

Annual Review

2025



Hospice
ISLE OF MAN

Excellence in palliative and end of life care for our Island community



“

It is difficult to explain what a difference all the different people at Hospice made to our lives.

Patricia Watts
Patient Relative

”

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CEO's Conclusion

Chairman's Report

2025 was a year of significant change for Hospice Isle of Man — one marked by resilience, adaptation and a growing recognition of the increasing demand for specialist palliative and end of life care across our Island community.

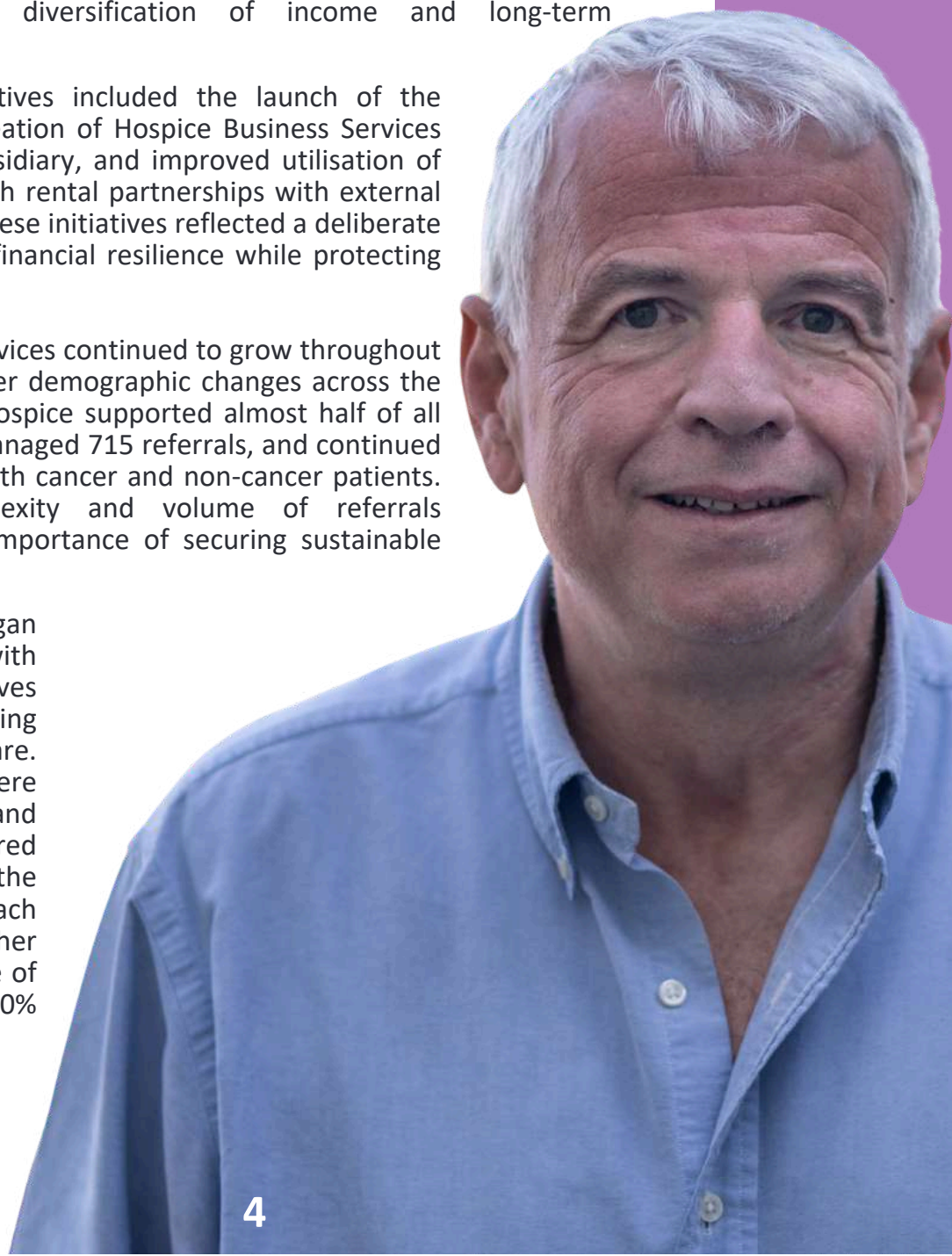
Following a financial loss of £282,179 in 2023, Hospice closed 2024 with an improved deficit position of £79,833, reflecting the early impact of careful financial stewardship. Entering 2025, however, continued inflationary pressures and growing demand meant a cash-neutral budget was essential.

While our request for £2.4m in annual Government support was not fully met, confirmation of £1.7m plus inflation from Manx Care provided a critical level of certainty. Alongside this, the Board and leadership team focused strongly on diversification of income and long-term sustainability.

New commercial initiatives included the launch of the Crowther Clinic, the creation of Hospice Business Services as a wholly owned subsidiary, and improved utilisation of Hospice facilities through rental partnerships with external healthcare providers. These initiatives reflected a deliberate strategy to strengthen financial resilience while protecting frontline care.

Demand for Hospice services continued to grow throughout the year, reflecting wider demographic changes across the Isle of Man. In 2025, Hospice supported almost half of all deaths on the Island, managed 715 referrals, and continued to expand access for both cancer and non-cancer patients. The increasing complexity and volume of referrals reinforces the critical importance of securing sustainable funding for the future.

The Board also began important discussions with political representatives regarding future funding models for Hospice care. These conversations were constructive and demonstrated a shared recognition that the current funding approach does not fully reflect either demand or the principle of contributing towards 50% of core clinical costs.



“

Throughout a challenging year, our staff, volunteers, supporters and donors continued to demonstrate **extraordinary compassion and commitment**. Their dedication ensures Hospice remains a vital and trusted part of Island life, now and for the future.

”

The year also brought leadership change, with CEO John Knight stepping down unexpectedly for personal family reasons. We thank John sincerely for his contribution and welcomed Fiona Hatton to Hospice in October, bringing significant charitable sector leadership experience.

Although we closed the year with a deficit of £588k, Hospice continued to invest in its future — including delivering a successful Summer School programme for young people interested in careers in care, expanding training provision, and strengthening community partnerships.

Throughout a challenging year, our staff, volunteers, supporters and donors continued to demonstrate extraordinary compassion and commitment. Their dedication ensures Hospice remains a vital and trusted part of Island life, now and for the future.



Chris Hall
Chair of Governors

Treasurer's Report

Before looking ahead to the significant transformation now underway during 2026, it is important to reflect on the financial performance of Hospice Isle of Man during 2025.

2025 proved to be a pivotal year for Hospice. Whilst the financial result was disappointing, it provided the Board with a clear understanding of the structural challenges facing the organisation and reinforced the need to take decisive action to secure Hospice's long-term future.

