



FINANCIAL STATEMENTS

For the year ended

31 MARCH 2017

Charity Number: SC005751

THE QUEEN'S NURSING INSTITUTE SCOTLAND

REPORT of the TRUSTEES

For the year ended 31 March 2017

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THE QUEEN'S NURSING INSTITUTE SCOTLAND

REPORT of the TRUSTEES

For the year ended 31 March 2016

Patron:	Her Majesty The Queen
Trustees:	Sir Lewis Ritchie (Chair) Dr Linda Pollock (Vice Chair) Mr A Davidson (Hon Treasurer) Mrs J Walker (Hon Secretary) Mrs I Bonnar Mr D Boswell Mrs H Campbell Ms J Cantrell Prof F Coutts Mr R Morton Mrs P Tyrell (joined April 2016) Mrs J Wilson (stepped down July 2016)
Chief Executive and Nurse Director:	Prof Clare Cable
Address:	31 Castle Terrace Edinburgh EH1 2EL
Web Site:	www.qnis.org.uk
Registration Number:	Scottish Charity 005751
Auditor:	Chiene + Tait LLP Chartered Accountants and Statutory Auditor 61 Dublin Street Edinburgh EH3 6NL
Bankers:	Charities Aid Foundation Bank 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ Virgin Money Jubilee House Gosforth Newcastle Upon Tyne NE3 4LP Shawbrook Bank Lutea House, Warley Hill Business Park The Drive Great Warley Brentwood Essex, CM13 3BE

THE QUEEN'S NURSING INSTITUTE SCOTLAND

REPORT of the TRUSTEES

For the year ended 31 March 2017

Scottish Widows
67 Morrison Street
Edinburgh
EH3 8YJ

Investment Advisors:

Standard Life Wealth Limited (reappointed in 2016)
1 George Street
Edinburgh
EH2 2LL

REPORT of the TRUSTEES

For the year ended 31 March 2016

INTRODUCTION

The Queen's Nursing Institute Scotland (QNIS) is a Scottish Charitable Incorporated Organisation (SCIO) promoting excellence in community nursing to improve the health and well-being of the people of Scotland. Our charitable objectives are:

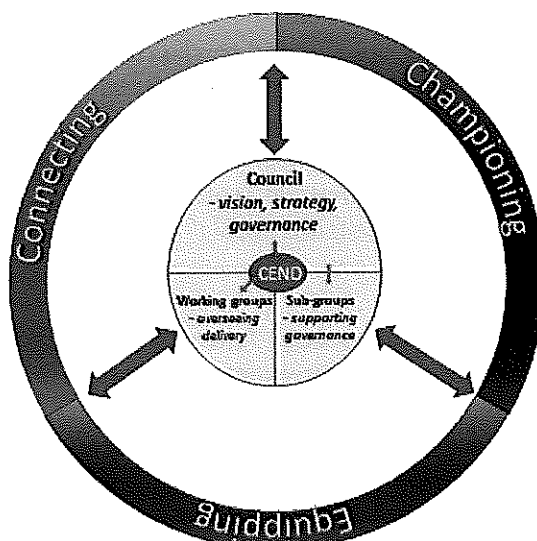
- a) The relief of former Queen's Nurses who are in need by reason of age, ill-health, disability, financial hardship or other disadvantage;
- b) The advancement of education, training and professional development of persons acting as community nurses for the sick and as community midwives and health visitors; and
- c) The improvement of health through research, preventative and supervisory work undertaken in the community.

GOVERNANCE AND MANAGEMENT

Governance of QNIS is the responsibility of the Council of Trustees (above) which meets quarterly. As of March 2017, there are 11 Trustees, each with the relevant expertise to carry out a specific remit. QNIS Council agrees the annual operational plan in line with the newly agreed forward plan and charitable objectives. There is an annually updated Register of Trustee's Interests; in addition, each meeting starts with an opportunity for Trustees to declare interest in any particular item on the agenda.

New Trustees are proposed and selected by a Nominations Committee of existing Trustees, and are subsequently appointed by the Patron. New Trustees undergo a short induction and training process provided by the existing Trustees, Chief Executive & Nurse Director (CEND) and the staff team.

