 |
| | | <u>4,713,716</u> | <u>112,670</u> | <u>4,826,386</u> | <u>4,575,495</u> | <u>238,678</u> | <u>4,814,173</u> |
| <i>Income from trading activities:</i> | | | | | | | |
| Retail sales | | 2,166,533 | - | 2,166,533 | 1,613,270 | - | 1,613,270 |
| <i>Investment income</i> | | | | | | | |
| | 5 | 169,495 | - | 169,495 | 188,036 | - | 188,036 |
| <i>Income from charitable activities:</i> | | | | | | | |
| Grants receivable | 4 | - | 1,420,209 | 1,420,209 | - | 1,466,168 | 1,466,168 |
| <i>Other income:</i> | | | | | | | |
| (Loss)/ Gain on sale of fixed assets | | (9,730) | - | (9,730) | (12,952) | - | (12,952) |
| Total income | | <u>7,040,014</u> | <u>1,532,879</u> | <u>8,572,893</u> | <u>6,363,849</u> | <u>1,704,846</u> | <u>8,068,695</u> |
| Expenditure | | | | | | | |
| <i>Costs of raising funds:</i> | | | | | | | |
| Fundraising | | 967,113 | 6,749 | 973,862 | 884,937 | 6,749 | 891,686 |
| Retail costs | | 3,003,152 | - | 3,003,152 | 2,229,027 | - | 2,229,027 |
| | | <u>3,970,265</u> | <u>6,749</u> | <u>3,977,014</u> | <u>3,113,964</u> | <u>6,749</u> | <u>3,120,713</u> |
| <i>Expenditure on charitable activities:</i> | | | | | | | |
| Community services | | 1,279,106 | 501,651 | 1,780,757 | 1,338,061 | 505,236 | 1,843,297 |
| Advice and support | | 1,472,811 | 1,040,601 | 2,513,412 | 1,367,634 | 1,151,760 | 2,519,394 |
| Research grants | | 462,646 | 42,631 | 505,277 | 194,788 | 92,341 | 287,129 |
| Welfare | | 286,554 | 10,000 | 296,554 | 257,114 | - | 257,114 |
| Influencing public policy | | 168,953 | - | 168,953 | 144,972 | - | 144,972 |
| | | <u>3,670,070</u> | <u>1,594,883</u> | <u>5,264,953</u> | <u>3,302,569</u> | <u>1,749,337</u> | <u>5,051,906</u> |
| Total Expenditure | 6 | <u>7,640,335</u> | <u>1,601,632</u> | <u>9,241,967</u> | <u>6,416,533</u> | <u>1,756,086</u> | <u>8,172,619</u> |
| Other gains and (losses): | | | | | | | |
| Realised - gains/ (losses) on investments | | 54,242 | - | 54,242 | (56,062) | - | (56,062) |
| Unrealised - gains/ (losses) on investments | 10 | (382,514) | - | (382,514) | 388,680 | - | 388,680 |
| Net income/ (expenditure) and net movement in funds for the year | | <u>(928,593)</u> | <u>(68,753)</u> | <u>(997,346)</u> | <u>279,934</u> | <u>(51,240)</u> | <u>228,694</u> |
| Reconciliation of funds | | | | | | | |
| Total funds brought forward | | 5,395,436 | 363,343 | 5,758,779 | 5,115,502 | 414,583 | 5,530,085 |
| Total funds carried forward | 16/17 | <u>4,466,843</u> | <u>294,590</u> | <u>4,761,433</u> | <u>5,395,436</u> | <u>363,343</u> | <u>5,758,779</u> |

All amounts relate to continuing activities.