The Group reported a deficit of £588,180 for the year. This was not the result of poor financial control or weak financial management.

Throughout the year, expenditure remained well controlled and the organisation continued to operate responsibly. Rather, the deficit reflected a structural funding challenge that has developed over many years. Hospice has continually evolved and expanded its services in response to increasing demand and wider pressures across the Island's health and care system, but sustainable funding has not increased at the same pace. As a consequence, the organisation has become increasingly reliant on charitable income to support the delivery of core services.

The financial result also highlighted the inherent volatility of legacy income. Legacies remain one of the greatest expressions of support that Hospice receives and continue to make an extraordinary contribution to the care we provide. However, because both their timing and value are impossible to predict, the Board cannot prudently rely upon them to fund recurring operating costs. The lower level of legacy income received during 2025 reinforced the importance of continuing to develop more sustainable and controllable sources of income.



Against this backdrop, there were many encouraging aspects of the year's performance. Share the Care delivered another record year, achieving its strongest ever financial performance and making an increasingly significant contribution towards funding Hospice services. This continued success demonstrates that investment in commercial activity is generating sustainable income that helps reduce reliance on more volatile sources of funding.



Fundraising also exceeded expectations, with strong support across Hospice events, community fundraising and the Hospice Lottery, which continues to develop into one of our most dependable recurring income streams. Together with continued growth in our wider commercial activities, these results demonstrate the remarkable generosity of the Manx community and the commitment of our staff and volunteers.

“ Together with continued growth in our wider commercial activities, these results demonstrate the remarkable generosity of the Manx community and the commitment of our staff and volunteers. ”

Government funding also increased during the year under the existing stepped funding arrangement with Manx Care and the Department of Health and Social Care. This additional support is both welcomed and greatly appreciated. However, statutory funding continues to meet only part of the true cost of delivering Hospice services, leaving the charity reliant upon fundraising, retail income, donations and legacies to bridge the gap. Establishing a more sustainable long-term commissioning arrangement therefore became one of the Board's principal strategic priorities during 2025 and has continued to shape our work throughout 2026.

Whilst the Board has always maintained strong reserves, we have never regarded them simply as a buffer against difficult times. Their purpose is to provide Hospice with the financial resilience to make considered strategic decisions from a position of strength rather than being forced into reactive decisions during periods of financial crisis.

As Treasurer, I believe that was precisely the position Hospice found itself in during 2025. Rather than simply managing annual deficits, the Board took the view that the responsible course of action was to reshape the organisation whilst we still had the financial strength and stability to do so.

The strategic decisions now being implemented during 2026, including organisational restructuring, the development of a new commissioning framework with Manx Care and continued investment in sustainable income generation, are intended to place Hospice on a stronger long-term financial footing whilst protecting the outstanding specialist care that patients and families across the Isle of Man rely upon every day.



Chris Eaton
Hon. Treasurer

Legal and Administrative Information

Board of Governors and Trustees

Our Board of Governors and Trustees oversee and direct the affairs of the charity, ensuring that it is well run and delivering the charitable outcomes for which it is established.

Board members and Trustees are appointed on the basis of their experience, expertise and community involvement as well as for their commitment to, and passion for, the Hospice's work.

President

Sir Miles Walker CBE

Chairman

Mr Chris Hall MA MSc FIoD

Secretary

Mrs Susan Shute ACIS/ACG

Hon. Treasurer

Mr Christopher Eaton LLB (Hons) C Dir

Board of Governors

Mrs Catherine Black BA (Hons), MAEd, Dip HSM, RN, RNT, FHEA

Mrs Emma Callister

Mr Seán Dowling (appointed 1st June 2026)

Mr Neil Duggan (appointed 1st January 2026)

Mr James Geldart BA (Hons), Chartered FSCI

Ms Anna Kelly BSc MRICS

Mr Tim Leeming BSc (Hons)

Mr John McChesney Chartered FCIPD

Mrs Michele Moroney MBChB FRCOG

Ms Caren Pegg (appointed 1st June 2026)

Mr Tim Shallcross

Mr John J W Rimmer M.Phil, BSc (Hons)

Corporate Details

Registered Office

Hospice Isle of Man
Strang
Isle of Man
IM4 4RP

Company No.

22473

Registered Charity No.

317

Auditors

Ernst & Young LLC
Rose House
51-59 Circular Road
Douglas
Isle of Man
IM1 1AZ

Bankers

Barclays Bank Plc.
4th Floor
Queen Victoria House
41 Victoria Street
Douglas Isle of Man
IM1 2LF

Investment Advisors

Ramsey Crookall & Co Ltd.
Securities House
38-42 Athol St
Douglas
IM1 1QH

Hospice Principal Risks and Risk Management

Hospice Isle of Man is committed to the appropriate management of all risks that present possible harm to individuals, property or to Hospice's ability to achieve its strategic and operational objectives.

Hospice Isle of Man is committed to the appropriate management of all risks that present possible harm to individuals, property or to Hospice's ability to achieve its strategic and operational objectives.

A comprehensive Risk Management framework is in place to ensure the effective management of both strategic and operational risks is

aligned to Hospice's risk appetite statement. The Risk Assessment Policy was reviewed internally (August 2025) and ratified by the Board of Governors in September 2025. The Risk Management Policy is due to be reviewed internally in December 2026. The Hospice maintains a strategic risk register whilst lower level risks are managed at team level.

Risk is a standing agenda item for all Board and Board Subcommittee meetings as well as the Senior Leadership Team. Risk management training is made available at all levels of the organisation and dovetailed with the Datix Incident management system.

Vision, Mission, Position and Values

Our Vision, Mission, and Position Statements were brought together using multiple reference points, we well as through engaging with our staff, volunteers, the general public and through consultation with a range of professionals.

These provide the foundation of our organisational strategy, as well as a framework of direction and guidance to help deliver our strategic goals and serve our Island community.

Our Vision

Excellence in palliative and end of life care for our Island community

Our Mission

To provide excellent palliative and end of life care, whether directly or alongside others, respecting and valuing each individual and those who matter to them

Our Position

Leaders of palliative and end of life care in the Isle of Man

Our values are at the heart of everything we do. They are an important part of how we will deliver our strategy not only amongst our staff and volunteers, but in partnership with our communities.

Staff worked with volunteers, service users and visitors to finalise the values.

A

Act with compassion



Showing awareness of and empathy towards others, ensuring people feel heard, valued and respected

B

Be collaborative



Building and maintaining positive working relationships to maximise what we can achieve together

C

Commit to our cause



Working with purpose and drive, making every moment and penny count so we can deliver excellence for our patients and their loved ones



Our Impact



Care Service Report

2025 Clinical Stats

In 2025, our extensive services cared for many patients through our adult In Patient Unit, Rebecca House, our Community Services or our Support Services, as shown below.