Our Governance Structure is set out below:



The day-to-day management of QNIS is delegated to the CEND, supported by the staff team.

REPORT of the TRUSTEES

For the year ended 31 March 2017

STRATEGY

During 2015-16, QNIS developed a new forward plan for 2016-2020, following extensive consultation with its stakeholders. We have restated our purpose as *promoting excellence in community nursing to improve the health and wellbeing of the people of Scotland*. Our forward plan is based on three principles:

- Connecting people who share a passion for high-quality nursing in the community.
- Equipping nurses with the education, skills and confidence they need to help people achieve better health and well-being.
- Championing nurses' roles as advocates for quality health and care.

It sets out eight priorities for action over the next four years. These are to:

1. reintroduce the Queen's Nurse title to Scotland
2. provide development programmes and awards for community nurses
3. hold a major community nursing conference in Scotland every year
4. develop a "Community Nursing Observatory" – a hub from which nurses can access research and evidence to improve their practice
5. create a community nursing think-tank to shape policy on key topics
6. enable the fellowship of the retired Queen's Nurses
7. create an interactive record of our history
8. build an organisation which enables staff and trustees to give their best and achieve their potential

The agreed operational plan is aligned with these eight priorities. Each priority has deliverables and key performance indicators.

ACHIEVEMENTS

Our achievements for the year are set out under the key priorities within the Strategy:

1. Reintroduce the Queen's Nurse title to Scotland

The prestigious Queen's Nurse title will be awarded to clinical leaders who can demonstrate their impact as expert practitioners. These practitioners may be general practice nurses, community mental health nurses, school nurses, health visitors, community midwives or district nurses. The Institute will award 20 QN titles each year to showcase excellent community nursing practice; so, after five years there will be 100 Queen's Nurses in Scotland. We have set out what a new Queen's Nurse would look like, described as an 'Excellence Profile' which can be found along with profiles of the first candidates on the QNIS website.

Twenty candidates were selected in January 2017 following nominations from health boards and employers across Scotland and rigorous selection events. Those selected undertook an extraordinary week's residential 'Journey of Discovery' and a few quotes from their feedback can be found in the box below. The candidates will have two further brief residential workshops and are working on a service development project supported by a coach, a sponsor within their organisation and a network of peer support. Queen's Nurse titles will be awarded in December 2017 on successful completion of the programme. HM The Queen has agreed to sign the certificates.

REPORT of the TRUSTEES

For the year ended 31 March 2017

"This week has definitely given me the courage and the tools to move forward and help support the people at the centre of the care that I give."
"A turning point in my professional and personal development."
"Feel I've been on a transformation journey."
"This week has totally exceeded any expectations that I might have had in terms of this whole programme and I've said many times that the way it's crafted is very clever, it's very thoughtful its very mindful and I think it's been designed to get the best from everyone."

2. Provide development programmes and awards for community nurses

Six 'Catalysts for Change' projects were selected, funded and profiled online.

1. "Our Visit";
2. "Physical Activity Peer Support Worker";
3. "Social prescribing in a Gypsy Traveller site";
4. "Reducing health inequalities in people with learning disabilities";
5. "Windows of opportunity" and
6. "Implementing wellness recovery: school pupils and their carers".

These projects all address an important aspect of health inequalities and will report Autumn 2017.

132 Long Service Awards were made in 2016/17:

"Thank you very much for a wonderful afternoon, I was made very welcome and thoroughly enjoyed my day, good company and an excellent lunch at the Awards service. I felt very honoured".

18 Academic prizes have been awarded (undergraduate and postgraduate) at 10 universities. This is a significant improvement on last year. Prize recipients contributed blogs to the QNIS website to share their perspectives on being inspired as a student.

3. Hold a major community nursing conference in Scotland every year

This year's conference was held on 16 March at Grand Central Hotel Glasgow. The theme was 'Conversations that change lives and build communities'. 174 delegates attended and in their feedback said that they left feeling inspired and re-energised:

"An incredibly strong selection of speakers, such a refreshing and exciting mix of topics, more conferences should demonstrate this breadth of vision in their planning!"
"All the speakers were excellent and thought provoking. The 'human' element woven throughout the speakers' presentations were very powerful."

