

**Hospice Care**  
**Company Number 022473C, Isle of Man**  
**Report and Consolidated Financial Statements**

**31 December 2022**

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## Hospice Care

### Report of the Board of Governors

The Board of Governors present their annual report and the audited consolidated financial statements for Hospice Care (The Charity) for the year ended 31 December 2022.

#### Principal Activity

The principal activity of the group is that of a number of registered charities established to make provision for the care of persons in the Isle of Man suffering from terminal illness or who are otherwise suitable for Hospice Care.

#### Results and Dividends

The group has reported a loss for the year of £3,160,114 (2021: Loss of £447,724) which has been transferred from reserves.

The Board of Governors do not propose the payment of a dividend (2021: £Nil).

#### Future Developments

The Board of Governors anticipate that the business will continue its activities in a similar manner.

#### Events since the Statement of Financial Position date

The events that require to be disclosed are detailed in Note 17.

#### Going Concern

The financial statements have been prepared on a going concern basis as the Board of Governors consider that there are sufficient reserves within the Group and Company to support the going concern assumption made in note 1c.

#### Board of Governors

The composition of the Board of Governors who served as directors throughout the year and to date were:-

Chairman	Mr C Hall MA MSc FIoD
Hon Treasurer:	Mr C Eaton LLB (Hons) C Dir (appointed 24 February 2022)
Other members:	Mr H Craig (resigned 17 June 2022)
	Mr P E Dearden BA (Hons), FCA ATII
	Mr J McC W Rimmer
	Ms E A Kelly BSc MRICS
	Mr J McChesney
	Mr G Sissons (resigned 1 November 2022)
	Ms H Blackley BSc DipM FCIM
	Mrs D P Fletcher, MBE
	Mrs L Radcliffe, RN, BSc (hons), MSc, CMgr FCMI
	Mr A J Corlett, OBE
	Mr J Geldart, BA (Hons) Chartered FCSI
	Ms C Y Black BA (hons), MAEd, RN, RNT (appointed 30 November 2022)
	Mr R D Jones (appointed 19 May 2022; resigned 26 October 2022)
Company Secretary:	Mr PC Halliday FIoD FCG (resigned 17 June 2022)
	Ms S Shute (appointed 17 June 2022)

## Hospice Care

### Report of the Board of Governors (continued)

#### Auditors

Ernst & Young LLC have indicated their willingness to continue in office in accordance with Section 12(2) of the Companies Act 1982.

#### Membership

As at 31 December 2022 there were 289 members of Hospice Care compared with 316 at the end of 31 December 2021. In addition, there were 135 life members at the end of 31 December 2022 compared with 143 at the end of 31 December 2021.

By order of the Board of Governors

C. J. Hedd Date 12<sup>th</sup> June 2023  
Governor

### Statement of Board of Governors' responsibilities in respect of the financial statements

Company law requires the Board of Governors 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 Group and of the surplus of the Charity and of the Group for the year. The Board of Governors have elected to prepare financial statements in accordance with applicable law and United Kingdom accounting standards, including FRS 102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland". In preparing those financial statements, the Board of Governors is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures discussed 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 business.

The Board of Governors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and of the Group and to enable them to ensure that the financial statements comply with the Companies Acts 1931 to 2004, Charities Registration & Regulations Act 2019 and Charities Regulations 2020. 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.

## Hospice Care

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOSPICE CARE

#### Opinion

We have audited the consolidated and parent company financial statements of Hospice Care for the year ended 31 December 2022 which comprise of the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the group's and of the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 1931-2004, the Charities Registration & Regulations Act 2019 and the Charities Regulations 2020.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Isle of Man, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board of Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Board of Governors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

#### Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board of Governors are responsible for the other information contained within the annual report.

## Hospice Care

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters in relation to which the Companies Acts 1931-2004 require us to report to you if, in our opinion:

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

### **Responsibilities of Board of Governors'**

As explained more fully in the Board of Governors' responsibilities statement set out on page 3, the Board are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Governors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Governors' either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### ***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the

## Hospice Care

risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

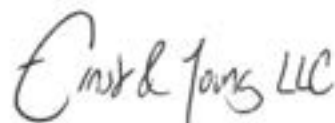
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and parent company and determined that the most significant are those that relate to the reporting framework (United Kingdom Accounting Standards; including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"), Isle of Man Companies Act 1931 – 2004, GDPR, Isle of Man Employment Laws, Isle of Man Health and Safety Legislation, Gaming, Betting and Lotteries Act 1988, the Charities Registration & Regulations Act 2019 and the Charities Regulations 2020.
- We understood how the group is complying with those frameworks by making enquires of management to understand how the group maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur through discussions with management, by considering the risk of management override and assuming revenue to be a fraud risk. Our procedures involved testing journals identified by a specific risk criteria and by testing specific transactions back to source documentation, ensuring appropriate authorisation of the transactions.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved identifying relevant laws and regulations having a direct and indirect impact, obtaining an understanding of management's procedures for identifying and complying with laws and regulations and review of board meeting minutes.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Section 15 of the Companies Act 1982. Our audit work has been undertaken so that we might state to the company's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ernst & Young LLC.

