



HOSPICE ISLE OF MAN

Annual Reports 2014

Hospice Isle of Man

HOSPICE CARE

Strang ◦ Douglas ◦ Isle of Man ◦ IM4 4RP

NOTICE IS HEREBY GIVEN that the thirty second **ANNUAL GENERAL MEETING** of **HOSPICE CARE** will be held at **The Gough Ritchie Education Suite, in the Seminar Room, Strang, Isle of Man** on **WEDNESDAY, 17th June 2015 AT NOON** to transact the following ordinary business:

To receive and consider:

1. The 2014 Report of the Board of Governors.
2. The Report of the auditors and the Annual Accounts for the year ended 31st December 2014.
3. To elect four members of the Board of Governors in place of Messrs R Fayle; P Dearden; M Bathgate and C Hall who retire in accordance with the Articles of Association but being eligible offer themselves for re-election.
4. To re-elect Ms E A Kelly who was co-opted onto the Board of Governors during the year who also retires and offers herself up for re-election.
5. To re-appoint Messrs Ernst & Young as Auditors and to authorise the Board of Governors to fix their remuneration.
6. To transact any other business that can be transacted at an ordinary general meeting.

By order of the Board

Mr F Quinn

Company Secretary

This 1st day of May 2015

NOTES:

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

HOSPICE CARE

(An Isle of Man Company Limited by Guarantee and not having a Share Capital) (Registered No. 22473).

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

THIRTY FIRST ANNUAL REPORT

Covering the year to the 31st December 2014.

PRINCIPAL OBJECTIVE

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

Hospice Isle of Man

PATRONS

His Excellency Lieutenant Governor Mr Adam Wood

PRESIDENT

The Venerable Brian Partington OBE

VICE PRESIDENT

Mr J E Crellin

BOARD OF GOVENORS

Chairman: Sir Miles Walker, CBE, LLD(hc)

Hon Treasurer: Mr P E Dearden BA (Hons) FCA CIOT

Members: Mr M Bathgate

Mr H Craig

Mr P C Crossley BA (Hons), FCA, TEP

Mr R Fayle BMed Sci (Hons) BM BS FRCOG MO ObstetGynaecol (L'pool)

Mr C Hall MA MSc FloD MIET

Mrs M Linehan RN RM

Mr A Thomson FFA FloD FIRP MCMi Dip Law

Mr A S Townsend MBE FRCOG

Mr J McC W Rimmer

Ms E A Kelly BSc MRICS

Company Secretary: Mr F G Quinn

SENIOR PROFESSIONAL STAFF

Chief Executive: Mrs Malgorzata J Simpson MA Pg Dip, BSc (Hons), RGN, DN,

Medical Director: Dr Benjamin D Harris BSc MB Ch.B MRCGP DRCOG DPM CMS

Hospice Physicians: Dr John Bloomer MB CH.B, DipPalMed

Dr J Scott MB Ch.B DRCOG

Dr Karen Wilson BSc (Hons) MB Ch.B MRCGP

Dr Jane E Hockings MB Ch.B (*retired Feb 2014*)

In Patient Services

Matron: Mrs Diane Corrin MA NMP BSc (Hons) DipHE RGN RM

Community Services

Manager: Mrs Christine Bloomer Dip L&M NMP BSc BA Dip DN RGN

Hospice Chaplain: Reverend Lynda Brady

Hospice Isle of Man

RECEPTION CENTRE

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

REGISTERED OFFICE

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

Patient Care Committee

Mr A S Townsend (Chairman)
Ms D Hart RN, DNcert, MSc, PGCE
Mr R Fayle
Dr G Sissons
Dr B D Harris*
Mrs M J Simpson*
Dr F W Harding
Mrs M Linehan
Mrs D Corrin*
Mrs C Bloomer*
Rev L Brady*
Mr C Elvin

**executive members*

Finance Committee

Mr P C Crossley (Chairman)
Mr P E Dearden
Mr A Thomson
Mr M Beresford
Ms E A Kelly
Mrs E A Quine*
Mrs J Raleigh*
Mrs M J Simpson* ** executive members*
Mrs M Doyle*

Fund Raising & PR Committee

Mr M Bathgate (Chairman)
Mrs C Cornish
Mrs S Dean
Mrs C Ashley
Mr A Pugh
Mrs C Coleman
Mr J Rimmer
Mr D Humbles
Mrs B Gore
Mrs J Leslie*
Mrs M Doyle*
Mrs M Simpson * ** executive members*

Hospice Isle of Man

Regional Contacts – Fundraising & Appeals Support Committees

Northern:-

Mrs Joan Cranshaw
21 Queens Valley
Ramsey
IM8 1NG
Tel: 816425

Peel & Glenfaba:-

Mrs J P Jeavons
Apt 3, 2 Marine Parade
Peel
Isle of Man IM5 1PB
Tel: 843653

Michael:-

Mrs Barbara Dawson
Sea View
Main Road
Kirk Michael
IM6 1AH
Tel: 878349

Onchan, Middle & Laxey:-

Mrs Gwynneth Turnbull
Druin Veg
Santon
Isle of Man IM4 1EG
Tel: 823892

Hospice Isle of Man

Chairman's Report 2014

In my view Hospice Isle of Man is the paramount charity involved with end of life care and life threatening illness and so I make no apology for it dominating charitable giving on this Island. As we continue our work in this calendar year it is right that we reflect back to 2014 and continue to ensure that every pound we spend is well spent and that every pound given to Hospice is utilised for the benefit of our patients and their families.

