



The Prince & Princess
of Wales Hospice



**Trustees' Annual Report and
Audited Financial Statements
for Year Ended 31st March 2023**

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Company Information

Directors

Ronald Bowie (Chairman)

Ian Reid (Vice-Chairman)

Robert Calderwood
Murray Cromar
Robin Gillies
David Hunter
John Kyle
Dr James Miller
Heather Matthews

Jane Scott
Hazel Tomkins
Graeme Waddell
Dr Iain Wallace
Tricia Ward
Louise Worrall

Chief Executive

Rhona Baillie

Company Secretary

Emma McMullan

Registered Office

20 Dumbreck Road
Glasgow
G41 5BW

Company Registered Number

SC 084008

Charity Registration Number

SC 012372

Bankers

The Royal Bank of Scotland
10 Gordon Street
Glasgow
G1 3AA

Virgin Money
30 St Vincent Place
Glasgow
G1 2HL

Solicitors

Lindsays LLP
100 Queen Street
Glasgow
G1 3DN

External Auditors

Martin Aitken & Co Ltd
Chartered Accountants
Caledonia House
89 Seaward Street
Glasgow
G41 1HJ

Stockbrokers

Brewin Dolphin
6th Floor Atria One
144 Morrison Street
Edinburgh
EH3 8BR G1 2NP

Quilter Cheviot
Delta House
50 West Nile Street
Glasgow

Website

www.ppwh.org.uk

Directors Strategic and Annual Report

The Directors submit their Annual Report and Financial Statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The legal and administrative information contained above forms part of this report.

1. Purpose and Principal Activities

The Prince & Princess of Wales Hospice (the Hospice) is located within Bellahouston Park in the southern suburbs of Glasgow. The principal activity of the Hospice is the care of patients with life limiting progressive disease and support for their families. The Hospice offers four distinct areas of care to patients – Inpatient, Day Services, Clinical Nurse Specialist Community team and input to Acute Hospital teams. Patients may access any or all of them, according to individual needs. From a community health perspective, the Hospice covers two Community Health Care & Social Care Partnerships with responsibility for a population of approximately 285,000 people, and receives referrals from over 100 local GP practices, as well as from the Acute Hospitals servicing particularly the South Glasgow area.

The Hospice team acts as a resource to health care professionals who provide palliative care in all of these settings. A team of over 150 (FTE) staff and 700 volunteers combine to provide patient and family care and to generate and manage the funding required. The Hospice currently receives over 1,200 new referrals a year. Care is free to all.

The Hospice operates to provide Specialist Palliative Care services in co-operation with NHS Greater Glasgow & Clyde under a service level agreement and arrangements managed through two Health and Social Care Partnerships in Glasgow City and East Renfrewshire. These arrangements are currently being revised by the Scottish Hospice Leadership Group and Scottish Government.

2. Structure, Management and Governance

Governing Document

The Prince & Princess of Wales Hospice is a charitable company limited by guarantee, incorporated on 20 July 1983 and is a Registered Scottish Charity. It is established under its Memorandum of Association which lays out the objects and powers of the company and is governed by its Articles of Association which set out the legal and organisational procedures to which its administration must adhere.

Organisational Structure and Management

The Hospice has a clear reporting structure where senior staff members with defined responsibilities report to the Chief Executive who in turn reports to the Board of Directors. Day to day operational responsibility is delegated to the Chief Executive and the Hospice management team. All members of the management team are present at regular management meetings and at all six Board meetings during the year, participating in governance subgroups as appropriate.

In addition to the provision of patient care, the Hospice operates a number of charity shops in the Glasgow area raising funds towards the provision of the care.

Directors and Trustees

The Directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are referred to as the Directors or collectively as the Board (of Directors).

Recruitment and Appointment of Directors

Under the requirements of the Memorandum and Articles of Association, members of the Board are elected to serve for a period of three years after which they must be re-elected at the next AGM. Unless otherwise resolved by the Hospice Members in General meeting, a maximum of two terms (six years) may be served. The Board has adopted a meeting and information structure under which it meets formally at least six times per year. Between formal meetings, Directors are kept in touch electronically with issues of importance.

The Board is comprised of individuals with a wide range of skills from business and financial to clinical. To maintain this balance, retired Directors are replaced by those with an appropriate skill set. This ensures that the Board sub-committees of Audit, Clinical Governance, Income Generation Governance and Staff Governance have relevant representation.

Director Induction and Training

New appointees to the Board and subsidiaries will meet with the Chairman of the Board and the Chief Executive and given a tour of the Hospice. In addition, they are invited to participate in the regular inductions available to all new staff and volunteers within the Hospice to aid in their familiarisation with the services being provided.

The Board of Directors

The Directors who served during the year ended 31 March 2023 and thereafter were as follows:

Ronald Bowie (Chairman)	Ian Reid (Vice-Chairman)
Robert Calderwood	Heather Matthews
Murray Cromar	Jane Scott (Appointed 30 November 2022)
Anice Gillespie (Resigned 29 March 2023)	Hazel Tomkins
Robin Gillies	Graeme Waddell
David Hunter	Dr Iain Wallace
John Kyle	Tricia Ward
Dr James Miller (Appointed 26 October 2022)	Louise Worrall

Clinical Governance

Clinical governance is the overall framework through which the Hospice is accountable for continuously improving clinical, corporate, staff and financial performance. The philosophy of the Hospice is to ensure the provision of high quality clinical, emotional, social and spiritual care for patients who have a progressive, life-limiting illness and support for those who care for them. Therefore, healthcare governance is integral to our service and practice. The Board has appointed the Clinical Governance Committee, comprising Directors with relevant skills and senior Hospice clinical staff to oversee policy and practice on these aspects of Hospice services.

Information Governance

The Information Governance Group, led by the Caldicott Guardian and Data Protection Officer, has the remit to ensure that all data, clinical and non-clinical, is safely and efficiently recorded and utilised and in keeping with national recommendations. The group meet regularly to review and improve systems and processes. Work continues to ensure compliance with the General Data Protection Regulation (GDPR).

Risk Management

The Directors have charged the Risk Management Committee, under the chairmanship of the Chief Executive, with supporting corporate and clinical risk management through the development and implementation of an appropriate risk management framework. This framework comprises a steering group and three sub-groups producing robust risk assessments and subsequent control measures across all departments. This structure is overseen by the Board's Audit, Clinical and Income Generation Governance Committees, which report to the Board on a regular basis. Through this structure, the Directors have assessed the major risks to which the Hospice is exposed. These fall within the following areas:

<i>Area</i>	<i>Nature of Risk</i>	<i>General description of controls & strategy</i>
Clinical care	Caring for vulnerable persons Administering medications Skin tissue vulnerability Infections	The Hospice has robust and audited operational processes and controls and is highly graded in regulatory inspections. This is supported by strong educational and HR functions for all involved in the care function. Best practice in peer organisations is sought out and implemented. All activity is overseen by the Clinical Governance Committee.
Business risks	Importance of HSCP funding Charity and other competition Poor charity media coverage Tougher data protection regulation Cost increases	The Hospice maintains good relations with its commissioners and all supporters and has robust controls in place to ensure best practice is operated. Operational groups address all risk areas and plan strategy, which includes widening the supporter base, ensuring maximum financial efficiency, and maintaining a strong communications function. All activity is overseen by the Audit and Income Generation Governance Committees.

