



HOSPICE ISLE OF MAN

Annual Reports 2019

HOSPICE CARE

Strang ◦ Douglas ◦ Isle of Man ◦ IM4 4RP

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the thirty seventh **ANNUAL GENERAL MEETING** of **HOSPICE CARE** will be held at **Hospice, Strang, Isle of Man** on **Friday, 10th July 2020 at 12 noon** to transact the following ordinary business:

To receive and consider:

1. The 2019 Report of the Board of Governors.
2. The Report of the auditors and the Annual Accounts for the year ended 31st December 2019.
3. To elect four members of the Board of Governors in place of Mr Charles Crossley, Ms Anna Kelly, Mr John Rimmer and Mr Guy Sissons who retire in accordance with the Articles of Association but being eligible offer themselves for re-election. Mr Alex Thomson is also retiring but is not standing for re-election.
4. To re-elect Mrs Della Fletcher MBE and Mrs Linda Radcliffe who were co-opted onto the Board of Governors during the year who also retire and offer themselves up for re-election.
5. To re-appoint Messrs Ernst & Young as Auditors and to authorise the Board of Governors to fix their remuneration.

By order of the Board
Mr P C Halliday FIOD FCIS
Company Secretary
This 5th day of June 2020

NOTES:

1. **Only Members of Hospice Care may vote upon any Resolution. Members of HOSPICE CARE entitled to vote will have paid their annual subscription¹ and received a membership certificate.**
2. **A copy of the Memorandum and Articles is available on request of any Member by collecting a copy of the same from Hospice Care or on application in writing addressed to The Secretary.**

PLEASE: see overleaf for important information as to how you can participate in the Annual General Meeting and how you can vote under the current restricted circumstances.

¹ Except lifetime members who paid a one off subscription

IMPORTANT INFORMATION FOR MEMBERS

Preparing for the online Annual General Meeting due to the COVID-19 restrictions

Although with effect from Wednesday 20th May 2020 the Isle of Man Government has further relaxed some restrictions around social gatherings, there are still many who are self-isolating or shielding at home. In view of these continuing restrictions, it is not practical for us to invite members to attend the Hospice Annual General Meeting in person.

However, your votes, views, comments and participation are essential. Therefore, whilst we cannot invite you to attend Hospice in person at this time, we would ask for your usual commitment and participation as follows:

CARE: Please note the different dates for proxies and questions

- Please complete and return the attached proxy **by midday on 8th July 2020 AT THE LATEST**. All formal resolutions will be decided by including all valid postal votes² to ensure your views and votes are taken fully into account.³
- You are invited to join and view the AGM, followed by short presentations by the Chairman, Treasurer and Chief Executive, by joining using Zoom by going to <https://us02web.zoom.us/j/83738411666>. **The AGM Zoom Meeting ID is 837 3841 1666.**
- We strongly recommend you download and install the Zoom video and audio conferencing application well in advance of the meeting. If you are not familiar with the technology and require assistance, we would recommend seeking the assistance of a family member if possible as unfortunately, we are unable to provide individual IT support. We greatly appreciate your understanding in this matter.
- Where possible, we shall endeavour to answer any questions you may have during the online meeting, however, as the format of this meeting is different to previous years, we invite you to submit your questions to us via our website and ahead of the meeting by going to **[hospice.org.im/AGM](https://www.hospice.org.im/AGM)**. Please do so **by 19th June 2020 AT THE LATEST**.

Corporate Details

HOSPICE CARE is an Isle of Man Company Limited by Guarantee and not having a Share Capital (Registered No. 22473).

HOSPICE CARE is registered as a Charity under the provision of the Charities Act 1922 (No. 317) on the Isle of Man.

THIRTY SEVENTH ANNUAL REPORT - the reports to be considered at the Annual General Meeting cover the year to the 31 December 2019.

PRINCIPAL OBJECTIVE - to provide an opportunity for enhancement of quality of life for people in the Isle of Man who are suffering from terminal cancer or who are otherwise suitable for Hospice Care and for whom palliative care is suitable and appropriate.

² a valid proxy is one which is properly completed, signed and unspoilt; received at Hospice by **midday on 8th July 2020 AT THE LATEST**; from fully paid up members of Hospice.

³ You will appreciate that this year we can only offer you the choice of appointing the Chair of the Annual General Meeting to act as your proxy. This is simply because of the restrictions of the number of attendees.

PATRONS

His Excellency Lieutenant Governor Sir Richard Gozney

PRESIDENT

Sir Miles Walker, CBE, LLD (hc)

BOARD OF GOVENORS

Chairman: Chris Hall MA MSc FloD MIET

Hon Treasurer: Charles Crossley BA (Hons), FCA, TEP

Members: Heather Blackley BSc, DipM, FCIM
Heath Craig
Charles Crossley BA (Hons), FCA, TEP
Phillip Dearden BA (Hons) FCA CIOT
Mr Robert Fayle BMed Sci (Hons) BM BS FRCOG MO ObstetGynaecol (L'pool)
Della Fletcher MBE (appointed 24th March 2020)
Anna Kelly BSc MRICS
John McChesney
Linda Radcliffe RN, MSc, BSc (Hons), CMgr FCMI (appointed 24th March 2020)
John Rimmer
Dr Guy Sissons MB ChB FRCP FRCR FBIR
Alex Thomson FFA FloD FIRP MCMi Dip Law

Company Secretary: Paul Halliday FIoD FCIS

SENIOR PROFESSIONAL STAFF

Chief Executive: Anne Mills MSc Health Economics; M.A. Leadership in Healthcare; BSc Professional Practice in Nursing; PGCE; RN; RCN; MIOD

Director of Quality: Dr Ben Harris BSc(Hons) MBChB MRCGP DRCOG DipPalMed DipTher DipMan GDPR PC

Hospice Physicians: Dr Justine Needham MBChB MRCGP DFRSH DHP PGC
Dr Jo Scott MBChB DRCOG
Dr Karen Wilson BSc (Hons) MBChB MRCGP
Dr Julie Cretny BMedSci (Hons) MBChB, DRCOG

Director of Palliative Care Services: Mrs C Bloomer Dip L&M NMP BSc BA Dip DN RGN (retired 31st December 2019)

RECEPTION CENTRE

Strang
Douglas
Isle of Man IM4 4RP
Tel: (01624) 647400
Fax: (01624) 647460
email: admin@hospice.org.im
website www.hospice.org.im

IPU (Temporary)