As the Island's economy is still a challenging one and the competition for charitable funds continues to increase, so must we continue to raise the profile of Hospice to ensure it remains the charity of choice for this Island. Three and a half million pounds is a massive sum of money to raise year on year and we are once again indebted to Government for their contribution and to our fundraisers and supporters for their tireless energy.

The Hospice Shops continue to be "our face in the community" and we are greatly dependant on the financial contribution they continue to make. The Management Team and our volunteers continue to improve the shopping experience for our patrons and also ensure that our shops make a positive impact in our high streets and the retail environment. We respect all the donations that we receive for sale and we are committed to maximising their value.

The wider world of the Hospice Movement is changing, slowly but surely and so the challenges facing our staff, management and governors continue to increase. With earlier diagnosis, modern drugs and treatments it is fantastic that we now regularly talk of Cancer Survivors – this is evidenced by the number of people who attend our six week Survivorship programme.

Good End of Life Care is vitally important to everyone even though needs may differ. I find it interesting to note that 10% of all our referrals are for non-cancer sufferers, which is a lesser percentage than in the United Kingdom. As our drop-in days are proving to be so successful, and are tantamount to self-referral, this trend is bound to continue. With the constant improvement in living standards people are living to a greater age and the care they deserve in later life can become much more complex. Increasing frailty with a life threatening condition can present great challenges both for the sufferer and for the carer.

Innovation and sustainability are two of today's buzz words - Hospice Isle of Man continues to be an expert in both!

This year I have been delighted to welcome two new governors to the Board of Hospice. John Rimmer, an Advocate by profession, has been an energetic member of our fund raising committee for a number of years and we look forward to his contribution at Board level, his legal skills and general advice will be well received. Anna Kelly is well known in the world of property and she brings to the Board an expertise that is very important. Anna has also agreed to join the Board of the Hospice Shops and so strengthens the link between that Board and the Hospice Governors. All of us at Hospice welcome John and Anna.

To Margaret Simpson CEO of Hospice Isle of Man, my colleague Governors, our Management and staff and to all our volunteers and supporters a heartfelt THANK YOU for all they do to continue the work of Hospice.

Sir Miles Walker CBE LLD(hc)

Chairman

Hospice Isle of Man

Hospice Isle of Man

Chief Executive Report

The year 2014 was a busy year with 348 referrals made to Hospice Services. This number is lower than last year (405 in 2013) mainly due to the huge success of the Drop In Days. We now have 3 Drop In Days, Monday and Thursday in the Scholl Centre and Wednesday in Ramsey Town Hall. The latter has been funded by the Ramsey Cottage Hospital League of Friends. 165 new patients attending the Drop in Days were not previously referred for Hospice Services. If all these 165 patients had been referred as in the past years, we would have had 513 referrals in 2014. The total number of attendances at the Drop In Days was 1535.

Cancer is rapidly becoming a chronic condition. There are between 300 and 400 new cancer diagnosis on the Isle of Man each year; most are referred to Hospice at some stage. Those who receive our help and are discharged continue to need some support. In 2014 a Survivorship Programme called 'Moving Forward' was launched to help cancer survivors get on with their lives. So far the feedback has been excellent.

Hospice continues to develop its major role in teaching and supporting other healthcare professionals in the principles and practice of palliative care. We now provide an Advanced Communication Skills programme accredited by the Royal College of Physicians for all doctors, including Consultants in Nobles Hospital and for GPs.

End of Life care teaching and support is provided by Cheryl Young who has also been selected by the National Institute for Health & Care Excellence (NICE) in the UK to work on national end of life guidelines.

Rebecca House continues to grow. The caseload now stands at 31. There were 1203 children's day care attendances with 227 overnight stays. The Manx Lottery funded a part time Young Person Support Worker who provided counselling to 42 children.

Our Fundraising team continues to raise more funds than ever and thanks to their efforts and to legacies we ended 2014 with a £51,736 surplus.

Hospice Shops income has increased this year thanks to the management and leadership of Judith Leslie. The success of the Pop Up Shop in Strand Street which raised £35,000 helped to boost the figures.

Hospice continues to ensure that patient care is always of highest quality. We receive many compliments each year (in 2014 - 807) and never more than 1 or 2 complaints.