The above risks are inherent to the activities carried out by the Hospice. Generally, the likelihood of occurrence is assessed as low, but the risks score highly because the consequence of an occurrence could be significant. The Directors are satisfied that systems are in place to minimise exposure.

Staff Governance

The Directors have appointed a Staff Governance Committee to review matters relating to employment and to advise the Board on best practice. The Committee is chaired by the Vice-Chair and includes Directors who have relevant skills and experience as well as appropriate members of the senior management team. The Hospice Staff Forum assist and inform the Committee on staff strategy for the future.

Income Generation Governance

The Board has appointed the Income Generation Governance Committee to review all income streams from fundraising activity to our retail shops performance to maximization of the income from our lottery. The group's main focus is the on-going generation of income to allow the Hospice to remain financially stable for the long term. The Committee meets and reports regularly to the Board.

Financial Governance

The Hospice Audit Committee comprises of Directors who have business and professional financial expertise. The Committee meets four times each year to consider all financial matters relating to the Hospice and its subsidiaries.

The minutes of all Governance Committees are reviewed by the Board as a standing item on its meeting agenda.

3. Strategy, Objectives and Activity

Overview

Since its inception in the 1980's the Hospice's clinical services have grown organically, responding to need and opportunity.

We support over 1,200 new patients and families every year and have developed our services to reflect the need for a flexible, patient and family centred programme of care, with an ethos of supporting people to live as well as possible, for as long as possible, in the place of their choice.

Income generation via our two main streams for revenue funding remains challenging. Around 40% of total costs are covered by funding from Glasgow City HSCP. The remaining 60% of funding is met through charitable donations and event fundraising activity. The Hospice has a wide range of such income streams, and with over 40 years of service delivery, our loyal supporter base assists us in being financially viable, although that has become very challenging due to a diverse range of changes in the external environment.

Clinical Development

For several years, the development of services of our hospice has been structured round a rolling five-year strategy, known as Vision & Values. This focuses on our clinical strategy which reflects our aspiration towards modern, innovative, inclusive palliative care services for people of all ages and from all backgrounds. Services are shaped around the needs of our patients and their families and carers, reflecting the expectations of today and tomorrow's patients.

The essence of palliative care lies in the care which is delivered. Our hospice is committed to working in partnership with patients and their families and carers, staff and volunteers, external health and social care professionals, and the wider community. The consultation and development of each of our periodic strategies is a demonstration of this commitment. As a result of this engagement our hospice's Mission Statement, Values and Strategic aims have been modified and developed to be as follows:

Our Mission Statement: The Hospice's mission is to provide high quality, person centred care for all those affected by life limiting conditions.

Our Values are:

- Care and compassion for our patients and their families
- Striving for excellence
- Dignity and respect
- Fairness and integrity
- Feeling valued as part of the hospice community

Our strategic clinical aims are:

- **Lead** - Maintain a leading position in the delivery palliative and end of life care through to bereavement care for all those affected by a life-limiting condition.
- **Learn** - Develop our local, national and international research and knowledge sharing with a focus on the education and support of the workforce providing care.
- **Collaborate** - Develop and deliver our services in collaboration with patients, their families and carers and our partners.
- **Transform** - Develop a comprehensive digital strategy to support effective delivery of our clinical services.
- **Reveal** - Work with our communities to develop an understanding of the importance of good palliative and end of life care through to bereavement care.

We will continue to co-produce services, maintain people's enthusiasm and engagement, and ensure that there are further opportunities for engagement to make sure our services remain sustainable and fit for the future.

Inpatient Unit

Our inpatient unit has sixteen en-suite, single rooms with one double bed settee in each room. These beds are divided between two areas, one with six beds and one with ten beds. Each of the rooms opens onto its own patio with access to gardens at one side. There is a communal seating area in the centre of the unit, where patient and families are encouraged to relax. People can also use our family social area, which is situated between the two inpatient areas, to share a meal or a cup of tea.

After negotiation with Healthcare Improvement Scotland (HIS), our regulator, in recognition of the work we have been leading to transition young adults to an adult hospice setting, HIS agreed to lower our age limit for patients to fifteen years old, on an individual patient basis. We are currently the only adult hospice in Scotland with this provision.

Strategic aims and activity for our Inpatient Unit continue to include:

- The efficient and effective utilisation of inpatient beds: A new team is being developed to manage all hospice referrals to help streamline our processes and ensure the right people are seen by the right service at the right time. This service development was delayed by the recruitment issues being seen right across the health and social care sector.
- Efficient and effective patient-centred discharge planning: This is becoming increasingly challenging due to the reduction of available placements for people, who no longer have specialist needs, to be transferred to. Our new strategy will focus on the redesign of services to support more effective discharge whilst still providing patient-centred care.
- Offering age-appropriate care to young adults: We conducted a very well evaluated "Short Break Stay" pilot to support young adults, with life-limiting illness, and their carers to have respite in an age-appropriate environment. This service is now being established as part of our core service provision using respite budgets to fund a sustainable service.

Living Well Hub

Our outpatient and day services are now come under the umbrella of our Living Well Hub. We have three consulting rooms, a well-equipped treatment room, four complementary therapy rooms, a beautiful hairdressing salon, a nail bar, and a relaxing waiting area outside our main lounge. Within the department there is also a multipurpose room, where many different activities can take place, with fully accessible toilets, shower and a Changing Places facility. These services are crucial in promoting independent living and quality of life for our patients, their families and carers.

The services offered in the Living Well Hub include medical, nurse-led and rehab clinics as well as financial and social support from organisations with whom we collaborate. Patients and carers have access to art, mindfulness, body clock sessions, exercise, gardening, hairdressing and complementary therapies. Patients and carers can use our Trishaws to help patients experience the outdoors in our park. Patients and carers can also access support virtually through our online options.

The service has developed to meet the unique needs of young adults transitioning to an adult hospice environment, aiming to develop our services based on the extended requirements of our widening patient group. We are supporting young adults with a diverse range of conditions who require palliative care. Our current experience is that their care requires a high level of resource. We currently have young adults accessing a range of Living Well Hub services including counselling, rehab, creative art, nurse and medical symptom management clinics, complimentary therapies, and hairdressing.

We continue to collaborate with Children Hospice Association Scotland (CHAS) to deliver a successful Transition Clinic. The transition process from paediatric to adult hospice is uniquely challenging for young adults (YA) living with non-malignant life limiting conditions and this clinic is being viewed across Scotland as pioneering in its field. Our relationships with Learning Disability teams and Education departments, compounded by the recommendation of the YA or their families about our services is causing this caseload to rapidly increase.

Our strategic aims and activity for our Living Well Hub service continue to include:

- Delivery of a range of outpatient services tailored to the individuals' needs and preferences.
- Develop services that increase awareness and promote self-management and quality of life.
- Raising our profile with our communities, and joint working with our partners, increasing support for our patients and carers.

Community Services

Our Community Services Team supports patients and their families and carers who are unable to access other services. The team's skill mix has been developed and now includes staff nurses and sessions from a rehabilitation assistant, who support our clinical nurse specialists and our medical consultant. Over this year the team has actively engaged with General Practitioners, District Nurses and services leads to gather feedback on service provision. The feedback to date has been very positive with other health professionals commenting on how responsive and knowledgeable they find the team, with the 7-day service providing a visiting service over weekends being highly valued. The introduction of Nurse Prescribers to the team has also been evaluated as positively influencing patient outcomes. The provision of joint medical visits with these skilled nurses and the hospice medical team is also a respected resource, with the 24-hour access to medical advice being instrumental in supporting excellent symptom control.