440

Adult Patient deaths

48%

Of all Isle of Man deaths

155

Deaths in the Hospice
In Patient Unit

174

Patient deaths in the
community

111

Patient deaths in
Hospital

607

Adult Hospice average
monthly caseload

230

Admissions to the
In Patient Unit

48 Or 20.9% of
admissions

Symptom Management
Admissions

39 Or 17% of
admissions

Respite Care Admissions

47

Rebecca House
average monthly
caseload

904

Total sessions delivered
by Rebecca House

11

New Rebecca
House referrals

715

Referrals to all Hospice
services

371

Cancer referrals

344 Or 48% of all
referrals

Non-Cancer referrals

224

Hospice at Home referrals

3,251

Hours of care were
provided by our Hospice
at Home team

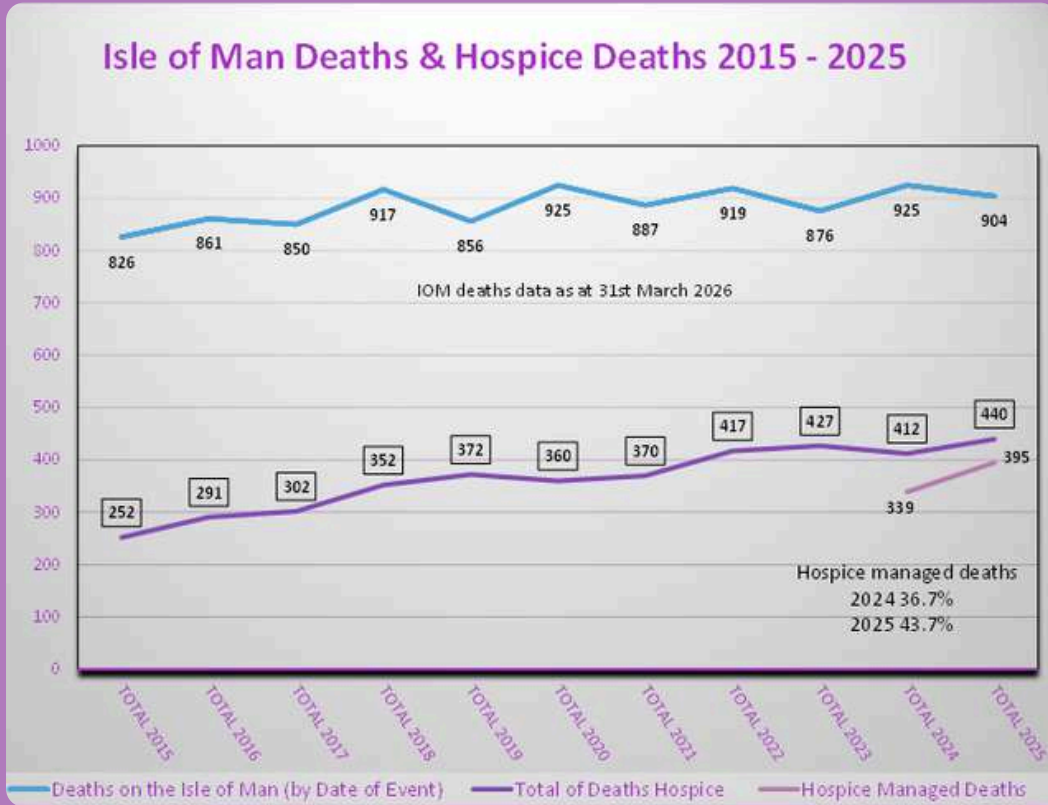
93.15%

Referral Response Time
within 48 and 96 hours

Deaths and Hospice Deaths

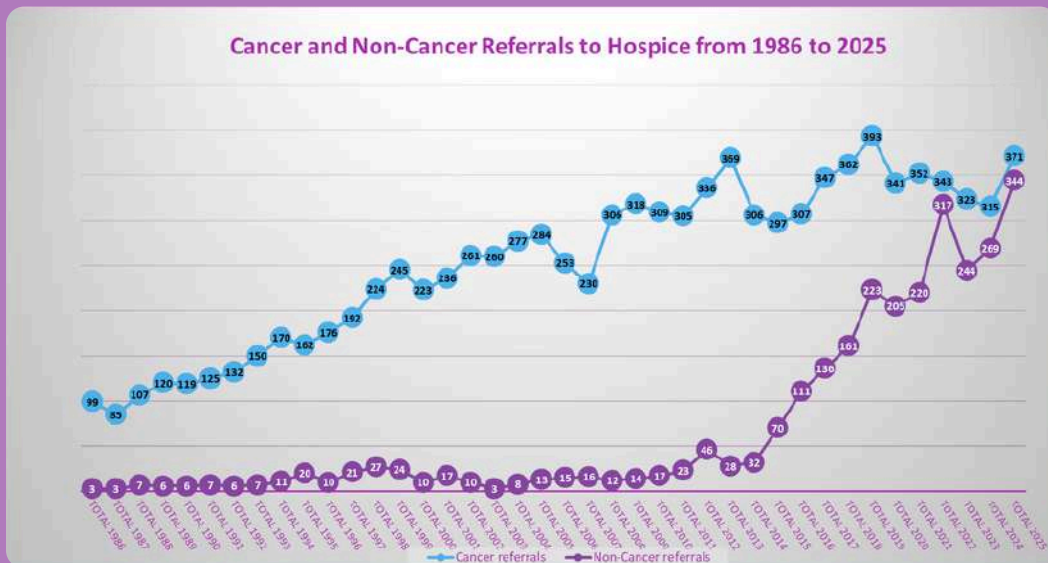
The graph shows how Hospice’s role in delivering care at the end of life has gradually increased in the period 2015-2025.

There were 904 deaths on the Isle of Man in 2025, with Hospice providing care for 440 of these. The number of actively managed patients at the end of life was 395, a total of 43.7% of island deaths.



Cancer vs. Non Cancer Care at Hospice

In 2015, Hospice’s Board of Governors made the equitable decision to open its remit to support adults with all life-limiting illnesses rather than just cancer and motor neurone disease as previously. This decision directly links to the current fact that in 2025, we saw 715 referrals made for Hospice care, and these were made up of 371 cancer and 344 non-cancer.



Income Generation

It is important for us as a charity to understand where our income comes from. This helps us to forecast and plan for the future, while monitoring our performance. It also ensures we can continue to support our patients and provide excellent Hospice, Palliative and End of Life Care to our community when they need it most. Below is a breakdown of our income for 2024 and 2025:

Income Generation	2025 £	2024 £
Fundraising	2,058,183	2,068,522
Legacies	923,210	1,488,833
Commercial Trading Operations: Hospice	895,368	602,224
Commercial Trading Operations: Shops and Property	1,724,299	1,515,839
Investment Return	400,478	385,083
Government Grant – Manx Care	1,746,494	1,603,346
Other Income	9,351	7,179
Total Income	7,757,383	7,671,026





The care at Hospice was exceptional and made his remaining time with us the best it could be.



