

Hospice Care
Report and Consolidated Financial Statements

31 December 2012

Contents	Page
Chairman's Report	1
Chief Executive's Report	2
Treasurer's Report	3
Report of the Board of Governors	4
Statement of Board of Governors' responsibilities in respect of the financial statements	5
Independent auditors' report	6-7
Consolidated income and expenditure statement	8
Consolidated statement of total recognised gains and losses	9
Consolidated balance sheet	10
Company balance sheet	11
Consolidated statement of changes in fund balances	12
Consolidated analysis of fund balances statement	13
Consolidated cash flow statement	14
Notes to the consolidated cash flow statement	15
Notes to the financial statements	16-28

Chairman's Statement 2012

Each year as I prepare a message for all our Hospice friends it seems incredible to me that all those in our community, who continue to help us and who have been joined by new supporters, have surpassed themselves once again and risen to even higher standards of commitment and financial support. I struggle for suitable accolades to mark my appreciation.

I am really grateful to my colleagues on the Board of Governors who continue to show their interest and enthusiasm for the work of Hospice Isle of Man by regular attendance at the Board, by their invaluable work at sub-committee meetings and in their support of so many fund-raising and social functions.

We continue to live in financially challenging times and all around us, on the adjacent islands, there is economic dependency. Taking this into consideration, it is heartening to see that we achieved a surplus in 2012. How good it is for us to live on our little Island where we continue to enjoy some economic growth albeit not as vibrant as we have come to expect in recent years. I recognise that our Hospice service, as we know it today, could not continue without the financial and practical support of our Government and so on behalf of all the users of Hospice I extend my appreciation.

Community involvement and fund raising is the life blood of any hospice. Here on the Island we are blessed with an army of supporters who come up trumps year after year. They work in support of, and alongside, Mary Doyle our Marketing and PR manager who finds new and imaginative ways of raising funds and creating interest in our work. I thank Mary and her team for their ceaseless effort. The fact that the pure fundraising income exceeded the budget is testament to all this work.

The Hospice shops are an integral part of our organisation and as well as assisting in raising much needed revenue continue to be "our face in the community". Our shops are high quality and offer a great service. Shops manager Tina Lawton, her staff and an incredible number of volunteers work in a retail environment that is increasingly challenging with growing competition and all the problems associated with high street trading. My special appreciation to Martin Ellis, Chairman of Share the Care for his interest and very special contribution.

There is a wonderful team of people employed by Hospice who provide an invaluable service to families and individuals when in their greatest need. Caring, sympathetic, professional in their approach and understanding, I thank them from the bottom of my heart.

All these qualities and more are shared by our Chief Executive Margaret Simpson who is unfailing in her support of our patients, the welfare of her staff and appropriate advice to myself and the Board of Governors. Thank you Margaret for a job well done.

Sir Miles Walker CBE LLD(hc)
Chairman
Hospice Isle of Man

Chief Executive's Report 2012

In 2012 Hospice Isle of Man continued to provide excellent quality of palliative care to 385 patients and their families. That is 48 more patients (14%) than in 2011 and 130 more (51%) than 5 years ago in 2007 when we moved to our new premises in Strang. Total admissions to In Patient Unit remained constant 207 – 9 more than in 2011 but 56 more (37%) than 5 years ago.

Palliative Care Clinical Nurse Specialist Team had 10,936 patient contacts that is over 1,000 (11%) more than in 2011.

These figures illustrate only too well the growing need for hospice care and remind us of the challenges we face in future when we endeavour to secure sustainable funding and raise £3.5m every year!

Always striving to find new ways of generating income, the Hospice launched its first Hospice Lottery that has more than 500 plays each month and brings much needed, regular revenue. We hope that the lottery will keep on growing and plans are in place to involve more people in this initiative.

The Hospice Board of Governors wished to establish a clear vision for the future and in 2012 Hospice Isle of Man 5 year strategy was launched outlining the direction that Hospice wishes to take. In the light of the newly launched "End of Life Care Framework" commissioned by the Department of Health, it is vitally important that Hospice continues to grow and develop to ensure that people in the Isle of Man receive appropriate end of life care. Through the education and support of other health and social care professionals Hospice is best placed to teach and advise on all aspects of palliative care and how this practice makes a huge difference to people who are living with life limiting conditions and their families.

We have been fortunate in 2012 to secure £50,000 from the Diana Princess of Wales Care at Home Trust to develop our Hospice at Home service so that the needs of people who wish to stay and die at home may be met.

In order to ensure that the outcomes of our service objectives are clearly demonstrated, a number of clinical audits and surveys are carried out within Hospice each year and in 2012 Lymphoedema Patient Care, In Patient Unit's Patient & Carer Feedback, LCP Audit, Fatigue Management Audit, Nutrition Audit, Patients Falls Audit amongst others have been carried out. Our performance is also measured by the Department of Social Care Inspection & Registration Unit that reports on our high quality of care, professional, qualified staff, good record keeping, excellent management, compliance and meeting all standards.

Our annual staff survey once again demonstrated that 98% of staff are proud to work for Hospice, feel appreciated, have a good relationship with their manager and their morale is high. These comments are reflected well in Rebecca House becoming a finalist in the 2012 Isle of Man Newspapers Awards for Excellence in the Teamwork category.

We continue to work well with the Isle of Man Government and remain grateful for their assistance.

Although having an excellent team and good relationship with the Department of Health and corporate organisations, as well as with our Island's community who continue to support us, we are acutely aware that our first class service would not be possible to deliver if it were not for our 600 strong volunteer workforce.

In 2012 in monetary terms our volunteers' value stands at a staggering £1.1m.

Thank you to all who work with us and who support us; our Hospice Team, our volunteers and all those who in a small way or through major contributions made the difference to so many people living and dying in the Isle of Man.