Isle of Man

Date 12 June 2023



## Hospice Care

### Consolidated Statement of Financial Activities For the year ended 31 December 2022

	Notes	2022 £	2021 £
<b>Income:</b>	1(g)		
Donations		1,264,816	1,106,918
Legacies		610,986	1,716,420
<i>Commercial Trading Operations:</i>			
Hospice		819,812	596,654
Shops and Property		1,181,666	1,015,578
Investment return	1(k),1(g)	(574,766)	717,451
Government Grant – Manx Care		922,000	592,572
Other Income		119,470	-
Profit on Sale of Fixed Asset		-	60,338
<b>Total Income</b>		<u>4,343,984</u>	<u>5,805,931</u>
<b>Expenditure:</b>	1(h)		
<i>Costs of raising funds:</i>			
Commercial Trading Operations		(639,128)	(538,309)
Fundraising Costs		(690,242)	(571,792)
<i>Expenditure on Charitable Activities:</i>			
Operation of Hospice		(6,172,645)	(5,283,508)
Other expenditure		(2,083)	(13,162)
Government Grant – Salary Support Scheme	1 (g)	-	153,116
<b>Total Expenditure</b>		<u>(7,504,098)</u>	<u>(6,253,655)</u>
<b>Comprehensive (loss) / Income for the year</b>		<u>(3,160,114)</u>	<u>(447,724)</u>
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive (loss) / Income</b>		<u>(3,160,114)</u>	<u>(447,724)</u>

The Consolidated Statement of Financial Activities should be read in conjunction with the Consolidated Statement of Changes in Equity. There was no other comprehensive income during the year (2021: £Nil).

All items are considered to arise from continuing transactions.

#### Company Profit and Loss Account

Under Section 3(5) of the Companies Act 1982, the company is exempt from the requirements to present its own profit and loss account. Of the consolidated surplus of income over expenditure, a deficit of £3,702,445 (31 December 2021: Deficit of £1,004,715) has been retained by Hospice Care.

## Hospice Care

### Consolidated Balance Sheet

For the year ended 31 December 2022

	Notes	2022 £	2022 £	2021 £	2021 £
<b>FIXED ASSETS</b>					
Tangible Assets	1(i) 3(a)		11,768,798		12,055,042
Investments at fair value through profit or loss	1(k),4(a)		4,659,272		5,224,938
Investment property	1(j),6		-		-
<b>Debtors due after more than one year</b>	1(k),7		-		-
<b>CURRENT ASSETS:</b>					
Stock	1(l)	11,711		7,851	
Sundry Debtors	1(k)	218,052		245,318	
VAT		18,095		20,462	
Bank Deposits	1(k), 9	2,395,864		4,229,106	
Balances with Brokers	1(k), 9	21,112		93,838	
Cash in Hand	1(k), 9	1,327		1,121	
		<u>2,666,161</u>		<u>4,597,696</u>	
<b>LIABILITIES</b>					
Creditors amounts falling due within one year	1(k)	(711,880)		(335,211)	
<b>Net Current Assets</b>			<u>1,954,281</u>		<u>4,262,485</u>
<b>Total Assets Less Current Liabilities</b>			<u>18,382,351</u>		<u>21,542,465</u>
<b>Creditors due after more than one year</b>					
Loan payable	1(m),10		(750,000)		(750,000)
			<u>17,632,351</u>		<u>20,792,465</u>
<b>Funds</b>					
Unrestricted Funds	1(f),12		14,361,642		17,463,097
Restricted Funds	1(f),13		3,270,709		3,329,368
			<u>17,632,351</u>		<u>20,792,465</u>

Approved by the Board of Governors on 12<sup>th</sup> Jan 2023

C. J. Hall

Paul Oak

## Hospice Care

### Company Balance Sheet

For the year ended 31 December 2022

	Notes	2022 £	2022 £	2021 £	2021 £
<b>FIXED ASSETS</b>					
Tangible Assets	1(i) 3(b)		10,399,719		10,659,386
Investments at fair value through profit or loss	1(k),4 (a)		4,659,272		5,224,938
Investment in Subsidiaries	4 (b)		288,194		288,194
Investment property	1(j),6		-		-
<b>Debtors due in greater than one year</b>					
Amount due from Subsidiaries	1(m),8	871,938		871,938	
<b>Loan Receivable</b>	1(k),7	-	871,938	-	871,938
<b>CURRENT ASSETS:</b>					
Stock	1 (l)	-		3,532	
Sundry Debtors	1 (k)	196,882		224,576	
VAT		4,231		9,291	
Bank Deposits	1 (k)	1,545,508		3,459,368	
Balances with Brokers	1 (k)	21,112		93,838	
Cash in Hand	1 (k)	527		259	
		<u>1,768,260</u>		<u>3,790,864</u>	
<b>Current Liabilities</b>					
Amount due to Subsidiaries	8	(1,448,542)		(960,711)	
Creditors	1(k)	(653,229)		(286,552)	
		<u>(2,101,771)</u>		<u>(1,247,263)</u>	
<b>Net Current (Liabilities)/ Assets</b>			(333,511)		2,543,601
<b>Total Assets Less Current Liabilities</b>			<u>15,885,612</u>		<u>19,588,057</u>
<b>Creditors due after more than one year</b>					
Loan payable	1(m), 10		(750,000)		(750,000)
<b>Total Net Assets</b>			<u>15,135,612</u>		<u>18,838,057</u>
<b>Funds</b>					
Unrestricted Funds	1(f)		11,864,905		15,508,689
Restricted Funds	1(f), 13		3,270,707		3,329,368
<b>Total Funds</b>			<u>15,135,612</u>		<u>18,838,057</u>

Approved by the Board of Governors on

C. J. Hall

12<sup>th</sup> Dec

2023

C. J. Hall

## Hospice Care

### Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

	Unrestricted Funds	Restricted Funds	Total Funds
	£	£	£
OPENING VALUE OF FUNDS at 1 January 2021	17,875,247	3,364,942	21,240,189
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	(412,150)	(35,574)	(447,724)
CLOSING VALUE OF FUNDS at 31 December 2021	<u>17,463,097</u>	<u>3,329,368</u>	<u>20,792,465</u>
OPENING VALUE OF FUNDS at 1 January 2022	<u>17,463,097</u>	<u>3,329,368</u>	<u>20,792,465</u>
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	(3,101,455)	(58,659)	(3,160,114)
CLOSING VALUE OF FUNDS at 31 December 2022	<b>14,361,642</b>	<b>3,270,709</b>	<b>17,632,351</b>

