

CHARITY REGISTRATION NO. SC012372

COMPANY REGISTRATION NO. SC084008

**THE PRINCE & PRINCESS OF WALES HOSPICE**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2022**



The Prince & Princess  
of Wales Hospice

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## THE PRINCE & PRINCESS OF WALES HOSPICE

### COMPANY INFORMATION

#### Directors

Ronald Bowie (Chairman)  
Ian Reid (Vice – Chairman)

Robert Calderwood  
Murray Cromar  
Dr Iain Wallace  
Heather Matthews  
Anice Gillespie  
David Hunter

John Kyle  
Robin Gillies  
Louise Worrall  
Graeme Waddell  
Tricia Ward  
Hazel Tomkins

#### Chief Executive

Rhona Baillie

#### Company Secretary

Christopher Harwood

#### Registered Office

20 Dumbreck Road  
Bellahouston Park  
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  
6<sup>th</sup> Floor Atria One  
144 Morrison Street  
Edinburgh  
EH3 8BR

Quilter Cheviot  
Delta House  
50 West Nile Street  
Glasgow  
G1 2NP

#### Website

[www.ppwh.org.uk](http://www.ppwh.org.uk)

**THE PRINCE AND PRINCESS OF WALES HOSPICE  
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**Covid-19 and subsequent Cost of Living Crisis**

**April 2020 - Onwards**

The Prince & Princess of Wales Hospice was appropriately prepared for the COVID-19 pandemic when it began early in 2020. As restrictions were introduced in Scotland, the hospice activated its pandemic emergency plan. As health and safety measures were implemented throughout the hospice, patients continued to be admitted into the inpatient unit where staff provided exceptional clinical and compassionate care to those who needed it.

Senior managers put in place a range of processes to ensure that the hospice carried on caring for people at the end of their lives, while ensuring that health and safety was maintained for all patients, visitors, volunteers and staff. As always, the hospice ensured that every decision was taken in participation with our patients, their families and our staff's wellbeing and health as the most important factor.

During the coronavirus pandemic, hospice staff have shown themselves as resourceful and dedicated to ensuring the best possible care for their patients. Our clinical and our medical teams have used our education suite to deliver training internally and externally.

The pandemic also adversely affected our income streams as again, to comply with restrictions, we had to close all our retail shops and cancel all fundraising events. We have, however, continued to receive generous donations from our supporters during this time. We also accessed the Government's Job Retention Scheme with more than 70 staff being placed on furlough. This protected their health and safety by allowing them to stay at home during the height of the pandemic whilst also allowing the hospice to reduce associated running costs. The hospice also received emergency government funding to bridge the loss of fundraising income.

During financial year 2021-22, we began to see some semblance of normality returning. Our full range of hospice services could recommence, and we were able to reopen our hospice shops to the public. We approached the end of the 2021-22 financial year with optimism until the war in Ukraine began and started a significant spike in inflation. We now foresee a very difficult 18 to 24 months as inflation continues to climb and our supporters are adversely impacted financially by the most significant increase in the cost of living for over 40 years.

Brexit and the pandemic have created a labour shortage particularly in Health and Social Care. We have not been immune to this shortage and services have been impacted. We have reviewed our staff terms and conditions and are proactively improving the benefits offered to all staff to promote recruitment and retention.

As we continue to face an uncertain future, the hospice will be better placed to cope with any future challenges it will be stronger, more agile and better equipped to face change and adversity in the coming years.

During financial year 2021-22 the hospice continued to provide exceptional care and operated to as close to normal capacity as restrictions would allow. The following report and notes stand true for this financial year.

## **THE PRINCE & PRINCESS OF WALES HOSPICE DIRECTORS' ANNUAL REPORT AND STRATEGIC REPORT**

The Directors submit their Annual Report and Financial Statements for the year ended 31 March 2022.

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 their families. The Hospice offers four distinct areas of care to patients – Inpatient, Living Well Hub, 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 100 (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 and culturally sensitive.

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 new Health and Social Care Partnerships in Glasgow City and East Renfrewshire. These arrangements are organised in keeping with the policy context outlined in a Memorandum of Understanding between the Independent Scottish Hospices and the Joint Integrated Board which oversees the activities of the Health and Social Care Partnerships across Scotland.

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### **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 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).