4. Develop a "Community Nursing Observatory" – a hub from which nurses can access research and evidence to improve their practice

This work is in the planning stage. In March 2017, an initial scoping meeting was held with academic leaders from across Scotland to begin to map current activity and seek views on where QNIS could add value.

Meanwhile, to support this work we have signed a contract with Robert Gordon University to create a QNIS Chair in Community Nursing. Prof Catriona Kennedy's inaugural lecture took place on 23rd November 2016 in Aberdeen.

5. Create a community nursing think-tank to shape policy on key topics

REPORT of the TRUSTEES

For the year ended 31 March 2017

QNIS has joined forces with a range of other professional bodies to produce two important policy papers "The future of primary care in Scotland: a view from the professions" and "A digital strategy for Scotland 2017 and beyond: a view from the professions". These are available on our website.

In addition, we have worked together with our sister organisation the Queen's Nursing Institute (QNI) to develop "Standards for General Practice Nursing Education and Practice", these will be published in September 2017.

QNIS continues to represent community nursing on a range of strategic Scottish Government and other national groups.

6. Enable the fellowship of the retired Queen's Nurses

Two intergenerational events were held in June 2016, at Queen Margaret University, Edinburgh and Glasgow Caledonian University where retired Queen's Nurses were engaged in conversation with District Nursing students. Both events had very positive feedback.

We have appointed a Network Coordinator to provide dedicated support to this work.

27 Welfare Grants were awarded – totalling £5,500, this is an increase of £1,600 on grants awarded during the previous financial year.

The June retired Queen's Nurse holiday had 27 guests and the September holiday had 19. The holidays were highly valued by those attending.

7. Create an interactive record of our history

The life and work of the last generation of Queen's Nurses is being captured and profiled through a range of media for a general audience. We have produced nine engaging, high quality interviews recorded on audio and film, thanks to journalist Pennie Taylor. These are featured on the website. In addition, a remarkable book "Hebridean Heroines" by Catherine Morrison, was published in December 2016 following funding from QNIS for her PhD study and subsequent editing and publication as a paperback. It is available from the Island Book Trust.

8. Build an organisation which enables staff and trustees to give their best and achieve their potential

We were successful in applying to be part of the ACOSVO Path to Impact Programme which has given us valuable feedback on how to develop and sustain our vision. Based on the findings of the Path to Impact analysis, the Council development afternoon focussed on fund raising. We have successfully been awarded £35k from the Burdett Trust for Nursing and are seeking sponsorship for QN Awards event.

The new website was launched at the AGM; with 1440 visits in November (average 897). 2016 (12456 visits) was also a busier year than both 2015 (12174) and 2014 (7696), so web traffic is increasing every year. In October, November and December, the QN title page was the most read webpage on the website with 853 total visits (2nd – 2017 Conference with 333). Long Service Awards and Project Funding are consistently in the most read pages. On Twitter, we have 1155 followers, increasing by a rate of approximately 20 each month.

REPORT of the TRUSTEES

For the year ended 31 March 2017

STAFF AND VOLUNTEERS

The Staff Governance Committee reports to the Council on HR and related matters. Specifically, the remit of the Committee is to:

1. Ensure terms and conditions and workforce systems comply with employment law.
2. Ensure staffing and organisational structures remain fit for purpose.
3. Set up Health and Safety systems and ensure compliance with statutory requirements.
4. Update policies and procedures and develop a system of documentation control.
5. Implement a system of staff annual appraisal, training and personal development.

The Staff Governance Committee has provided excellent support as posts were reviewed, the team restructured and new appointments have been made. We have a growing set of HR policies and a clear schedule for completing them.

Feedback from individual appraisals demonstrates staff feeling valued. A team development day took place in November which supported the building of the new team. Our business support manager has undertaken an OU book keeping course. Our use of Xero has been honed. Processes for invoicing have been reviewed and improved.

The Chief Executive and Nurse Director was awarded an Honorary Professorship at Queen Margaret University, Edinburgh and was awarded a Florence Nightingale Foundation Leadership Scholarship.

We seek to support and develop Trustees in their governance role. A successful Council development day took place on 21 September. We have one vacancy after the resignation of Julie Wilson. A number of Trustees have participated in development opportunities organised by ACOSVO and various legal firms.