Margaret Simpson MA; BSc (Hons); RN, MloD
Chief Executive

Many parts of the Island's economy are still suffering the effects of recession. Despite the prevailing economic gloom Hospice Care has managed to achieve an overall surplus of £770,518. This would be an impressive achievement at any time but in the current straightened times is a very impressive achievement indeed.

That such a surplus can be achieved is testament to both the generous nature of the Isle of Man public and the tireless efforts of our fundraising team. Overall costs remain steady at £4.1m, holding these steady has been challenging but the management team is very conscious of the need to control costs.

The overall surplus has been assisted by Legacies which at £2.1m is a remarkable figure. The Hospice has always been considered in the wills of very kind benefactors and we are very grateful for this. There is an unfortunate feature of legacy income which is that it is very unpredictable, periods of significant receipts can be followed by lean periods. This makes legacy income very hard to budget for and means we have to put significant amounts into reserves in order to ensure services can be maintained through the lean periods.

Over £190,000 has been achieved in respect of appreciation or profit on sale of investments. This is a welcome result of the current euphoria being experienced in the world's stock markets. This type of investment does cause your Board some concern as exposure to stock markets does involve risk but to avoid the markets altogether would involve missing out on the very good returns that have been available of late and would also mean having to accept the negative real rates of return available for cash deposits. Your Board has accepted a certain amount of investment risk but has adopted a very cautious attitude to the markets and has engaged an extremely prudent investment manager and asked him to be more cautious than usual.

Overall, from a financial point of view it has been a very successful year and, as pointed out by the Chief Executive in her report, this has enabled an amazing level of service to be provided to the Isle of Man public. That this is at all possible is down to you the members and the fund-raising activities carried on all over the Island and the donations of the public. Well done.

Phillip Dearden BA (Hons) FCA ATII

Treasurer

Hospice Isle of Man

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 2012.

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 surplus for the year of £770,518 (2011: deficit of £746,500) which has been transferred from reserves.

The Board of Governors do not propose the payment of a dividend (2011: £Nil).

Board of Governors

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

Chairman	Sir Miles Walker, CBE, LLD (hc)
Hon Treasurer:	Mr P E Dearden BA (Hons), FCA ATII
Members:	Mr M Bathgate
	Mr H Craig
	Mr P C Crossley BA (Hons), FCA
	Mr L F Doherty (Resigned 13 June 2012)
	Mr R Fayle BMed Sci (Hons) BM BS FRCOG MO ObstetGynaecol (L'pool)
	Mr TRA Groves
	Mr C Hall MA Msc Flod MIET
	Dr F W Harding MBChB
	Mrs M Linehan RN RM
	Mr A Thomson FFA Flod FIRP
	Mr A S Townsend MBE FRCOG
	Mr J L M Quinn (Resigned 1 March 2013)
Company Secretary:	Mr F G Quinn

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 2012 there were 1,043 members of Hospice Care compared with 1,023 at the end of 31 December 2011. In addition, there were 191 life members compared to 236 life members in 2011.

By order of the Board of Governors

P E Dearden

Governor

Date 23 May 2013

Statement of Board of Governors' Responsibilities In Respect of the Financial Statements

Company law requires the Board of Governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity and of the Group and of the surplus of the Charity and of the Group for the year. 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;
- 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. 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 Auditors' Report

To the members of Hospice Care

We have audited the financial statements of Hospice Care for the year ended 31 December 2012 which comprise the consolidated income and expenditure statement, consolidated statement of total recognised gains and losses, consolidated balance sheet, company balance sheet, consolidated statement of changes in fund balances, consolidated analysis of fund balances statement, consolidated cash flow statement, notes to the consolidated cash flow statement and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards.

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.

Respective responsibilities of Board of Governors and auditor

As explained more fully in the Statement of Board of Governors' Responsibilities on page 5, the Board of Governors is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board of Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report and Consolidated Financial Statements. If we become aware of any material misstatements or inconsistencies we consider the implications for our report.

Basis for qualified opinion on the group financial statements

The Group's recorded income comprises recurring income to the value of £1,379,996 over which there was no system of control on which we could rely for the purpose of our audit to ensure completeness of income. There were no other satisfactory audit procedures that we could adopt to confirm completeness of income to ensure that recurring income was properly recorded.

Qualified opinion on the group financial statements

In our opinion, except for the effects of the matters described in the Basis for qualified opinion paragraph, the financial statements:

- Give a true and fair view of the state of the Group's and company's affairs as at 31 December 2012 and of the group's surplus 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.

Hospice Care

Independent Auditors' Report To the members of Hospice Care (Continued)

Matters on which we are required to report by exception

In respect solely of the limitation on our work relating to recurring income, described above:

- We have not obtained all the information and explanations that we considered necessary for the purposes of our audit; and
- We were unable to determine whether adequate accounting records had been kept.

We have nothing to report in respect of the following matters where the Companies Acts 1931-2004 requires us to report to you if, in our opinion;

- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of Board of Governors remuneration specified by law are not made.