## Hospice Care

### Consolidated Cash Flow Statement

For the year ended 31 December 2022

		2022	2021
		£	£
Net cash (outflow) from operating activities	Notes 9 (a)	(1,754,442)	(1,022,630)
<i>Investing activities</i>			
Interest received		15,455	14,346
Dividends received		37,495	40,433
Payments to acquire tangible fixed assets		(160,929)	(254,892)
Payments to acquire investments		(1,043,588)	(1,271,676)
Receipts from the sale of investments		967,731	3,740,473
Receipt from sale of fixed assets		-	225,000
Receipt from sale of investment properties		-	276,000
Receipt from debtor due after one year		-	134,378
Net cash (outflow) / inflow from investing activities		(1,938,278)	1,881,702
<i>Financing activities</i>			
Received for specific capital items		32,516	54,622
Net cash flow from financing activities		32,516	54,622
(Decrease) / increase in cash and cash equivalents	9 (b)	(1,905,762)	1,936,324
Cash and cash equivalents at 1 January	9 (b)	4,324,065	2,387,741
Cash and cash equivalents at 31 December	9 (b)	2,418,303	4,324,065

## Notes to the Financial Statements

For the year ended 31 December 2022

### 1 Accounting Policies

#### **Statement of compliance**

Hospice Care is a company limited by guarantee and is incorporated in the Isle of Man. The Isle of Man registered charity number is 317 and the registered office is Strang, Douglas, Isle of Man, IM4 4RP.

The group's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the group for the year ended 31 December 2022.

#### **a) Basis of preparation and consolidation**

The financial statements have been prepared in accordance with applicable accounting standards. They are prepared in sterling which is the functional and presentational currency of the group.

The group financial statements incorporate the financial statements of Hospice Care and all of its subsidiary undertakings up to 31 December each year. The results of businesses are included from the effective date of acquisition being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities.

The group financial statements consolidate the financial statements of Hospice Care and its subsidiary undertakings (see Note 4(b)), for the year to 31 December 2022, on a line-by-line basis.

#### **b) Legal Status of the Charity**

Hospice Care is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £20 per member of the Charity.

#### **c) Going concern**

The Board of Governors consider that there are no material uncertainties about Hospice Care's ability to continue as a going concern.

The financial statements have been prepared on a going concern basis as the Board of Governors consider that there are sufficient reserves within the Group and Company.

The most significant areas of uncertainty are the levels of legacy and donation income which needs to be raised each year.

#### **d) Public Benefit Group considerations**

The group meets the definition of a public benefit group under FRS 102 Section 34. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

#### **e) Judgements and estimation**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported as income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Management believes that the estimates utilised in preparing its financial statements are reasonable and prudent. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

#### *Revaluation of investment properties*

The group carries its investment properties at fair value, with changes in fair value being recognised in the Statement of Financial Activities. The fair value of the investment properties has been determined by the Board of Governors' with reference to publicly available market data and applied to properties similar in nature. An independent valuation specialist has not been engaged.

## Notes to the Financial Statements

For the year ended 31 December 2022 (continued)

### 1 Accounting Policies (continued)

#### f) Fund accounting

Monies received by the charity are credited to reserves according to the circumstances in which the resources were originally received or the way in which they have been subsequently treated. Such reserves are either unrestricted or restricted funds.

Unrestricted funds are available to spend on activities that further any of the purposes of the Charity. Designated funds are unrestricted funds of the Charity which the Board of Governors have decided at their discretion to set aside to use for a specific purpose. Unrestricted funds comprises of General Fund, Olsson Fund, Life Members Fund and the New Hospice Fund.

Restricted funds are those funds which are subject to specific conditions imposed by the donor, concerning income or capital or both, such conditions being binding on the Board of Governors. Restricted funds comprises of Endowment Funds and Capital Funds. Endowment Funds are those restricted funds where the capital sum must be maintained permanently although the constituent assets of the fund may change from time to time. Capital Funds comprises monies received to defray specific items of capital expenditure.

The balance on each separate fund, as represented by the assets less the liabilities comprised in that fund, constitutes monies received after deducting the day to day expenses chargeable against that fund.

The aim and purpose of each material unrestricted and restricted (whether designated or otherwise) is set out in the notes to the Financial Statements (below).

#### g) Revenue recognition

Revenue is recognised when the Charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably. Where income has related expenditure (as with fundraising or contract income), the income and related expenditure are reported gross in the Statement of Financial Activities.

Income comprises of donations, income raised from events, gifts, contributions from the Isle of Man Government, membership income, income for specific purposes, legacy income, income from donated goods and services, investment income and rental income. Income is accounted for as stated below.

#### *Donations, income from events and gifts*

Donations and gifts are recognised when received. In the event that a donation is subject to fulfilling performance conditions before the Charity is entitled to the funds, the income is deferred and not recognised until it is probable that those conditions will be fulfilled in the reporting period.

Income received in advance for a future fundraising event is deferred until the criteria for income recognition is met. Sponsorship from events, fundraising and event registration fees are recognised in income when the event takes place.

Lottery income is accounted for in respect of those draws that have taken place in the year.

#### *Life Membership Subscriptions*

Life membership subscriptions are credited to a separate Life Members' Fund on receipt. Income arising on the Fund is transferred to the Fund from the General Revenue Account. A transfer is made each year to the General Revenue Account in respect of each life member of a sum equivalent to the annual subscription prevailing for that year. The Fund is an unrestricted fund.