Our strategic aims and activity of the Community Services Team continue to include:

- Further integration with Primary Care Teams to promote joint working and shared care.

- Further development of a multi-professional approach within our hospice team to ensure effective and efficient working.
- Effective support for complex and high dependency patients and their families and carers at home.

Art Services

Art Services have been part of our services for many years and were initially managed externally by Art in Hospital. They became part of our core service in 2015 and as such have a place within our clinical strategy. Our artists are engaging with services across Scotland to extend their practice and participate in research to develop the model of care they provide. Our inspiring team are working collaboratively with academic leads to research and support the evidence base for Art Services in supporting an individual's autonomy, and have played a pivotal role in reducing isolation, increasing self-esteem, and developing trust with our young adult population who suffer from non-malignant disease, some of whom had not engaged in creative work for many years as their disabilities increased. The art team works with patients and families across all hospice services.

Our strategic aims and activity of the Art Services Team include:

- Co-production in relation to the service design, ensuring that art is accessible, appropriate and working in support of each individual's needs, abilities and interests.
- Continue to research and develop models of practice which support a person's autonomy.
- Continue to build partnerships with professionals and organisations that support and nourish the creative services we provide.

Family Support Services

As an integral part of the hospice, the Family Support Service comprises of a range of professionals including a social worker, counsellors, a development worker and chaplaincy. Our Family Support Service offers care and support for adults, children and young people, helping our patients and their families and carers live with the effects of life-limiting illness. We work closely with all of them to provide practical, emotional and spiritual support through counselling and support services, a social work service, chaplaincy services, our Children and Young People Services and support and advice for professionals and community partners.

The team have worked in partnership with Glasgow City and East Renfrewshire Council to engage with local school and health-based partnerships for promotion of a whole school approach to loss, grief and bereavement.

Our strategic aims and activity for the Family Support Service continue to include:

- Development of innovative support models within and outwith our hospice and in partnership with other providers.
- Widening a multidisciplinary approach to providing psychological, emotional, practical and spiritual support to patients and families.
- Developing more opportunities for volunteers to work within the service.

Clinical Education

We have reported on our Education and Workforce Strategy for Developing People and the Workforce Capacity of Our Community. We combined our strategic documents which are driving change and fully utilised the expert knowledge, skills and experience residing in our hospice team to lead improvement within palliative care in Scotland and beyond. We focused on developing leadership, management and talent, acquiring commercial capacity, releasing community potential, promoting healthy learning, life and work and growing an innovation hub.

We have made great progress across the arms of this strategy, developing our leadership capacity, are more commercial in the delivery of our education packages, have continued to deliver and expand the end of life skills training to our community and have supported flexible working practices and participated in much needed palliative care research. We will launch a new Workforce Development Strategy focusing on attracting, recruiting, supporting and developing a more diverse workforce to thrive in order to continue to achieve excellence across our service deliver.

Research

Part of delivering high-quality specialist palliative care across all settings is maintaining most up-to-date practice through awareness of and involvement in research. Our Hospice has an established research group to encourage involvement with external researchers. The group has established a robust governance process and the framework for research within our Hospice. This has informed the internal and external research currently being conducted.

We have a portfolio of research and development projects including:

- Dying in the Margins
- Creativity, Empathy and Care
- Care Pac - a remote monitoring tool for patients and their carers
- What's the script? – developing the prescribing capacity of our community team to enhance safe effective care
- Views of Care

We are regularly approached to support an ever-wider range of projects and are now planning to develop our research strategy to complement the work previous undertaken on our research framework.

HR and Volunteer Services

Our dedicated team of staff and volunteers are the Hospice's greatest asset in its mission to provide consistently high standards of care and service to patients and families. The way in which we lead, manage and develop our team of staff and volunteers is essential to the provision of high quality care and service. Long-term success requires thorough recruiting and retaining a well-managed, highly skilled and motivated workforce who have the right opportunities to learn and develop.

The Hospice maintains its gold level accreditation for Investors in People.

Income Generation

Work has continued on the development of new income streams and the strengthening of existing ones. These initiatives include efforts to refresh and expand the financial contribution from our shops and lottery and to nurture and develop the many new supporter contacts gained over the recent years. As part of this process, an ongoing review and monitoring of all our income generating functions is in place, reflecting the challenging and competitive economic conditions in which we operate.

Corporate and Community Fundraising

The Fundraising team play an integral role in helping to provide the hospice services to our patients and families. Since March 2020, the team have been faced with a number of significant challenges including the Covid pandemic, cost of living crisis and the war in Ukraine. All of this has created a very unstable economy which has resulted in corporate resistance and heavily reduced spending in and around our community for the past couple of years, however signs of improvement have been seen throughout this financial year across our corporate and community events programme. Traditional methods of fundraising have altered, and the team are continually looking at alternative methods of fundraising and also reviewing good practice. Alongside this, focus on building the hospice's supporter base and ensuring a maximised supporter journey is achieved is crucial to supporting future financial stability.

Retail

The 2022/23 financial year ended with shop stock at 17 units. The central retail hub continues to better manage donations and the distribution of stock to all retail outlets. Strategic plans include consolidation of arrangements for a central hub and the continued expansion of our online offering. We have built our online presence, and we now have our own online shop and are members of various other retail offerings online.

Lottery

The Hospice lottery continues to provide an important income stream for our fundraising. We continue to actively persuade players to convert to electronic membership, mainly by direct debit payment. Development of our website has made electronic membership more accessible. We continue in our efforts to grow our supporter base more widely.

4. Financial Review

Going Concern Basis of the Financial Statements

In preparing the Financial Statements, the Directors have had regard to the financial position of the Hospice as evidenced in the Consolidated Balance Sheet on page 15, to the detailed budgets prepared for the following financial year 2023-24 and to the likely sources of income during that period.

The Directors are satisfied that presentation of the financial statements on the basis of the Hospice as a going concern is appropriate, and the financial statements have therefore been presented on that basis.

Principal Funding Sources

It costs over £5 million each year to run the Hospice's current facility and services.

The Hospice is partly funded by a contribution from Glasgow City HSCP on the basis of a Service Level Agreement (SLA). An increase of 2 percent has been agreed for 2023-24.

In 2022-23, HSCP funding of £2,427,599 (2021-22: £2,373,248) was received. Funding included free issue pharmaceuticals and supplies valued at £75,586 (2021-22: £55,676).

The remainder of the funds required to provide the Hospice services are raised through a combination of grants, direct donations, fundraising events and investment and legacy income.

Result for the Year

In 2022-23, the Hospice recorded an operating deficit of £386,097 (2021-22: surplus of £1,213,978). The expectation of breaking even at the operating profit/loss level will be extremely difficult over the next 2 to 3 financial years, as interest rates remain uncertain, and cost of living continues to impact spending.

Reserves policy

The Directors have a policy whereby reserves will be retained to generate income to meet future operating costs and proposed capital expenditure. The Directors have decided that a level of General Reserve equivalent to around 6 months of ordinary expenditure is prudent to ensure the Hospice's future viability. The Directors consider the level of free reserves at 31 March 2023 to be £684,573.

Investment policy

Funds which are available for investment are placed having regard to the expected future cash requirements of the Hospice. Our funds are managed on a discretionary basis by professional stockbrokers. The stockbrokers' remit is to achieve a balance between the capital growth without exposing the Hospice to unnecessary risk.