Ernst & Young LLC

Ernst & Young LLC

Chartered Accountants
Isle of Man

Date 23/05/2013

Consolidated Income and Expenditure Statement
For the year ended 31 December 2012

	Notes	2012 £	2012 £	2011 £	2011 £
Recurring Income:					
Raised through P&R department	1(e)				
Members' Subscriptions		20,796		19,262	
Covenanted Donations		1,197		1,480	
Family Supporters Subscriptions		575		-	
Friends donations		10,731		10,875	
Regional Appeal Committees		21,325		28,942	
General Donations		144,682		183,816	
In Memoria		152,525		139,665	
SPCT Donations		24,436		7,616	
Coffee Shop		4,773		2,181	
Inside and Outside Events		224,125		231,765	
Sundries		19,652		15,284	
Lottery		8,220		-	
Sales	1(e)	746,959		753,257	
			<u>1,379,996</u>		<u>1,394,143</u>
Cost of Sales					
			(8,254)		(11,564)
Other Income					
Bank & Deposit Interest		93,393		97,153	
Investment Income		95,766		72,807	
Mortgage Interest		1,010		-	
Rent received from operating leases		23,229		21,255	
Grants	1(e)(iv) 1(f)	592,572		602,572	
			<u>805,970</u>		<u>793,787</u>
			<u>2,177,712</u>		<u>2,176,366</u>
Recurring Expenditure:					
Professional Services	1(h)	2,753,125		2,711,956	
Administration		687,715		676,927	
Establishment		131,737		148,005	
Depreciation	1(i), 7(a)	277,437		360,735	
Appeal & Publicity		226,940		210,115	
			<u>4,076,954</u>		<u>4,107,738</u>
Recurring Income Less Expenditure					
			(1,899,242)		(1,931,372)
Non-Recurring Income:					
Life Members' Subscriptions	1(e)(i)	3,330		11,535	
Specific Donations	1(e)(ii)	224,258		193,629	
Specific Donations DPoW	1(e)(ii), 3	50,000		31,500	
Legacies	1(e)(iii)	2,151,211		950,946	
			<u>2,428,799</u>		<u>1,187,610</u>
Exceptional item – provision					
	1(k), 4		18,954		42,123
Income Less Expenditure					
			<u>548,511</u>		<u>(701,639)</u>

Consolidated Statement of Total Recognised Gains & Losses

For the year ended 31 December 2012

	Notes	2012 £	2011 £
Surplus/(Deficit) Attributable to Charity		548,511	(701,639)
Net Profit on Investment	1(c)	18,598	10,494
Movement in unrealised appreciation/(depreciation) in Investments	1(c)	175,885	(79,379)
Funds for Specific Capital Items		27,524	24,024
		<u>770,518</u>	<u>(746,500)</u>

The Consolidated Income and Expenditure Statement should be read in conjunction with the Consolidated Statement of Changes in Fund Balances.

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 charity is exempt from the requirements to present its own profit and loss account. Of the consolidated surplus of expenditure over income, a surplus of £541,017 (31 December 2011: deficit of £687,064) has been retained by Hospice Care.

Consolidated Balance Sheet

For the year ended 31 December 2012

	Notes	2012 £	2012 £	2011 £	2011 £
Investments	6		2,713,734		2,484,243
Fixed Assets	7(a)		9,646,190		9,867,496
Debtors due after more than one year	1(m), 14		80,000		-
CURRENT ASSETS:					
Stock	1(g)	4,205		6,649	
Sundry Debtors		205,537		163,007	
Property held for sale	1(n), 15	252,309		-	
Bank Deposits	4, 6	6,575,016		6,177,305	
Balances with Brokers	6	231,232		213,171	
Cash in Hand		278		504	
		<u>7,268,577</u>		<u>6,560,636</u>	
Current Liabilities					
Creditors		<u>(147,375)</u>		<u>(121,767)</u>	
		<u>(147,375)</u>		<u>(121,767)</u>	
Net Current Assets			<u>7,121,202</u>		<u>6,438,869</u>
Assets Less Current Liabilities			<u>19,561,126</u>		<u>18,790,608</u>
Creditors due after more than one year					
Loan payable	9		<u>(750,000)</u>		<u>(750,000)</u>
			<u>18,811,126</u>		<u>18,040,608</u>
Funds					
Restricted Funds	1(d), 8, 11		782,945		797,100
Unrestricted Funds	1(d)		18,028,181		17,243,508
			<u>18,811,126</u>		<u>18,040,608</u>

Approved by the Board of Governors on
23 May 2013

P E Dearden

A Thomson

The Consolidated Balance Sheet should be read in conjunction with the Consolidated Analysis of Fund Balances Statement.

Company Balance Sheet

For the year ended 31 December 2012

	Notes	2012 £	2012 £	2011 £	2011 £
Investments	6		2,713,734		2,484,243
Subsidiaries	12,13		288,196		288,196
Fixed Assets	7(b)		8,028,492		8,233,564
Debtors > 1 Year					
Amount due from Subsidiaries	12,13		1,270,236		1,270,236
Loan Receivable	1(m), 14		80,000		-
CURRENT ASSETS:					
Stock	1 (g)	3,030		4,063	
Sundry Debtors		198,032		152,835	
Property held for sale	1(n), 15	252,309		-	
Bank Deposits	4,6	6,314,803		5,966,432	
Balances with Brokers	6	231,232		213,171	
Cash in Hand		278		153	
			<u>6,999,684</u>		<u>6,336,654</u>
Current Liabilities					
Amount due to Subsidiaries	12,13	(45,584)		(76,236)	
Creditors		(130,842)		(95,764)	
			<u>(176,426)</u>		<u>(172,000)</u>
Net Current Assets			<u>6,823,258</u>		<u>6,164,654</u>
Assets Less Current Liabilities			<u>19,203,916</u>		<u>18,440,893</u>
Creditors due after more than one year					
Loan payable	9		(750,000)		(750,000)
			<u>18,453,916</u>		<u>17,690,893</u>
Funds					
Restricted Funds		1d,8,11	782,945		797,100
Unrestricted Funds		1d	17,670,971		16,893,793
			<u>18,453,916</u>		<u>17,690,893</u>