CHEST HEART & STROKE SCOTLAND
(limited by guarantee)

CHARITABLE COMPANY STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)

for the year ended 31 March 2016

| | | Unrestricted funds | Restricted funds | Total 2016 | Unrestricted funds | Restricted funds | Total 2015 |
|---|-------|--------------------|------------------|--------------------|--------------------|------------------|------------------|
| | Note | £ | £ | £ | £ | £ | £ |
| Income | | | | | | | |
| <i>Voluntary income:</i> | | | | | | | |
| Legacies | | 2,314,147 | - | 2,314,147 | 2,148,272 | 9,415 | 2,157,687 |
| Donations and gifts | | 860,157 | 110,539 | 970,696 | 848,624 | 197,127 | 1,045,751 |
| Retail donations | | 930,440 | - | 930,440 | 978,768 | - | 978,768 |
| Fundraising events | | 716,472 | 2,131 | 718,603 | 678,705 | 32,136 | 710,841 |
| | | 4,821,216 | 112,670 | 4,933,886 | 4,654,369 | 238,678 | 4,893,047 |
| <i>Income from trading activities:</i> | | | | | | | |
| Retail sales | | 1,882,269 | - | 1,882,269 | 1,402,516 | - | 1,402,516 |
| <i>Investment income</i> | | | | | | | |
| | 5 | 169,343 | - | 169,343 | 187,904 | - | 187,904 |
| <i>Income from charitable activities:</i> | | | | | | | |
| Grants receivable | 4 | - | 1,420,209 | 1,420,209 | - | 1,466,168 | 1,466,168 |
| <i>Other income:</i> | | | | | | | |
| (Loss)/ Gain on sale of fixed assets | | (9,730) | - | (9,730) | (12,952) | - | (12,952) |
| Total income | | 6,863,098 | 1,532,879 | 8,395,977 | 6,231,837 | 1,704,846 | 7,936,683 |
| Expenditure | | | | | | | |
| <i>Costs of raising funds:</i> | | | | | | | |
| Fundraising | | 967,113 | 6,749 | 973,862 | 884,937 | 6,749 | 891,686 |
| Retail costs | | 2,856,591 | - | 2,856,591 | 2,126,866 | - | 2,126,866 |
| | | 3,823,704 | 6,749 | 3,830,453 | 3,011,803 | 6,749 | 3,018,552 |
| <i>Expenditure on charitable activities:</i> | | | | | | | |
| Community services | | 1,279,106 | 501,651 | 1,780,757 | 1,338,061 | 505,236 | 1,843,297 |
| Advice and support | | 1,472,811 | 1,040,601 | 2,513,412 | 1,367,634 | 1,151,760 | 2,519,394 |
| Research grants | | 462,645 | 42,631 | 505,276 | 194,788 | 92,341 | 287,129 |
| Welfare | | 286,554 | 10,000 | 296,554 | 257,114 | - | 257,114 |
| Influencing public policy | | 168,953 | - | 168,953 | 144,973 | - | 144,973 |
| | | 3,670,069 | 1,594,883 | 5,264,952 | 3,302,570 | 1,749,337 | 5,051,907 |
| Total Expenditure | 6a | 7,493,773 | 1,601,632 | 9,095,405 | 6,314,373 | 1,756,086 | 8,070,459 |
| Other gains and (losses): | | | | | | | |
| Realised - gains/ (losses) on investments | | 54,242 | - | 54,242 | (56,062) | - | (56,062) |
| Unrealised - gains/ (losses) on investments | 10 | (382,514) | - | (382,514) | 388,680 | - | 388,680 |
| Net income/ (expenditure) and net movement in funds for the year | | (958,947) | (68,753) | (1,027,700) | 250,082 | (51,240) | 198,842 |
| Reconciliation of funds | | | | | | | |
| Total funds brought forward | | 5,348,269 | 363,343 | 5,711,612 | 5,098,187 | 414,583 | 5,512,770 |
| Total funds carried forward | 16/17 | 4,389,322 | 294,590 | 4,683,912 | 5,348,269 | 363,343 | 5,711,612 |

All amounts relate to continuing activities.