At 31st March 2023, our investments have a market value of £4,826,879, with a historical cost of £4,637,894.

5. Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

-
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure to the Auditor

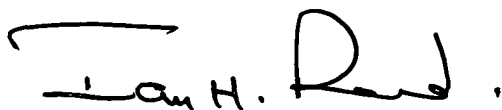
In so far as the trustees are aware:

- there is no relevant audit information of which the charity auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

6. Auditors

A resolution to re-appoint Martin Aitken & Co. Ltd as auditors to the company will be proposed at the Annual General Meeting.

This Report was approved by the trustees on 25 October 2023 and signed on their behalf by:



IAN REID
Vice-Chairman

Independent Auditor's Report to the Trustees

Opinion

We have audited the financial statements of The Prince & Princess of Wales Hospice (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Group and Parent Charitable Company's Statement of Financial Activities, the Group and Parent Charitable Company's Balance Sheets, the Group and Parent Charitable Company's Cash Flow Statements and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 March 2023 and of the group's and the parent charitable company's incoming resources and application of resources including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Annual Report & Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Annual Report and Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' annual report and strategic report.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

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

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;

- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Ewen Dyer BA CA
Senior Statutory Auditor
For and on behalf of Martin Aitken & Co Ltd, Chartered Accountants

Caledonia House, 89 Seaward Street
Glasgow
G41 1HJ

25 October 2023

Martin Aitken & Co Ltd is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Consolidated Statement of Financial Activities

For the year ended 31st March 2023

	Note	Unrestricted Funds 2023	Restricted Funds 2023	Total Funds 2023	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022
		£	£	£	£	£	£
Income and endowments from:							
Donations and legacies	5	1,626,042	-	1,626,042	1,288,580	-	1,288,580
Income from charitable activities:							
Specialist palliative care	6	2,533,805	184,081	2,717,886	2,438,740	139,722	2,578,462
SG emergency funding	6	-	-	-	616,715	-	616,715
Other trading activities	7	3,440,708	-	3,440,708	3,085,321	-	3,085,321
Investments	8	149,803	-	149,803	93,924	-	93,924
Other incoming resources	9	269,859	-	269,859	58,864	-	58,864
Total Income		8,020,217	184,081	8,204,298	7,582,144	139,722	7,721,866
Expenditure on:							
Raising funds:							
Other trading activities	10	2,546,413	-	2,546,413	2,191,163	-	2,191,163
Charitable activities	11	5,518,720	226,302	5,745,022	4,382,001	107,106	4,489,107
Total Expenditure		8,065,133	226,302	8,291,435	6,573,164	107,106	6,680,270
Net income/(expenditure) and net movement in funds before gains and losses on investments		(44,916)	(42,221)	(87,137)	1,008,980	32,616	1,041,596
Realised gain on investments		(38,264)	-	(38,264)	51,560	-	51,560
Unrealised gains/(losses) on investments	16	(260,696)	-	(260,696)	120,822	-	120,822
Net income/(expenditure)		(343,876)	(42,221)	(386,097)	1,181,362	32,616	1,213,978
Transfers between funds		-	-	-	-	-	-
Net movement in funds		(343,876)	(42,221)	(386,097)	1,181,362	32,616	1,213,978
Funds reconciliation							
Total Funds brought forward		27,927,238	192,067	28,119,305	26,745,876	159,451	26,905,327
Total Funds carried forward	19	27,583,362	149,846	27,733,208	27,927,238	192,067	28,119,305

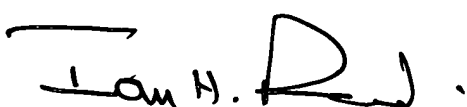
The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

Consolidated Balance Sheet

As At 31st March 2023

	Note	2023	2022
		£	£
Fixed assets:			
Tangible assets	15	19,201,966	19,357,323
Investments	16	4,826,879	4,148,002
Total Fixed Assets		24,028,845	23,505,325
Current assets:			
Debtors	17	641,236	723,496
Stock		33,282	11,823
Short term deposits	22	1,706,810	717,311
Cash at bank and in hand	22	2,105,866	3,972,246
		4,487,194	5,424,876
Liabilities:			
Creditors falling due within one year	18	782,831	810,896
Net Current Assets		3,704,363	4,613,980
Total Assets less Current Liabilities		27,733,208	28,119,305
Reserves:			
Restricted funds	19		
General		149,846	192,067
Unrestricted Funds	19		
Designated income funds			
Fixed asset reserve		19,201,966	19,357,323
Digital Transformation project		240,936	296,725
Social Enterprise project		105,000	105,000
Young Adults' Service		431,726	595,083
Service development reserve		92,282	100,000
Retail Central Hub Facility		2,000,000	2,000,000
Other unrestricted funds	19		
General reserve		5,511,452	5,473,107
Total funds		27,733,208	28,119,305

These financial statements were approved by the board on 25 October 2023 and signed on its behalf by:



IAN REID
Vice-Chairman



DAVID HUNTER
Director

Company Registration No. SC084008
The notes on pages 19 to 37 form part of these financial statements.

Statement of Financial Activities

For Year Ended 31st March 2023

	Note	Unrestricted Funds 2023	Restricted Funds 2023	Total Funds 2023	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022
		£	£	£	£	£	£
Income and endowments from:							
Donations and legacies	5	1,625,012	-	1,625,012	1,285,095	-	1,285,095
Income from charitable activities:							
Specialist palliative care	6	2,438,743	184,081	2,622,824	2,377,627	139,722	2,517,349
SG emergency funding	6	-	-	-	616,715	-	616,715
Other trading activities	7	3,335,085	-	3,335,085	3,039,313	-	3,039,313
Investments	8	169,030	-	169,030	113,460	-	113,460
Other incoming resources	9	269,859	-	269,859	58,864	-	58,864
Total Income		7,837,729	184,081	8,021,810	7,491,074	139,722	7,630,796
Expenditure on:							
Raising funds							
Other trading activities	10	2,463,792	-	2,463,792	2,161,957	-	2,161,957
Charitable activities	11	5,408,000	226,302	5,634,302	4,299,514	107,106	4,406,620
Total Expenditure		7,871,792	226,302	8,098,094	6,461,471	107,106	6,568,577
Net income/(expenditure) and net movement in funds before gains and losses on investments		(34,063)	(42,221)	(76,284)	1,029,603	32,616	1,062,219
Realised gains on investments		(38,264)	-	(38,264)	51,560	-	51,560
Unrealised gains/(losses) on investments	16	(260,696)	-	(260,696)	120,822	-	120,822
Net income/(expenditure)		(333,023)	(42,221)	(375,244)	1,201,985	32,616	1,234,601
Transfers between funds		-	-	-	-	-	-
Net movement in funds		(333,023)	(42,221)	(375,244)	1,201,985	32,616	1,234,601
Funds reconciliation							
Total Funds brought forward		28,045,572	192,067	28,237,639	26,843,587	159,451	27,003,038
Total Funds carried forward	19	27,712,549	149,846	27,862,395	28,045,572	192,067	28,237,639

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

Balance Sheet

As At 31st March 2023

	Note	2023	2022
		£	£
Fixed assets:			
Tangible assets	15	19,251,966	19,407,323
Investments	16	4,827,880	4,149,003
Total Fixed Assets		24,079,846	23,556,326
Current assets:			
Debtors	17	728,041	791,687
Stock		8,205	8,935
Short term deposits	22	1,706,810	17,311
Cash at bank and in hand	22	2,104,228	3,970,320
		4,547,284	5,488,253
Liabilities:			
Creditors falling due within one year	18	764,735	806,940
Net Current Assets		3,782,549	4,681,313
Total Assets less Current Liabilities		27,862,395	28,237,639
Reserves:			
Restricted funds	19		
General		149,846	192,067
Unrestricted Funds	19		
Designated income funds			
Fixed asset reserve		19,251,966	19,407,323
Digital Transformation project		240,936	296,725
Social Enterprise project		105,000	105,000
Young Adults' Service		431,726	595,083
Service development reserve		92,282	100,000
Retail Central Hub Facility		2,000,000	2,000,000
Other unrestricted funds	19		
General reserve		5,590,639	5,541,441
Total funds		27,862,395	28,237,639

These financial statements were approved by the board on 25 October 2023 and signed on its behalf by:

IAN REID
Vice-Chairman

DAVID HUNTER
Director

Company Registration No. SC084008
The notes on pages 19 to 37 form part of these financial statements.