Kirsty Walsh
Patient Relative Story

On the 6th of January 2025, my amazing Dad Jimmy passed away after a devastatingly short illness. Following his initial diagnosis of pancreatic cancer on the 26th of November 2024, dad's health quickly deteriorated and a few weeks later we were welcomed into Hospice where they provided the most incredible level of care & attention, on hand 24/7, nothing was too much trouble for Dad or for our family.

My Dad was a true gentleman, everyone who met him I think would agree. During Dad's time at Hospice, he was so kind, so gentle and grateful to everyone, I was in awe watching him.

As a caregiver himself, receiving and accepting what was to come was unimaginable but what I witnessed was true strength and he never once complained.

The care at Hospice was exceptional and made his remaining time with us the best it could be. Our world was turned upside down, but the Hospice facilities and quality of care meant it was the most peaceful place I could have wished for. We were able to stay by Dad's side day and night throughout his time there, everyone made us feel so welcome.

During the last few days, staff had placed the 'cuddle bed' in Dad's room which meant I could be right by him until the end. To this day I will always be so grateful for this, it was so special to me, a memory I will hold on to forever.

Nobody wants to believe they would be in the scenario where any family member would be admitted to Hospice. Three months ago I could have never imagined what was to come.

We are incredibly fortunate to have Hospice here in times like these and it's so important that if the situation does arise, the same quality of care and attention my Dad received is given.

My hope is that anyone who may face the same situation in the future as my family can receive and benefit from that same level of care. This is my motivation & drive for my next chapter in life and I am excited to plan all my fundraising ideas in memory of my beautiful Dad.

Thank you Hospice .



Kirsty Walsh
Patient Relative



2025

Highlights

The Hospice Hive: A Year of Growth and Collaboration



In 2025, Hospice Isle of Man achieved a significant milestone with the creation of the Hospice Hive, an outdoor nature therapy space designed to support wellbeing through connection with the natural environment. A previously underused area of the gardens was transformed into a vibrant, accessible and sensory-rich space for patients, families, volunteers, staff, Rebecca House children and Isle Listen clients.

Groundworks began early in the year, with a strong focus on sustainability and accessibility. The first phase delivered a therapeutic polytunnel to enable year-round activity, alongside raised beds constructed from recycled materials and a sensory garden with outdoor seating, offering spaces for both reflection and engagement.

Plans for a second phase progressed to include a warm, non-clinical cabin to support counselling, group sessions and informal use throughout the year.

The Hospice Hive was made possible through exceptional community support. Construction was led by Nigel Revill and volunteers, with groundworks donated by the Downey family and associated companies. Zurich's summer interns contributed significantly, leading interior design work and fundraising over £13,000, supported by the Z Zurich Foundation. Funding was also provided by Manx Lottery Trust, Zurich Isle of Man and a private donor. The support of so many meant that all construction costs were covered, and The Hive came at no cost to Hospice.

A turf-cutting ceremony brought together supporters of all generations, marking the beginning of a project that by year-end stood as a lasting symbol of collaboration, generosity and shared purpose.



Investing in a More Sustainable Future



During 2025, Hospice Isle of Man took a significant step towards reducing its environmental impact and strengthening its long-term financial sustainability through the installation of a new solar panel system at Hospice.

This important project was inspired, initiated and part-funded by the exceptional generosity of Steve Elkins, whose contribution covered half of the £100,000 project cost. Having experienced the support of Hospice through his own family, Steve's commitment reflects both his gratitude for the care received and his desire to help ensure Hospice can continue supporting others in the future.

The remaining funding was secured through the generous support of the Manx Lottery Trust and Hansard. Their contributions enabled the project to be completed in full, transforming an ambitious idea into a reality and allowing Hospice to realise the long-term benefits of renewable energy.

As a facility that operates 24 hours a day, Hospice has significant energy requirements. The installation has already delivered meaningful savings on electricity costs, while also reducing the organisation's environmental footprint. Importantly, every pound saved on energy can be redirected towards the provision of patient care and support for families, helping Hospice maximise the impact of charitable donations and fundraising income.

The solar panel project represents sustainability in its broadest sense, supporting environmental responsibility while also helping to safeguard the financial resources needed to deliver specialist palliative care in the years ahead.



This demonstrates the power of community partnership and philanthropy, highlighting how the generosity of individuals, charitable trusts and local businesses can create lasting benefits for Hospice, its patients and the wider Isle of Man community.

Birdsong Survey 2025: Strengthening Culture, Engagement and Wellbeing



Hospice Isle of Man was delighted to receive the results of the 2025 Hospice UK 'Birdsong' Survey, a nationally benchmarked measure providing valuable insight into the experiences of paid team members and volunteers. The findings reflected strong progress across all areas and highlighted the continued strength of the organisation's culture.

Performance in the staff survey exceeded the national benchmark in 25 of 46 questions and surpassed benchmark scores across all seven key indicators of organisational health. These results demonstrate a consistently positive experience across the workforce and reinforce Hospice's commitment to continuous improvement.

A strong sense of purpose and pride was evident throughout the responses. An overwhelming majority of paid team members expressed pride in working for Hospice, while almost all respondents affirmed their belief in the aims of the charity. High levels of job satisfaction were also reported, with most team members stating they enjoy their work and feel they are making a meaningful difference. Feedback reflected the deep personal connection many feel to their

roles and the privilege of supporting patients and families at the most important times in their lives.

The survey also confirmed high levels of trust and confidence within the organisation. Responses to leadership-related questions significantly exceeded national benchmarks, while scores relating to people management demonstrated that staff feel valued, supported and empowered in their roles. Volunteers reported similarly positive experiences, particularly in relation to trust and inclusion.

A continued focus on wellbeing was reflected in above-benchmark results relating to workplace stress, indicating that team members feel supported within their working environment. This emphasis on wellbeing remains central to fostering a resilient and motivated workforce.

These results underscore the vital role of a supported and engaged team in delivering exceptional care, and Hospice remains grateful to all staff and volunteers for their dedication and commitment.

Recognition of Excellence: Celebrating Tracy Connor

Hospice Isle of Man was proud to celebrate national recognition for Tracy Connor, whose dedication as Hospice Gardener was honoured with The Ancillary Worker Award at the 2025 Palliative and End of Life Care Awards.

This accolade recognises individuals who make an exceptional contribution to care environments through vital support services, enhancing wellbeing and creating therapeutic spaces for patients and families.