The Board of Governors ensure that all management systems are in place and that staff and volunteers are valued, respected and supported. This was evident in the 2014 Staff & Volunteers Survey which demonstrated that 96% are proud to work for hospice, 88% are satisfied with their job, 88% receive sufficient training and 99% would be happy with the standard of care provided by our Charity.

I am grateful to all for doing a wonderful job!

Margaret Simpson MA; BSc (Hons); RN, MIOD

Chief Executive

Hospice Isle of Man

Treasurer's Report

This time last year I was concerned that we were reporting a deficit of over £1million. This year I am pleased to say that the financial statements tell a better story. Last year we reported a deficit of £1.097m, fortunately this has been reversed and this year we report a surplus of £51,736. This is not a great surplus but it is a relief that it is a positive number.

Income excluding legacies is up by nearly 7% and in these straightened economic times this is a great testament to both the efforts of our fund-raising team and the generosity of the Manx public.

I have often commented that one of the difficulties in planning for Hospice expenditure is the extreme variability of Legacy income. This has increased by over £1m to £1.5m. Whilst this is a welcome increase, I am sure that legacy income will continue to fluctuate significantly and we will not rely on this level of legacy income being sustained indefinitely.

Whilst it is pleasing that both legacy income and non-legacy income have increased and contributed to a surplus, I do have to sound a note of caution. Over the last 6 years the Hospice group has suffered a net deficit of nearly £2m – after deducting the transfer from Hospice Capital Trust in 2009. This period has been characterised by swings from deficit to surplus but overall, the deficits have outweighed the surpluses. There is no need for any immediate changes to the current modus operandi as there are significant reserves but the position is not sustainable in the long run. There has been a significant world-wide recession in the period under review and it may be that income can be increased to cover the long-run deficit but if not, there will have to be changes to the way services are provided.

Whilst the numbers cannot be ignored Hospice is really about the provision of a magnificent service to the people of the Isle of Man. I would like to take this opportunity to express my appreciation for the staff and volunteers in providing what I believe is an amazing service without which, life on the Isle of Man, would be significantly poorer.

Phillip Dearden

Treasurer
Hospice Isle of Man

Hospice Care
Report and Consolidated Financial Statements

31 December 2014

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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 the year ended 31 December 2014.

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 £51,736 (2013: deficit of £1,097,396) which has been transferred to reserves.

The Board of Governors do not propose the payment of a dividend (2013: £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 R Fayle BMed Sci (Hons) BM BS FRCOG MO ObstetGynaecol (L'pool)
	Mr J LM Quinn (Resigned 1 March 2013)
	Mr TRA Groves (Resigned 31 December 2013)
	Mr C Hall MA Msc Flod MIET
	Dr F W Harding MBChB (Resigned 20 January 2014)
	Mrs M Linehan RN RM
	Mr A Thomson FFA Flod FIRP MCMI Dip Law
	Mr A S Townsend MBE FRCOG
	Mr J McC W Rimmer (Appointed 28 March 2014)
	Ms E A Kelly Bsc MRICS (Appointed 27 November 2014)
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 2014 there were 700 members of Hospice Care compared with 887 at the end of 31 December 2013. In addition, there were 195 life members compared with 191 at the end of 31 December 2013.

By order of the Board of Governors

Phillip Dearden Charles Crossley

Governor

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

Company law requires the Board of Governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charity and of the Group and of the surplus of the Charity and of the Group for the year. The Directors have elected to prepare financial statements in accordance with applicable law and United Kingdom accounting standards. In preparing those financial statements, the Board of Governors is required to:-

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom accounting standards have been followed, subject to any material departures discussed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Board of Governors is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and of the Group and to enable them to ensure that the financial statements comply with the Companies Acts 1931 to 2004. 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 2014, 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 16. 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 2, 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 to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent 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 £1,701,886 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.

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 2014 and of the group's surplus for the year then ended;

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

Qualified opinion on the group financial statements (continued)

- 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.

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 24 April 2015

Consolidated Income and Expenditure Statement
For the year ended 31 December 2014