Consolidated & Charity Statement of Cash Flows

For Year Ended 31st March 2023

	Note	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
<i>Cash flows from operating activities:</i>					
Net cash provided by (used in) operating activities	21	26,704	7,766	1,588,622	1,609,460
<i>Cash flows from investing activities:</i>					
Purchase of tangible fixed assets		(75,555)	(75,555)	(54,713)	(54,713)
Sale of Tangible Fixed Assets		-	-	-	-
Investments added		(2,034,512)	(2,034,512)	(456,679)	(456,679)
Sale of investments		1,056,678	1,056,678	506,812	506,812
Investment income received		149,803	169,030	93,924	113,460
Net cash (used in) provided by investing activities		(903,586)	(884,359)	89,344	108,880
Change in cash and cash equivalents in the year		(876,882)	(876,593)	1,677,966	1,718,341
Cash and cash equivalents brought forward	22	4,689,557	4,687,631	3,011,591	2,969,291
Cash and cash equivalents carried forward	22	3,812,675	3,811,038	4,689,557	4,687,631

Notes to the Consolidated Financial Statements

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

The Financial Statements (Accounts) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these Financial Statements.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Financial Statements consolidate the results of the wholly owned subsidiary companies Hospice Enterprises Limited and Hospice Developments Limited as well as the results of the controlled subsidiary SCIO Beauty with a Conscience.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The charity constitutes a public benefit entity as defined by FRS 102.

Going concern

The Directors consider that there are no material uncertainties about the charity's ability to continue as a going concern.

In preparing the Financial Statements, the Directors have had regard to the financial position of the Hospice as evidenced in the Consolidated Balance Sheet on page 15, to the detailed budgets prepared for the following financial year 2023-24, to the likely sources of income during that period.

The Directors are satisfied that presentation of the financial statements on the basis of the Hospice as a going concern is appropriate, and the financial statements have therefore been presented on that basis.

(b) Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received, and the amount of income receivable can be measured reliably.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash, or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received, and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Income from fundraising events operated by the group is credited to Income and Expenditure account in the period in which the event took place.

Gift Aid and similar tax recoveries are credited to the income heading which gave rise to the tax recovery.

Material donations of assets, services or facilities are included at the value to the Hospice where this can be reasonably quantified. The value of services provided by volunteers is not included in the Financial Statements.

(c) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required, and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accrual's basis.

All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

- Expenditure on charitable activities includes Specialist Palliative Care and other activities undertaken to further the purposes of the charity and their associated support costs;
- Raising funds – other trading activities includes fundraising costs and shop costs;

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

(d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

(e) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an appropriate apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on time spent. The allocation of support and governance costs is analysed in note 12.

(f) Tangible fixed assets

Depreciation is provided on a straight-line basis on fixed assets for the purpose of writing off each asset over its estimated useful life at the following rates:

Heritable property (Incl. New Hospice)	0-4% p.a.
Property refurbishment	20% p.a.
Equipment	25% p.a.
Patient transport	12.5% p.a.
Other motor vehicles	25% p.a.
Fixtures and fittings in leased premises	over the period of the lease (from 2 to 15 years)

Fixed assets are included at cost less accumulated depreciation and accumulated impairment losses. Where estimated residual value at the balance sheet date is considered to be equivalent to net book value, no depreciation will be charged.

(g) Fixed asset investments

Investments are initially recognised at cost then subsequently at fair value, being the quoted market value. Realised gains and losses (representing the difference between sales proceeds and fair value at the previous financial year end or purchase cost if acquired during the financial year) and unrealised gains and losses (representing the movement in fair value of investments over the financial year or from their date of purchase if acquired during the financial year) are recognised within income and expenditure in the Statement of Financial Activities.

(h) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

(i) Stocks

Stocks of bought in goods are stated at the lower of cost and net realisable value. As it is not practical to value items donated for resale on receipt because of the volume of low value items, they are not recognised in the financial statements until they are sold.

(j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(k) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(l) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

(m) Pension schemes

The company operates a defined contribution pension scheme which requires contributions to be made to a separately administered fund. Employer's contributions are charged to the Consolidated Income and Expenditure Account in the period in which they become due. In addition, staff who are eligible are members of the National Health Service Superannuation Scheme for Scotland. This is a multi-employer defined benefit scheme. The Hospice is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis and hence this is accounted for as though a defined contribution scheme as per above.

(n) Taxation

The company has charitable status for tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received, to the extent that such income or gains are applied to exclusively charitable purposes. The trading subsidiary is subject to Corporation Tax, but this is relieved by the transfer of all trading surpluses to the Hospice.

2. Legal status

The company is limited by guarantee and does not have a share capital. On 14 July 1980, the Secretary of State at the Department of Trade authorised the company to dispense with the word "Limited".

According to the Memorandum of Association of the company, every member undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, or within one year after he ceased to be a member, for payment of the debts and liabilities the company contracted before he ceased to be a member, and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributors amongst themselves, such amount as to be required, not exceeding £5. On 31 March 2023 the charity had 57 members. The number of members is limited to 500.

3. Financial activities of subsidiaries

a. A summary of the financial activities undertaken by Hospice Enterprises Limited is set out below:

	2023 £	2022 £
Turnover	99,793	42,839
Cost of sales	(44,953)	(19,299)
Administration costs	(35,613)	(4,004)
Profit before taxation	19,227	19,536
Taxation	-	-
Donation to parent company	19,227	19,536

The assets and liabilities of the Hospice Enterprises Limited were:

Fixed assets	-	-
Current assets	24,065	7,445
Current liabilities	(23,065)	(6,445)
Total net assets	1,000	1,000

Aggregate share capital and reserves	1,000	1,000
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The wholly owned trading subsidiary Hospice Enterprises Limited, which is incorporated in Scotland, carries out fundraising activities with surpluses donated to The Prince & Princess of Wales Hospice by way of donation. The company carries out trading activities for the charity located within the Hospice and its current assets and liabilities at the year-end were related to that activity. This year the subsidiary reported a profit after tax of £19,227 (2022: £19,536). The charity owns the entire share capital of 1,000 ordinary shares of £1. A summary of the trading results is shown above.

b. A summary of the financial activities undertaken by Beauty with a Conscience (SCIO) is set out below:

	2023 £	2022 £
Income from donations & grants	1,030	16,394
Income from charitable activities	95,062	48,205
Income from trading activities	5,831	3,169
	101,923	67,768
Expenditure on charitable activities	(104,322)	(82,487)
Expenditure on other trading activities	(8,454)	(5,904)
(Deficit)/Surplus	(10,853)	(88,391)
Taxation	-	-
Funded by Parent Company	(10,853)	(20,623)