Key Management Personnel

The Trustees and the CEND are regarded as key management personnel. The Trustees act in a voluntary capacity and receive no remuneration. The remuneration of the CEND and all other staff are determined by the Staff Governance Committee whose decisions are ratified by Council.

Corporate Social Responsibility

QNIS uses Changeworks, a social enterprise, and we now recycle the largest proportion of our office waste. We 'twinning' our toilets through <http://www.toilettwinning.org/> to support sanitation projects in developing countries. We have committed to only buying Fairtrade tea and coffee and all our lunches for meetings have been provided by Social Bite, another local social enterprise. We have supported International Collaboration for Community Health Nursing Research by becoming a small organisation member, which supports Mary McClymont scholarship grants to enable community health nurses from low income countries to attend their conference.

Risk Management

During this year Council has reviewed the Risk Register at each Council meeting. Risks which have been identified and mitigated this year include:

- Need to ensure QNIS staff team has the skills and competencies to deliver the agreed strategy. *A staffing review was undertaken and a new team structure introduced.*
- Reputational risks associated with web content from invited guest authors e.g. blogs. *New reviews and moderation of web content have been introduced.*
- Need for a comprehensive set of HR policies, staff appraisal and remuneration procedures. *With the support of HR providers EVH a new payscale has been introduced and a comprehensive set of HR policies is being developed.*

REPORT of the TRUSTEES

For the year ended 31 March 2017

- Need for policies and procedures around general information governance. *Recommendations from the Information Commissioners Office have been acted upon and new information governance policies will be introduced with the forthcoming legislation.*
- Need for updated policies around health and safety including fire safety. *Health and safety and fire safety monitoring is overseen by the Staff Governance Committee. All staff and Trustees have undertaken Health and Safety and Fire Safety training.*
- Need to ensure clear governance processes around research ethics for all QNIS funded projects. *New guidance has been developed and a refreshed steering committee has been appointed to oversee this work.*

Financial Review

QNIS has incurred a deficit for the year to 31 March 2017 before realised and unrealised investment gains/(losses) of £64,190 (2016: surplus £22,049). This deficit had been budgeted in order to deliver the agreed strategy for the year.

Total income was £394,425 (2016: £368,351) including interest and dividend income of £318,352 (2016: £333,084).

QNIS is grateful for the donation from Scotland's Gardens Scheme of £25,000 (2015: £25,000) and for the donation from The Patron's Fund of £2,500. Both these donations have been designated by the Trustees to assist with the funding of the re-introduction of the Queen's Nurse title

Funding of £35,000 was received from the Burdett Trust towards the cost of the provision of the coaching element of the work involved in the re-introduction of the Queen's Nurse title and to support the evaluation of the programme.

QNIS Administration

The total cost of administration for the year ended 31 March 2017 was £93,663 (2016: £96,248) being support costs of £51,554 (2016: £58,135) and portfolio management charges for the year ended 31 March 2017 of £42,109 (2016: £38,113).

Management of Funds

QNIS is reliant on the income from its investments. This year we undertook a review of our fund management. The Finance Committee invited seven companies to submit a written tender, and interviewed four. As a result of this process a portfolio management agreement between the Trustees and Standard Life Wealth (SLW) was renewed. SLW have discretionary powers for investment with all stock being held on their behalf by the Platform Securities LLP., in London. Council has determined that there should be no direct investment in stocks involving tobacco products.

The total market value of the portfolio (including cash balances held within the portfolio) had risen to £9,135,409 at the year end (2016: £7,938,803) which represents a 15% increase in asset values. The Trustees are satisfied that performance throughout the year has been acceptable given the market conditions, with a sufficient level of income generated to support activities.

REPORT of the TRUSTEES

For the year ended 31 March 2017

Reserves

Reserves represent investments held for the generation of income for application to charitable purposes. The charity is not currently involved in active fundraising except for specific project costs. Total reserves stood at £9,621,211 at 31 March 2017 including designated funds of £41,253.

The reserves policy was reviewed by Council in 2016. Investments are maintained at a sufficient level in order to generate an income stream for the charity, and this will continue to be the case. Some progress has been made this year towards meeting Council's objective of holding approximately six months' cash reserves. Total cash reserves at 31 March 2017 remain higher than planned.