	Notes	2014 £	2014 £	2013 £	2013 £
Recurring Income:	1(e)				
Raised through P&R department					
Members' Subscriptions		21,648		20,623	
Covenanted Donations		970		1,130	
Family Supporters Subscriptions		345		443	
Friends donations		10,014		10,243	
Regional Appeal Committees		33,406		24,365	
General Donations		384,948		268,551	
In Memoria		130,648		113,858	
SPCT Donations		4,835		3,355	
Coffee Shop		7,787		5,486	
Inside and Outside Events		224,149		225,212	
Sundries		51,710		19,885	
Lottery		23,342		18,918	
Sales	1(e)	808,084		735,302	
			1,701,886		1,447,371
Cost of Sales			(16,009)		(7,394)
Other Income:					
Sundry Income		78		-	
Bank & Deposit Interest		34,865		57,681	
Investment Income		135,210		111,301	
Mortgage Interest		4,038		4,038	
Rent received from operating leases		32,630		29,784	
Grants	1(e)(iv) 1(f)	607,572		602,572	
			814,393		805,376
			2,500,270		2,245,353
Recurring Expenditure:	1(h)				
Professional Services		2,961,845		2,878,626	
Administration		660,940		634,954	
Establishment		161,401		165,289	
Depreciation	1(i), 7(a)	282,476		286,226	
Investment property impairment	1(o), 15	5,046		-	
Appeal & Publicity		222,861		245,177	
			4,294,569		4,210,272
Recurring Income Less Expenditure			(1,794,299)		(1,964,919)
Non-Recurring Income:					
Life Members' Subscriptions	1(e)(i)	3,630		4,290	
Specific Donations	1(e)(ii)	168,391		32,426	
Specific Donations DPoW	1(e)(ii), 3	2,000		40,000	
Legacies	1(e)(iii)	1,575,154		514,741	
			1,749,175		591,457
Exceptional item – provision	1(k), 4		7,019		14,743
Income Less Expenditure	5		(38,105)		(1,358,719)

Consolidated Statement of Total Recognised Gains & Losses

For the year ended 31 December 2014

	Notes	2014 £	2013 £
(Deficit)/Surplus Attributable to Charity		(38,105)	(1,358,719)
Net (Loss)/Profit on Investments	1(c)	67,206	(21,473)
Movement in unrealised appreciation/(depreciation) in Investments	1(c)	(21,299)	167,855
Profit on disposal of Fixed Assets	7	3,000	3,600
Funds for Specific Capital Items		40,934	111,341
Retained surplus / deficit		<u>51,736</u>	<u>(1,097,396)</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 company is exempt from the requirements to present its own profit and loss account. Of the consolidated surplus of income over expenditure, a deficit of £81,430 (31 December 2013: deficit of (£1,178,649)) has been retained by Hospice Care.

Consolidated Balance Sheet

For the year ended 31 December 2014

	Notes	2014 £	2014 £	2013 £	2013 £
Investments	6		4,151,412		3,515,864
Fixed Assets	7(a)		9,473,994		9,637,010
Investment property	1(o), 15		247,263		-
Debtors due after more than one year	1(m), 14		80,000		80,000
CURRENT ASSETS:					
Stock	1(g)	11,110		5,790	
Sundry Debtors		64,968		128,894	
Property held for sale	1(n), 15	-		252,309	
Bank Deposits	4, 6	4,490,740		4,368,088	
Balances with Brokers	6	108,964		632,183	
Cash in Hand		707		214	
			<u>4,676,489</u>		<u>5,387,478</u>
Current Liabilities					
Creditors		(113,692)		(156,622)	
			<u>(113,692)</u>		<u>(156,622)</u>
Net Current Assets			<u>4,562,797</u>		<u>5,230,856</u>
Assets Less Current Liabilities			<u>18,515,466</u>		<u>18,463,730</u>
Creditors due after more than one year					
Loan payable	9		(750,000)		(750,000)
			<u>17,765,466</u>		<u>17,713,730</u>
Funds					
Restricted Funds	1(d), 8, 11	760,372		839,481	
Unrestricted Funds	1(d)	17,005,094		16,874,249	
			<u>17,765,466</u>		<u>17,713,730</u>

Approved by the Board of Governors on 23 April 2015

Phillip Dearden

Charles Crossley

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 2014

	Notes	2014 £	2014 £	2013 £	2013 £
Investments	6		4,151,412		3,515,864
Subsidiaries	12,13		288,196		288,196
Fixed Assets	7(b)		7,726,174		7,903,183
Investment property	1(o), 15		247,263		-
Debtors > 1 Year					
Amount due from Subsidiaries	12,13		1,270,236		1,270,236
Loan Receivable	1(m), 14		80,000		80,000
CURRENT ASSETS:					
Stock	1 (g)	-		5,034	
Sundry Debtors		45,545		97,257	
Property	1(n), 15	-		252,309	
Bank Deposits	4,6	4,233,178		4,147,988	
Balances with Brokers	6	108,964		632,183	
Cash in Hand		213		214	
			<u>4,387,900</u>		<u>5,134,985</u>
Current Liabilities					
Amount due to Subsidiaries	12,13	(118,259)		(55,782)	
Creditors		(89,082)		(111,412)	
			<u>(207,341)</u>		<u>(167,194)</u>
Net Current Assets			<u>4,180,559</u>		<u>4,967,791</u>
Assets Less Current Liabilities					
			<u>17,943,840</u>		<u>18,025,270</u>
Creditors due after more than one year					
Loan payable	9		(750,000)		(750,000)
			<u>17,193,840</u>		<u>17,275,270</u>
Funds					
Restricted Funds	1(d),8,11		760,377		839,481
Unrestricted Funds	1(d)		16,433,463		16,435,789
			<u>17,193,840</u>		<u>17,275,270</u>