Southlands
Church Road
Port Erin
Isle of Man IM9 5NL
Tel: (01624) 647400
Fax: (01624) 647460
email: admin@hospice.org.im
website www.hospice.org.im

REGISTERED OFFICE

Strang
Douglas
Isle of Man IM4 4RP
Tel: (01624) 647400
Fax: (01624) 647460
email: admin@hospice.org.im
website www.hospice.org.im

Patient Care Committee

Mr Robert Fayle (Chair)
Christine Bloomer* (resigned 31st December 2019)
Lynsey Christian*
Hilary Costain
Dr Guy Sissons
Dr Ben Harris*
Alison Lester*
Sarah McGhee*
Anne Mills*
Linda Radcliffe
Dr Kate Tebay
**staff members*

Finance Committee

Charles Crossley (Chair)#
Mark Beresford #
Phillip Dearden#
Paul Halliday (appointed 8th October 2019)#
Anna Kelly
Alison Lester*
Anne Mills*#
Elaine Quine*
Alex Thomson
Members of the Investment sub-Committee
**staff members*

Fundraising Committee

Heather Blackley (Chair)
Laura Daly (appointed 19th June 2019)
Della Fletcher MBE (appointed 8th April 2020)
Brighde Gore
Jane Holt (appointed 19th June 2019)
Andrew Lodge (resigned 1st January 2020)
Anne Mills*
Anthony Pugh
John Rimmer
Peter Sutton
**staff members*

Nominations Committee

Chris Hall (Chair)
Charles Crossley
Mr Robert Fayle
Paul Halliday
Anna Kelly
John McChesney
Anne Mills*
**staff members*

CHAIRMAN'S REPORT 2019

At the time of writing my Chairman's report, we are now ten weeks into the COVID-19 crisis. The pandemic has presented unexpected and unprecedented demands on every single person and organisation on the Isle of Man. Although this review is primarily focussed on looking back at the performance and achievements during 2019, it would be impossible not to comment and reflect on the impact of the crisis on Hospice.

We have added a new section to the Annual Report to explain how we have responded to Covid-19, As you will see, Anne Mills and her team have pulled together superbly and have successfully responded to every challenge which has been thrown at them. They have been working tirelessly with all our colleagues in the health services to ensure continuous delivery of the highest possible levels of care and support wherever and whenever it is needed. I and my fellow Board members have been overwhelmed by the professionalism, flexibility, innovation, resilience and above all compassion displayed by the entire team and it is very difficult to find the appropriate words to express our gratitude.

As we reported at last year's AGM, we had launched an ambitious new strategy in October 2018. The strategy had been based on extensive research and consultation and was designed to make a series of changes and enhancements to the way we work to ensure we will be able to meet the ever-increasing demands which will be placed on Hospice in the future. Although we had no way of knowing it at the time, a number of the key initiatives which have already been implemented to support the new strategy, which are covered in more detail in Anne Mill's CEO report, have meant that operationally we have been in a very strong position to rapidly adapt and respond to the pandemic.

Reflecting on what was an exceptionally busy 2019, there were numerous highlights and the occasional lowlight. As you will see from Charles Crossley's Treasurer's report, after a very strong financial performance in 2018, the overall financial performance in 2019 was disappointing. This was largely as a result of legacy income being significantly lower than the forecast at a time when we were investing in key areas such as IT systems to improve future productivity and enhancing the Hospice at Home services to provide support 24 hours a day, seven days a week. Notwithstanding this, and the further financial stresses which COVID will inevitably bring, the Board and team are totally focussed on ensuring that we return to a sustainable financial position as soon as we possibly can.

Although the responsibility of ensuring we deliver the highest possible levels of care in a sustainable manner is challenging, it is an honour to Chair such an amazing organisation. It has been a pleasure meeting everyone in the Hospice family and I have particularly enjoyed meeting and hearing the stories from numerous people who have gone the extra mile to help raise funds for Hospice. The level of support and the generosity of the local community is incredible, ranging from young nursery school age children donating their pocket money all the way through to Keith Jones and the Tevir group, whose exceptionally generous donation has allowed us to fund some major enhancements to the Hospice building and facilities which will future proof us for many years to come

I would like to give my sincere thanks to the Board of Governors and all our committee members for the countless hours they spend supporting Hospice. At the AGM we will be very sad to say goodbye to Alex Thomson who has done an outstanding job as a Governor since his appointment in 2008. His expertise, wise council and valuable advice will be greatly missed by everyone, but we are delighted to welcome Linda Radcliffe and Della Fletcher who have kindly agreed to join the Board.

Finally I would like to pay tribute to Anne Mills and the Senior team for their inspiring leadership, our amazing staff for continuing to ensure that Hospice deliver such excellent service and for their willingness to embrace change, our incredible volunteers who freely provide their time and expertise and who make a massive difference, all our members for their continued support and our generous supporters throughout the Island – without you all we would not have a Hospice.

I am very sorry we will not be able to meet in person at this year's AGM, but I do hope that some of you will be able to dial in for our first ever Virtual AGM meeting which will be held using Zoom.

In the meantime, please keep safe and well.

Chris Hall

Chairman

CHIEF EXECUTIVE REPORT 2019

Starting to write this report feels quite surreal as 2019 seems such a long time ago as the current pandemic situation has really taken over our lives, however, this sense of planning for a new normal presents Hospice with real opportunities to reflect and evaluate on our strategic planning assumptions when we launched our strategy in 2018.

I am covering our response and possible opportunities to the pandemic in a separate report, but suffice to say the people of the Isle of Man were absolutely right when they gave us a clear message, that they wanted more opportunities to have care at home and were keen to work with us to explore new ways of providing this.

Demand for Hospice services continues to increase with 2019 setting new levels with overall referrals up 18% from last year to 623. The number of people who would benefit from specialist palliative and End of Life Care input is expected to continue to grow to 800-900 referrals per year by 2023, which will require Hospice to continue to innovate and create partnerships that ensures all people and families who would benefit from Hospice Influenced Care have access to high quality care at the end of their life wherever they are.

2019 really was a year of partnerships starting off with the launch of the Scholl Academic Centre where we had attendance and well wishes from our Global Academic Partners, this is so important so that we can demonstrate that Hospice care really does add value and is of the highest standard for the people of our island and beyond.

Partnerships themed again when Wallabies took over our island, providing great entertainment, raised awareness of Hospice Care and generated much needed funds at the same time. Our partners in the islands business community really got behind this fantastic initiative and we cannot wait to go again in 2022.