Plans for the Future

The Queen's Nursing Institute Scotland intends to use the income from the investment portfolio and other grants and awards in line with its strategy, focussing on the eight key priorities which are in accordance with its charitable objects. The Trustees, under the leadership of the Chair are continuing to explore ways in which we might attract additional external funds to enhance the delivery of the identified priority areas.

Statement of Trustees' Responsibilities

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

The law applicable to charities in Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the income and expenditure of the charity for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities Statement of Recommended Practice;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

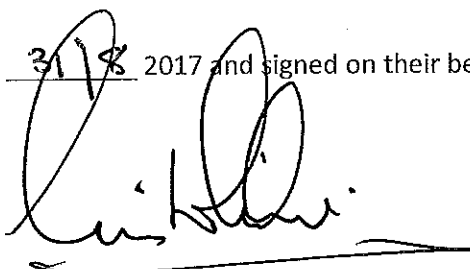
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements, comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the charity's constitution.

The Trustees 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.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the Charity's web site. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Trustees on 31/8 2017 and signed on their behalf by

Sir Lewis Ritchie
Chair



**To the Trustees of The Queen's Nursing Institute Scotland
For year ended 31 March 2017**

We have audited the financial statements of The Queen's Nursing Institute, Scotland for the year ended 31 March 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the 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) including FRS 102 "The Financial Reporting Standard in the United Kingdom and Republic of Ireland".

This report is made solely to the charity's Trustees, as a body, in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the charity's 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 charity and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustees and Auditor

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the Trustees are responsible for the preparation of financial statements which 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 report in accordance with regulations made under that Act. 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council'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 charity's affairs as at 31 March 2017, and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

INDEPENDENT AUDITOR'S REPORT (continued)



To the Trustees of The Queen's Nursing Institute Scotland
For the year ended 31 March 2017

Matters on which we are required to report by exception

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

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Chiene + Tait LLP
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh
EH3 6NL

5 September 2017

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

THE QUEEN'S NURSING INSTITUTE SCOTLAND

STATEMENT of FINANCIAL ACTIVITIES

For the year ended 31 March 2017

		2017			2016	
	Notes	Un-restricted Funds £	Restricted Funds £	Total Funds £	Un-restricted Funds £	Total Funds Restated £
Income from:						
Donations and legacies		29,391	35,000	64,391	25,218	25,218
Charitable Activities						
- conference, fees and welfare		11,682	-	11,682	10,049	10,049
Investments		318,352	-	318,352	333,084	333,084
Total income		359,425	35,000	394,425	368,351	368,351
Expenditure on:						
Raising funds	3	42,109	-	42,109	38,113	38,113
Charitable activities	4	394,006	22,500	416,506	308,189	308,189
Total expenditure		436,115	22,500	458,615	347,870	346,302
Net (expenditure)/income before investment gains/(losses)		(76,690)	12,500	(64,190)	22,049	22,049
Gains/(Losses) on Investments						
Realised	7	129,770	-	129,770	(242,905)	(242,905)
Unrealised	7	1,207,408	-	1,207,408	(219,264)	(219,264)
Net income/(expenditure) and net movement in funds for the year		1,260,488	12,500	1,272,988	(440,120)	(440,120)
Total funds at 31 March 2016		8,335,432	-	8,335,432	8,775,552	8,775,552
Total funds at 31 March 2017		9,595,920	12,500	9,608,420	8,335,432	8,335,432

All incoming resources are derived from continuing activities.

The notes on pages 16 to 21 form part of these financial statements

THE QUEEN'S NURSING INSTITUTE SCOTLAND

BALANCE SHEET

As at 31 March 2017


	Notes	2017 £	2016 £
Fixed Assets	6	135,808	138,015
Investments	7	9,135,409	7,938,803
Current Assets			
Debtors	8	69,893	38,373
Cash at bank and in hand		300,850	265,198
		<u>370,743</u>	<u>303,571</u>
Less: Current Liabilities			
Creditors due within one year	9	<u>33,540</u>	<u>44,957</u>
Net Current Assets		<u>337,203</u>	<u>258,614</u>
Net Assets		<u>9,608,420</u>	<u>8,335,432</u>
Represented by:			
General Fund	10	9,564,667	8,300,432
Designated Funds	10	31,253	35,000
Restricted Funds	10	<u>12,500</u>	<u>-</u>
		<u>9,608,420</u>	<u>8,335,432</u>