## THE PRINCE & PRINCESS OF WALES HOSPICE DIRECTORS' ANNUAL REPORT AND STRATEGIC REPORT

*(continued)*

### 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, and financial reports are issued monthly.

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 and Income Generation 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 2022 and thereafter were as follows:

Ronald Bowie (Chairman)

Ian Reid (Vice-Chairman)

Robert Calderwood

Murray Cromar

Louise Worrall (Appointed 24 Nov 2021)

Dr Iain Wallace (Appointed 24 Nov 2021)

Anice Gillespie

David Hunter

Robin Gillies (appointed 25 May 2022)

John Kyle

Iain MacLeod (Resigned 25 May 2022)

Heather Matthews (Appointed 27 Oct 2021)

Tricia Ward (Appointed 27 Oct 2021)

Hazel Tomkins

Graeme Waddell

### 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 new General Data Protection Regulation (GDPR).

**THE PRINCE & PRINCESS OF WALES HOSPICE  
DIRECTORS' ANNUAL REPORT AND STRATEGIC REPORT**

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**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 &amp; 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. An internal audit programme covers all material areas of risk. 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-Chairman and includes Directors who have relevant skills and experience as well as appropriate members of the senior management team. The Hospice Joint Consultation Group (involving staff and Board members) 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 ongoing 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. It receives detailed reports from the independent auditors and manages a cycle of internal audit reviews.

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 1983, the Hospice's clinical services have grown organically, responding to need and opportunity.

We support over 1200 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 activities. The Hospice has a wide range of such income streams, and with over 30 years of service delivery, our loyal supporter base ensures we are financially stable.

#### Clinical Development

For several years, the development of services of our Hospice has been structured around a rolling five-year strategy known as Vision & Values. This focuses on our clinical strategy, which reflects our aspiration toward 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 demonstrates 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 strategic clinical aims are:

- **Lead** - Maintain a leading position in delivering 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 the effective delivery of our clinical services.
- **Reveal** - Work with our communities to understand 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 engagement opportunities to make certain 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 into two areas, one with six beds and one with ten beds. Each room opens onto its own patio with access to gardens on one side. There is a communal seating area in the centre of the unit, where patients 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



## THE PRINCE & PRINCESS OF WALES HOSPICE DIRECTORS' ANNUAL REPORT AND STRATEGIC REPORT

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years old on an individual patient basis. This license change allowed us to successfully care for a fifteen-year-old and support the individual and their family in their preferred place of care, which was in our Hospice. We are currently the only adult hospice in Scotland with this provision.

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

- The efficient and effective utilisation of inpatient beds
- Efficient and effective patient-centred discharge planning
- Patient-centred drug administration using the patient's own drugs
- Improving current processes to increase time spent at the bedside.
- Offering age-appropriate care to young adults

### **Outpatients**

Our Outpatient Department continues to offer Symptom Management, Young Adult, Intervention and Rehab clinics, and our new Living Well Hub which sits under our Outpatient umbrella has now replaced Day Services. We have four consulting rooms, a well-equipped treatment room, three complementary therapy rooms, a beautiful hairdressing salon, a nail bar, and a relaxing waiting area outside our Living Well Hub. Within the department, there is also a multipurpose room, where many different activities can take place, with fully accessible toilets, shower and Changing Places facilities.

These services are crucial in promoting independent living and quality of life for our patients, their families and carers. The services include medical, nurse-led and rehab clinics as well as financial and social support from Improving the Cancer Journey. Patients and carers have access to art, mindfulness, body clock sessions, exercise, gardening, hairdressing and complementary therapies. We have also introduced our Trishaws getting patients outdoors and active in our park.

The Living Well Hub is accessed by an increasing number of patients with highly complex needs, including those with motor-neurone disease and chronic obstructive pulmonary disease. This work contributes to the overall widening access arm of our strategy, and our staff group are developing new skills and models of care such as our Virtual Living Well Hub which will inform and support patients and their carers at the right time and place.

The service is developing to meet the unique needs of young adults transitioning to an adult hospice environment, aiming to build our services based on the extended requirements of our widening patient group. We support young adults with a diverse range of conditions that require palliative care. Our current experience is that their care requires a high level of resources. We currently have young adults accessing various services, including Living Well Hub, counselling, rehab, creative art, nurse and medical symptom management clinics, complementary therapies, and hairdressing. This has enabled us to establish stronger links with other charities and organisations, promoting referrals of young people who have been unaware of the Hospice and its services.

Our strategic aims and activity for our Outpatients & Living Well Hub services 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 within our communities, and joint working with our partners, increasing support for our patients and carers.

**THE PRINCE & PRINCESS OF WALES HOSPICE  
DIRECTORS' ANNUAL REPORT AND STRATEGIC REPORT**  
(continued)

**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. The Team Leader for the service has completed a post graduate certificate which allows her to practice as an Advanced Nurse Practitioner, with another member of the team working towards this qualification too. We have an ongoing placement within the Queen Elizabeth University Hospital Specialist Palliative Care team for new members of our staff. This helped reinforce skills and learning in the seconded nurse specialist and the development of effective professional relationships with the new teams who have formed to deliver care in the new hospital. The Community Services team also facilitated the secondment of one of our in-patient nursing team into the community role. This is contributing to the hospice's overall aim to continually develop and invest in its people.