CONSOLIDATED AND CHARITY BALANCE SHEETS

as at 31 March 2016

| | | Group 2016 | 2015 | Charity 2016 | 2015 |
|---|------|------------------|-----------|------------------|-----------|
| | Note | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 8 | 914,448 | 539,684 | 914,448 | 539,684 |
| Investments | 10 | 4,459,636 | 5,320,541 | 4,659,536 | 5,520,441 |
| Total Fixed Assets | | 5,374,084 | 5,860,225 | 5,573,984 | 6,060,125 |
| CURRENT ASSETS | | | | | |
| Stocks | 11 | 6,356 | 3,190 | - | - |
| Debtors | 12 | 771,196 | 956,522 | 774,380 | 956,522 |
| Cash at bank and in hand | | 809,787 | 1,138,960 | 529,518 | 913,386 |
| Total Current Assets | | 1,587,339 | 2,098,672 | 1,303,898 | 1,869,908 |
| CREDITORS : amounts falling due within one year | | | | | |
| Research grants | 13 | 684,156 | 715,533 | 684,156 | 715,533 |
| Other creditors | 14 | 872,888 | 887,783 | 866,868 | 906,086 |
| | | 1,557,044 | 1,603,316 | 1,551,024 | 1,621,619 |
| NET CURRENT (LIABILITIES) ASSETS | | 30,295 | 495,356 | (247,126) | 248,289 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 5,404,379 | 6,355,581 | 5,326,858 | 6,308,414 |
| CREDITORS : amounts falling due after more than one year | | | | | |
| Research grants | 13 | 422,502 | 404,636 | 422,502 | 404,636 |
| Accruals and Deferred Income | 15 | 220,444 | 192,166 | 220,444 | 192,166 |
| NET ASSETS | | 4,761,433 | 5,758,779 | 4,683,912 | 5,711,612 |
| THE FUNDS OF THE CHARITY: | | | | | |
| Restricted income funds | 16 | 294,590 | 363,343 | 294,590 | 363,343 |
| Unrestricted income funds | 17 | 4,466,843 | 5,395,436 | 4,389,322 | 5,348,269 |
| | | 4,761,433 | 5,758,779 | 4,683,912 | 5,711,612 |

The financial statements on pages XX to XX were approved and authorised for issue by the Board on XX August 2016.

Dr J Douglas Stuart.....Director

CHEST HEART & STROKE SCOTLAND
(limited by guarantee)

CONSOLIDATED AND CHARITY STATEMENTS OF CASH FLOWS

for the year ended 31 March 2016

| | Note | Group | | Charity | |
|---|------|----------------------|----------------------|--------------------|----------------------|
| | | 2016 £ | 2015 £ | 2016 £ | 2015 £ |
| Net expenditure | | (997,346) | 228,694 | (1,027,700) | 198,842 |
| Loss/ (Profit) on sale of tangible fixed assets | | 9,730 | 12,952 | 9,730 | 12,952 |
| Realised Loss/ (Profit) on sale of listed investments | | (54,242) | 56,062 | (54,242) | 56,062 |
| Unrealised Loss/ (Profit) on listed investments | | 382,514 | (388,680) | 382,514 | (388,680) |
| Investment income | | (169,495) | (188,036) | (169,343) | (187,904) |
| Depreciation | | 166,861 | 110,738 | 166,861 | 110,738 |
| (Increase) Decrease in stock | | (3,166) | 1 | - | - |
| Decrease (Increase) in debtors | | 185,326 | (523,271) | 182,144 | (523,271) |
| Decrease in creditors | | (126) | (54,523) | (24,451) | (71,519) |
| Cash (used in)/ generated by operating activities | | (479,944) | (746,063) | (534,487) | (792,780) |
| Cash flows from investing activities | | | | | |
| Dividend income | 5 | 168,353 | 184,499 | 168,353 | 184,499 |
| Interest income | 5 | 1,142 | 3,537 | 990 | 3,405 |
| Purchase of tangible fixed assets | | (558,255) | (305,975) | | (305,975) |
| Proceeds from sale of tangible fixed assets | | 6,900 | 2,702 | 6,900 | 2,702 |
| Purchase of investments | | (668,443) | (65,082) | (668,443) | (65,082) |
| Proceeds from sale of investments | | 1,250,838 | 86,143 | 1,250,838 | 86,143 |
| Cash provided by/ (used in) investing activities | | 200,535 | (94,176) | 758,638 | (94,308) |
| Increase/ (decrease) in cash and cash equivalents in the year | | (279,409) | (840,239) | 224,151 | (887,088) |
| Total cash and cash equivalents at the beginning of the year | | 1,167,388 | 2,007,627 | 941,814 | 1,828,902 |
| Total cash and cash equivalents at the end of the year | | 887,979 | 1,167,388 | 1,165,965 | 941,814 |
| Analysis of cash and cash equivalents | | | | | |
| | | Group | | Charity | |
| | | 2016 £ | 2015 £ | 2016 £ | 2015 £ |
| Cash in hand | | 10,500 | 9,080 | 10,500 | 9,080 |
| Notice Deposits (less than 3 months) | | 799,287 | 1,129,880 | 519,018 | 904,306 |
| Cash held within investments | | 78,192 | 28,428 | 78,192 | 28,428 |
| Total cash and cash equivalents | | 887,979 | 1,167,388 | 607,710 | 941,814 |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the year ended 31 March 2016