Approved by the Board of Governors on
23 May 2013

P E Dearden

A Thomson

Consolidated Statement of Changes in Fund Balances

For the year ended 31 December 2012

	Unrestricted Funds						Restricted Funds				All Funds	
	General Fund	Capital Reserve – unrealised	Life Members	Olsson	New Hospice Fund	Total	Capital Funds	Lottery Trust	Endowment Funds	Total	2012	2011
	£	£	£	£	£	£	£	£	£	£	£	£
			1(e)(i)			8			11			
OPENING VALUE OF FUNDS												
B/f Value of funds	10,818,648	60,821	123,612	100,911	6,139,516	17,243,508	707,100	75,000	15,000	797,100	18,040,608	18,787,108
Net investment gains	18,598	-	-	-	-	18,598	-	-	-	-	18,598	10,494
Profit/(loss) on disposal of Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-
Movement on unrealised appreciation	-	175,885	-	-	-	175,885	-	-	-	-	175,885	(79,379)
Funds for specific capital items	-	-	-	-	-	-	27,524	-	-	27,524	27,524	24,024
Funds available	10,837,246	236,706	123,612	100,911	6,139,516	17,437,991	734,624	75,000	15,000	824,624	18,262,615	18,742,247
RECURRING INCOME:												
RAISED THROUGH FUNDRAISING & PR DEPARTMENT	1,371,742	-	-	-	-	1,371,742	-	-	-	-	1,371,742	1,382,579
OTHER INCOME	805,970	-	-	-	-	805,970	-	-	-	-	805,970	793,787
	2,177,712	-	-	-	-	2,177,712	-	-	-	-	2,177,712	2,176,366
EXPENDITURE												
Professional services	(2,753,125)	-	-	-	-	(2,753,125)	-	-	-	-	(2,753,125)	(2,711,956)
Administration	(667,715)	-	-	-	-	(667,715)	-	-	-	-	(667,715)	(676,927)
Establishment	(151,737)	-	-	-	-	(151,737)	-	-	-	-	(151,737)	(148,005)
Depreciation	(55,853)	-	-	-	(179,905)	(235,758)	(41,679)	-	-	(41,679)	(277,437)	(360,735)
Appeal and publicity	(226,940)	-	-	-	-	(226,940)	-	-	-	-	(226,940)	(210,115)
	(3,855,370)	-	-	-	(179,905)	(4,035,275)	(41,679)	-	-	(41,679)	(4,076,954)	(4,107,738)
RECURRING INCOME LESS EXPENDITURE	(1,677,658)	-	-	-	(179,905)	(1,857,563)	(41,679)	-	-	(41,679)	(1,899,242)	(1,931,372)
NON-RECURRING INCOME:												
Life membership subscriptions	-	-	3,330	-	-	3,330	-	-	-	-	3,330	11,535
Specific donations	224,258	-	-	-	-	224,258	-	-	-	-	224,258	193,629
Specific donations – Diana Princess of Wales Trust	50,000	-	-	-	-	50,000	-	-	-	-	50,000	31,500
Legacies	2,151,211	-	-	-	-	2,151,211	-	-	-	-	2,151,211	950,946
	2,425,469	-	3,330	-	-	2,428,799	-	-	-	-	2,428,799	1,187,610
Exceptional item - provision	18,954	-	-	-	-	18,954	-	-	-	-	18,954	42,123
	766,765	-	3,330	-	(179,905)	590,190	(41,679)	-	-	(41,679)	548,511	(701,639)
INCOME LESS EXPENDITURE												
Inter-fund transfers:-	-	-	-	-	-	-	-	-	-	-	-	-
Life members fund	(4,064)	-	4,064	-	-	-	-	-	-	-	-	-
CLOSING VALUE OF FUNDS	11,599,947	236,706	131,006	100,911	5,959,811	18,028,181	692,945	75,000	15,000	782,945	18,811,126	18,040,608

Hospice Care

Consolidated Analysis of Fund Balances Statement

For the year ended 31 December 2012

Note	Notes	Unrestricted Funds						Restricted Funds				All Funds		
		General Fund	Capital Reserve	Life Members	Olsson	New Hospice Fund	Total	Capital Funds	Lottery Trust	Endowment Funds	Total	2012	2011	
		£	£	£	£	£	£	£	£	£	£	£	£	
				1(e)(i)										
INVESTMENTS	6	2,477,028	236,706	-	-	-	2,713,734	-	-	-	-	2,713,734	2,484,243	
FIXED ASSETS	7	2,892,723	-	-	100,911	5,959,611	8,953,245	692,945	-	-	692,945	9,646,190	9,867,496	
Long Term Loan		80,000					80,000					80,000	-	
CURRENT ASSETS:-														
Sundry Debtors		205,537	-	-	-	-	205,537	-	-	-	-	205,537	163,007	
Stock		4,205	-	-	-	-	4,205	-	-	-	-	4,205	6,649	
Property	15	252,309	-	-	-	-	252,309	-	-	-	-	252,309	-	
Bank Balances	4,6	6,354,010	-	131,006	-	-	6,485,016	-	75,000	15,000	90,000	6,575,016	6,177,305	
Balances with Brokers		231,232	-	-	-	-	231,232	-	-	-	-	231,232	213,171	
Cash in Hand		278	-	-	-	-	278	-	-	-	-	278	504	
		<u>7,047,571</u>	<u>-</u>	<u>131,006</u>	<u>-</u>	<u>-</u>	<u>7,178,577</u>	<u>-</u>	<u>75,000</u>	<u>15,000</u>	<u>90,000</u>	<u>7,268,577</u>	<u>6,560,636</u>	
CURRENT LIABILITIES:-														
Creditors		(147,375)	-	-	-	-	(147,375)	-	-	-	-	(147,375)	(121,767)	
		<u>(147,375)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(147,375)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(147,375)</u>	<u>(121,767)</u>	
NET CURRENT ASSETS		6,900,196	-	131,006	-	-	7,031,202	-	75,000	15,000	90,000	7,121,202	6,438,869	
LONG TERM LIABILITIES														
Loan Payable	9	(750,000)	-	-	-	-	(750,000)	-	-	-	-	(750,000)	(750,000)	
		<u>11,599,947</u>	<u>236,706</u>	<u>131,006</u>	<u>100,911</u>	<u>5,959,611</u>	<u>18,028,181</u>	<u>692,945</u>	<u>75,000</u>	<u>15,000</u>	<u>782,945</u>	<u>18,811,126</u>	<u>18,040,608</u>	