The assets and liabilities of Beauty with a Conscience (SCIO) were:

	2023 £	2022 £
Current assets	4,880	6,304
Current liabilities	(84,067)	(74,639)
Total net assets	(79,188)	(68,335)

"Beauty with a Conscience" was formed as a Scottish Charitable Incorporated Organisation (SCIO) which will operate as subsidiary of the Hospice, whilst working on a joint basis with Glasgow Clyde College to provide work experience in a real commercial environment for students taking courses in Beauty Treatments. This venture commenced trading in November 2018, with all future surpluses to be transferred to the Hospice.

c. A summary of the financial activities undertaken by Hospice Developments Limited is set out below:

	2023	2022
	£	£
Turnover including interest receivable	-	-
Costs	-	-
Net (loss)/profit	-	-
Taxation	-	-
Donation to Parent Company	-	-
The assets and liabilities of the Hospice Developments Limited were:		
Fixed assets	-	-
Current assets	1	1
Current liabilities	-	-
Total net assets	1	1
Aggregate share capital and reserves	1	1

The wholly owned trading subsidiary Hospice Developments Limited, incorporated in Scotland, organised, and oversaw the development of the new Hospice facilities. The company was dormant throughout the current and prior year.

4. Related party transactions and directors' expenses and remuneration

Directors, senior management and their families may benefit from the charitable services of the Hospice in the ordinary course of its work. Provision of such services is independently subject to the same clinical referral criteria and process as is applied to all members of the public.

Directors, senior management and their families may purchase event tickets and bid for auction prizes at such events on the same commercial basis as such items are available to other supporters of the Hospice.

The Directors all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2022-23: £nil). It is the charity's policy to not pay expenses to trustees.

Total donations by Directors, senior management and their families amounted to £26,541 (2021-22 £50,053).

During the year no Director, senior manager or their families had any personal interest in any contract or transaction entered by the charity (2021-22: none).

The only related parties, with which the Hospice has transacted during the year, are the company's subsidiary companies, Hospice Enterprises Limited, Beauty with a Conscience, and Hospice Developments Limited. All trading surpluses of Hospice Enterprises Limited have been paid to the company in the form of donations. The deficit of Beauty with a Conscience has been subject to an Independent Examination by the Hospice's auditors. The deficit will be funded by the Hospice.

5. Income from donations and legacies

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Donations	789,822	788,792	667,204	663,719
Legacies	836,220	836,220	621,376	621,376
	<u>1,626,042</u>	<u>1,625,012</u>	<u>1,288,580</u>	<u>1,285,095</u>

6. Income from charitable activities

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Specialist Palliative Care				
NHS/HSCP	2,427,599	2,427,599	2,373,248	2,373,248
Beauty With a Conscience	95,062	-	48,205	-
Grants received	195,225	195,225	157,009	144,101
	<u>2,717,886</u>	<u>2,622,824</u>	<u>2,578,462</u>	<u>2,517,349</u>
SG Emergency Funding				
Covid-19 Support	-	-	616,715	616,715
	<u>2,717,886</u>	<u>2,622,824</u>	<u>3,195,177</u>	<u>3,134,064</u>

Income from charitable activities includes £2,427,599 (2022: £2,373,248) received from Glasgow City Health and Social Care Partnership towards running costs of the Hospice services. There are no unfulfilled conditions or contingencies associated with these government grants.

7. Income from other trading activities

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Events & fundraising Income	1,070,964	1,070,964	1,287,638	1,287,638
Lottery income	792,994	792,994	682,501	682,501
Trading Income	1,471,127	1,471,127	1,069,174	1,069,174
Retail income	105,623	-	46,008	-
	<u>3,440,708</u>	<u>3,335,085</u>	<u>3,085,321</u>	<u>3,039,313</u>

8. Investment income

	Group 2023 £	Charity 2023 £	Group 2022 £	Charity 2022 £
Hospice Enterprises Limited	-	19,227	-	19,536
Hospice Developments Limited	-	-	-	-
Dividend income	136,678	136,678	93,371	93,371
Interest from short term deposits	13,125	13,125	553	553
	<u>149,803</u>	<u>169,030</u>	<u>93,924</u>	<u>113,460</u>

9. Other income - Group & Charity

	2023	2022
	£	£
Education	5,526	-
Rental Income	26,262	-
Café Income	238,071	58,864
	<u>269,859</u>	<u>58,864</u>

10. Raising funds – expenditure on other trading activities

	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Direct costs of fundraising events	359,583	359,583	380,518	380,518
Lottery prizes and expenses	408,490	408,490	364,358	364,358
Costs of trading activity	1,241,237	1,241,237	1,028,984	1,028,984
Costs of retail activity	82,621	-	29,207	-
Other fundraising costs	454,482	454,482	388,096	388,097
	<u>2,546,413</u>	<u>2,463,792</u>	<u>2,191,163</u>	<u>2,161,957</u>

11. Analysis of expenditure on charitable activities

Specialist Palliative Care	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Staff Costs	4,212,603	4,146,054	3,349,512	3,303,652
Depreciation	229,493	229,493	247,774	247,774
Governance costs (note 12)	33,411	33,411	30,859	30,859
Support costs (note 12)	194,811	194,811	185,480	185,480
Other	1,074,704	1,030,533	675,482	638,855
	<u>5,745,022</u>	<u>5,634,302</u>	<u>4,489,107</u>	<u>4,406,620</u>

12. Allocation of governance and support costs – Group

The breakdown of support costs and how these have been allocated between governance and other support costs is shown in the table below:

Cost type	Governance related £	Other support costs £	2023 Total allocated £	Basis of apportionment
Staff costs	21,646	194,811	216,457	Staff time
Total	21,646	194,811	216,457	

Cost type	Governance related £	Other support costs £	2022 Total allocated £	Basis of apportionment
Staff costs	20,609	185,480	206,089	Staff time
Total	20,609	185,480	206,089	

Governance costs:	2023 £	2022 £
Auditor's remuneration	11,765	10,250
Support costs (see above)	21,646	20,609
	33,411	30,859

Breakdown of governance and support costs by activity;

	Governance	Support costs	2023 £
Specialist palliative care	33,411	194,811	228,222

	Governance	Support costs	2022 £
Specialist palliative care	30,859	185,480	216,339

13. Analysis of staff costs and remuneration of key management personnel

	Group 2023 £	Group 2022 £
Salaries	4,205,953	3,618,288
Social Security costs	414,768	354,871
Employer's Pension costs	310,798	415,201
	<u>4,931,519</u>	<u>4,388,360</u>
Key management personnel remuneration	<u>295,459</u>	<u>291,285</u>

None of the directors received any remuneration or expenses during the year (2022: Nil).
The disclosures with regard to key management personnel include senior medical staff.