1 ACCOUNTING POLICIES

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with the Charities SORP (FRS 102), the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Chest Heart & Stroke Scotland meets the definition of a public benefit entity under FRS 102. These financial statements are the first for the charity that comply with FRS 102. The date of transition is 1 April 2014. The transition to FRS 102 has resulted in a small number of changes in accounting policies.

Reconciliation with previous Generally Accepted Accounting Practice

In preparing the accounts, the Trustees have considered whether, in applying the accounting principles required by FRS 102 and the Charities SORP FRS 102, the restatement of comparative items was required.

At the date of transition, in applying the requirement to recognise lease incentives over the full term of the lease under FRS 102 rather than to the first rent review under previous UK GAAP, the effect on fund balances brought forward was less than £2,000. This is considered immaterial and so no adjustment to comparative figures has been made.

At the date of transition, in applying the requirement to value listed investments at 'Bid price' under FRS 102 as opposed to 'Mid-market price' under previous UK GAAP, the effect on the fund balances brought forward was considered to be less than £10,000. This is considered immaterial and so no adjustment to comparative figures has been made.

At the date of transition, in applying the requirement to assess whether legacy income should be recognised in the financial statements on the basis of evidence of entitlement, probability of receipt and reliability of measurement under FRS 102 as opposed to the previous UK GAAP recognition requirements of 'entitlement, measurement and certainty', it was considered that there was a material effect on fund balances brought forward. Details of this effect are given in Note 22.

Accounting convention

The financial statements are prepared under the historical cost convention, as modified by the revaluation of investment assets. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgement in applying the charity's accounting policies, as shown in Note 1a below.

Going concern

The Directors have reviewed the Charity's financial position and have concluded that there are sufficient resources to manage any operational or financial risks, so it is reasonable to expect that the Charity will continue in operational existence for the foreseeable future. Therefore, these financial statements have been prepared on a going concern basis.

Basis of consolidation

Consolidated financial statements have been prepared in respect of the charitable company ('the charity') and its wholly owned subsidiary undertaking, CHSA Trading Limited. The results of the subsidiary are consolidated on a line by line basis. A summary of the trading results of the subsidiary is included at note 3 to the financial statements.

Voluntary income and legacies

Voluntary income received by way of donations and gifts to the charity are included in full in the Statement of Financial Activities when received. Gifts donated for resale are included as income when they are sold. A legacy is regarded as receivable if it is clear that at the accounting date the administrators of the estate had resolved to make payment. Legacies are included when they meet the Charities SORP (FRS 102) tests of probability, entitlement and measurement.

Grants receivable

Grants receivable are recognised as incoming resources when the conditions for their receipt have been satisfied. Grants received for specific purposes are accounted for as restricted funds. Any grants restricted to future accounting periods are deferred, and recognised in the periods to which they relate.