#### *Income for Specific Purposes*

Monies received to defray specific items of day-to-day expenditure are credited to a capital restricted fund. The relevant expense is then charged against that fund.

Monies received to defray specific items of capital expenditure nominated by the donor are not included in the Statement of Financial Activities, being credited direct to the Capital Fund.

#### *Income for Specific Purposes (continued)*

Similarly, endowment monies received are not included in the Statement of Financial Activities. They are credited directly to separate restricted funds.

## Notes to the Financial Statements

For the year ended 31 December 2022 (continued)

### 1 Accounting Policies (continued)

#### g) Revenue recognition (continued)

##### *Isle of Man Government Contribution*

Income from the Isle of Man Government Department of Health and other grants, whether 'capital' or 'revenue' grants are recognised when the Charity has entitlement, any performance conditions to the grants have been met or the amount has been received and the amount, or part thereof, is not deferred.

Hospice Care receives an annual cash contribution from Manx Care. A Service Level Agreement for a five year period was signed on 1 November 2013, beginning on that date. The Agreement provides for the Department to make two payments on 5 May and 5 November during a Fiscal Year. These payments represent the contribution for the year ended 31 December each year. Payments are accounted for on a receivable basis. The cash contribution payable by the Department will, in the absence of exceptional circumstances, be equal to the prior years' payment (based on Department accounts) plus any increases agreed in relation to Hospice as part of the normal budgeting cycle (to include annual inflationary increases). Any further expenditure requiring support from the Department shall be subject to a detailed quantified Business Case to be submitted to the department as part of its budgetary cycle. The existing agreement was initially extended to 31 March 2019 and subsequently to 31 March 2021. Funding has continue to be received in line with the original agreement whilst a new agreement with Manx Care is finalised.

As of 1 April 2021, all contracts that have been entered into by the DHSC for the provision of goods and services were automatically novated to Manx Care, following this a letter of intent between Hospice Care and Manx Care signed 20th May 2022 set out future service and funding arrangements. Effective from 1 April 2022, Funding was changed to £896k for the fiscal year 2022/23 received in quarterly instalments (to include annual inflationary increases). Funding will increase to £1,119m for the fiscal year 2023/24 and £1.502m for the fiscal year 2024/25.

In addition to the above the Group receives IT support from the Isle of Man Government's IT department and this forms part of the service level agreement referred to above. It is not possible to easily quantify the fair value of the support that the group receives and this support is documented by way of this note only.

The amounts received in cash in the year and included in these accounts in respect of the Manx Care Grant income is £922,000 (2021 - £592,572). The amounts received in cash in the year end and included in these accounts in respect of Salary Support Scheme grant income was £nil (2021: £153,116).

##### *Legacies*

Legacies received are credited to the General Fund, unless otherwise specified. For legacies, entitlement is taken on a case by case basis as the earlier of the date on which: the Charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Charity that a distribution will be made, or when a distribution is received from the estate. If the legacy is in the form of an asset other than cash or an asset listed on a recognised stock exchange, recognition is subject to the value of the asset being able to be reliably measured and title to the asset being passed to the Charity. Where legacies have been notified to the Charity or the Charity is aware of the granting of probate, and the criteria for income recognition have been met, then the legacy is treated as an asset and disclosed, if material.

##### *Income from the sale of bought in and donated goods*

Trading income is recognised on point of sale for both donated and purchased goods.

##### *Donated assets and services*

Donated assets are taken to income at the fair value to the Charity, being amount received, with the other entry being capitalised in fixed assets.

##### *Investment income*

Interest on deposit funds held is recognised as it accrues using the effective interest rate method. Dividends are recognised once the Group's right to receive payment has been established.

Unrealised and realised gains and losses on financial investments are recognised based on their appropriate classification which is covered under the accounting policy for financial instruments.

##### *Rental Income*

Rental income is accounted for on an accruals basis in line with the underlying contract terms of the rental agreements.



## Notes to the Financial Statements

For the year ended 31 December 2022 (continued)

### 1 Accounting Policies (continued)

#### h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All day-to-day running expenses are included in the Consolidated Statement of Financial Activities and is charged against the General Fund with the exception of expenses met out of income for specific purposes which is charged against the appropriate restricted fund. Expenditure is shown under the following headings:

##### Costs of raising funds

These expenditures comprise fundraising costs incurred in seeking donations, grants, and legacies; investment management fees; costs of fundraising activities including the costs of goods sold, shop costs, commercial trading and their associated support costs. Fundraising costs do not include the costs of disseminating information of support of the charitable activities.

##### Expenditure on charitable activities

These expenditures include the costs of providing specialist palliative care and support, community services, research and other educational activities undertaken to further the purposes of the Charity and their associated support services.

##### Other costs

These expenditures comprise those costs which are incurred directly in support of expenditure on the objects of the Charity and include governance costs, finance and other office costs. Governance costs are those costs incurred in connection with maintaining compliance with the constitutional and statutory requirements of the Charity. Irrecoverable VAT is included as other costs.

##### Volunteers

The value of the services provided by volunteers is not incorporated into these financial statements as it cannot be reliably measured.

#### i) Fixed Assets

All assets costing more than £500 are capitalised at their historical cost when purchased.

Fixed assets are depreciated evenly over their expected economic and anticipated useful lives on a straight line basis at the following rates:

- freehold land on which the Hospice exists, is not depreciated;
- freehold buildings depreciated at the rate of 2% per annum of original cost;
- the remaining fixed assets are depreciated at the rate of 20% per annum of original cost

The need for any impairment of a fixed asset write down is considered if there is a concern over the carrying value of an asset and is assessed by comparing that carrying value against the value in use or realisable value of the asset when appropriate.