The very generous donation from Keith Jones and The Tevir Group specifically for a Capital Project enabled us to drive forward a refurbishment project which truly enhances our healing environment. When we started with our Braddan Lounge we soon realised that the disruption to patients was too great due to the noise and instead of a programme of enhancement over a few years with constant disruption we chose to complete our longer term plans in a year.

This meant relocating our patients and I'm pleased to say that our colleagues in the DHSC offered us suitable rented accommodation for our patients at Southlands in Port Erin and we have enjoyed a great partnership with our care colleagues in Southlands sharing Christmas carol concerts amongst other activities. Of course we are looking forward to Coming Home with real excitement.

We moved in June taking over six beds and set about building and testing our strategic model to provide even more beds by developing our existing Hospice at Home service. Why did we want to do this you may ask, and it's all about the number of people who are expected to require end of life care in the not too distant future that we need to prepare for. It's all about creating the opportunities for end of life care at home or supporting home care for longer for people who express this preference. Within just 8 weeks our strategic thinking was starting to really develop with more patients who expressed a preference for care at home achieving their wishes.

This is a great tribute to the nursing team headed up by our outgoing Director of Care Christine Bloomer whose aspiration was to develop Community facing services and which leaves a legacy to build on for Tracy Broom our new Director of Care.

I must also pay tribute to Diane Corrin who after many years as Matron and laterally Consultant Nurse decided to retire. Diane was central to many initiatives at Hospice and will be missed by many. Nici Fletcher took over from Val Mulhern as my pa and I must thank them both for supporting me to do as much as possible.

Later in the year in the presence of David Ashford MHK Minister for Health and Social Care we launched Compassionate Isle of Man yet another partnership initiative bringing together other 3rd sector and community friends and partners to set the scene for joint working across the island. Compassionate Communities is a

Hospice Isle of Man

Public Health approach to death and dying which supports communities to view dying as a societal issue drawing on friends, volunteers and communities to rally round the vulnerability experienced by people and families when someone is dying.

The people I work with, patients, families, staff, volunteers, donors and supporters are truly magnificent and hat's off to you all it's been the busiest of years but you have all risen to the challenges you have faced and I owe you a huge debt of gratitude for your unstinting support.

Finally I would like to thank Chris Hall and our Board of Trustees who have challenged and supported me as a major new challenge has surfaced in the midst of our developments. 2019 being the lowest legacy year ever, has thrown a bit of a spanner in the works and going forward despite our reserves we need more than ever the support of our island community to continue to deliver our services in the way that islanders have said; "Matters to Them".

Anne Mills

Chief Executive

TREASURER'S REPORT 2019

Introduction

What a difference a year can make! Having taken over a healthy position from Phillip Dearden a few months ago (more of that below), I have to report that whilst we are in the fortunate position of having reserves to fall back on, the year to 31st December 2019 was a polar opposite to the previous year. The sparsity of legacies in the year, down to the lowest level in more than twenty years at £267K, was in stark contrast to the sum of £4.1m the previous year, which also happened to be one of our very best! We budgeted for an average legacy figure of the previous five years of £2.5 m in 2019 so we fell somewhat short of this. Had we achieved it, then we would in fact have recorded a surplus for the year. However, our reserves allow us to smooth the ride, and not endanger the valuable services we provide to our community, and the continued support of the island, as evidenced by increased lifetime donations and profit from our shops, demonstrates the continued kindness and generosity of our loyal supporters. Going forward we will consider how we realistically budget for reserves.

Personal

As mentioned above, I take over as Honorary Treasurer from Phillip Dearden who held the position for 20 years. The Board of Governors has decided that in future the Chair of the Finance Committee should be Honorary Treasurer which resulted in my appointment. On behalf of you all, I would like to thank Phillip for his vision, commitment and professionalism over his tenure, and he has certainly set me very high standards.

At this point, I would also like to extend a note to gratitude to the outgoing Head of Finance and Operations, Sarah Elder, and her team within the Finance Department for their hard work and dedication. They have done an excellent job compiling the annual accounts, and our Auditors have complimented us on an excellent audit this year. We wish Sarah all the very best for the future.

As you would expect, there does however remain strong oversight from the Board and more particularly, the Finance Committee, and I thank my colleagues for their continued support.

Financial Review

It's fair to say that 2019 has been a challenging year, and, as mentioned above, the reduction in legacy income coupled with additional expenditure as we expand our capabilities and add to the services we provide have certainly focussed the mind of your Board. Unfortunately the effect on the numbers has turned a £1m profit (2018) to a £1.9m loss (2019) just twelve months later for the reasons already given. As we head into 2020, "the perfect storm" has been referred to on several occasions, not least when we factor in the unexpected effect of Coronavirus and the resultant delays to our renovation project at Hospice. We constantly review and revise our cash-flow forecasts for the changing landscape, keeping our patients and their family at the centre of all we do, but equally appreciate that we cannot sustain deficits indefinitely.

That said, we are in the very fortunate position of having reserves available to us for a rainy day, and we continue to plan carefully for the future and the changing demands on our services. We also aim wherever possible to keep pace with UK and IOM Public Sector pay-rises in order to recognise the invaluable work that both our clinical and administrative staff undertake.

Relationship with Government and Funding

To date Hospice has received a financial grant from the IOM DHSC of £592k per annum together with IT support, medical supplies and oxygen. Phillip mentioned last year that our arrangement with the DHSC was governed by an agreement that has now lapsed, and whilst this is to be replaced by a formal commissioned contractual arrangement and negotiations are underway to develop this arrangement. The grant has remained unchanged for many years, representing approximately 11% of this year's operational expenditure, and we are currently also accruing a rental charge for the temporary use of Southlands whilst our own Hospice undergoes its refurbishment. Early indications identify that DHSC wish to contract within the same purse as the aforementioned Grant, however this does not reflect the current cost of service delivery.

Investments

We continue to pursue our moderate risk, long-term investment strategy. Our invested funds are not intended to be a long-term capital fund but instead are a hedge against the variability and risk of volatility inherent in relying on legacies and government funding. Whilst we have not yet needed to dip into this capital resource, it remains an essential part of our strategy and allows us to continue to provide our range of services even when we have leaner years. That said, the cost of running the Hospice is substantial and continues to rise each year, and the Board has to constantly consider what effect a prolonged shortfall might have on its ongoing services if its sources of income remain subdued.