Dividends

Dividends are accounted for on an accruals basis.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2016

1 ACCOUNTING POLICIES (continued)

Expenditure

Expenditure is accounted for on an accruals basis and allocated to the appropriate heading in the accounts. Costs of raising funds include the costs incurred in generating voluntary income, retail trading costs, fundraising event costs, investment management costs and publicity costs. These costs are regarded as necessary to generate funds that are needed to finance charitable activities. Charitable activities expenditure enables CHSS to meet its charitable aims and objectives. Governance costs are associated with the governance arrangements of the charity, and relate to the general running of the charity at a strategic level. These costs include preparation of the annual report, audit, professional fees including legal advice for the Trustees and costs associated with meeting constitutional and statutory requirements such as the cost of Trustee meetings. Support costs are those costs which enable fund generating and charitable activities to be undertaken. These costs include finance, personnel, IT and PR. Where expenditure incurred relates to more than one cost category, it is apportioned. The method of apportionment uses the most appropriate basis in each case.

Allocation of overheads - change of basis

In prior years, central overhead costs were allocated to activities on the basis of total direct departmental costs, incurred at each office or shop. The method of allocation has been changed during the current financial year and is now based on full time equivalent employee numbers for each department. Comparative figures have been restated using this new basis as if it had been in place in that financial year. Please refer to Note 23 for more details.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life. Land is not depreciated.

Depreciation is provided at the following rates:

| | |
|--------------------------------|--|
| Buildings | 2% straight line |
| Office equipment and computers | 33.33% straight line |
| Motor vehicles | 25% straight line |
| Leasehold improvements | Over the remaining period of the lease |

No items costing less than £1,000 are capitalised.

Pension costs

The group operates a defined contribution scheme for certain employees. The assets of the scheme are held separately from those of the group. A charge is made to resources expended in the period in which contributions become payable.

Research grants payable

Research grants are charged to the consolidated financial statements in the year in which the award is made by the charity. The unspent balances of grants awarded are disclosed as current or deferred liabilities in the balance sheet, depending upon when the grant is expected to be disbursed.

Leasing contracts

Instalments on operating lease contracts are charged to the consolidated financial statements when payable. There are no finance lease contracts.

Stocks

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2016

1 ACCOUNTING POLICIES (continued)

Investments

Investments are stated at the Bid value ruling at the balance sheet date. Realised and unrealised gains and losses are reflected in the Statement of Financial Activities, and taken to unrestricted funds. The charity avoids investments in tobacco companies.

Restricted funds

Restricted funds are to be used for specified purposes as laid down, implicitly or explicitly, by the donor. Expenditure which meets these criteria is identified to the fund, together with a fair allocation of overhead and support costs.

Financial instruments

Under FRS 102, financial assets and financial liabilities are given the term 'financial instruments'. The Charity only holds basic financial instruments and details are given in note 21 to these financial statements.

Unrestricted funds

Unrestricted funds comprise donations and other incoming resources received or generated for charitable purposes.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, cash on deposit where funds can be accessed without penalty within three months or less from the opening of the account and cash held with the investment manager.

1a. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the group's tangible assets.
- Determine whether legacy income recognised in the financial statements meets the requirements of Charities SORP FRS 102 on the basis of evidence of entitlement, probability of receipt and reliability of measurement.
- Determine whether or not it is impractical to measure donated goods for sale at Fair Value on receipt.

Other key sources of estimation uncertainty are as follows:

- Tangible Fixed Assets (see Note 8)
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where applicable.

2 STATUS OF THE COMPANY

Chest Heart & Stroke Scotland is a registered charity (no. SCO18761) and a company limited by guarantee (no. SC129114) of its members and does not have a share capital. Each member has undertaken to contribute one pound towards any deficit arising in the event of the company being wound up.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2016

21 FINANCIAL INSTRUMENTS

| | Group | | Charity | |
|--|------------------|-------------|------------------|-------------|
| | 2016 | 2015 | 2016 | 2015 |
| | £ | £ | £ | £ |
| Financial assets: | | | | |
| Financial assets held at fair value | 4,381,444 | 5,292,113 | 4,381,444 | 5,292,113 |
| Financial assets measured at amortised cost | 1,659,175 | 2,123,910 | 1,581,990 | 2,098,236 |
| | 6,040,619 | 7,416,023 | 5,963,434 | 7,390,349 |
| Financial liabilities: | | | | |
| Financial liabilities measured at amortised cost | 559,029 | 483,631 | 553,009 | 501,934 |

Financial assets measured at fair value are investments. Financial assets measured at amortised cost include cash at bank, other debtors and accrued income. Financial liabilities measured at amortised cost include Trade creditors and accruals.