The depreciation charge for the year is included in the Consolidated Statement of Financial Activities within the operation of Hospice expense category and is charged against the funds in which the relevant fixed assets are comprised.

Assets under construction are assets which have been capitalised and are not yet available for use. Once the asset is complete, a transfer is made to the final fixed asset class.

## Notes to the Financial Statements

For the year ended 31 December 2022 (continued)

### 1 Accounting Policies (continued)

#### j) Investment property

Properties are sometimes received as legacies and are then sold by the company at a future date. Whilst waiting to be sold the property is often rented out. When such assets are held for a period of more than one year they are accounted for as investment properties.

Investment properties are initially recorded at the fair value determined at the date of the legacy for the property less the costs of sale and are not depreciated. After initial recognition, investment properties whose fair value can be reliably measured are measured at fair value. The surplus or deficit on revaluation is recognised in the profit and loss account. In the comparative year the Charity had one investment property which is being rented out on a month by month basis. See note 6 for further details.

#### k) Financial Instruments

As permitted by FRS 102, the group and company has elected to apply the recognition and measurements provisions of Sections 11 and 12 in full for all of its financial instruments.

The group and company classifies its financial instruments as either equity investments at fair value through profit or loss, loans and receivables, cash and cash equivalents, short-term debtors and creditors. Classification is determined at date of initial recognition.

#### Investments at fair value through profit or loss

The Charity holds positions in a number of listed and non-listed entities which are held as investments at fair value through profit and loss. These investments are initially recognised at fair value which equates to the transaction price, excluding any transaction costs. Subsequently they are measured at fair value through profit or loss except for those investments that are not publicly traded and whose fair value cannot otherwise be measured reliably which are recognised at cost less impairment until a reliable measure of fair value becomes available.

The Charity uses the following hierarchy for determining the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities. Quoted in an active market in this context means quoted prices are readily and regularly available and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted price is usually the bid price.
- Level 2: when quoted prices are unavailable the instrument is valued using inputs that are observable either directly or indirectly including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs that are observable such as interest rates and yield curves observable at commonly quoted intervals, implied volatility or credit spreads and market-corroborated inputs.
- Level 3: when observable inputs are not available, unobservable inputs are used to measure fair value by use of valuation techniques. The objective of using the valuation technique is to estimate what the fair value would have been on the measurement date.

See note 4 for details of financial instruments classified by fair value hierarchy.

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

The Charity does not acquire options, derivatives or other complex financial instruments.

The main form of financial risk faced by the Charity is that of volatility in equity investment markets due to the wider economic conditions, the attitude of investors to investment risk and changes in sentiment concerning equities and within particular sectors or sub sectors. Risks are discussed further in note 5.

#### Loan notes receivable

Loan notes which are basic financial instruments are initially recorded at the present value of future payments discounted at a market rate of interest for a similar loan. Subsequently, they are measured at amortised cost using the effective interest method. Loan notes that are receivable within one year are not discounted.

## Notes to the Financial Statements

For the year ended 31 December 2022 (continued)

### 1 Accounting Policies (continued)

#### k) Financial Instruments (continued)

##### Cash and cash equivalents

Cash comprises current deposits with banks and balances with brokers. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of the meeting short-term cash commitments rather than for investments or other purposes.

##### Short-term debtors and creditors

Debtors and creditors with no stated interest rate and receivable and payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Statement of Financial Activities in other costs.

#### l) Stock

Stock of bought-in retail goods is included at the lower of cost or net realisable value. Net realisable value is the estimated selling price reduced by all costs of selling and marketing.

Donated goods for resale or distribution on hand, as at the balance sheet date, are not valued for stock purposes and are not to be included in the financial statements as the Board of Governors' consider it impractical to be able to assess the amount of donated stocks as there are no systems in place which record these items until they are sold and undertaking a stock take would incur undue cost for the Charity which far outweigh the benefits.

#### m) Public benefit entity concessionary loans

Public benefit entity concessionary loans are loans made or received between a public benefit entity or an entity within the public benefit entity group, and another party at below the prevailing market rate of interest that are not repayable on demand and are for the purpose of furthering the objectives of the public benefit entity or public benefit entity parent.

The group and company have elected to account for such loans in accordance with Section 34.90 – 34.97 of FRS 102. Such loans are initially measured at the amount received or paid and are recognised in the Balance Sheet at that amount. Subsequently the carrying value of concessionary loans are adjusted to reflect any accrued interest payable or receivable. To the extent that the loan made is irrecoverable, an impairment loss is recognised within other costs in the Statement of Financial Activities.

#### n) Foreign currencies

Transactions in foreign currencies are initially recorded in the group and company's functional currency by applying the spot rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the exchange rate ruling at the balance sheet date. All differences are taken to the Statement of Financial Activities. All entities in the group have the same functional and presentational currency.

#### o) Pensions

The Charity operates two pension schemes. Qualifying members of the nursing staff are permitted to join the GUS (Government Unified Scheme). The GUS scheme provides for a pension based on earnings and salary but the Charity has no obligation beyond the requirement to pay annual contributions in respect of salary paid in the year. Other members of staff may be eligible to join a group defined contribution personal pension plan. The Charity contribution is restricted to the amounts shown below. All contributions payable in respect of the year to 31 December 2022 have been included in Statement of Financial Activities.

Payments were made to two (2021: two) employee's personal pension schemes for the year ended 31 December 2022. All contributions have been included within the Statement of Financial Activities. The costs of the defined contribution schemes are included with associated staff costs and allocated therefore to costs of raising funds and charitable activities and are charged to the unrestricted funds of the Charity.