Tracy's work has played a significant role in shaping the Hospice environment. Through her care and commitment, the gardens have become peaceful and restorative spaces, offering comfort and quiet reflection for patients, loved ones, volunteers and staff. Her approach embodies the principles of holistic care, where every aspect of the environment contributes to dignity, compassion and quality of life.

This achievement also highlights the collective effort behind the gardens' success. Tracy consistently recognises the invaluable contribution of volunteers and the generosity of supporters whose donations have enabled ongoing improvements, ensuring the gardens remain welcoming and beautifully maintained.

The award further reflects the strong culture of teamwork within Hospice, with Tracy's nomination supported by colleagues who recognised her dedication and impact. Her success was warmly celebrated across the organisation as a testament to the difference that ancillary roles make in delivering person-centred care.

Her recognition stands as a powerful reminder of the importance of nurturing environments within hospice care, and of the lasting impact that passion, collaboration and attention to detail can have on the wellbeing of others.



A Record-Breaking TT for Hospice



TT 2025 proved to be another fantastic opportunity for Hospice Isle of Man to engage with the community, raise vital funds and showcase the dedication of our staff and volunteers.

Throughout the festival, our team operated a breakfast service at the Braddan Bridge Glamping site, serving breakfast baps, hot drinks and warm welcomes to racegoers from across the world. Thanks to the incredible generosity of visitors and supporters, the initiative raised an outstanding £10,121.39 in support of Hospice care.

The success of the project was made possible through the support of several valued partners. We are grateful to Duke Marketing for creating the opportunity and to Corinthians and Douglas Royal for generously providing access to facilities at the campsite. Their support enabled our volunteers to deliver a memorable experience for guests while raising essential funds for Hospice.

Behind the scenes, a dedicated team of volunteers embraced a series of early starts and busy mornings throughout the TT period. Their enthusiasm, commitment and willingness to give their time ensured the smooth running of the operation and contributed significantly to its success.



In addition to this fundraising achievement, Hospice Shops enjoyed a highly successful TT season. In 2025, the Shops took over £79,000 during the two weeks of TT, an incredible achievement by our Share the Care team. The popularity of TT-themed products and Hospice-branded merchandise provided an additional boost to fundraising efforts while helping to raise awareness of Hospice within the wider community.

Together, these achievements demonstrate the strength of community support for Hospice Isle of Man. Every pound raised helps us continue providing specialist palliative care, free of charge, to patients and families across our Island.

Investing in Our People and Future Clinical Leadership

A key achievement during 2025 was our continued commitment to developing and nurturing talent within Hospice, creating opportunities for colleagues to grow their careers while strengthening the expertise available to patients and families.

This was then exemplified by the appointment of Bexs Owen to Hospice's first Advanced Practitioner Development role. Following a very thorough assessment process, Bexs demonstrated exceptional clinical assessment skills, leadership qualities and a clear vision for how the role could enhance care and support for patients and their loved ones. Her appointment marked an important milestone for Hospice, reflecting our ambition to develop advanced clinical practice and invest in the future of palliative care on the Island.

Alongside this, we were delighted to support the progression of Danielle Hill into a new Band 4 Practice Development Assistant role through a 12-month development post. Danielle's journey is a wonderful example of career development within Hospice. Having joined five years ago as a Band 2 Health Care Assistant, she progressed to Band 3 before taking on this new opportunity. Working alongside Bexs Owen while continuing part of her Senior Health Care Assistant role, Danielle's appointment demonstrates the value Hospice places on recognising potential, supporting professional growth.

Together, these appointments represent more than individual successes. They highlight Hospice's commitment to investing in our workforce, developing future leaders and ensuring that our patients and families continue to benefit from highly skilled, compassionate and motivated professionals. By creating opportunities for learning, progression and innovation, we are building a strong foundation for the future of Hospice care.



Hospice Care Consolidated Financial Statements

31st December 2025



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Report of the Board of Governors

The Board of Governors present their annual report and the audited consolidated financial statements for Hospice Care (The Charity) for the year ended 31 December 2025.

Principal Activity

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

Results and Dividends

The group has reported a loss for the year of £588,180 (2024: Loss of £79,833) which has been transferred from reserves.

The Board of Governors do not propose the payment of a dividend (2024: £Nil).

Future Developments

The Board of Governors expects the Charity to continue its principal activities during the forthcoming year. Work is underway to develop a new three-year strategy, to be launched in 2027, which will focus on the delivery of care, operational efficiency and long-term sustainability, ensuring that resources remain aligned with the Charity's core purposes and charitable objectives.

Events since the Statement of Financial Position date

The events that require to be disclosed are detailed in Note 15.

Going Concern

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

Board of Governors

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

Chairman:	Mr C Hall MA MSc FloD
Hon Treasurer:	Mr C Eaton LLB (Hons) C Dir
Other members:	Mr J McC W Rimmer
	Ms E A Kelly BSc MRICS
	Mr J McChesney
	Mr A J Corlett, OBE (resigned 26 th August 2025)
	Mr J Geldart, BA (Hons) Chartered FCSI
	Ms C Y Black BA (hons), MAEd, RN, RNT
	Mr T P Leeming
	Mrs M Moroney
	Mr T E Shallcross
	Mrs E Callister
	Mr N A Duggan (appointed 1 January 2026)
	Ms C V J Pegg (appointed 1 June 2026)
	Mr S K Dowling (appointed 1 June 2026)

Company Secretary: Ms S Shute

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 2025 there were 180 members of Hospice Care compared with 204 at the end of 31 December 2024. In addition, there were 130 life members at the end of 31 December 2025 compared with 137 at the end of 31 December 2024.

By order of the Board of Governors



Chris Hall
Chair of Governors

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. In preparing these financial statements, the Board of Governors are 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 2025 which comprise of the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and the related notes 1 - 15, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the group's and of the parent company's affairs as at 31 December 2025 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Accounting Standards
- have been prepared in accordance with the requirements of the Companies Act 1931-2004, the Charities Registration & Regulations Act 2019 and the Charities Regulations 2020.

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

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

Responsibilities of Board of Governors'

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and parent company and determined that the most significant are those that relate to the reporting framework (United Kingdom Accounting Standards; including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"), Isle of Man Companies Act 1931 – 2004, GDPR, Isle of Man Employment Laws, Isle of Man Health and Safety Legislation, Gaming, Betting and Lotteries Act 1988, the Charities Registration & Regulations Act 2019 and the Charities Regulations 2020.
- We understood how the group is complying with those frameworks by making enquires of management to understand how the group maintains and communicates its policies and procedures in these areas and corroborated this by reviewing supporting documentation.