22 TRANSITION TO CHARITIES SORP (FRS 102)

The following reconciliation details the differences between the funds and the net movement in funds presented in the 2015 financial statements and those figures as re-stated in these financial statements under the Charities SORP (FRS 102). As indicated in Note 1, in the transition to FRS 102 there is a change from our policy of recognising legacies only when their amount and likelihood of receipt is near certain to one of recognising them as soon as they can be estimated with reasonable accuracy and their receipt is probable.

| | £ |
|--|------------------|
| Funds as at 1 April 2014 | |
| As previously stated | 5,530,085 |
| Accrued income from legacies | - |
| Under Charities SORP (FRS 102) | <u>5,530,085</u> |
| Funds as at 31 March 2015 | |
| As previously stated | 5,584,421 |
| Accrued income from legacies | 174,358 |
| Under Charities SORP (FRS 102) | <u>5,758,779</u> |
| Net movement in funds reconciliation | |
| Net movement in funds for the year ended 31 March 2015, as previously stated | 54,336 |
| Change to income from legacies | 174,358 |
| Net movement in funds under FRS 102 | <u>228,694</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2016

23 ANALYSIS OF TOTAL EXPENDITURE - 2015 COMPARITIVE FIGURES FOR CHANGE IN ALLOCATION BASIS

In prior years, central overhead costs were allocated to activities on the basis of total direct departmental costs, incurred at each office or shop. The method of allocation has been changed during the current financial year and is now based on full time equivalent employee numbers for each department. Comparative figures have been restated using this new basis as if it had been in place in that financial year.

| GROUP | Staff costs £ | Other costs £ | Support costs £ | Updated basis | Previous basis |
|--------------------------------------|------------------|------------------|--------------------|-------------------------|--------------------|
| | | | | Total 2015 £ | Total 2015 £ |
| Costs of generating funds | | | | | |
| Fundraising | 499,858 | 252,145 | 139,683 | 891,686 | 952,106 |
| Retail costs | 975,494 | 866,721 | 386,812 | 2,229,027 | 1,945,439 |
| | <u>1,475,352</u> | <u>1,118,866</u> | <u>526,495</u> | <u>3,120,713</u> | <u>2,897,545</u> |
| Direct charitable expenditure | | | | | |
| Community Services | 1,196,122 | 334,718 | 312,457 | 1,843,297 | 1,850,769 |
| Advice and Support | 1,756,378 | 377,848 | 385,168 | 2,519,394 | 2,504,243 |
| Research grants | 37,933 | 225,744 | 23,452 | 287,129 | 390,056 |
| Welfare | 25,780 | 227,087 | 4,247 | 257,114 | 363,315 |
| Influencing public policy | 120,026 | 39,943 | (14,997) | 144,972 | 135,077 |
| Governance costs | - | - | - | - | 31,614 |
| | <u>3,136,239</u> | <u>1,205,340</u> | <u>710,327</u> | <u>5,051,906</u> | <u>5,275,074</u> |
| Total resources expended | <u>4,611,591</u> | <u>2,324,206</u> | <u>1,236,822</u> | <u>8,172,619</u> | <u>8,172,619</u> |