The group personal pension scheme is managed by Aviva and the plan is tailored to the individual's requests and invests the contributions made by employee and employer into cash deposits or an investment fund to build up over the term of the plan. The pension fund is then converted into a pension upon the employee's normal retirement age which is defined as when they are eligible for a state pension unless another age from 65 years.

## Notes to the Financial Statements

For the year ended 31 December 2022 (continued)

### 1 Accounting Policies (continued)

#### o) Pensions (continued)

upwards has been agreed with the individual. The Charity has no liability beyond making its contributions and paying across the deductions for the employee's contributions.

The contributions paid in the year were as follows:

	2022	2021
	£	£
Group personal pension plan	61,579	43,795
Isle of Man Government Unified Scheme	305,591	246,685
Payments to employees own private pension schemes	7,723	7,616
	<u>374,893</u>	<u>298,096</u>

£2,246 (2021: £3,375) of the contributions due were unpaid at the year end.

A further £125,873 was identified and remained unpaid at the year end (see note 17).

#### p) Taxation

As the group and company is a registered charity, its income is exempt from Isle of Man Corporate Income Tax by virtue of Section 15 of the Income Tax Act 1970. As such, a provision for Isle of Man Corporate Income Tax has not been made.

## Notes to the Financial Statements

For the year ended 31 December 2022 (continued)

## 2 Statement of Financial Activities – Other Disclosures

Income and costs of management of the group are stated after charging / (crediting):

Group	2022 £	2021 £
Interest received	(10,853)	(734)
Dividends	(73,818)	(87,302)
Rental income	-	-
Mortgage amortised interest	-	(4,396)
Depreciation	447,173	447,643
Audit Fee	21,000	12,000

## 3 Tangible fixed assets

## a) Group Fixed Assets

	Freehold Land & Buildings £	Furniture & Fittings £	Equipment £	Motor Vehicles £	Total £
<b>Cost</b>					
At 31 December 2021	15,176,211	693,450	533,360	129,686	16,532,707
Additions	73,453	34,626	52,850	-	160,929
Disposals	-	-	-	-	-
At 31 December 2022	15,249,664	728,076	586,210	129,686	16,693,636
<b>Depreciation</b>					
At 31 December 2021	(3,434,743)	(560,064)	(371,439)	(111,419)	(4,477,665)
Charge for the year	(293,194)	(60,799)	(83,210)	(9,970)	(447,173)
Disposals	-	-	-	-	-
At 31 December 2022	(3,727,937)	(620,863)	(454,649)	(121,389)	(4,924,838)
<b>Net Book Value</b>					
At 31 December 2022	11,521,727	107,213	131,561	8,297	11,768,798
At 31 December 2021	11,741,468	133,386	161,921	18,267	12,055,042

## Notes to the Financial Statements

For the year ended 31 December 2022 (continued)

## 3 Tangible fixed assets (continued)

Included in Group Fixed Assets are four properties (2021 – four) which are rented to third parties with a net book value of £587,867 (2021: £599,008) in respect of which rent of £26,529 (2021: £38,914) has been received.

## b) Company Fixed Assets

	Freehold Land & Buildings £	Furniture & Fittings £	Equipment £	Motor Vehicles £	Total £
<b>Cost</b>					
At 31 December 2021	13,279,067	571,428	504,574	72,884	14,427,953
Additions	68,886	34,626	39,669	-	143,181
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	<b>13,347,953</b>	<b>606,054</b>	<b>544,243</b>	<b>72,884</b>	<b>14,571,134</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At 31 December 2021	(2,893,049)	(438,041)	(364,590)	(72,884)	(3,768,564)
Charge for the year	(266,963)	(60,799)	(75,089)	-	(402,851)
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	<b>(3,160,012)</b>	<b>(498,840)</b>	<b>(439,679)</b>	<b>(72,884)</b>	<b>(4,171,415)</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b>					
At 31 December 2022	<b>10,187,941</b>	<b>107,214</b>	<b>104,564</b>	<b>-</b>	<b>10,399,719</b>
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	10,386,018	133,387	139,984	-	10,659,389
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**Notes to the Financial Statements**

For the year ended 31 December 2022 (continued)

**4 Investments**

**(a) Investments at fair value through profit or loss – Company and Group**

	2022 £	2021 £
Listed investments including listed equities and bonds – Level 1	4,659,271	5,224,937
Non listed investments	1	1
	<hr/>	<hr/>
	4,659,272	5,224,938
	<hr/>	<hr/>
Realised and unrealised gains and losses on investments at fair value through profit or loss		
Unrealised (loss) / gain	(565,566)	397,340
Realised (loss) / gain	(107,678)	172,813
	<hr/>	<hr/>
Total realised and unrealised gain on investments	(673,244)	570,153
	<hr/>	<hr/>

The financial instruments above are recognised at fair value, based on quoted prices in active markets for identical assets or liabilities (Level 1 as defined Section 11.27 of FRS 102).

**(b) Investment in Subsidiary undertakings – Company only**

**Share the Care Limited**

The Charity's wholly-owned subsidiary, Share The Care Limited, operates the Hospice shops and is incorporated in the Isle of Man.

**Hospice Properties Limited**

The Charity's wholly owned subsidiary, Hospice Properties Limited owns and maintains the Douglas, Ramsey and Castletown shops and warehouses operated by Share the Care Limited. It is incorporated in the Isle of Man. During the year the company has reviewed the underlying net assets of this entity and identified no impairment (2021: Nil) against the cost of this investment.