- We assessed the susceptibility of the group’s financial statements to material misstatement, including how fraud might occur through discussions with management, by considering the risk of management override and assuming revenue to be a fraud risk. Our procedures involved testing journals identified by a specific risk criteria and by testing specific transactions back to source documentation, ensuring appropriate authorisation of the transactions.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved identifying relevant laws and regulations having a direct and indirect impact, obtaining an understanding of management’s procedures for identifying and complying with laws and regulations and review of board meeting minutes.

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

Use of our report

This report is made solely to the company’s members, as a body, in accordance with Section 15 of the Companies Act 1982. Our audit work has been undertaken so that we might state to the company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Ernst & Young LLC,
Chartered Accountants
Isle of Man
Date: 2026



Notes:

1. The maintenance and integrity of the Hospice Care web site is the responsibility of the Governors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the Isle of Man governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated Statement of Financial Activities

For the year ended 31 December 2025

		2025 £	2024 £
	Notes		
Income:	1(g)		
<i>Voluntary Income:</i>			
Donations		2,058,183	2,068,522
Legacies		923,210	1,488,833
<i>Commercial Trading Operations:</i>			
Hospice		895,368	602,224
Shops, Property & Business Services		1,724,299	1,515,839
Investment return	1(k),1(g)	400,478	385,083
Government Grant – Manx Care		1,746,494	1,603,346
Other Income		9,351	7,179
Total Income		7,757,383	7,671,026
Expenditure:	1(h)		
<i>Costs of Commercial Trading Operations:</i>			
Hospice		(721,706)	(624,618)
Shops, Property & Business Services		(1,124,545)	(982,791)
<i>Expenditure on Charitable Activities:</i>			
Operation of Hospice		(6,494,245)	(6,143,450)
Other expenditure		(5,067)	-
Total Expenditure		(8,345,563)	(7,750,859)
Comprehensive (loss) / Income for the year		(588,180)	(79,833)
Other comprehensive income		-	-
Total comprehensive (loss) / Income		(588,180)	(79,833)

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 (2024: £Nil).

All items are considered to arise from continuing transactions.

Company Profit and Loss Account

Under Section 3(5) of the Companies Act 1982, the company is exempt from the requirements to present its own profit and loss account. Of the consolidated surplus of income over expenditure, a surplus of £479,865 (31 December 2024: Deficit of £185,573) has been retained by Hospice Care.

Consolidated Balance Sheet

For the year ended 31 December 2025

		2025	2025	2024	2024
		£	£	£	£
	Notes				
FIXED ASSETS	1(i)				
Tangible Assets	3(a)		11,122,591		11,272,041
Investments at fair value through profit or loss	1(k),4(a)		5,603,709		4,814,113
CURRENT ASSETS:					
Stock	1(l)	32,794		19,803	
Sundry Debtors	1(k)	725,626		326,149	
VAT		5,099		14,334	
Bank Deposits	1(k), 7	655,302		2,135,328	
Balances with Brokers	1(k), 7	396,336		50,094	
Cash in Hand	1(k), 7	1,940		1,915	
			1,817,097		2,547,623
LIABILITIES					
Creditors amounts falling due within one year	1(k)		(1,111,238)		(613,438)
Net Current Assets			705,859		1,934,185
Total Assets Less Current Liabilities			17,432,159		18,020,339
Creditors due after more than one year					
Loan payable	1(m),8		(750,000)		(750,000)
			16,682,159		17,270,339
Funds					
Unrestricted Funds	1(f),10		13,377,782		14,023,698
Restricted Funds	1(f),11		3,304,377		3,246,641
			16,682,159		17,270,339

Approved by the Board of Governors on 25th June 2026

C. J. Hall

Chris Hall
Chair of Governors

Chris Eaton

Chris Eaton
Hon. Treasurer

Company Balance Sheet

For the year ended 31 December 2025

	Notes	2025 £	2025 £	2024 £	2024 £
FIXED ASSETS	1(i)				
Tangible Assets	3(b)		9,763,000		9,913,493
Investments at fair value through profit or loss	1(k),4 (a)		5,603,709		4,814,113
Investment in Subsidiaries	4 (b)		288,196		288,194
Debtors due in greater than one year					
Amount due from Subsidiaries	1(m),6		215,406		871,938
<hr/>					
CURRENT ASSETS:					
Sundry Debtors	1 (k)	688,960		288,931	
VAT		10,129		14,360	
Bank Deposits	1 (k)	471,999		1,000,384	
Balances with Brokers	1 (k)	396,335		50,094	
Cash in Hand	1 (k)	490		465	
		1,567,913		1,354,234	
Current Liabilities					
Amount due to Subsidiaries	6	(569,971)		(1,362,292)	
Creditors	1(k)	(1,014,029)		(505,321)	
		(1,584,000)		(1,867,613)	
Net Current (Liabilities) / Assets			(16,087)		(513,379)
Total Assets Less Current Liabilities			15,854,224		15,374,359
Creditors due after more than one year					
Loan payable	1(m), 8		(750,000)		(750,000)
Total Net Assets			15,104,224		14,624,359
Funds					
Unrestricted Funds	1(f), 10		11,799,847		11,377,718
Restricted Funds	1(f), 11		3,304,377		3,246,641
Total Funds			15,104,224		14,624,359

Approved by the Board of Governors on 25th June 2026

C. J. Hall

Chris Hall
Chair of Governors

Chris Eaton

Chris Eaton
Hon. Treasurer

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Unrestricted Funds £	Restricted Funds £	Total Funds £
OPENING VALUE OF FUNDS at 1 January 2024	14,122,435	3,227,737	17,350,172
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	<u>(98,737)</u>	<u>18,904</u>	<u>(79,833)</u>
CLOSING VALUE OF FUNDS at 31 December 2024	<u>14,023,698</u>	<u>3,246,641</u>	<u>17,270,339</u>
OPENING VALUE OF FUNDS at 1 January 2025	<u>14,023,698</u>	<u>3,246,641</u>	<u>17,270,339</u>
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR	(645,916)	57,736	(588,180)
CLOSING VALUE OF FUNDS at 31 December 2025	13,377,782	3,304,377	16,682,159

Consolidated Cash Flow Statement

For the year ended 31 December 2025

		2025	2024
	Notes	£	£
Net cash (outflow) from operating activities	7 (a)	(617,293)	(660,564)
<i>Investing activities</i>			
Interest received		32,005	23,783
Dividends received		64,857	64,707
Payments to acquire tangible fixed assets		(308,707)	(231,226)
Payments to acquire investments		(2,057,802)	(1,545,030)
Receipts from the sale of investments		1,567,567	1,971,505
		<hr/>	<hr/>
Net cash (outflow) / inflow from investing activities		(702,080)	283,739
<i>Financing activities</i>			
Received for specific capital items		185,614	125,290
		<hr/>	<hr/>
Change in cash and cash equivalents in the year	7 (b)	(1,133,759)	(251,535)
Cash and cash equivalents at 1 January	7 (b)	2,187,337	2,438,872
Cash and cash equivalents at 31 December	7 (b)	1,053,578	2,187,337
		<hr/>	<hr/>

Notes to the Financial Statements

For the year ended 31 December 2025

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 2025.