Strategy

Our ambitious five year strategy was finalised in October 2018 and remains the bedrock of our service delivery. As well as the skill and dedication of our staff and volunteers, we rely heavily on the support of our generous public and we have always been fortunate to have that unwavering backing throughout the life of the charity.

As part of our "Enhancing the Healing Environment" initiative, we embarked upon a major refurbishment of our building in June 2019 which is centred on our patient care and will provide first class facilities going forward. This has been made possible by the generosity of the Tevir Group, whose substantial financial support for this capital project enabled the Board to take the decision to embark upon the project and to move services temporarily to alternative locations. The capital cost is substantial, but the works position us perfectly to deliver our strategy and future-proof the building for many years to come.

Conclusion

Whilst the financial picture is rather different from 12 months ago, our reserves position enables us to weather the storm and continue to deliver the services of which we are so proud. However the Board and Executive appreciate the responsibility they hold, and are constantly reviewing the financial landscape to ensure that the charity remains well-positioned for the future.

On behalf of the Board, thank you for your continued support.

Charles Crossley

Treasurer

IMPACT OF COVID-19 ON SERVICE PROVISION AT HOSPICE ISLE OF MAN

Background

2020 has seen an unprecedented situation emerge globally due to a pandemic caused by the Covid-19 virus, and I can hand on heart say that I am glad to be locked down and feel safe on the Isle of Man than be in any other place at this time.

This I say with real sincerity and some insight as I have family members working right at the front line of care in the UK.

This Report outlines how Hospice responded to the pandemic situation and the impact it had on services, patients, volunteers and staff. It will also highlight the impact on income in an already challenging year and highlights how we will reset ourselves to ensure we can deliver the goals and aspirations set out in our Strategy; "Much More Than a Building" and to continue to deliver high quality end of life care to all those who would benefit in a setting of their choice.

This short report could not possibly cover the whole impact experience and there have been many highs and lows along the way to date but I can tell you my team responded to this situation with bravery, commitment and compassion to keep dying loved ones safe at home or in Hospice. This is what you would expect from your island Hospice and with your help and generosity this is what we were able to deliver.

Hospice response

Following guidance and working in partnership with DHSC Bronze Command Hospice response to the pandemic involved a phased approach namely:

Phase 1: Establish prevention and safety measures

Phase 2: Maintain safety and well-being

Phase 3: Restore and reset to a new normal

Hospice was well positioned to respond to the pandemic, as our strategic direction is to support more people to have their end of life care at home when this is their preference.

However with all other services being delivered centrally from the main building at Strang, Hospice response had to be quick and decisive to refocus services to home settings supporting people remotely in order to protect patients, volunteers and staff during this unprecedented time.

Safety and care continuity were our top priorities as we quickly planned for and adapted to different ways of working and establish a Covid-19 Care Plan for every patient and family member using our services.

Phase 1: Establish prevention and safety measures

Leadership and Communication

It was important to lead by example on the 2 metre rule and demonstrate Hospice values of caring and support.

Good communication was essential and virtual meetings were established via Zoom and again we were well positioned to respond as Zoom has been in use in hospice for over 2 years. Meetings were held 3 times per week with Department Heads, Lead Clinician, Director of Care and CEO also Daily virtual huddles with all staff.

Virtual meetings were held with staff averaging around 50 attending and these were followed up by all staff emails which focused on island and community messages.

Communication via our web site became critical for patients and families as well as direct calling.

Environment Management

The focus was on prevention and safety which included enhancement of the general cleaning regimes and deep cleaning where required.

All staff who could work from home did, despite some IT issues which were identified initially but these were quickly overcome.

Social distancing was established and maximum levels of staff in any one communal area were established with staff spreading across various offices and all staff meetings were via Zoom.

Isolation areas were identified for any staff member who displayed symptoms of the virus at work.

Business Continuity

It was essential to establish critical roles and obviously due to our size several roles were undertaken by one individual so these had to be identified especially around IT, data protection, and adult safeguarding.

A range of new processes were established for travel authorisation, sharing knowledge (buddy system), on-call staff and staff absence management.

Some staff did fall ill with the virus and following the guidance for return to work it was complex to manage with such a small workforce.

Volunteers

Our services are highly dependent on our army of volunteers however with most volunteers being in an older age group possibly with family members who might be shielding they could not continue to work at Hospice or in our shops which had a big impact on them psychologically, but most wanted to stay at home and stay safe. We kept in constant touch with all our volunteers and supported some where needed with the delivery of essential supplies.

Refocusing our Services

All areas of service provision were continued with every patient and family having a Covid-19 related care management plan. All information was recorded on our electronic management system EMIS ensuring no-one slipped through the net during this time of transition. This process was challenging, but within one week every patient and family within all our service areas was being managed or supported remotely with the exception of the In Patient Unit.

All Group therapy and one to one therapy sessions moved to community home settings, Rebecca House patients were shielding with just 3 families opting for respite support.

End of Life care at home became the priority so complementary therapy, lymphoedema and Rebecca House staff were redeployed to support adult, community and Hospice @ Home services.

In Patient Unit

The In Patient Unit (temporarily housed at Southlands in Port Erin) stayed open and admissions for end of life care continued with visiting schedules according to the guidelines. The social distancing was of course a cause for concern and distress amongst patients, relatives or friends and staff. This was managed with great sensitivity and creativity with patients using technology to talk to relatives and volunteers knitting pairs of hearts so that patients and relatives could feel near one another. If a relative wanted to stay with a family member who was dying then provision was made for this however they were required to stay with their family member to the end.

The bed occupancy at Hospice has been low during this period as care at hospice was prioritised at this time if care at home was not possible for various reasons but usually complexity or someone living alone, however most people opted for home care and all admissions were required to be Covid-19 negative.

There was always provision for Covid-19 patients to be cared for at Nobles hospital so Hospice staff were not involved with Covid-19 deaths, however key hospice staff were fitted with and received training for the use of appropriate PPE in the case that they would be caring for Covid-19 patients at home.

Changing the Service: Remote Management of Patients and Families

Again Hospice was well placed to respond as remote management of patients and family plans were already being considered and it was a case of accelerating these plans to ensure contact and care for all patients. This acceleration is being called **Forced Innovation** and wherever possible all patients, families and groups had care by either telephone or Zoom sessions individually or in groups. End of life care at home remained the exception with Hospice at Home staff and Clinical Nurse Specialists continuing to visit people in their homes.

Hospice Influenced Care

Senior clinical staff supported teaching and training for staff at Nobles Hospital and Newlands especially in areas of symptom management, advanced care planning and communication skills.