Consolidated cash flow statement

For the year ended 31 December 2012

	Notes	2012 £	2011 £
Net cash inflow/(outflow) from operating activities	1	354,926	(537,007)
Taxation		-	-
Servicing of finance			
Interest received		108,470	111,319
Dividend Income		95,766	72,807
		<hr/>	<hr/>
		204,236	184,126
		<hr/>	<hr/>
Capital expenditure			
Payments to acquire fixed assets		(56,132)	(472,185)
Payments to acquire investments		(554,341)	(644,406)
Proceeds from sale of investments		519,333	138,180
		<hr/>	<hr/>
		(91,140)	(978,411)
		<hr/>	<hr/>
Financing			
Received for specific capital items		27,524	24,024
		<hr/>	<hr/>
		27,524	24,024
		<hr/>	<hr/>
Increase/(Decrease) in cash in the year	2	<u>495,546</u>	<u>(1,307,268)</u>

The notes on page 15 form part of the consolidated cash flow statement.

Notes to the Consolidated Cash Flow Statement
For the year ended 31 December 2012

1. Reconciliation of Operating Profit to Operating Cash Inflow:-

	2012 £	2011 £
Operating profit/(loss)	548,511	(701,639)
Increase in stock	2,444	5,225
Increase in debtors	(56,597)	(39,372)
Increase in property	(252,309)	-
Increase in creditors	25,609	8,004
Depreciation	277,437	360,735
Interest received	(94,403)	(97,153)
Dividend Income	(95,766)	(72,807)
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	354,926	(537,007)
	<hr/> <hr/>	<hr/> <hr/>

2. Analysis of Net Debt

	1 January 2012 £	Cash flow £	31 December 2012 £
Cash at bank	6,177,305	397,711	6,575,016
Cash held with broker	213,171	18,061	231,232
Cash in hand	504	(226)	278
Loan payable	(750,000)	-	(750,000)
Loan receivable	-	80,000	80,000
	<hr/>	<hr/>	<hr/>
	5,640,980	495,546	6,136,526
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

3. Reconciliation of Net Cash Outflow to Movement in Net Debt

	£
Net debt at 1 January 2012	5,640,980
Increase in cash	495,546
	<hr/>
Net debt at 31 December 2012	6,136,526
	<hr/> <hr/>

Notes to the Financial Statements

For the year ended 31 December 2012

1 Accounting Policies

a) Accounting convention

These financial statements have been prepared under the historical cost convention as modified by the revaluation of investments and in accordance with applicable United Kingdom accounting standards.

b) Basis of consolidation

The group financial statements incorporate the financial statements of Hospice Care and its subsidiary undertakings, for the year to 31 December 2012. The results of businesses are included from the effective date of acquisition.

c) Investments

The company holds positions in a number of listed and non-listed entities which are held as investments.

- Initial Measurement

Purchases and sales of investments are accounted for at trade date and include any purchase or sales costs. Realised gains and losses on disposal of financial instruments are calculated using the average cost method and are recognised in the consolidated statement of total recognised gains and losses.

- Subsequent Measurement

After initial measurement the company measures investments at their market values. Market value is the amount for which an asset could be exchanged, between knowledgeable, willing parties in an arm's length transaction. The market value of the listed financial instruments is based on their market prices sourced from a listed stock exchange.

Subsequent changes in the market value of investments are recognised in the consolidated statement of total recognised gains and losses.

d) Accounting for Separate Funds

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

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. 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.

Unrestricted funds are free of donor-imposed restrictions but include funds which are subject to conditions determined by the Board of Governors. These conditions may be varied at any time and the assets comprised in such funds may be applied for any purpose of the Charity at the discretion of the Board of Governors.

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.

e) Income

Income, including sales, arising on all restricted and unrestricted funds is included in the Consolidated Income and Expenditure Statement. Except for bank interest, which is accounted for on an accruals basis, all income is accounted for on a receipts basis. With the exception of income from sources which cannot reasonably be expected to recur, all income is credited to the General Revenue Account. Sales comprise of the sale of bought in and donated goods and are stated exclusive of value added tax. Income from non-recurring sources is credited as follows:

Notes to the Financial Statements

For the year ended 31 December 2012

1 Accounting Policies (continued)

e) Income (continued)

(i) 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.

(ii) Income for Specific Purposes:

Monies received to defray specific items of day-to-day expenditure are credited to a restricted fund, the relevant expense being charged against that fund.

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

Similarly, endowment monies received are not included in the Income and Expenditure Statement being credited direct to separate restricted funds.

(iii) Legacies:

Legacies received are credited to the General Fund. The General Fund is an unrestricted fund.

(iv) Department of Health Contribution:

Cash contributions from the Department of Health are credited to the Income and Expenditure Account as revenue in the accounting period in which those contributions are received.

f) Cash Contribution from Department of Health

Hospice Care receives an annual cash contribution from the Department of Health. A new Service Level Agreement beginning 1 January 2009 for a five year period was signed on 24 July 2009. The Agreement provides for the Department to make two payments on 5 May and 5 November during a Fiscal Year. Payments are accounted for on a received 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 amounts received in the year and included in these accounts is £592,572 (2011: £602,572).

g) Stock

Donated goods on hand, as at the balance sheet date, are not valued for stock purposes. The value of stock of bought-in goods is stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price reduced by all costs of selling and marketing.

h) Expenditure

Expenditure is accounted for on an accruals basis and includes value added tax where appropriate.