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 2025, on a line-by-line basis.

b) Legal Status of the Charity

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

c) Going concern

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

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

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

d) Public Benefit Group considerations

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

e) Judgements and estimation

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

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 comprise the General Fund, including balances historically identified as the Olsson Fund, Life Members Fund and New Hospice Fund. These balances are not subject to any external restrictions and are available for the general purposes of the Charity.

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.

Isle of Man Government Contribution

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

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

As of 1 April 2021, all contracts that have been entered into by the DHSC for the provision of goods and services were automatically novated to Manx Care, following this a letter of intent between Hospice Care and Manx Care signed 20th May 2022 set out future service and funding arrangements. Effective from 1 April 2022, Funding was changed to £896k for the fiscal year 2022/23 received in quarterly instalments (to include annual inflationary increases). Funding increased to £1.259m for the fiscal year 2023/24, increased to £1.718m for the fiscal year 2024/25, increased to £1.756m for the fiscal year 2025/6 and will increase to £1.807m for the fiscal year 2026/27.

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

The amounts received in cash in the year and included in these accounts in respect of the Manx Care Grant income is £1,746,494 (2024: £1,603,346).

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.

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

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.

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.

I) 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 outweighs 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 2025 have been included in Statement of Financial Activities.

Payments were made to one (2024: two) employee's personal pension schemes for the year ended 31 December 2025. 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.

The contributions paid in the year were as follows:

	2025 £	2024 £
Group personal pension plan	104,388	95,501
Isle of Man Government Unified Scheme	417,568	415,308
Payments to employees own private pension schemes	-	4,441
	<u>521,956</u>	<u>515,250</u>

£18,149 (2024: £40,050) 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.

2 Statement of Financial Activities – Other Disclosures

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

Group	2025 £	2024 £
Interest received	(21,411)	(12,255)
Dividends	(89,808)	(87,716)
Depreciation	457,611	458,371
Audit Fee	<u>21,000</u>	<u>21,000</u>

3 Tangible fixed assets

a) Group Fixed Assets

	Freehold Land & Buildings £	Furniture & Fittings £	Equipment £	Motor Vehicles £	Software £	Total £
Cost						
At 31 December 2024	15,293,410	794,737	779,608	198,471	11,087	17,077,313
Additions	89,649	115,854	26,941	64,263	12,000	308,707
Disposals	-	-	-	(30,239)	-	(30,239)
	<u>15,383,059</u>	<u>910,591</u>	<u>806,549</u>	<u>232,495</u>	<u>23,087</u>	<u>17,355,781</u>
Depreciation						
At 31 December 2024	(4,332,079)	(727,743)	(601,205)	(142,028)	(2,217)	(5,805,272)
Charge for the year	(304,676)	(51,028)	(69,517)	(27,773)	(4,617)	(457,611)
Disposals	-	-	-	29,693	-	29,693
	<u>(4,636,755)</u>	<u>(778,771)</u>	<u>(670,722)</u>	<u>(140,108)</u>	<u>(6,834)</u>	<u>(6,233,190)</u>
Net Book Value						
At 31 December 2025	<u>10,746,304</u>	<u>131,820</u>	<u>135,827</u>	<u>92,387</u>	<u>16,253</u>	<u>11,122,591</u>
At 31 December 2024	<u>10,961,331</u>	<u>66,994</u>	<u>178,403</u>	<u>56,443</u>	<u>8,870</u>	<u>11,272,041</u>

Included in Group Fixed Assets are four properties (2024: four) which are rented to third parties with a net book value of £554,444 (2024: £565,585) in respect of which rent of £32,687 (2024: £32,800) has been received.

b) Company Fixed Assets

	Freehold Land & Buildings £	Furniture & Fittings £	Equipment £	Motor Vehicles £	Software £	Total £
Cost						
At 31 December 2024	13,358,953	647,780	728,731	110,467	11,087	14,857,018
Additions	68,079	107,694	26,412	24,890	12,000	239,075
Disposals	-	-	-	-	-	-
At 31 December 2025	13,427,032	755,474	755,143	135,357	23,087	15,096,093
Depreciation						
At 31 December 2024	(3,694,364)	(596,079)	(566,546)	(84,318)	(2,217)	(4,943,524)
Charge for the year	(268,538)	(44,409)	(59,510)	(12,495)	(4,617)	(389,569)
Disposals	-	-	-	-	-	-
At 31 December 2025	(3,962,902)	(640,488)	(626,056)	(96,813)	(6,834)	(5,333,093)
Net Book Value						
At 31 December 2025	9,464,130	114,986	129,087	38,544	16,253	9,763,000
At 31 December 2024	9,664,589	51,701	162,185	26,149	8,870	9,913,494

4 Investments

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

	2025 £	2024 £
Listed investments including listed equities and bonds -		
Level 1	5,603,708	4,814,112
Non listed investments	1	1
	<u>5,603,709</u>	<u>4,814,113</u>
Realised and unrealised gains and losses on investments at fair value through profit or loss		
Unrealised gain / (loss)	171,707	(14,550)
Realised gain / (loss)	127,653	305,943
	<u>299,360</u>	<u>291,393</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.

Hospice Properties Limited

The Charity's wholly owned subsidiary, Hospice Properties Limited owns and maintains the Douglas, Ramsey and Castletown shops and warehouses operated by Share the Care Limited. It is incorporated in the Isle of Man. During the year the company has reviewed the underlying net assets of this entity and identified no impairment (2024: Nil) against the cost of this investment.

Hospice Business Services Limited

The Charity's wholly-owned subsidiary, Hospice Business Services Limited was incorporated on April 15 2025. It provides business services to eligible organisations in the Isle of Man.

Investment in Subsidiaries Comprises:

	2025 £	2024 £
Share Capital – Share the Care Limited	2,000	2,000
Investment in Hospice Properties Ltd	286,194	286,194
Investment in Hospice Business Services Ltd	2	-
	<u>288,196</u>	<u>288,194</u>

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 brokers 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:

	2025 Change in market prices %	2025 Effect on profit and net assets £	2024 Change in market prices %	2024 Effect on profit and net assets £
Investments	+/-5	280,185	+/-5	240,706

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 £21,411 (2024: £12,255). A movement in interest rates of 1% would not be expected to have a material impact on the financial statements.

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 12 months cost is maintained within free reserves at any one time (2024: 12 months). At 31 December 2025, this would have amounted to £8,345m (2024: £7.751m).

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 2025 in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the balance sheet.