Phase 2: Maintain safety and well-being

Consolidation of rapid changes and Continuous Review

It was essential to continue with all of the above and continuously review the ever changing guidance from Isle of Man Government, Hospice UK and UK Government responding as appropriate and continuously communicating with staff, patients, volunteers and families. I am very proud of all my team and our staff who responded to every situation facing them, but we knew that exhaustion would set in with this rapid change together with uncertainty and recognised the real fear that staff were experiencing due to the unknown so access to staff well-being support from the psychological support team was set up. As time went on and lockdown was seen to be effective the Zoom sessions became more relaxed with staff coming on calls earlier to catch up with colleagues and share experiences which was great to observe.

Phase 3: Restore and reset to a new normal

Some patient groups responded better than others to this new way of working for example the Fatigue and Breathlessness Group had a more effective intervention effect with 100% attendance whilst some people requiring psychological support reported feeling isolated and more anxious. Our children and young people really enjoyed this new way of working especially for bereavement support as you might expect from our tech savvy youngsters.

The research team at the Scholl Academic Centre are going to evaluate each patient and group to understand any changes to service provision going forward in the "Open and Innovate" plans as Hospice welcomes and looks forward to a "New Normal".

At the start changes to service provision were quick and decisive to secure safe care, however we are taking the opportunity to re-group and use feedback from patients, families and staff at a slower pace in order to consider what each part of our service will look like as we go forward into the future.

Impact on Income

We continued with the same levels of service delivery, however the impact of reduced Hospice income on service provision could have been catastrophic, due to our shops closing flat-lining retail by 100% and the social distancing policies (however appropriate) meant cancelling all events and gatherings reducing our income by 75% in this area and with Legacies down universally by 25%.

Hospice has been very prudent over the years investing wisely and putting funds away for a rainy day, well here it came in a thunderstorm and therefore part of restoring and resetting, (as we have had to utilise our reserves) will mean re-looking at the timing of delivery of our strategic goals.

Hospice Isle of Man

The fundraising team have been very creative developing digital giving and in true Manx spirit people who would normally shop with us have been sending in donations which we are very grateful for.

We applied for and did receive staff wage support scheme from Isle of Man Government for which we are also very grateful.

Going Forward

My team and I are optimistic for the future of your island hospice and are looking forward to working with you to build up our funds again. We are looking forward to coming home to Strang and welcoming you to our newly refurbished and enhanced hospice facility for which we cannot thank the Tevir Group and Keith Jones enough. They really get us as I am absolutely sure all of you and others do to, understanding the story behind the need for change to continue to provide the highest possible quality of care and experience to all who would benefit from Hospice Care.

We need your continuing support now more than ever so that together we can keep dying loved ones safe and secure at this most vulnerable time.

Anne Mills
Chief Executive

Hospice Care
Report and Consolidated Financial Statements

31 December 2019

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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 the year ended 31 December 2019.

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 deficit for the year of £1,887,937 (2018: surplus of £1,007,384) which has been transferred from / to reserves.

The Board of Governors do not propose the payment of a dividend (2018: £Nil).

Events since the Statement of Financial Position date

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

Board of Governors

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

Chairman	Sir Miles Walker, CBE, LLD (hc) (resigned 1 March 2019) Mr C Hall MA MSc FloD (appointed Chairman 1 March 2019)
Hon Treasurer:	Mr P E Dearden BA (Hons), FCA ATII
Other members:	Mr H Craig Mr P C Crossley BA (Hons), FCA Mr R Fayle BMed Sci (Hons) BM BS FRCOG MO ObstetGynaecol (L'pool) Mr C Hall MA MSc FloD (other member prior to appointment as Chairman) Mrs M Linehan RN RM (resigned 2 May 2019) Mr A Thomson FloD Mr J McC W Rimmer Ms E A Kelly BSc MRICS Mr J McChesney Mr G Sissons Ms H Blackley BSc DipM FCIM Mrs D P Fletcher, MBE (appointed 1 March 2020) Mrs L Radcliffe, RN, BSc (hons), MSc, CMgr FCMI (appointed 24 March 2020)
Company Secretary:	Mr PC Halliday FloD FCIS

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 2019 there were 368 members of Hospice Care compared with 534 at the end of 31 December 2018. In addition, there were 212 life members at the end of 31 December 2019 compared with 160 at the end of 31 December 2018.

By order of the Board of Governors

 _____ Date
Governor

Hospice Care

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 deficit 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.

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 2019 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Consolidation 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 FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the Group's and Company's affairs as at 31 December 2019 and of the Group's deficit 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 Acts 1931-2004, Charities Registration & Regulations Act 2019 and 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 below. We are independent of the company 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.

Emphasis of Matter – impact of COVID-19

We draw attention to Note 16 and 17 in the financial statements, which describes the economic and social disruption the Company and Group is facing as a result of COVID-19 which is impacting financial markets.

Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report set out on page 1, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

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. In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or

Hospice Care

apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HOSPICE CARE (continued)

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 to 2004 requires 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 directors

As explained more fully in the Board of Governors' responsibilities statement set out on page 2, 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 directors are responsible for assessing the 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 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.

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, pursuant to 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
Chartered Accountants
Isle of Man



Date: 4 June 2020

Consolidated Statement of Financial Activities For the year ended 31 December 2019

	Notes	2019 £	2018 £
Income:	1(g)		
Donations		1,322,997	1,038,589
Legacies		266,793	4,092,738
<i>Commercial Trading Operations:</i>			
Hospice		594,925	257,113
Shops and Property		1,018,608	881,809
Investment return	1(k),1(g)	943,079	(245,755)
Government Grant		592,572	592,572
Other Income		-	13,472
Total Income		4,738,974	6,630,538
Expenditure:	1(h)		
<i>Costs of raising funds:</i>			
Commercial Trading Operations		(525,975)	(441,237)
Fundraising Costs		(572,415)	(329,312)
<i>Expenditure on Charitable Activities:</i>			
Operation of Hospice		(5,525,929)	(4,850,370)
Other expenditure		(2,592)	(2,235)
Total Expenditure		(6,626,911)	(5,623,154)
Comprehensive (loss) / income for the year		(1,887,937)	1,007,384
Other comprehensive income		-	-
Total comprehensive (loss) / income		(1,887,937)	1,007,384

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 (2018: £Nil).

All items are considered to arise from continuing transactions.