Approved by the Board of Governors on 23 April 2015

Phillip Dearden

Charles Crossley

Consolidated Statement of Changes in Fund Balances

For the year ended 31 December 2014

	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	2014	2013	
	£	£	£	£	£	£	£	£	£	£	£	£	
	Note			1(e)(i)		8			11				
OPENING VALUE OF FUNDS													
B/f Value of funds		10,454,102	404,561	135,296	100,911	5,779,379	16,874,249	749,481	75,000	15,000	839,481	17,713,730	18,811,126
Net investment gains		67,206	-	-	-	-	67,206	-	-	-	-	67,206	(21,473)
Profit/(loss) on disposal of Fixed Assets		3,000	-	-	-	-	3,000	-	-	-	-	3,000	3,600
Movement on unrealised appreciation		-	(21,299)	-	-	-	(21,299)	-	-	-	-	(21,299)	167,855
Funds for specific capital items		-	-	-	-	-	-	40,934	-	-	40,934	40,934	111,341
Funds available		10,524,308	383,262	135,296	100,911	5,779,379	16,923,156	790,415	75,000	15,000	880,415	17,803,571	19,072,449
Fund Re-allocation		75,000	-	-	-	-	75,000	-	(75,000)	-	(75,000)	-	-
RECURRING INCOME:													
RAISED THROUGH FUNDRAISING & PR DEPARTMENT		1,685,877	-	-	-	-	1,685,877	-	-	-	-	1,685,877	1,439,977
OTHER INCOME		814,393	-	-	-	-	814,393	-	-	-	-	814,393	805,376
		2,500,270	-	-	-	-	2,500,270	-	-	-	-	2,500,270	2,245,353
EXPENDITURE													
Professional services		(2,961,845)	-	-	-	-	(2,961,845)	-	-	-	-	(2,961,845)	(2,878,626)
Administration		(660,940)	-	-	-	-	(660,940)	-	-	-	-	(660,940)	(634,954)
Establishment		(161,401)	-	-	-	-	(161,401)	-	-	-	-	(161,401)	(165,289)
Depreciation		(57,207)	-	-	-	(180,226)	(237,433)	(45,043)	-	-	(45,043)	(282,476)	(286,226)
Investment property impairment	1(o),15	(5,046)	-	-	-	-	(5,046)	-	-	-	-	(5,046)	-
Appeal and publicity		(222,861)	-	-	-	-	(222,861)	-	-	-	-	(222,861)	(245,177)
		(4,069,310)	-	-	-	(180,226)	(4,249,526)	(43,043)	-	-	(45,043)	(4,294,569)	(4,210,272)
RECURRING INCOME LESS EXPENDITURE		(1,569,040)	-	-	-	(180,226)	(1,749,256)	(45,043)	-	-	(45,043)	(1,794,299)	(1,964,919)
NON-RECURRING INCOME:													
Life membership subscriptions		3,630	-	-	-	-	3,630	-	-	-	-	3,630	4,290
Specific donations		168,391	-	-	-	-	168,391	-	-	-	-	168,391	32,426
Specific donations – Diana Princess of Wales Trust		2,000	-	-	-	-	2,000	-	-	-	-	2,000	40,000
Legacies		1,575,154	-	-	-	-	1,575,154	-	-	-	-	1,575,154	514,741
		1,749,175	-	-	-	-	1,749,175	-	-	-	-	1,749,175	591,457
Exceptional item - provision		7,019	-	-	-	-	7,019	-	-	-	-	7,019	14,743
		187,164	-	-	-	(180,226)	6,938	(45,043)	-	-	(45,043)	(38,105)	(1,358,719)
INCOME LESS EXPENDITURE													
Inter-fund transfers:-		-	-	-	-	-	-	-	-	-	-	-	-
Life members fund		(3,407)	-	3,407	-	-	-	-	-	-	-	-	-
CLOSING VALUE OF FUNDS		10,783,065	383,262	138,703	100,911	5,599,153	17,005,094	745,372	-	15,000	760,372	17,765,466	17,713,730

Hospice Care

Consolidated Analysis of Fund Balances Statement For the year ended 31 December 2014