Approved by the Trustees on 31/8 2017 and signed on their behalf by:



Alan Davidson
Honorary Treasurer

Sir Lewis Ritchie
Chair



The notes on pages 16 to 21 form part of these financial statements

THE QUEEN'S NURSING INSTITUTE SCOTLAND

STATEMENT OF CASH FLOWS

For the year ended 31 March 2017

	2017 £	2016 £
Cash flows from operating activities:		
<i>Net cash (used in)/ provided by operating activities (see below)</i>	(101,170)	37,536
Cash flows from investing activities:		
Purchase of property, plant and equipment	(3,750)	(109,218)
Proceeds from the sale of investments	2,110,981	1,930,468
Purchase of investments	(1,502,733)	(2,075,737)
(Increase)/decrease in cash held for investment	(467,676)	183,105
<i>Net cash provided by/(used in) investing activities</i>	<u>136,822</u>	<u>(71,382)</u>
Change in cash at hand in bank in the year	35,652	(33,846)
Cash at bank and in hand at the beginning of the year	<u>265,198</u>	<u>299,044</u>
Cash at bank and in hand at the end of the year	<u><u>300,850</u></u>	<u><u>265,198</u></u>

Reconciliation of net income/(expenditure) for the year to net cash flow from operating activities

	2017 £	2016 £
Net income/(expenditure) for the year (per statement of financial activities)	1,272,988	(440,120)
Adjustments for:		
Depreciation	5,957	7,275
(Gains)/losses on investments	(1,337,178)	462,169
(Increase)/decrease in debtors	(31,520)	11,564
(Decrease) in creditors	(11,417)	(3,352)
<i>Net cash (used in)/ provided by operating activities</i>	<u>(101,170)</u>	<u>37,536</u>

The notes on pages 16 to 21 form part of these financial statements

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 March 2017

1. Accounting Policies

Basis of preparation

The financial statements are prepared in accordance with Financial Reporting Standard 102 (FRS 102). They are also prepared in accordance with the Charities Accounts (Scotland) Regulations 2006 and Accounting and Reporting by Charities: Statement of Recommended Practice (FRS 102) (the Charities SORP FRS 102) applicable from 1 January 2015.

QNIS is a Public Benefit Entity as defined by FRS 102.

Going concern

There are no material uncertainties regarding the going concern status of QNIS and the Trustees continue to prepare the financial statements on the going concern basis.

Significant judgements and estimation uncertainty

In the application of the accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities. As the estimates and associated assumptions are based on experience and other relevant factors, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an on-going basis. The only estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in relation to the fair value of investments and the useful lives of assets. The Trustees regard their estimates as reasonable and prudent.

Financial instruments

QNIS has only "basic" financial instruments as defined by FRS 102 being listed investments, debtors for income and creditors for normal operating costs. Investments are initially recorded at cost and subsequently at market value at the balance sheet date. All other financial instruments are initially recorded at cost and subsequently at settlement amount.

Tangible fixed assets

Heritable property represented by the building at 31 Castle Terrace, Edinburgh, is stated at cost and no depreciation is charged. In the opinion of the Trustees the property has a long useful life and a residual value so high that any depreciation charge would be immaterial. The Trustees consider that current market value is considerably in excess of cost and do not consider that the expense of undertaking a valuation is warranted.

Other fixed assets are initially included at cost. In general items under £500 are unlikely to be capitalised.

Depreciation of office equipment is provided at 33 1/3% per annum on cost in order to write off each asset over its estimated useful life.

Income

Income is recognised on an accruals basis. Investment income is recognised on an accruals basis once dividends have been declared. Grant income and donations are recognised when the conditions of receipt have been met and the amount involved can be quantified.

Legacies and donations are accounted for when the charity is advised by the personal representative of an estate that payment will be made and the amount involved can be quantified.