Company Profit and Loss Account

Under Section 3(5)(b)(ii) of the Companies Act 1982, the company is exempt from the requirements to present its own profit and loss account. Of the consolidated deficit of expenditure over income, a deficit of £2,011,818 (31 December 2018: surplus of £900,235) has been retained by Hospice Care.

Consolidated Balance Sheet

For the year ended 31 December 2019

	Notes	2019 £	2019 £	2018 £	2018 £
FIXED ASSETS					
Tangible Assets	1(i) 3(a)		10,049,902		9,072,324
Investments at fair value through profit or loss	1(k),4(a)		6,371,484		5,444,082
Investment property	1(j),6		252,309		252,309
Debtors due after more than one year	1(k),7		90,677		88,659
CURRENT ASSETS:					
Stock	1(l)	17,574		4,955	
Sundry Debtors	1(k)	68,744		119,228	
VAT		83,122		47,057	
Bank Deposits	1(k), 9	3,935,584		7,537,514	
Balances with Brokers	1(k), 9	342,881		463,921	
Cash in Hand	1(k), 9	1,119		930	
		<u>4,449,024</u>		<u>8,173,605</u>	
LIABILITIES					
Creditors amounts falling due within one year	1(k)	(292,159)		(221,805)	
Net Current Assets			<u>4,156,865</u>		<u>7,951,800</u>
Total Assets Less Current Liabilities			<u>20,921,237</u>		<u>22,809,174</u>
Creditors due after more than one year					
Loan payable	1(m),10		(750,000)		(750,000)
			<u>20,171,237</u>		<u>22,059,174</u>
Funds					
Unrestricted Funds	1(f),12		17,968,182		21,113,363
Restricted Funds	1(f),13		2,203,055		945,811
			<u>20,171,237</u>		<u>22,059,174</u>

Approved by the Board of Governors on 00 June 2020



00 June



Company Balance Sheet

For the year ended 31 December 2019

	Notes	2019 £	2019 £	2018 £	2018 £
FIXED ASSETS					
Tangible Assets	1(i) 3(b)		8,423,341		7,363,512
Investments at fair value through profit or loss	1(k),4 (a)		6,371,484		5,444,082
Investment in Subsidiaries	4 (b)		288,194		288,196
Investment property	1(j),6		252,309		252,309
Debtors due in greater than one year					
Amount due from Subsidiaries	1(m),8	1,170,236		1,170,236	
Loan Receivable	1(k),7	90,677	1,260,913	88,659	1,258,895
CURRENT ASSETS:					
Sundry Debtors	1 (k)	48,277		106,295	
VAT		69,840		43,491	
Bank Deposits	1 (k)	3,410,278		7,128,829	
Balances with Brokers	1 (k)	342,881		463,921	
Cash in Hand	1 (k)	431		415	
		3,871,707		7,742,951	
Current Liabilities					
Amount due to Subsidiaries	8	(304,767)		(237,225)	
Creditors	1(k)	(258,782)		(196,503)	
		(563,549)		(433,728)	
Net Current Assets			3,308,158		7,309,223
Total Assets Less Current Liabilities			19,904,399		21,916,217
Creditors due after more than one year					
Loan payable	1(m), 10		(750,000)		(750,000)
Total Net Assets			19,154,399		21,166,217
Funds					
Unrestricted Funds	1(f)		16,951,344		20,220,406
Restricted Funds	1(f), 13		2,203,055		945,811
Total Funds			19,154,399		21,166,217

Approved by the Board of Governors on 02 June 2020




Hospice Care

Consolidated Statement of Changes in Equity

For the year ended 31 December 2019

	Unrestricted Funds	Unrestricted Funds Restricted Funds	Total Funds
	£	£	£
OPENING VALUE OF FUNDS at 1 January 2018	20,218,244	833,546	21,051,790
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	895,119	112,265	1,007,384
CLOSING VALUE OF FUNDS at 31 December 2018	21,113,363	945,811	22,059,174
OPENING VALUE OF FUNDS at 1 January 2019	21,113,363	945,811	22,059,174
TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE YEAR	(3,145,181)	1,257,244	(1,887,937)
CLOSING VALUE OF FUNDS at 31 December 2019	17,968,182	2,203,055	20,171,237

Hospice Care

Consolidated Cash Flow Statement

For the year ended 31 December 2019

		2019	2018
	Notes	£	£
Net cash (outflow) / inflow from operating activities	9 (a)	(3,600,864)	1,457,247
<i>Investing activities</i>			
Interest received		39,767	25,641
Dividends received		134,862	140,752
Payments to acquire tangible fixed assets		(1,377,335)	(337,681)
Payments to acquire investments		(1,318,636)	(758,614)
Receipts from the sale of investments		1,142,181	1,067,033
Net cash (outflow) / inflow from investing activities		(4,980,025)	1,594,378
<i>Financing activities</i>			
Received for specific capital items		1,257,244	152,311
Net cash flow from financing activities		1,257,244	152,311
(Decrease) / increase in cash and cash equivalents	9 (b)	(3,722,781)	1,746,689
Cash and cash equivalents at 1 January	9 (b)	8,002,365	6,255,676
Cash and cash equivalents at 31 December	9 (b)	4,279,584	8,002,365

Notes to the Financial Statements

For the year ended 31 December 2019

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 2019.

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 2019, 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. A comment on the impact on the company of the Covid-19 global pandemic is included under note 17.

The most significant areas of uncertainty are the levels of 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 2019 (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.

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 2019 (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 the Department of Health. 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 for another year to 31 March 2020 while a new arrangement is negotiated.

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 is £592,572 (2018 - £592,572).

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 2019 (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.

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

Notes to the Financial Statements

For the year ended 31 December 2019 (continued)

1 Accounting Policies (continued)

j) Investment property (continued)

reliably measured are measured at fair value. The surplus or deficit on revaluation is recognised in the profit and loss account. In the current year the Charity has 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.

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.

Notes to the Financial Statements

For the year ended 31 December 2019 (continued)

1 **Accounting Policies (continued)**

k) **Financial Instruments (continued)**

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 2019 have been included in Statement of Financial Activities.

Payments were made to one employee's personal pension schemes for the year ended 31 December 2019. 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 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.

Notes to the Financial Statements

For the year ended 31 December 2019 (continued)

1 Accounting Policies (continued)

o) Pensions (continued)

The contributions paid in the year were as follows:

	2019	2018
	£	£
Group personal pension plan	61,316	55,632
Isle of Man Government Unified Scheme	176,026	142,734
Payments to employees own private pension schemes	2,380	2,380
	<u>239,722</u>	<u>200,746</u>

£16,934 (2018: £16,397) of the contributions due were unpaid at the year end.