**Investment in Subsidiaries Comprises:**

	2022 £	2021 £
Share Capital – Share the Care Limited	2,000	2,000
Investment in Hospice Properties Ltd	286,194	286,194
	<hr/>	<hr/>
	288,194	288,194
	<hr/>	<hr/>

**Notes to the Financial Statements**  
For the year ended 31 December 2022 (continued)

**5 Investments and Risk Management**

The company's assets comprise investments which include:

- Investments in listed and non-listed entities. These are held in accordance with the company and group's investment objectives and policies;
- Loans and receivables at amortised cost; and
- Cash.

As a charity, the company and group maintain high levels of cash reserves, which are to be utilised for charitable activities. As such the company and group aims to spread its credit risk by placing cash deposits with a number of financial institutions, and in addition during the year the company and group placed cash in listed investments, through a recognised broker, which provided greater yields than cash deposits.

The investment objective of the company and group is to achieve capital appreciation while maintaining a controlled level of risk and volatility.

The company and group is exposed to market risk (which includes fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk arising from the financial instruments it holds.

The company and group's investment guidelines are set at the discretion of the Board of Governors.

**Market Risk**

During the year the company and group has placed funds with a broker in investments, taking positions in listed investments, namely equities and bonds, to take advantage of market movements. The broker considers the asset allocation of the portfolio in order to minimise the risks associated with particular market sectors whilst continuing to follow the company and group's investment objectives.

Market risk represents the potential loss that can be caused by a change in the market value of the investments. The company and group's exposure to market risk is determined by a number of factors, including interest rates and market volatility. The investment committee continually monitors the company and group's exposure to market risk.

Management's estimate of the effect on net assets and profits of the company and group due to a decrease in market prices, is as follows:

	2022 Change in market prices %	2022 Effect on profit and net assets £	2021 Change in market prices %	2021 Effect on profit and net assets £
Investments	+/-5	232,964	+/-5	261,247

**Interest Rate Risk**

The company and group is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial position and cash flows.

Cash and equivalents are exposed to cash flow interest rate risk, as these balances, although mostly held on fixed deposits, interest rates are reset on maturity to take into account any changes in the market rates. The value of interest in the current year was £10,853 (2021: £734). A movement in interest rates of 1% would not be expected to have a material impact on the financial statements.



## Notes to the Financial Statements

For the year ended 31 December 2022 (continued)

### 5 Investments and Risk Management (continued)

#### Liquidity Risk

The company and group's policy is to maintain cash balances with a spread of reputable financial institutions, and investments in tradable investments, to maintain a high degree of liquidity. The approach to liquidity is determined by the investment committee which discusses the liquidity of investments on a regular basis.

The Board of Governors established a policy to ensure that a minimum of 18 months cost is maintained within free reserves at any one time (2021: 18 months). At 31 December, this would have amounted to £11.26m (2021: £10.01m).

Free reserves are that part of a charity's unrestricted funds that are freely available to spend on any of the charity's purposes. This definition excludes restricted income funds and endowment funds. Free reserves will also normally exclude tangible fixed assets held for the charity's use and amounts designated for future spending.

#### Credit Risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet commitments that it has entered into with the company and the group. Financial assets, which potentially expose the company and the group to concentrations of credit risk, consist of holdings in investments, balances with broker and cash balances. It is the company and group's policy to deal with a range of reputable financial institutions believed to be creditworthy, and place investments in listed and highly liquid investments. Therefore, the company and group do not expect to incur material credit losses on financial instruments.

The company and group's maximum exposure to credit risk in the event that counterparties fail to perform their obligations as of 31 December 2022 in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the balance sheet.

The credit ratings of financial institutions with which the Charity and the group hold funds per S&P are Barclays Bank A, Santander A, Lloyds Bank A+ , Investec BB- and RBS Group A.

Concentrations of credit risk exist when changes in economic, industry or geographic factors affect counterparties whose aggregate credit exposure is significant in relation to the company's total credit exposure. Transactions are entered into with creditworthy counterparties, thereby mitigating any significant concentration of credit risk.

The maximum credit exposure of the company is as follows:

	2022	2021
	£	£
Investments	4,659,272	5,224,938
Due from subsidiaries	871,938	871,938
Debtors and Loans Receivable	196,882	224,576
Cash	1,545,508	3,459,368
Balances with Brokers	21,112	93,838
	<hr/>	<hr/>
	7,294,712	9,874,658
	<hr/>	<hr/>

**Notes to the Financial Statements**

For the year ended 31 December 2022 (continued)

**5 Investments and Risk Management (continued)**

**Credit Risk (continued)**

The maximum credit exposure of the group is as follows:

	2022	2021
	£	£
Investments	4,659,272	5,224,938
Debtors and Loans Receivable	218,052	245,317
Cash	2,395,864	4,229,106
Balances with Brokers	21,112	93,838
	<u>7,294,300</u>	<u>9,793,199</u>

There are no financial assets that are past due or impaired.

**Currency Risk**

Exchange rate risk represents the risk that the exchange rate of the British Pound relative to other currencies may change in a manner, which has an adverse effect of the reported value of assets, which are denominated in currencies other than the British Pounds. Currency investments account for £329,358 (2021: £359,883) of the total investment value. A movement in exchange rates of 5% is not expected to have a material impact on the financial statements.

**6 Investment Property**

The Hospice occasionally receives residential properties as part of legacies. These properties are occasionally rented out whilst awaiting sale and recorded at fair value.

The company and group currently has no investment property on its balance sheet.

	2022	2021
	£	£
Brought forward	-	252,309
Investment property disposal	-	(252,309)
	<u>-</u>	<u>-</u>
Carried forward	-	-
	<u>-</u>	<u>-</u>

**7 Debtors due after more than one year: Loan receivable**

Half of the amount due in respect of a loan secured on residential property was received as a legacy in prior years. Hospice Care acquired the other half of the loan at an estimate of fair value. The loan was fully repaid on 10<sup>th</sup> September 2021.