All day-to-day running expenses are included in the Consolidated Income and Expenditure Statement. Such expenditure is charged against the General Revenue Account with the exception of expenses met out of income for specific purposes which is charged against the appropriate restricted fund.

Notes to the Financial Statements

For the year ended 31 December 2012

1 Accounting Policies (continued)

i) Depreciation

Fixed assets are depreciated over their anticipated useful lives 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 depreciation charge for the year is included in the consolidated income and expenditure Statement and is charged against the funds in which the relevant fixed assets are comprised.

j) Pension Contributions

The Charity operates two pension schemes. Qualifying members of the nursing staff are permitted to join the Hospice Care Superannuation Scheme. Other members of staff may be eligible to join a group personal pension plan. In April 2012, in line with Government policy, the Department of Health scheme amalgamated with other government schemes to become the GUS (Government Unified Scheme). All employees in the Hospice Care Superannuation Scheme opted to transfer in to GUS.

The group personal pension plan is a defined contribution scheme. The Hospice Care superannuation 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. All contributions payable in respect of the year to 31 December 2012 have been included in the consolidated income and expenditure account.

Payments are made to three employee's personal pension schemes. All contributions have been included within the consolidated income and expenditure Statement.

The contributions paid in the year were as follows:

	2012	2011
	£	£
Group personal pension plan	39,586	48,598
Hospice Care superannuation scheme 2007	18,013	70,791
Isle of Man Government Unified Scheme	56,781	-
Payments to employees own private pension schemes	3,246	2,523
	<hr/>	<hr/>
	117,626	121,912
	<hr/> <hr/>	<hr/> <hr/>

£990 (2011: £995) of the contributions due were unpaid at the year end.

k) Accounting for Estimates

The preparation of the accounts in conformity with United Kingdom Accounting Standards requires management to make estimates and assumptions that affect the amounts reported in the accounts and accompanying notes. Management believes that the estimates utilised in preparing its accounts are reasonable and prudent. Actual results could differ from these estimates. In the current year significant estimates have been made in respect of a provision against a cash balance held with Kaupthing Singer and Friedlander (Isle of Man) Limited (note 4).

Notes to the Financial Statements

For the year ended 31 December 2012

1 Accounting Policies (continued)

l) 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.

m) Debtors

Debtors and other receivables are shown at fair value on inception and are subsequently carried at amortised cost.

n) Properties held for resale

Properties are sometimes received as legacies and are then sold by the company. Where held at the year-end these are shown at the lower of carrying amount and fair value less cost of sale and are not depreciated.

o) Rental Income

Rental income is accounted for on an accruals basis.

2 Expenditure – Other Disclosures

Costs of management of the Group include:

	2012	2011
	£	£
Audit Fee	10,686	15,690
	<hr/>	<hr/>

3 The Diana Princess of Wales Palliative Care at Home Trust

The Diana Princess of Wales Palliative Care at Home Trust was created on 19 June 1998 and has a net asset value of £37,209 (2011 £62,721). The aim of the trust is to provide financial support to Hospice Care to support the provision of its Palliative Care Home Nursing Service. £50,000 was received during the year ended 31 December 2012 (2011: £31,500).

4 Exceptional Item – Provision against Cash Held At Kaupthing Singer & Friedlander (Isle Of Man) Limited

During 2008 Kaupthing Singer and Friedlander (Isle of Man) Limited ceased trading and a provisional liquidator was appointed. At the cessation of trading the Charity held cash with the bank per the bank statement in the sum of £1,053,074. According to information in the public press, it is more likely than not that the Charity will not recover this sum in full. A liquidators statement published on the Kaupthing Singer and Friedlander (Isle of Man) Limited in Liquidation website on 18 January 2013 stated that their current estimate of final distributions was 97.2 – 99%. Accordingly, the original provision of 40% shown in the 2008 Financial statements has been revised to 2.8% (4.6% in 2011) to reflect the more optimistic estimate.

This resulted in a release of provision of £18,954 (£42,123 in 2011) which has been disclosed as an exceptional item in the consolidated income and expenditure account.

5 Taxation

As the entity is a registered Charity it is a non-relevant Company for ARI purposes and is exempt from Isle of Man income tax by virtue of Section 15 Income Tax Act 1970.

Notes to the Financial Statements

For the year ended 31 December 2012 (continued)

6 Investments – Company and Group

	2012	2011
	£	£
Non listed investments	2,288	2,227
Listed investments	2,711,446	2,482,016
	<hr/>	<hr/>
	2,713,734	2,484,243
	<hr/> <hr/>	<hr/> <hr/>

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; 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, taking advantage of a recovering financial market, 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 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:

	2012	2012	2011	2011
	Change in market prices	Effect on profit and net assets	Change in market prices	Effect on profit and net assets
	%	£	%	£
	<hr/>	<hr/>	<hr/>	<hr/>
Investments	5	135,687	5	124,212
	<hr/>	<hr/>	<hr/>	<hr/>

Notes to the Financial Statements

For the year ended 31 December 2012(continued)

6 Investment (continued)

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 £93,393 (2011:£97,153). 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 has established a policy to ensure that a minimum of three years costs is maintained within net liquid assets at any one time. At 31 December, this would have amounted to £12.29m (2011: £12.38m). It is the Board's intention to replenish liquid resources to achieve this level as soon as practicable.

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 2012 in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the balance sheet.