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.

Hospice Care

Notes to the Financial Statements

For the year ended 31 December 2019 (continued)

2 Statement of Financial Activities – Other Disclosures

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

Group	2019 £	2018 £
Interest received	(22,251)	(18,454)
Dividends	(216,032)	(203,159)
Rental income	(11,400)	(9,500)
Mortgage amortised interest	(6,056)	(5,927)
Depreciation	399,757	375,809
Audit Fee	10,626	12,660

3 Tangible fixed assets

a) Group Fixed Assets

	Freehold Land & Buildings £	Asset under construction £	Furniture & Fittings £	Equipment £	Motor Vehicles £	Total £
Cost						
At 31 December 2018	11,358,387	-	838,744	667,901	123,937	12,988,969
Additions	-	1,278,143	41,530	57,662	-	1,377,335
Disposals	(6,143)	-	-	-	-	(6,143)
	<u>11,352,244</u>	<u>1,278,143</u>	<u>880,274</u>	<u>725,563</u>	<u>123,937</u>	<u>14,360,161</u>
At 31 December 2019	11,352,244	1,278,143	880,274	725,563	123,937	14,360,161
Depreciation						
At 31 December 2018	(2,580,296)	-	(734,921)	(504,436)	(96,992)	(3,916,645)
Charge for the year	(274,323)	-	(54,734)	(61,218)	(9,482)	(399,757)
Disposals	6,143	-	-	-	-	6,143
	<u>(2,848,476)</u>	<u>-</u>	<u>(789,655)</u>	<u>(565,654)</u>	<u>(106,474)</u>	<u>(4,310,259)</u>
At 31 December 2019	(2,848,476)	-	(789,655)	(565,654)	(106,474)	(4,310,259)
Net Book Value						
At 31 December 2019	8,503,768	1,278,143	90,619	159,909	17,463	10,049,902
At 31 December 2018	8,778,091	-	103,823	163,465	26,945	9,072,324

Hospice Care

Notes to the Financial Statements

For the year ended 31 December 2019 (continued)

3 Tangible fixed assets (continued)

Included in Group Fixed Assets are four properties (2018 – four) which are rented to third parties with a net book value of £737,928 (2018: £750,919) in respect of which rent of £43,286 (2018: £43,286) has been received.

b) Company Fixed Assets

	Freehold Land & Buildings £	Asset under construction £	Furniture & Fittings £	Equipment £	Motor Vehicles £	Total £
Cost						
At 31 December 2018	9,259,901	-	716,722	666,542	72,884	10,716,049
Additions	-	1,278,143	41,530	57,662	-	1,377,335
Disposals	-	-	-	-	-	-
	<u>9,259,901</u>	<u>1,278,143</u>	<u>758,252</u>	<u>724,204</u>	<u>72,884</u>	<u>12,093,384</u>
Depreciation						
At 31 December 2018	(2,153,984)	-	(624,863)	(503,076)	(70,614)	(3,352,537)
Charge for the year	(210,758)	-	(43,261)	(61,217)	(2,270)	(317,506)
Disposals	-	-	-	-	-	-
	<u>(2,364,742)</u>	<u>-</u>	<u>(668,124)</u>	<u>(564,293)</u>	<u>(72,884)</u>	<u>(3,670,043)</u>
Net Book Value						
At 31 December 2019	<u>6,895,159</u>	<u>1,278,143</u>	<u>90,128</u>	<u>159,911</u>	<u>-</u>	<u>8,423,341</u>
At 31 December 2018	<u>7,105,917</u>	<u>-</u>	<u>91,859</u>	<u>163,466</u>	<u>2,270</u>	<u>7,363,512</u>

Hospice Care

Notes to the Financial Statements

For the year ended 31 December 2019 (continued)

4 Investments

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

	2019	2018
	£	£
Listed investments including listed equities and bonds – Level 1	6,371,483	5,444,081
Non listed investments	1	1
	<u>6,371,484</u>	<u>5,444,082</u>
Realised and unrealised gains and losses on investments at fair value through profit or loss		
Unrealised gain / (loss)	308,143	(593,500)
Realised gain	379,192	110,705
	<u>687,335</u>	<u>(482,795)</u>

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.

Pelagon Limited

The Charity's wholly owned subsidiary, Pelagon Limited was formed for the sole purpose of building a new Hospice and is incorporated in the Isle of Man. It was dormant during the year and the company was dissolved on 1 April 2019.

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 an unrealised gain of £Nil (2018: Nil) against the cost of this investment. This has been charged through the entity statement of comprehensive income.

Investment in Subsidiaries Comprises:

	2019	2018
	£	£
Share Capital – Share the Care Limited	2,000	2,000
Share Capital – Pelagon Limited	-	2
Investment in Hospice Properties Ltd	286,194	286,194
	<u>288,194</u>	<u>288,196</u>

Notes to the Financial Statements

For the year ended 31 December 2019 (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:

	2019 Change in market prices %	2019 Effect on profit and net assets £	2018 Change in market prices %	2018 Effect on profit and net assets £
Investments	+/-5	318,574	+/-5	272,204

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 £22,251 (2018: £18,454). 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 2019 (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 (2018: 18 months). At 31 December, this would have amounted to £9.94m (2018: £8.43m). Due to the exceptionally low level of legacies received in this financial year the free reserves have dipped below this level and are forecast to remain below it during 2020 as well. The Board are committed to returning to the policy reserves level but consider the existing reserves level to be acceptable in remaining as a going concern.

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 2019 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 BBB.

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:

	2019	2018
	£	£
Investments	6,371,484	5,444,082
Due from subsidiaries	1,170,236	1,170,236
Debtors and Loans Receivable	138,954	194,954
Cash	3,410,278	7,128,829
Balances with Brokers	342,881	463,921
	<hr/>	<hr/>
	11,433,833	14,402,022
	<hr/>	<hr/>

Notes to the Financial Statements
For the year ended 31 December 2019 (continued)

5 Investments and Risk Management (continued)

Credit Risk (continued)

The maximum credit exposure of the group is as follows:

	2019	2018
	£	£
Investments	6,371,484	5,444,082
Debtors and Loans Receivable	159,421	207,887
Cash	3,935,584	7,537,514
Balances with Brokers	342,881	463,921
	<u>10,809,370</u>	<u>13,653,404</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 £1,345,922 (2018: £1,308,473) 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 one investment property on its balance sheet. During the year the company and group has received £11,400 (2018: £9,500) in rental income from the property. At the yearend there existed contractual obligations for property repairs, maintenance and enhancements.