• **THE QUEEN'S NURSING INSTITUTE SCOTLAND**

NOTES to the FINANCIAL STATEMENTS continued
For the year ended 31 March 2017

1. Accounting Policies (Continued)

Expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay for expenditure.

- Costs of raising funds are those associated with generating incoming resources.
- Charitable activities include expenditure associated with meeting the charity's primary objectives and include both the direct cost and the support costs relating to these activities.

Governance costs are those support costs of a constitutional, strategic, or statutory nature with respect to the general running of the charity, rather than day to day management.

The charity recognises the commitment to make grants and other such funding in the year that the contract for funding is signed, or a commitment is made in writing to the recipient. Funding for projects undertaken and completed in the financial year are expensed in the financial statements. Funding commitments that extend to a period not covered by the annual financial statements are recognised as liabilities of the charity and are recognised in the financial statements as such.

Pensions

Contributions payable to the charity's defined contribution pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

Staff costs

All staff costs (including any redundancy costs) are considered to be direct charitable costs and are accounted for as such.

Funds

Unrestricted income funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects.

Designated funds are funds which have been designated by the Trustees of the Queen's Nursing Institute Scotland for a particular future purpose.

Restricted funds are funds which have been designated by the donor for a particular future purpose within the constitution of the Queen's Nursing Institute Scotland.

2. Employment Costs

	2017	2016
	£	£
Wages and Salaries	128,799	140,640
Social Security Costs	9,768	10,566
Pension Costs (defined contribution scheme)	10,511	10,337
Agency staff	14,881	-
	<u>163,959</u>	<u>161,543</u>

The average monthly number of employees in the twelve month period was 5 (2016: 6).

The Trustees regard the role of Chief Executive & Nurse Director as key management personnel. Total remuneration was £67,510 (2016: £60,101), including pension costs of £5,544 (2016: £4,945), and national insurance costs of £6,531 (2016: £5,705). The number of individuals with remuneration greater than £60,000 was Nil (2016: £Nil).

No Trustees received remuneration during the period. Expenses were paid to four trustees during the year totalling £401 (2016: £432).

THE QUEEN'S NURSING INSTITUTE SCOTLAND

NOTES to the FINANCIAL STATEMENTS continued For the year ended 31 March 2017

3.	Costs of raising funds	2017 £	2016 £
	Investment management fees	42,109	38,113

4.	Costs of charitable activities	2017 Unrestricted £	2017 Restricted £	2017 Total £	2016 Total £
Direct delivery of charitable activities:					
	Staff costs (including staff development costs)	165,502	-	165,502	163,021
	Development programmes and awards	35,302	22,500	57,802	5,286
	Education, research and policy	90,410	-	90,410	54,534
	Welfare of the retired Queen's Nurses	51,238	-	51,238	27,213
		342,452	22,500	364,952	250,054
	Support costs (note 5)	43,145	-	43,145	47,072
	Governance costs (note 5)	8,409	-	8,409	11,063
		394,006	22,500	416,506	308,189

All costs incurred in 2016 were unrestricted. A revised, activity based, allocation of costs has been adopted and comparative figures have been re-categorised accordingly.

Included the above direct costs are various grants payments, analysed as follows:

	Individuals £	Institutions £	2017 Total £	2016 Total £
Development programmes and awards	1,300	-	1,300	907
Education, research and policy	-	58,100	58,100	31,077
Welfare of the retired Queen's Nurses	11,140	-	11,140	3,966
	12,440	58,100	70,540	35,950

Grants to institutions include funding of £31,600 in respect of the Catalysts for Change projects to a number of Health Boards, a medical practice and educational establishments and £25,000 to Robert Gordon University as the first year funding of the QNIS Chair in Community Nursing.

5. Analysis of Support and Governance Costs

The breakdown of support and governance costs is shown in the table below.

	Support Costs £	Governance Costs £	2017 Total £	2016 Total £
Council meetings including trustees' expenses	-	2,758	2,758	3,478
Premises costs	15,830	-	15,830	24,131
Office expenses	22,319	-	22,319	19,995
Audit	-	4,100	4,100	4,800
AGM	-	1,265	1,265	2,137
Legal and other professional fees	4,996	286	5,282	3,594
	43,145	8,409	51,554	58,135

Staff costs are allocated on the basis of an assessment of time spent on activities.