The number of employees whose employee benefits fell within the following bands are as follows:

	2023	2022
£110,000 - £120,000	1	1
£100,000-£110,000	1	1
£90,000 - £100,000	0	0

	No.	No.
The average weekly number of persons, by headcount, employed by the charity during the year was:	169	160

14. Net income/(expenditure) for the year - Group

This is stated after charging:	2023 £	2022 £
Depreciation	229,493	247,773
External auditors' remuneration	9,750	8,500
Other services		
Subsidiary audit fee	1,150	1,000
Subsidiary Independent examination	865	750
Non-audit services	-	-

15a. Tangible Fixed Assets – Group

	Heritable Property £	Equipment & Vehicles £	New Hospice £	Total £
Cost or valuation				
At 1 April 2022	151,041	1,401,865	18,897,525	20,450,431
Additions	-	75,555	-	75,555
Disposals	(1,115)	(3,116)	-	(4,231)
At 31 March 2023	149,926	1,474,304	18,897,525	20,521,755
Depreciation				
At 1 April 2022	115,708	977,402	-	1,093,110
Charge for the year	6,395	223,098	-	229,493
Eliminated on disposals	(1,115)	(1,699)	-	(2,814)
At 31 March 2023	120,988	1,198,801	-	1,319,789
Net book value				
At 31 March 2023	28,938	275,503	18,897,525	19,201,966
At 31 March 2022	35,334	424,464	18,897,525	19,357,323

15b. Tangible Fixed Assets - Company

	Heritable Property £	Equipment & Vehicles £	New Hospice £	Total £
Cost or valuation				
At 1 April 2022	151,041	1,401,865	18,947,525	20,500,431
Additions	-	75,555	-	75,555
Disposals	(1,115)	(3,116)	-	(4,231)
At 31 March 2023	149,926	1,474,304	18,947,525	20,571,755
Depreciation				
At 1 April 2022	115,708	977,402	-	1,093,110
Charge for the year	6,395	223,098	-	229,493
Eliminated on disposals	(1,115)	(1,699)	-	(2,814)
At 31 March 2023	120,988	1,198,801	-	1,319,789
Net book value				
At 31 March 2023	28,938	275,503	18,947,525	19,251,966
At 31 March 2022	35,334	424,464	18,947,525	19,407,323

16. Fixed Asset Investments

<i>Group</i>	Consolidated £
Market Value	
At 1 April 2022	4,148,005
Additions	2,034,512
Disposals	(1,094,942)
Revaluation	(260,696)
At 31 March 2023	<u>4,826,879</u>
At 31 March 2022	<u>4,148,002</u>

<i>Company</i>	Listed £	Unlisted £	Total £
Market Value			
At 1 April 2022	4,148,005	1,001	4,149,006
Additions	2,034,512	-	2,034,512
Disposals	(1,094,942)	-	(1,094,942)
Revaluation	(260,696)	-	(260,696)
At 31 March 2023	<u>4,826,879</u>	<u>1,001</u>	<u>4,827,880</u>
At 31 March 2022	<u>4,148,002</u>	<u>1,001</u>	<u>4,149,003</u>

There were no investment assets outside of the UK.

There were no investments held in individual entities at 31 March 2023 which were over 5% of the portfolio.

The listed investments have a historical cost of £4,637,894 (2022: £3,649,027).

The group's investments at the balance sheet date in the share capital of companies include the following:

Hospice Enterprises Limited (SC162781)

Registered office: 20 Dumbreck Road, Glasgow, Scotland, G41 5BW

Shareholding: 100%

	2023 £	2022 £
Aggregate capital and reserves	1,000	1,000
Profit/loss for year	<u>19,227</u>	<u>19,536</u>

Hospice Developments Limited (SC410619)

Registered office: 20 Dumbreck Road, Glasgow, Scotland, G41 5BW

Shareholding: 100%

	2023 £	2022 £
Aggregate capital and reserves	<u>1</u>	<u>1</u>

17. Debtors

	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Event income receivable	64,623	64,623	290,209	290,209
Income tax recoverable	73,601	73,601	73,514	73,514
Other debtors and prepayments	503,012	500,783	359,773	350,836
Hospice Enterprises Limited	-	15,373	-	5,945
Beauty with a Conscience	-	73,661	-	71,183
	<u>641,236</u>	<u>728,041</u>	<u>723,496</u>	<u>791,687</u>

18. Creditors: amounts falling due within one year

	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Sundry creditors & accrued charges	554,254	536,158	547,211	543,255
Deferred Income	126,378	126,378	177,333	177,333
Taxation and social security	102,199	102,199	86,352	86,352
	<u>782,831</u>	<u>764,735</u>	<u>810,896</u>	<u>806,940</u>

Deferred Income comprises:

	Lottery Subscriptions	Event Incomes	Total
	£	£	£
At 1 April 2022	80,425	96,908	177,333
Released to Income	(80,425)	(96,908)	(177,333)
Received and deferred	51,919	74,459	126,378
At 31 March 2023	<u>51,919</u>	<u>74,459</u>	<u>126,378</u>

19a. Analysis of charitable funds - Group

Analysis of Fund Movements	As at 1 April 2022	Income	Expenditure	Transfer	Gains/ (Losses)	As at 31 March 2023
	£	£	£	£	£	£
Unrestricted Funds:						
Fixed Assets	19,357,323	-	-	(155,357)	-	19,201,966
Digital Transformation	296,725	-	(55,789)	-	-	240,936
Social Enterprise	105,000	-	-	-	-	105,000
Retail Hub	2,000,000	-	-	-	-	2,000,000
Young Adults' Service	595,083	-	(163,357)	-	-	431,726
Other service developments	100,000	-	(7,718)	-	-	92,282
Total designated funds	22,454,131	-	(226,864)	(155,357)	-	22,071,910
General funds	5,473,107	8,020,217	(7,838,269)	155,357	(298,960)	5,511,452
Total Unrestricted funds	27,927,238	8,020,217	(8,065,133)	-	(298,960)	27,583,362
Restricted funds						
General funds	192,067	184,081	(226,302)	-	-	149,846
Total restricted funds	192,067	184,081	(226,302)	-	-	149,846
TOTAL FUNDS	28,119,305	8,204,298	(8,291,435)	-	(298,960)	27,733,208

19a. Analysis of charitable funds – Group (continued)

Analysis of Fund Movements	As at 1 April 2021	Income	Expenditure	Transfer	Gains/ (Losses)	As at 31 March 2022
	£	£	£	£	£	£
Unrestricted Funds:						
Fixed Assets	19,550,383	-	-	(193,060)	-	19,357,323
Digital Transformation	300,000	-	(3,275)	-	-	296,725
Social Enterprise	105,000	-	-	-	-	105,000
Retail Hub	-	-	-	2,000,000	-	2,000,000
Young Adults' Service	71,000	-	(1,917)	526,000	-	595,083
Other service developments	100,000	-	-	-	-	100,000
Total designated funds	20,126,383	-	(5,192)	2,332,940	-	22,454,131
General funds	6,619,493	7,582,144	(6,567,972)	(2,332,940)	172,382	5,473,107
Total Unrestricted funds	26,745,876	7,583,144	(6,573,164)	-	172,382	27,927,238
Restricted Funds:						
General funds	159,451	139,722	(107,106)	-	-	192,067
Total restricted funds	159,451	139,722	(107,106)	-	-	192,067
TOTAL FUNDS	26,905,327	7,721,866	(6,680,270)	-	172,382	28,119,305

19b. Reserve Policies and Analysis

The Directors' policies for reserve retention reflect the difficult income generation environment we are facing as a result of the current economic conditions. We have seen more challenge in our ability to raise funds through fundraising events as the cost of living crisis reduces how much free cash our supporters have available.

Fund accounting

Restricted funds are subject to restrictions on their expenditure imposed by the donor or grantor or through the terms of an appeal.