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:

	2012	2011
	£	£
Investments	2,713,734	2,484,243
Debtors and Loans Receivable	278,032	152,835
Cash	6,314,803	5,966,432
Balances with Brokers	231,232	213,171
	<hr/>	<hr/>
	9,537,801	8,816,681
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Financial Statements

For the year ended 31 December 2011 (continued)

6 Investment (continued)

Credit Risk (continued)

The maximum credit exposure of the group is as follows:

	2012	2011
	£	£
Investments	2,713,734	2,248,243
Debtors and Loans Receivable	285,537	163,007
Cash	6,575,016	6,177,809
Balances with Brokers	231,232	213,171
	<hr/>	<hr/>
	9,805,519	8,802,230
	<hr/> <hr/>	<hr/> <hr/>

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. Exchange rate exposure is low, because the majority of the company's investments are in GBP denominated investments. Currency investments account for £749,513 (2011 £542,025) of the total investment value. A movement in exchange rates of 5% is not expected to have a material impact on the financial statements.

Notes to the Financial Statements
For the year ended 31 December 2012 (continued)

6 Investment (continued)
Schedule of Investments – Company and Group
Listed Investments

2012		2012	2011	2012	2011
Holding	Description	Book cost	Book cost	Market value	Market value
		£	£	£	£
3,317	Royal Dutch Shell PLC	60,457	57,028	71,960	77,316
4,777	GlaxoSmithkline PLC	58,219	54,657	63,772	66,717
0	National Grid PLC	-	69,034	-	82,731
5,676	Severn Trent PLC	63,085	55,990	89,340	78,704
43,970	Vodafone Group PLC	62,051	56,417	67,911	73,160
8,533	HSBC Holdings PLC	55,809	53,211	55,199	39,563
14,926	Tesco PLC	55,805	53,678	50,151	57,717
3,057	Unilever PLC	56,530	54,219	72,328	63,873
3,100	BHP Billiton PLC	50,127	50,127	66,014	58,201
9,521	BP PLC	54,593	52,664	40,445	41,841
3,696	Standard Chartered PLC	53,153	51,507	58,156	50,357
1,650	Nestle SA	50,071	50,071	66,093	61,312
1,160	AT & T Inc	20,183	20,183	24,056	22,571
0	Siemens AG	-	30,298	-	30,242
810	Total SA	30,146	30,146	25,627	27,063
9,179.107	CF Odey Investment Fund	50,230	50,133	51,807	45,145
13,226	Balfour Beatty PLC	39,299	37,503	36,199	33,356
210	Swisscom AG	49,184	49,184	55,580	51,430
1,017	ETFS Physical Gold	86,401	79,416	102,177	94,804
2,088.555	Aberdeen Global Fund	75,703	75,369	89,614	75,126
860	Southern Co	20,013	20,013	22,649	25,615
415	McDonald's Corporation	19,858	19,858	22,520	26,791
560	Pepsico Inc	24,754	19,771	23,574	19,212
800	Berkshire Hathaway Inc	42,300	19,666	44,146	17,673
0	Investec Global Strategy Fund	-	50,313	-	48,184
4,500	BG Group PLC	49,989	49,989	45,562	61,942
1,500	AstraZeneca PLC	49,677	49,677	43,642	44,625
326.46	Polar Capital Asian Financials Fund	50,294	50,294	54,296	45,008
1,825	Sampo Ojy	30,301	30,301	36,026	29,634
26,421	Aberdeen Asian Income Fund	43,382	41,599	58,786	42,863
	Aberdeen Asian Smaller Companies Investment Trust	50,303	50,303	73,080	47,760
8,000	Scottish & Southern Energy PLC	107,428	101,212	115,581	98,955
8,151	Syngenta AG	35,260	35,260	41,885	32,170
170	Bayer AG	34,868	34,868	40,813	29,702
700	Invesco Fund Management Asia Consumer Demand Fund	50,313	50,313	47,555	40,910
6072.44	Aviva Plc	55,050	51,220	58,214	43,561
15,607	Hicli Infrastructure Co Ltd	91,091	77,604	97,406	78,787
78,554	Centrica Plc	50,108	50,108	55,544	48,168
16,650	Roche Holdings AG	34,879	34,879	38,954	34,508
315	Johnson & Johnson Com Stk US\$1	26,969	-	27,600	-
640	Rolls-Royce Holdings Plc Ord GBPo.20	49,883	-	51,536	-
5,900	Diageo Plc	50,916	-	56,219	-
3,146	Heinz Co Comm Stock	23,073	-	23,774	-
670					
	Total listed investments	1,961,755	1,868,083	2,165,791	1,947,297

Notes to the Financial Statements
For the year ended 31 December 2012 (continued)

6 Investment (continued)

Bonds

2012 Holding	Description	2012 Book cost £	2011 Book cost £	2012 Market value £	2011 Market value £
-	Abbey National Treasury 4.125% Bond due 14/09/2017	-	203,347	-	185,119
£200,000	Co-Op Bank PLC 5.125% Bond due 20/09/2017	202,706	202,706	215,330	199,600
-	Douglas Corporation 5.25% Bond due 14/04/2012	-	150,455	-	150,000
£100,000	Nationwide Building Society 5.625 Bonds due 09/09/2019	109,099	-	117,625	-
£200,000	Rabobank Nederland (GBP) 5.25% Bond due 14/09/2027	201,864	-	212,700	-
	Total Bonds	513,669	556,508	545,655	534,719

Non-listed Investments

2012 Holding	Description	2012 Book cost £	2011 Book cost £	2012 Market value £	2011 Market value £
2,557	Sefton Group Plc	-	-	2,000	2,000
1	Farmers Combine	-	-	1	1
200	IFG Group Shares	-	-	226	226
1002	Manx Financial Group	61	-	61	-
	Total non-listed investments	61	-	2,288	2,227
	Total investments	2,475,485	2,424,591	2,713,734	2,484,243