THE QUEEN'S NURSING INSTITUTE SCOTLAND

NOTES to the FINANCIAL STATEMENTS continued
For the year ended 31 March 2017

6. Fixed Assets	Heritable Property £	Office Equipment £	Total £
Cost			
As at 31 March 2016	128,376	31,562	159,938
Additions	1,963	1,787	3,750
As at 31 March 2017	130,339	33,349	163,688
Accumulated Depreciation			
As at 31 March 2016	-	21,923	21,923
Charge for year	-	5,957	5,957
As at 31 March 2017	-	27,880	27,880
Net Book Value			
As at 31 March 2017	130,339	5,469	135,808
As at 31 March 2016	128,376	9,639	138,015

	2017		2016	
7. Investments	Cost £	Market Value £	Cost £	Market Value £
Fixed Interest, Securities & Equities	6,423,242	8,529,121	6,516,176	7,800,191
Cash deposits	606,288	606,288	138,612	138,612
	7,029,530	9,135,409	6,654,688	7,938,803
Market Value as at 31 March 2016				7,800,191
Disposals at opening book value (Proceeds £2,110,981; gain: £129,770)				(1,981,211)
Additions at cost				1,502,733
Net gains on revaluations at 31 March 2017				1,207,408
				8,529,121
Cash held by Fund Managers				606,288
				9,135,409

All securities and equities are listed investments. The charity holds no investment which exceeds 5% of the portfolio's market value (2016: none). The cost figure for investments includes £2.0m relating to investments held outside the UK (2016: £2.0m). The market value figure includes £2.9m relating to investments held outside the UK (2016: £2.5m).

The significance of investments to the ongoing sustainability of the Charity is considered in the Report of the Trustees. The main risk to QNIS lies in the combination of uncertain investment markets and volatility in yield. Liquidity risk is anticipated to be low as all investment assets are traded. The Trustees manage investment risks by retaining professional fund managers.

THE QUEEN'S NURSING INSTITUTE SCOTLAND

NOTES to the FINANCIAL STATEMENTS continued
For the year ended 31 March 2017

8. Debtors	2017	2016
	£	£
Other Debtors and Prepayments	4,542	6,737
Accrued Income	65,351	31,636
	<u>69,893</u>	<u>38,373</u>

9. Creditors due within one year	2017	2016
	£	£
Accrued Expenses	25,613	27,092
Other Creditors	7,927	17,865
	<u>33,540</u>	<u>44,957</u>

	Balance at 31 March 2016	Incoming Resources	Resources Expended	Investment Gain	Transfers	Balance at 31 March 2017
	£	£	£	£	£	£
10. Reserves						
Unrestricted funds - General	8,300,432	331,925	(404,868)	1,337,178	-	9,564,667
Unrestricted funds – designated (a)	35,000	27,500	(31,247)	-	-	31,253
Restricted funds – Queen's Nurse reintroduction (b)	-	35,000	(22,500)	-	-	12,500
	<u>8,335,432</u>	<u>394,425</u>	<u>(458,615)</u>	<u>1,337,178</u>	<u>-</u>	<u>9,621,211</u>

- (a) The Council has taken the decision to designate funds received from Scotland's Garden Scheme in respect of garden openings toward the development of the Queen's Nurse title.
- (b) Funds were received in the year from the Burdett Trust for the purpose of reintroducing the Queen's Nurse title to Scotland to develop the leadership skills of expert community practitioners. The unexpended balance has been carried forward to fund further specific expenditure in 2017/18.

THE QUEEN'S NURSING INSTITUTE SCOTLAND

NOTES to the FINANCIAL STATEMENTS continued For the year ended 31 March 2017

12. Related party transactions

£2,500 was paid to J Cantrell (trustee) in the year to 31 March 2017 for consultancy services provided for Queen's Nurse development.

13. Financial Commitments

Total commitments under operating leases, in respect of the office photocopier and printer, are as follows:

	2017 £	2016 £
Payments due within one year	1,549	1,549
Payments due after one year but within five years	2,712	4,261
Payments due after five years	-	-

Lease payments during the year amounted to £1,549 (inc VAT).

14. Capital Commitments

There were no capital commitments at 31 March 2017.