	Note s	Unrestricted Funds						Restricted Funds				All Funds	
		General Fund	Capital Reserve	Life Members	Olsson	New Hospice Fund	Total	Capital Funds	Lottery Trust	Endowment Funds	Total	2014	2013
		£	£	£ 1(e)(i)	£	£ 8	£	£	£	£ 11	£	£	£
INVESTMENTS	6	3,768,150	383,262	-	-	-	4,151,412	-	-	-	-	4,151,412	3,515,864
FIXED ASSETS INVESTMENT PROPERTY	7 (0), 15	3,028,558 247,263	-	-	100,911	5,599,153	8,728,622 247,263	745,372	-	-	745,372	9,473,994 247,263	9,637,010 -
Long Term Loan		80,000					80,000					80,000	80,000
CURRENT ASSETS:-													
Sundry Debtors		64,968	-	-	-	-	64,968	-	-	-	-	64,968	128,894
Stock		11,110	-	-	-	-	11,110	-	-	-	-	11,110	5,790
Property	15	-	-	-	-	-	-	-	-	-	-	-	252,309
Bank Balances	4,6	4,337,037	-	138,703	-	-	4,475,740	-	-	15,000	15,000	4,490,740	4,368,088
Balances with Brokers		108,964	-	-	-	-	108,964	-	-	-	-	108,964	632,183
Cash in Hand		707	-	-	-	-	707	-	-	-	-	707	214
		<u>4,522,786</u>	<u>-</u>	<u>138,703</u>	<u>-</u>	<u>-</u>	<u>4,661,489</u>	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>	<u>4,676,489</u>	<u>5,387,478</u>
CURRENT LIABILITIES:-													
Creditors		(113,692)	-	-	-	-	(113,692)	-	-	-	-	(113,692)	(156,622)
		<u>(113,692)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(113,692)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(113,692)</u>	<u>(156,622)</u>
NET CURRENT ASSETS		4,409,094	-	138,703	-	-	4,547,797	-	-	15,000	15,000	4,562,797	5,230,856
LONG TERM LIABILITIES													
Loan Payable	9	(750,000)	-	-	-	-	(750,000)	-	-	-	-	(750,000)	(750,000)
		<u>10,783,065</u>	<u>383,262</u>	<u>138,703</u>	<u>100,911</u>	<u>5,599,153</u>	<u>17,005,094</u>	<u>745,372</u>	<u>-</u>	<u>15,000</u>	<u>760,372</u>	<u>17,765,466</u>	<u>17,713,730</u>

Consolidated cash flow statement

For the year ended 31 December 2014

	Notes	2014 £	2013 £
Net cash inflow / (outflow) from operating activities	1	73,403	(1,181,808)
Taxation		-	-
Servicing of finance			
Interest received		56,481	85,554
Dividend Income		80,670	59,883
		<hr/>	<hr/>
		137,151	145,437
		<hr/>	<hr/>
Capital expenditure			
Payments to acquire fixed assets		(119,461)	(277,047)
Received on disposal of fixed assets		3,000	
Payments to acquire investments		(817,733)	(1,051,662)
Proceeds from sale of investments		282,632	447,698
		<hr/>	<hr/>
		(651,562)	(881,011)
		<hr/>	<hr/>
Financing			
Received for specific capital items		40,934	111,341
		<hr/>	<hr/>
		40,934	111,341
		<hr/>	<hr/>
(Decrease) in cash in the year	2	(400,074)	(1,806,041)
		<hr/> <hr/>	<hr/> <hr/>

The notes on page 12 form part of the consolidated cash flow statement.

Notes to the Consolidated Cash Flow Statement
For the year ended 31 December 2014

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

	2014 £	2013 £
Operating (loss)	(38,105)	(1,358,719)
(Decrease) / Increase in stock	(5,320)	1,585
Decrease in debtors	46,348	52,808
(Decrease) / Increase in creditors	(42,929)	9,312
Depreciation	282,476	286,226
Impairment charge	5,046	-
Interest received	(38,903)	(61,719)
Dividend Income	(135,210)	(111,301)
	<hr/>	<hr/>
Net cash inflow / (outflow) from operating activities	73,403	(1,181,808)
	<hr/> <hr/>	<hr/> <hr/>

2. Analysis of Net Debt

	1 January 2014 £	Cash flow £	31 December 2014 £
Cash at bank	4,368,088	122,652	4,490,740
Cash held with broker	632,183	(523,219)	108,964
Cash in hand	214	493	707
Loan payable	(750,000)	-	(750,000)
Loan receivable	80,000	-	80,000
	<hr/>	<hr/>	<hr/>
	4,330,485	(400,074)	3,930,411
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

	£
Net debt at 1 January 2014	4,330,485
Decrease in cash	(400,074)
	<hr/>
Net debt at 31 December 2014	3,930,411
	<hr/> <hr/>

Notes to the Financial Statements

For the year ended 31 December 2014

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 investment property 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 2014. 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 2014

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 November 2013 for a five year period was signed on 1 November 2013. 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 £607,572 (2013: £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 2014

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 2014 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:

	2014	2013
	£	£
Group personal pension plan	51,833	50,095
Hospice Care superannuation scheme 2007	-	-
Isle of Man Government Unified Scheme	84,108	61,939
Payments to employees own private pension schemes	4,646	4,583
	<u>140,587</u>	<u>116,617</u>

£1,019 (2013: £868) 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 estimates previously made in respect of a provision against a cash balance held with Kaupthing Singer and Friedlander (Isle of Man) Limited have now been written back and funds have been received (note 4).