Notes to the Financial Statements

For the year ended 31 December 2012 (continued)

7 a) Group Fixed Assets	Freehold Land & Buildings £	Furniture & Fittings £	Equipment £	Motor Vehicles £	Total £
Cost					
At 31 December 2011	10,729,673	491,074	346,187	94,147	11,661,081
Additions	15,250	24,289	16,592	-	56,132
At 31 December 2012	10,744,923	515,363	362,779	94,147	11,717,213
Depreciation					
At 31 December 2011	(1,005,135)	(402,461)	(298,533)	(87,456)	(1,793,585)
Charge for the year	(205,157)	(44,048)	(22,740)	(5,492)	(277,437)
At 31 December 2012	(1,210,292)	(446,509)	(321,273)	(92,948)	(2,071,022)
Net Book Value					
At 31 December 2012	9,534,631	68,854	41,506	1,199	9,646,190
At 31 December 2011	9,724,538	88,613	47,654	6,691	9,867,496

Included in Group Fixed Assets are two properties which are rented to third parties with a net book value of £226,804 in respect of which rent of £21,830 has been received.

b) Company Fixed Assets

	Freehold Land & Buildings £	Furniture & Fittings £	Equipment £	Motor Vehicles £	Total £
Cost					
At 31 December 2011	8,995,354	443,318	344,827	58,430	9,841,929
Additions	-	23,110	16,592	-	39,702
At 31 December 2012	8,995,354	466,428	361,419	58,430	9,881,631
Depreciation					
At 31 December 2011	885,077	371,761	297,989	53,538	1,608,365
Charge for the year	179,905	37,509	22,468	4,892	244,774
At 31 December 2012	1,064,982	409,270	320,457	58,430	1,853,139
Net Book Value					
At 31 December 2012	7,930,372	57,158	40,962	-	8,028,492
At 31 December 2011	8,110,277	71,557	46,838	4,892	8,233,564

Notes to the Financial Statements

For the year ended 31 December 2012 (continued)

8 Designated Fund

The Board of Governors resolved to build a purpose building Hospice on a green-field site. The build and fit-out have cost £8.99m to date. A Special Appeal was put in place and it was hoped this appeal would raise most of the cost, the remaining cost would come out of existing funds.

£3,000,000 of existing funds were designated for expenditure on the new Hospice. This amount was not transferred to a restricted fund and remains part of the Unrestricted Funds. A further £3,982,850 was raised as part of the Mighty Oak Appeal. The remainder of the expenditure was met out of general funds.

9 Loan Payable

The Charity has received a loan of £750,000 from the Henry Bloom Noble Healthcare Trust. The funds raised were to be used in the building of the new Hospice. 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 DHSS then the loan becomes repayable.

10 Share capital

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

11 Endowment Funds

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.

12 Investment in Subsidiary undertakings

Share the Care Limited

The Charity's wholly-owned subsidiary, Share The Care Limited, operates the Share the Care 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 is now dormant.

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.

Notes to the Financial Statements

For the year ended 31 December 2012 (continued)

12 Investment in Subsidiary undertakings (continued)

Investment in Subsidiaries Comprises:

	2012	2011
	£	£
Share Capital – Share the Care Limited	2,000	2,000
Share Capital – Pelagon Limited	2	2
Investment in Hospice Properties Ltd	286,194	286,194
	<hr/>	<hr/>
	288,196	288,196

Amount due from Subsidiaries Comprises:

	2012	2011
	£	£
Loan – Hospice Properties Limited	1,270,236	1,270,236
	<hr/>	<hr/>
	1,270,236	1,270,236

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

Amount due to subsidiaries comprises:

	2012	2011
	£	£
Loan – Share the Care Limited	42,658	72,110
Loan – Pelagon Limited	2,926	4,126
	<hr/>	<hr/>
	45,584	76,236

These loans are unsecured, interest free and repayable upon demand.

13 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.

Share the Care Limited

	2012	2011
	£	£
Balance brought forward – due to Share the Care Limited	72,110	94,069
Cash received from subsidiary as payment on account in respect of dividend	324,000	325,999
Dividend receivable	(353,452)	(347,958)
	<hr/>	<hr/>
Amount at the end of the year – due to Share the Care Limited	42,658	72,110

Pelagon Limited

	2012	2011
	£	£
Balance brought forward – Due to Pelagon Limited	4,126	5,482
Expenses paid	(1,200)	(1,356)
	<hr/>	<hr/>
Amount at the end of the year – due to Pelagon Limited	2,926	4,126

Notes to the Financial Statements

For the year ended 31 December 2012 (continued)

13 Related Party Transactions of Hospice Care (continued)

<i>Hospice Properties Limited</i>	2012	2011
	£	£
Balance brought forward – amount (payable)/receivable	(1,270,236)	(787,048)
Amount paid to fund capital expenditure	-	(421,000)
Amount paid to fund refurbishment costs	-	(62,188)
	<hr/>	<hr/>
Amount at the end of the year – due from Hospice Properties Limited	(1,270,236)	(1,270,236)
	<hr/> <hr/>	<hr/> <hr/>

14 Debtors due after more than one year

2012	2011
£	£
Secured loan receivable	=
<u>80,000</u>	=

During the year, the company received a 50% interest in a secured loan as a legacy and subsequently acquired the remaining 50% interest at fair value.

15 Property held for sale

On 14 November 2012 Hospice Care acquired a residential property as part of a legacy. This property is currently being rented on a 12-month lease. It is the Board's intention to market the property for sale and it is therefore recognised as an asset held for sale.