## Hospice Care

### Notes to the Financial Statements

For the year ended 31 December 2022 (continued)

**8 Amounts due to / from subsidiaries**  
**Amount due from Subsidiaries Comprises:**

	2022 £	2021 £
Public Benefit Concessionary Loan – Hospice Properties Limited	871,938	871,938
	<u>871,938</u>	<u>871,938</u>

This public benefit entity concessionary loan is unsecured, interest free and repayable upon demand, although repayment will not be sought within one year.

**Amount due to subsidiaries comprises:**

	2022 £	2021 £
Loan – Share the Care Limited	1,448,542	960,711
	<u>1,448,542</u>	<u>960,711</u>

**9 Notes to the statement of cash flows**

**(a) Reconciliation of (Deficit) to net cash (outflow) from operating activities**

	2022 £	2021 £
Group (deficit) for the year	(3,160,114)	(447,724)
<i>Adjustments to reconcile (deficit) / surplus for the year to net cash flow from operating activities</i>		
Depreciation of tangible fixed assets	447,173	447,643
Decrease / (increase) in debtors	29,633	(143,511)
(Increase) in stocks	(3,860)	(2,484)
Increase / (decrease) in creditors	376,669	(38,168)
Interest received	(10,853)	(734)
Dividend income	(73,818)	(87,302)
Funds for specific capital items	(32,516)	(54,622)
Realised and unrealised movement on investments	673,244	(570,153)
Realised gain on sale of fixed asset	-	(60,338)
Realised gain on sale of investment property	-	(23,691)
Realised gain on repayment of debtor due after one year	-	(41,546)
	<u>(1,754,442)</u>	<u>(1,022,630)</u>
Net cash (outflow) from operating activities		

**(b) Reconciliation of cash and cash equivalents**

	Opening cash 1 January 2022	Cash flow	Closing cash 31 December 2022
	£	£	£
Cash and cash equivalents (group)	4,324,065	(1,905,762)	2,418,303

## Hospice Care

### Notes to the Financial Statements

For the year ended 31 December 2022 (continued)

#### 10 Public Benefit Concessionary Loan Payable

The Charity has received a loan of £750,000 from the Henry Bloom Noble Healthcare Trust. The funds were provided in order to assist in the funding of building the new Hospice in 2007. The loan is interest free, repayable in 2156 and is secured on the site of the new Hospice. If the charity ceases to be a charity, ceases to operate the children's hospice or transfers the hospice to the Department of Health then the loan becomes repayable. The Board of Governors has considered the circumstances of the loan and have concluded that it meets the requirements of a Public Benefit Concessionary Loan and have accounted for it in this way.

#### 11 Share capital

Hospice Care is a private company limited by guarantee and not having a share capital.

#### 12 Unrestricted Funds

	2022 £	2021 £
General Funds	2,592,844	5,408,055
Tangible Fixed Assets	11,768,798	12,055,042
	<u>14,361,642</u>	<u>17,463,097</u>

#### 13 Restricted Funds

	2022 £	2021 £
Capital Fund	3,255,709	3,314,368
Endowment Fund	15,000	15,000
	<u>3,270,709</u>	<u>3,329,368</u>

A sum of £15,000 has been received on the basis that the capital of the funds is retained intact but the income is used for the maintenance and operation of the Hospice. This fund is included within restricted funds in the balance sheet.

#### 14 The Diana Princess of Wales Palliative Care at Home Trust

The Diana Princess of Wales Hospice Care at Home Trust was created on 19 June 1998. The aim of the trust is to provide financial support to Hospice Care to support the provision of its Palliative Care Home Nursing Service. £101,700 was received during the year ended 31st December 2022 (2021: £122,000). This has been included within donations and legacies in the Statement of Financial Activities.

**Notes to the Financial Statements**

For the year ended 31 December 2022 (continued)

**15 Related Party Transactions of Hospice Care**

The following transactions took place with the Charity's wholly owned subsidiaries, Share the Care Limited and Hospice Properties Limited.

<i>Share the Care Limited</i>	2022	2021
	£	£
Balance brought forward – due to Share the Care Limited	960,711	769,781
Cash received from subsidiary as payment on account in respect of dividend	550,000	254,000
Expense recharge	(62,169)	(63,070)
Dividend Paid	-	-
Amount at the end of the year – due to Share the Care Limited	<u>1,448,542</u>	<u>960,711</u>
<i>Hospice Properties Limited</i>	2022	2021
	£	£
Balance brought forward – amount (payable)	(871,938)	(1,167,815)
Loan re expenses	-	(4,123)
Repayment	-	300,000
Amount at the end of the year – due from Hospice Properties Limited	<u>(871,938)</u>	<u>(871,938)</u>

**Key management personnel**

All Governors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. The Governors give their time freely and receive no remuneration for their services. During the year executive management team was made up of 6 key roles (2021: 7 key roles). Total remuneration in respect of these individuals is £602,002 (2021: £611,177).

**16 Capital commitments**

The Group had entered into commitments to carry out improvement works to its main building. The total contracted price was £3.77m (2021: £3.75m) of which £3.77m (2021: £3.75m) was invoiced and £7.5k (2021: £56k) being retention monies remains unpaid as at 31 December 2022.

**17 Post Balance Sheet Events**

In April 2022, it was agreed to offer staff the new style Freedom Pension. Several new staff had not been able to join the Hospice Care Group Personal Pension until this decision had been made. The age restriction was also removed. The Board of Governors agreed to pay backdated contributions to affected staff at a total cost of £149,540. This is expected to be paid June 2023.