Support costs by activity

| | Staff costs £ | Other costs £ | Overhead costs £ | Updated basis | Previous basis |
|--------------------------------------|------------------|------------------|---------------------|-------------------------|--------------------|
| | | | | Total 2015 £ | Total 2015 £ |
| Costs of generating funds | | | | | |
| Fundraising | 48,345 | 19,469 | 71,869 | 139,683 | 200,103 |
| Retail costs | 150,545 | 12,472 | 223,795 | 386,812 | 107,064 |
| | <u>198,890</u> | <u>31,941</u> | <u>295,664</u> | <u>526,495</u> | <u>307,167</u> |
| Direct charitable expenditure | | | | | |
| Community Services | 130,396 | 14,982 | 167,079 | 312,457 | 319,929 |
| Advice and Support | 163,099 | (2,546) | 224,615 | 385,168 | 370,017 |
| Research grants | 14,987 | 4,028 | 4,437 | 23,452 | 126,379 |
| Welfare | 1,653 | 137 | 2,457 | 4,247 | 110,448 |
| Influencing public policy | (31,498) | 871 | 15,630 | (14,997) | (14,227) |
| | <u>278,637</u> | <u>17,472</u> | <u>414,218</u> | <u>710,327</u> | <u>912,546</u> |
| Total resources expended | <u>477,527</u> | <u>49,413</u> | <u>709,882</u> | <u>1,236,822</u> | <u>1,219,713</u> |

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2016

23 ANALYSIS OF TOTAL EXPENDITURE - 2015 COMPARITIVE FIGURES FOR CHANGE IN ALLOCATION BASIS (CONTINUED)

| CHARITY ONLY | | | | Updated basis | Previous basis |
|--------------------------------------|------------------|------------------|------------------|-------------------------|------------------|
| | Staff costs | Other costs | Support costs | Total | Total |
| | £ | £ | £ | 2015 | 2015 |
| | | | | £ | £ |
| Costs of generating funds | | | | | |
| Fundraising | 499,858 | 252,145 | 139,683 | 891,686 | 952,106 |
| Retail costs | 954,328 | 785,726 | 386,812 | 2,126,866 | 1,843,278 |
| | <u>1,454,186</u> | <u>1,037,871</u> | <u>526,495</u> | <u>3,018,552</u> | <u>2,795,384</u> |
| Direct charitable expenditure | | | | | |
| Community Services | 1,196,122 | 334,718 | 312,457 | 1,843,297 | 1,850,769 |
| Advice and Support | 1,756,378 | 377,848 | 385,168 | 2,519,394 | 2,504,243 |
| Research grants | 37,933 | 225,744 | 23,452 | 287,129 | 390,056 |
| Welfare | 25,780 | 227,087 | 4,247 | 257,114 | 363,316 |
| Influencing public policy | 120,026 | 39,944 | (14,997) | 144,973 | 135,077 |
| Governance costs | - | - | - | - | 31,614 |
| | <u>3,136,239</u> | <u>1,205,341</u> | <u>710,327</u> | <u>5,051,907</u> | <u>5,275,075</u> |
| Total resources expended | <u>4,590,425</u> | <u>2,243,212</u> | <u>1,236,822</u> | <u>8,070,459</u> | <u>8,070,459</u> |

Support costs by activity

| | Staff costs | Other costs | Overhead costs | Updated basis | Previous basis |
|--------------------------------------|----------------|---------------|----------------|-------------------------|------------------|
| | £ | £ | £ | Total | Total |
| | | | | 2015 | 2015 |
| | | | | £ | £ |
| Costs of generating funds | | | | | |
| Fundraising | 48,345 | 19,469 | 71,869 | 139,683 | 200,103 |
| Retail costs | 150,545 | 12,472 | 223,795 | 386,812 | 107,064 |
| | <u>198,890</u> | <u>31,941</u> | <u>295,664</u> | <u>526,495</u> | <u>307,167</u> |
| Direct charitable expenditure | | | | | |
| Community Services | 130,396 | 14,982 | 167,079 | 312,457 | 319,929 |
| Advice and Support | 163,099 | (2,546) | 224,615 | 385,168 | 370,017 |
| Research grants | 14,987 | 4,028 | 4,437 | 23,452 | 126,379 |
| Welfare | 1,653 | 137 | 2,457 | 4,247 | 110,448 |
| Influencing public policy | (31,498) | 871 | 15,630 | (14,997) | (14,227) |
| | <u>278,637</u> | <u>17,472</u> | <u>414,218</u> | <u>710,327</u> | <u>912,546</u> |
| Total resources expended | <u>477,527</u> | <u>49,413</u> | <u>709,882</u> | <u>1,236,822</u> | <u>1,219,713</u> |

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