Notes to the Financial Statements

For the year ended 31 December 2014

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. In the current year a property previously reported as held for sale has been transferred to fixed assets as an investment property as it is being rented out over a two year lease ending May 2015.

o) Investment properties

Investment properties are initially recorded at cost and revalued to market value with any gains and losses being recognised in the consolidated statement of total recognised gains and losses. Any permanent impairment identified is recognised in the consolidated income and expenditure account.

p) Rental Income

Rental income is accounted for on an accruals basis.

2 Expenditure – Other Disclosures

Costs of management of the Group include:

	2014	2013
	£	£
Audit Fee	10,150	11,113
	<u> </u>	<u> </u>

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 £5,481 (2013 £6,308). The aim of the trust is to provide financial support to Hospice Care to support the provision of its Palliative Care Home Nursing Service. £2,000 was received during the year ended 31st December 2014 (2013: £40,000).

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. In prior years provisions were made for estimated irrecoverable balances based on up to date liquidators' reports. At the prior year end 1.4% had been provided for. In 2014 the liquidator paid out final dividends resulting in the remaining balance of 1.4% being received. This balance was less deferred interest of £7,724, which has been written off and disclosed as an exceptional item in the consolidate income and expenditure account.

This resulted in a release of a net provision of £7,019 (£14,743 in 2013) which has been disclosed as an exceptional item in the consolidated income and expenditure account.

Notes to the Financial Statements

For the year ended 31 December 2014 (continued)

5 Taxation

As the entity 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.

6 Investments – Company and Group

	2014	2013
	£	£
Non listed investments	2,288	2,288
Listed investments	4,149,124	3,513,576
	<u>4,151,412</u>	<u>3,515,864</u>

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:

	2014	2014	2013	2013
	Change in market prices	Effect on profit and net assets	Change in market prices	Effect on profit and net assets
	%	£	%	£
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Investments	5	207,571	5	175,793
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Notes to the Financial Statements

For the year ended 31 December 2014 (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 £34,865 (2013:£57,681). 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 £12.88m (2013: £12.63m). 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 2014 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:

	2014	2013
	£	£
Investments	4,151,412	3,515,864
Due from subsidiaries	1,270,236	1,270,236
Debtors and Loans Receivable	125,545	177,257
Cash	4,233,178	4,147,988
Balances with Brokers	108,964	632,183
	<hr/>	<hr/>
	9,889,335	9,743,528
	<hr/> <hr/>	<hr/> <hr/>

Notes to the Financial Statements

For the year ended 31 December 2014 (continued)

6 Investment (continued)

Credit Risk (continued)

The maximum credit exposure of the group is as follows:

	2014	2013
	£	£
Investments	4,151,412	3,515,864
Debtors and Loans Receivable	144,968	208,894
Cash	4,490,740	4,368,088
Balances with Brokers	108,964	632,183
	<u>8,896,084</u>	<u>8,725,029</u>

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

Currency Risk

Exchange rate risk represents the risk that the exchange rate of the British Pound relative to other currencies may change in a manner, which has an adverse effect of the reported value of assets, which are denominated in currencies other than the British Pounds. Exchange rate exposure is low, because the majority of the company's investments are in GBP denominated investments. Currency investments account for £1,040,635 (2013 £778,397) of the total investment value. A movement in exchange rates of 5% is not expected to have a material impact on the financial statements.

Schedule of Investments – Company and Group Listed Investments

2014	Description	2014	2013	2014	2013
		Book cost	Book cost	Market value	Market value
		£	£	£	£
	Total listed investments	3,766,777	3,109,700	4,149,124	3,513,576
	Total non-listed investments	61	61	2,288	2,288
	Total investments	<u>3,766,838</u>	<u>3,109,761</u>	<u>4,151,412</u>	<u>3,515,864</u>

Notes to the Financial Statements
For the year ended 31 December 2014 (continued)

7 a) Group Fixed Assets	Freehold Land & Buildings	Furniture & Fittings	Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 31 December 2013	10,899,104	553,788	393,143	108,254	11,954,289
Additions	23,317	54,813	26,334	14,996	119,460
Disposals	-	(2,005)	-	(19,717)	(21,722)
	<u>10,922,421</u>	<u>606,596</u>	<u>419,477</u>	<u>103,533</u>	<u>12,052,027</u>
Depreciation					
At 31 December 2013	(1,418,536)	(489,042)	(345,308)	(64,393)	(2,317,279)
Charge for the year	(208,705)	(33,760)	(25,595)	(14,416)	(282,476)
Disposals	-	2,005	-	19,717	21,722
	<u>(1,627,241)</u>	<u>(520,797)</u>	<u>(370,903)</u>	<u>(59,092)</u>	<u>(2,578,033)</u>
Net Book Value					
At 31 December 2014	<u>9,295,180</u>	<u>85,799</u>	<u>48,574</u>	<u>44,441</u>	<u>9,473,994</u>
At 31 December 2013	<u>9,480,569</u>	<u>64,743</u>	<u>47,838</u>	<u>43,862</u>	<u>9,637,012</u>

Included in Group Fixed Assets are three properties which are rented to third parties with a net book value of £469,734 in respect of which rent of £29,741 has been received.