	2019	2018
	£	£
Brought forward	252,309	252,309
Fair value movement	-	-
	<u>252,309</u>	<u>252,309</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.

Hospice Care

Notes to the Financial Statements

For the year ended 31 December 2019 (continued)

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

	2019	2018
	£	£
Public Benefit Concessionary Loan – Hospice Properties Limited	1,170,236	1,170,236
	<u>1,170,236</u>	<u>1,170,236</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:

	2019	2018
	£	£
Loan – Share the Care Limited	304,767	234,821
Loan – Pelagon Limited	-	2,404
	<u>304,767</u>	<u>237,225</u>

9 Notes to the statement of cash flows

(a) Reconciliation of (deficit) / surplus to net cash (outflow) / inflow from operating activities

	2019	2018
	£	£
Group (deficit) / surplus for the year	(1,887,937)	1,007,384
<i>Adjustments to reconcile (deficit) / surplus for the year to net cash flow from operating activities</i>		
Depreciation of tangible fixed assets	399,757	375,809
Decrease / (increase) in debtors	12,443	(59,234)
(Increase) / decrease in stocks	(12,619)	284
Increase in creditors	70,354	24,133
Interest received	(22,251)	(18,454)
Dividend income	(216,032)	(203,159)
Funds for specific capital items	(1,257,244)	(152,311)
Realised and unrealised movement on investments	(687,335)	482,795
	<u>(3,600,864)</u>	<u>1,457,247</u>

(b) Reconciliation of cash and cash equivalents

	Opening cash 1 January 2019	Cash flow	Closing cash 31 December 2019
	£	£	£
Cash and cash equivalents (group)	8,002,365	(3,722,781)	4,279,584

Notes to the Financial Statements

For the year ended 31 December 2019 (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

	2019	2018
	£	£
General Funds	6,283,840	9,580,069
Designated amounts for future spending	1,634,440	2,460,970
Tangible Fixed Assets	10,049,902	9,072,324
	<u>17,968,182</u>	<u>21,113,363</u>

In June 2019 major refurbishment works commenced at the main Hospice building to enhance and update the facilities provided (see note 16). This has been made possible due to the commitment by a generous benefactor to donate £2.5m to the Hospice for significant capital work. At 31 December 2019 £1.5m of this had been received and the corresponding capital expenditure is included in the Tangible Fixed Assets total above.

13 Restricted Funds

	2019	2018
	£	£
Capital Fund	2,188,055	930,811
Endowment Fund	15,000	15,000
	<u>2,203,055</u>	<u>945,811</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 and has a net asset value of £7,313 (2018: £21,863). The aim of the trust is to provide financial support to Hospice Care to support the provision of its Palliative Care Home Nursing Service £105,000 was received during the year ended 31st December 2019 (2018: £100,000). This has been included within donations and legacies in the Statement of Financial Activities.

Hospice Care

Notes to the Financial Statements

For the year ended 31 December 2019 (continued)

15 Related Party Transactions of Hospice Care

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

<i>Share the Care Limited</i>	2019	2018
	£	£
Balance brought forward – due to Share the Care Limited	234,821	297,481
Cash received from subsidiary as payment on account in respect of dividend	433,744	282,000
Outstanding expense recharge	(35)	-
Dividend paid	(363,763)	(344,660)
Amount at the end of the year – due to Share the Care Limited	<u>304,767</u>	<u>234,821</u>

<i>Pelagon Limited</i>	2019	2018
	£	£
Balance brought forward – Due to Pelagon Limited	2,404	1,606
Written off on dissolution of subsidiary / Transfer of funds	(2,404)	798
Amount at the end of the year – due to Pelagon Limited	<u>-</u>	<u>2,404</u>

<i>Hospice Properties Limited</i>	2019	2018
	£	£
Balance brought forward – amount (payable)	(1,170,236)	(1,270,236)
Repayment	-	100,000
Amount at the end of the year – due from Hospice Properties Limited	<u>(1,170,236)</u>	<u>(1,170,236)</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 (2018: 6 key roles). Total remuneration in respect of these individuals is £485,157 (2018 - £457,157).

16 Capital commitments

The Group has entered into commitments to carry out improvement works to its main building. The total anticipated contracted price is £2.5m (2018: £nil), of which £1.1m (2018: £nil) was invoiced and £1.4m (2018: £nil) remains unpaid as at 31 December 2019.

17 Post Balance Sheet Events

The Charities Registration and Regulation Act 2019 and the Charities Regulations 2020 become effective on 1 April 2020. The directors consider that the current accounting processes and reports published annually already meet the requirements of the new regulations.

Notes to the Financial Statements

For the year ended 31 December 2019 (continued)

17 Post Balance Sheet Events (continued)

In March 2020 measures to contain the Covid-19 global pandemic on the Isle of Man required retail premises to close and they remain closed at time of writing with no certainty when they may re-open. This has resulted in a significant loss of income. Measures have been taken by the subsidiary board to keep costs to a minimum during this period with the support of landlords and the Isle of Man Government. Further measures relating to social distancing and group gatherings have also significantly affected income generated by events and fundraising. Further, the outbreak of the COVID-19 pandemic has adversely impacted global commercial activity and contributed to significant volatility in certain equity and debt markets. As a result of COVID-19, there have been significant falls in the prices of many shares quoted on worldwide stock markets, with consequential falls in value of many investment portfolios, including those of the charity. It is impossible to predict how long this market volatility and world-wide disruption will continue and the resulting effects on the global economy and individual businesses. The impact from this pandemic on investment markets will be felt for some time to come and the quantum of the effect is difficult to determine. The Board of Governors and the charity's advisors will continue to monitor the situation. The impact will be reflected in the 31 December 2020 financial statements. The directors consider that there are sufficient reserves within the company at this time and that the current situation will not impact the going concern assumption made in Note 1c.

In 2006 the company received shares in a company called Globoforce through a legacy gift. As the shares were unlisted it was difficult to assign a value and therefore they were never recorded in the balance sheet, inline with Section 34.70 of FRS 102, with it not being practical to estimate the value of the resource with sufficient reliability. In March 2020 an institutional buyer made an offer for 10% of the shares of the company. Hospice Care took up this offer and sold these shares realising income of £672,682.97 which will be recorded in the 2020 financial year.