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

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

The maximum credit exposure of the company is as follows:

	2025	2024
	£	£
Investments	5,603,709	4,814,113
Due from subsidiaries	215,406	871,938
Debtors and Loans Receivable	688,960	288,931
Cash	472,489	1,000,849
Balances with Brokers	396,336	50,094
	7,376,900	7,025,925

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

The maximum credit exposure of the group is as follows:

	2025	2024
	£	£
Investments	5,603,709	4,814,113
Debtors and Loans Receivable	725,626	326,149
Cash	657,242	2,137,243
Balances with Brokers	396,336	50,094
	7,382,913	7,327,599

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 £702,093 (2024: £219,253) 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 Amounts due to / from subsidiaries

Amount due from Subsidiaries Comprises:	2025	2024
	£	£
Public Benefit Concessionary Loan – Hospice Properties Limited	209,294	871,938
Loan - Hospice Business Services Limited	6,112	-
	215,406	871,938

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 from Subsidiaries Comprises:	2025	2024
	£	£
Loan – Share the Care Limited	569,971	1,362,292
	569,971	1,362,292

7 Notes to the statement of cash flows

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

	2025	2024
	£	£
Group (deficit) for the year	(588,180)	(79,833)
Adjustments to reconcile (deficit) / surplus for the year to net cash flow from operating activities		
Depreciation of tangible fixed assets	457,611	458,371
Decrease / (increase) in debtors	(390,244)	(57,866)
(Increase) in stocks	(12,991)	(6,568)
Increase / (decrease) in creditors	497,800	(471,687)
Interest received	(32,005)	(23,783)
Dividend income	(64,857)	(64,707)
Funds for specific capital items	(185,614)	(125,290)
Realised and unrealised movement on investments	(299,360)	(289,201)
Realised gain / (loss) on sale of fixed asset	547	-
Net cash inflow / (outflow) from operating activities	(617,293)	(660,564)

(b) Reconciliation of cash and cash equivalents

	Opening cash 1 January 2025 £	Cash flow £	Closing cash 31 December 2025 £
Cash and cash equivalents (group)	2,187,337	(1,133,759)	1,053,578

8 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 & Social Care 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.

9 Share capital

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

10 Unrestricted Funds

	2025 £	2024 £
General Funds	2,255,191	2,751,658
Tangible Fixed Assets	11,122,591	11,272,040
	13,377,782	14,023,698

11 Restricted Funds

	2025 £	2024 £
Capital Fund	3,289,377	3,231,641
Endowment Fund	15,000	15,000
	3,304,377	3,246,641

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.

12 The Diana Princess of Wales Palliative Care at Home Trust

The Diana Princess of Wales Hospice Care at Home Trust was created on 19 June 1998. The aim of the trust is to provide financial support to Hospice Care to support the provision of its Palliative Care Home Nursing Service. £114,000 was received during the year ended 31st December 2025 (2024: £60,000). This has been included within donations and legacies in the Statement of Financial Activities.

13 Related Party Transactions of Hospice Care

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

<i>Share the Care Limited</i>	2025 £	2024 £
Balance brought forward – due to Share the Care Limited	1,362,292	971,909
Cash received from subsidiary	920,000	870,000
Expense recharge	(37,321)	(47,269)
Dividend Paid	(1,675,000)	(432,348)
Amount at the end of the year – due to Share the Care Limited	569,971	1,362,292

Hospice Properties Limited	2025	2024
	£	£
Intercompany balance at beginning of year	(871,938)	(871,938)
Cash received from subsidiary	665,000	-
Costs recharged from subsidiary	(2,356)	-
Intercompany balance at end of year	(209,294)	(871,938)

Hospice Business Services Limited	2025	2024
	£	£
Intercompany balance at beginning of year	-	-
Net advances during the year	6,112	-
Intercompany balance at end of year	6,112	-

14 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 7 key roles (2024: 7 key roles). Total remuneration in respect of these individuals is £718,124 (2024 £704,551).

15 Events after the report period

Subsequent to the year end, the Board commenced a review of the Group's operating cost base as part of its ongoing assessment of the Charity's long-term financial sustainability.

Following this review, a voluntary redundancy programme was implemented between April and May 2026. The programme was completed without compulsory redundancies and is expected to generate annualised cost savings of approximately £800,000.

The Board has considered the outcome of this review and the associated cost savings as part of its going concern assessment and remains satisfied that the Group has adequate financial resources to continue in operational existence for the foreseeable future.

CEO's Conclusion

This has been a **significant year for Hospice Isle of Man**, and it is a privilege to write this, my first conclusion to an annual review, having joined the charity in October 2025.

Across the Island every year since 1983 people have turned to Hospice during the most difficult chapters of their lives, and have been met with compassion, skill and dignity. Just under half of all deaths on the Island in 2025 were supported in some way by Hospice, a measure of just how deeply embedded we are in the Island's healthcare system.

None of this would be possible without our people. Our clinical and non-clinical colleagues, together with Hospice's small army of volunteers, who give their time, skill and care so generously. To every one of you: thank you for the difference you make, every single day.

Our thanks go also to the people of the Isle of Man. Hospice is not simply a charity that serves the community; it is a charity built by the community. For more than four decades, Islanders have made Hospice possible through their donations, fundraising, volunteering and advocacy. The care we provide belongs to all of us, and every act of support helps ensure that families can continue to rely on Hospice when they need us most.

We have been open about the financial difficulties Hospice faces, after several years of operating at a deficit. Difficult decisions have had to be made regarding staff and services, but we remain utterly committed to securing Hospice's financial future, including through ongoing dialogue with Government to secure fair, sustainable funding.

The reality is that Hospice's future will be shaped not only by the decisions we make as an organisation, but by the continued support of the Island community that has sustained us for over 40 years. Together, we must ensure that future generations can access the same compassionate care that so many families benefit from today.

I joined this story only in the autumn, but I am already deeply proud to be part of an organisation that means so much to so many. I look forward, alongside our wonderful team, to the year ahead with gratitude, determination and optimism.



Fiona Hatton
Chief Executive

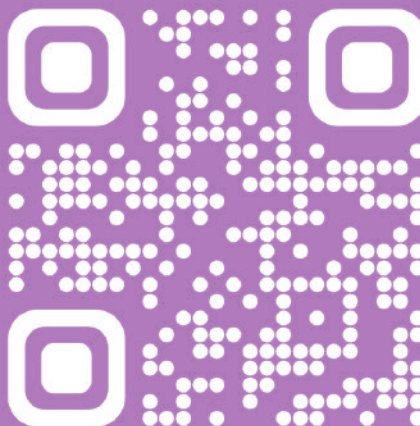


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Hospice Isle of Man is also known as Hospice Care and is a registered charity in the Isle of Man - Charity Number 317