Included in Group Fixed Assets disposals are the sale of a hoist for £500 and the part exchange of 2 vehicles to the value of £2,500. These Assets were fully depreciated at the time of sale.

b) Company Fixed Assets	Freehold Land & Buildings	Furniture & Fittings	Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
At 31 December 2013	9,011,580	504,853	391,783	68,542	9,976,758
Additions	-	37,096	26,335	-	63,431
Disposals	-	-	-	-	-
	<u>9,011,580</u>	<u>541,949</u>	<u>418,118</u>	<u>68,542</u>	<u>10,040,189</u>
Depreciation					
At 31 December 2013	(1,245,213)	(445,266)	(344,220)	(38,876)	(2,073,575)
Charge for the year	(180,226)	(27,473)	(25,325)	(7,416)	(240,440)
Disposals	-	-	-	-	-
	<u>(1,425,439)</u>	<u>(472,739)</u>	<u>(369,545)</u>	<u>(46,292)</u>	<u>(2,314,015)</u>
Net Book Value					
At 31 December 2014	<u>7,586,141</u>	<u>69,210</u>	<u>48,573</u>	<u>22,250</u>	<u>7,726,174</u>
At 31 December 2013	<u>7,766,367</u>	<u>59,586</u>	<u>47,566</u>	<u>29,666</u>	<u>7,903,185</u>

Notes to the Financial Statements

For the year ended 31 December 2014 (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 Department of Health 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 Hospice shops and is incorporated in the Isle of Man.

Pelagon Limited

The Charity's wholly owned subsidiary, Pelagon Limited was formed for the sole purpose of building a new Hospice and is incorporated in the Isle of Man. It 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 2014 (continued)

12 Investment in Subsidiary undertakings (continued)

Investment in Subsidiaries Comprises:

	2014	2013
	£	£
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:

	2014	2013
	£	£
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:

	2014	2013
	£	£
Loan – Share the Care Limited	116,653	54,176
Loan – Pelagon Limited	1,606	1,606
	<hr/>	<hr/>
	118,259	55,782

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.

<i>Share the Care Limited</i>		
	2014	2013
	£	£
Balance brought forward – due to Share the Care Limited	54,176	42,658
Cash received from subsidiary as payment on account in respect of dividend	387,000	348,000
Cash payments in the year	-	(32,040)
Dividend receivable	(324,523)	(304,442)
	<hr/>	<hr/>
Amount at the end of the year – due to Share the Care Limited	116,653	54,176

<i>Pelagon Limited</i>		
	2014	2013
	£	£
Balance brought forward – Due to Pelagon Limited	1,606	2,926
Expenses paid	-	(1,320)
	<hr/>	<hr/>
Amount at the end of the year – due to Pelagon Limited	1,606	1,606

Notes to the Financial Statements

For the year ended 31 December 2014 (continued)

13 Related Party Transactions of Hospice Care (continued)

<i>Hospice Properties Limited</i>	2014	2013
	£	£
Balance brought forward – amount (payable)	(1,270,236)	(1,270,236)
Amount paid to fund capital expenditure	-	-
Amount paid to fund refurbishment costs	-	-
	<hr/>	<hr/>
Amount at the end of the year – due from Hospice Properties Limited	<u>(1,270,236)</u>	<u>(1,270,236)</u>

14 Debtors due after more than one year

Half of the amount due in respect of a loan secured on residential property was received as a legacy in prior years. Hospice Care acquired the other half of the loan at an estimate of fair value.

15 Property held for sale

The Hospice occasionally receives residential properties as part of legacies. These properties are occasionally rented out whilst awaiting sale.

In the prior year the company and group held a property for re-sale at a value of £252,309 and recorded this in current assets. During 2013 the property was rented out and a rental agreement is now in place through to May 2015. The directors have not yet made a decision as to whether this rental agreement will be renewed or if the property is to be sold but they are waiting for an improvement in market conditions prior to making a decision. Until a decision is made the property has been transferred out of current assets and is now being recorded as an investment property at fair value. This has led to an impairment charge of £5,046 being recognised in the current year.

Investment Property

	2014	2013
	£	£
Brought forward	-	-
Transfer from current assets – property held for sale	252,309	-
Impairment charge	(5,046)	-
	<hr/>	<hr/>
Carried forward	<u>247,263</u>	<u>-</u>

16 Subsequent events

During the 31 December 2014 year end, the group was made aware it had been left a property as part of an estate, which is now in the process of being sold by the estate. Once sold, the cash received will be transferred to the group and recorded as a legacy in line with the group accounting policies. An offer has been accepted on the property prior to 31 December 2014 for the value of £265,000.

In addition, the group received one legacy of £450,000 on 26 February 2015.