Unrestricted funds are available for use at the discretion of the Directors in furtherance of the general objectives of the Hospice. Designated funds are unrestricted funds earmarked by the Directors for particular purposes.

Restricted Funds

General Funds

As explained below, the Hospice receives funding from a variety of sources which is provided under specific requirements related to its expenditure, whether capital or revenue. When such funding has been received in advance of the related expenditure, the resulting reserves are categorised as Restricted Reserves.

- A balance of £175,313 was brought forward from 2021-22 to be spent on the cost of service and equipment improvements. We also received further grants totalling £184,081 during 2022-23. Of these funds, £226,302 was spent, leaving a balance of £133,092 to be carried forward to the coming financial year.
- The Carers' Choice programme enables the Hospice to support patient carers by providing short breaks during which the Hospice takes direct responsibility for the patient in their own home. The programme was put on hold during Covid due to the restrictions in place. The balance of £16,754 will be carried forward to the coming financial year, in which the programme will be re-started, alongside a newly funded befriending service.

Unrestricted Funds - Designated Funds

Digital Transformation

The Hospice has recognised the importance of keeping pace with the ever changing digital and technological enhancements now available. The Hospice intends to improve all of our internal systems. The Hospice understands that by enhancing our systems and embracing a digital transformation we will become more efficient, reducing cost and ultimately improving patient care.

Retail Hub

It has been identified that to maximise the income generated from our Charity Shops, we must provide the shops with high-quality stock. Shops order stock from the Central Hub, ensuring rotation, replenishment and variation of stock within our shops. We would also like our Central hub to act as a recycle and reuse centre where we can maximise the number of donations we can put back into the economy. Obtaining a more central facility will allow us to have a community hub to work with communities upcycling and recycling donated items. It would also enable us to sell directly from the Central Hub and re-engage with volunteers, circular economy businesses, and recycling and scrap merchants. We plan to use our re-engagement to raise awareness of the hospice services and return to generating income through the Central Hub.

Social Enterprise

The Hospice plans to create a social enterprise along with a local college. The Social Enterprise will aim to produce low-cost healthy food to sell to local residents. The Hospice also plans to open a Hospice shop within the same location selling second-hand goods.

Young Adults' Service

As young adults with a life-limiting condition are living longer, the Hospice recognises a growing need to continue to develop the Young Adults' Service. Within the year 2022-23, the funds facilitated the respite pilot, which offered overnight breaks for young adults and their families. As the Young Adults' Service has continued to grow, the funds have supported a dedicated team.

Moving forward, we aim to offer overnight and day respite as well as a dedicated transition clinic to support those young adults living beyond transition age.

Other Service Extension and Business Development

The Hospice is also involved in a wider range of activities directed towards the widening of access to and to the extension of the scope and size of its service provision. Specific additional funding is usually sought and obtained for such projects, so a balance of £100,000 was retained in the 2021-22 financial year to allow for any imminent unfunded requirements. Some of these funds were used to support a branding project and digital enhancements at Beauty with a Conscience.

The Board have also determined that the funds should be made available to support suitable projects aimed at developing the fundraising capacity of the Hospice.

Designated Fixed Asset Reserve

The funds included in this Reserve reflect the present book value of the fixed asset facilities which are required by the Hospice to enable it to carry out or fund its charitable activities. In accounting terminology, this is stated to be the future cost of depreciation of these assets, but the main significance of the Reserve is that it represents reserves which are illiquid and are not available for expenditure on the charitable activities of the Hospice.

Other Unrestricted Funds

General Reserve

To provide security in the event of a temporary reduction in income levels, it is necessary to retain a level of General Reserves such that the Directors, service users and staff have confidence that the Hospice will be able to continue its charitable work despite any future financial challenges which may arise. In the context of the other requirements of the Hospice, explained above, the Directors have decided that a normal level of General Reserve equivalent to around 6 months of ordinary expenditure is prudent to ensure the Hospice's future viability and enable it to continue to provide an appropriate and free service to its patients. Considering the results for the year, there has been a small increase of £38,345 in General Reserve. With the continued uncertainty around inflation rates, economic crisis and union action demanding salary increases, the Directors consider that is appropriate to carry a higher level of General Reserve during this time.

20. Net assets over funds – group

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2023 £
Tangible Fixed assets	-	19,201,966	-	19,201,966
Fixed Asset Investments	4,826,879	-	-	4,826,879
Debtors	641,236	-	-	641,236
Stock	33,282	-	-	33,282
Bank & Cash	792,886	2,869,944	149,846	3,812,676
Creditors	(782,831)	-	-	(782,831)
	<u>5,511,452</u>	<u>22,071,910</u>	<u>149,846</u>	<u>27,733,208</u>

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2022 £
Tangible Fixed assets	-	19,357,323	-	19,357,323
Fixed Asset Investments	4,148,002	-	-	4,148,002
Debtors	723,496	-	-	723,496
Stock	11,823	-	-	11,823
Bank & Cash	1,400,682	3,0996,808	192,067	4,689,557
Creditors	(810,896)	-	-	(810,896)
	<u>5,473,107</u>	<u>22,454,131</u>	<u>192,067</u>	<u>28,119,305</u>

21. Reconciliation of net income to net cash flow from operating activities

	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Net income for the year	(386,097)	(375,244)	1,213,978	1,234,601
Adjustments for:				
Loss/(Gains) on investments	298,960	298,960	(172,382)	(172,382)
Loss/(Gains) on assets	1,417	1,417		
Investment Income received	(149,803)	(169,030)	(93,924)	(113,460)
Depreciation charges	229,493	229,493	247,773	247,773
Decrease (increase) in Stock	(21,459)	730	4,535	35
Decrease (increase) in debtors	82,260	63,827	397,791	417,122
Increase (decrease) in creditors	(28,067)	(42,387)	(9,149)	(4,229)
Net cash provided (used) by operating activities	26,704	7,766	1,588,622	1,609,460

22. Analysis of cash and cash equivalents

	Group 2023	Charity 2023	Group 2022	Charity 2022
	£	£	£	£
Short term deposits	1,706,810	1,706,810	717,311	717,311
Cash at bank and in hand	2,105,866	2,104,228	3,972,246	3,970,320
Total cash and cash equivalents	3,812,676	3,811,038	4,689,557	4,687,631

23. Operating lease commitments

At the reporting end date, the group and company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2023 £	2022 £
Within one year	169,382	54,156
Between two and five years	204,912	294,461
In over five years	15,585	139,585
	389,879	488,202

24. Pensions

Staff who are eligible are members of the defined benefit National Health Service Superannuation Scheme for Scotland. This is a multi-employer defined benefit scheme. The Hospice is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis and hence this is accounted for as though a defined contribution scheme. The Hospice contributed 14.9% of an employee's basic salary and enhancements which will result in an annual commitment of approximately £239,053 at year-end rates and membership (2022 £205,000). Employer contribution rates under this scheme increased to 20.9% from April 2019.

The group operates a defined contribution group personal pension plan under arrangements with an independent insurance company. The company contributed between 3.6% and 13.5% of an employee's basic salary, resulting in an annual commitment of approximately £165,352 at year-end rates and membership (2022 £139,932). Effective minimum rates of employer contribution increased to 3.6% from April 2019. At the balance sheet date, there were outstanding contributions of £23,271 (2022 £20,493).

25. Judgements and Key Sources of Estimation and Uncertainty

In the application of the company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

26. Post Balance Sheet Events

Post year end, the company entered into an agreement to purchase a central retail hub at a cost of £715,000.