Our Community Services team is working with both Glasgow City and East Renfrewshire palliative care groups to ensure that there is appropriate partnership working to meet the strategic aims of each organisation. This has led to our Community Services team now being part of the induction process for new community nurses in both areas.

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 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 continually. 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 a 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 Service team include:

- Co-production in relation to 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 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 illnesses. 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 has worked in partnership with Glasgow City and East Renfrewshire Council to engage with local school and health-based partnerships to promote a whole school approach to loss, grief, and bereavement.

## **THE PRINCE & PRINCESS OF WALES HOSPICE DIRECTORS' ANNUAL REPORT AND STRATEGIC REPORT**

*(continued)*

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

- Development of innovative support models within and out with 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 developed a new Education and Workforce Strategy for Developing People and the Workforce Capacity of Our Community. We aim to combine our strategic documents, which drive change, and fully utilise the expert knowledge, skills and experience residing in our hospice team to lead improvement within palliative care in Scotland and beyond. We focus on developing leadership, management and talent, acquiring commercial capacity, releasing community potential, promoting healthy learning, life and work and growing an innovation hub.

We continue to be viewed as a centre of excellence and support health and social care professionals in placement opportunities, including being a learning environment for Specialist Registrar training for Palliative Medicine Consultants.

We want our Hospice to become part of our community and give people an alternative venue choice for corporate requirements, knowing that our Hospice invests 100% of the surplus from events to support the care of patients and their families and carers.

### **Research**

Part of delivering high-quality specialist palliative care across all settings is maintaining the 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 projects, including:

- An art project: "Tracing Autonomy - supporting a person in living an autonomous life."
- An architecture project
- Playlist for Life project
- Exploring the psychosocial impact of living with advanced Chronic Obstructive Pulmonary Disease on those attending two different palliative care models.

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

## **THE PRINCE & PRINCESS OF WALES HOSPICE DIRECTORS' ANNUAL REPORT AND STRATEGIC REPORT**

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### **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 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 team run around 20 large events during the year, ranging from traditional dinners, a ball and an interesting range of challenges – running events, It's a Knockout and a Bubble Rush event, in conjunction with several other Scottish hospices, are some examples of these. During 2021-22 it has not been possible to run many of our events but our fundraising team have continued to innovate and raise much needed funds.

#### *Retail*

The 2021/22 financial year ended with our shop stock at 17 units. Our central retail hub continues to better manage donations and distribution of stock to our 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, chiefly by direct debit payment. This has become particularly important during the pandemic lockdowns where door to door collection and canvassing were restricted. 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 17, to the detailed budgets prepared for the following financial year 2022-23 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 in the region of £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 2022-23.

In 2021-22, HSCP funding of £2,373,248 (2020-21: £2,258,223) was received. Funding included free issue pharmaceuticals and supplies valued at £55,676 (2020-21: £79,357).

The Hospice received emergency Covid funding directly from the Scottish Government of £616,715 during financial year 2021-22. These funds have been essential to allow the Hospice to continue the provision of our first class services. Even though the funding was received in 2021-22 the additional income will be used to sustain the Hospice through 2022-23 and beyond.

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

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**DIRECTORS' ANNUAL REPORT AND STRATEGIC REPORT**  
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**Result for the Year**

The surplus for financial year 2021/22 is £1,213,978 (2020-21 £2,260,568). The expectation of breaking even at the operating profit/loss level will be extremely difficult for the next 2 to 3 financial years, the Board are confident that the balance of income and expenditure on normal operating activities will start to recover as the current inflationary pressures recede. 2021-22 was another challenging but satisfactory financial year in which many long term plans and aspirations came to fruition.

**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 that it is appropriate to carry a higher level of General Reserve while income generation is extremely difficult as the economy recovers after the Covid pandemic and the subsequent cost of living crisis.

**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 income and capital growth without exposing the Hospice to unnecessary risk.

At the 31<sup>st</sup> March 2022 our investments are showing a small gain on our initial investment of £4 million.



**THE PRINCE & PRINCESS OF WALES HOSPICE  
DIRECTORS' ANNUAL REPORT AND STRATEGIC REPORT**  
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**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 26<sup>th</sup> October 2022 and signed on their behalf by:

A handwritten signature in black ink, appearing to be 'R. Bowie', written over a horizontal line.

**RONALD BOWIE**  
Chairman



**THE PRINCE & PRINCESS OF WALES HOSPICE  
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES  
AND MEMBERS OF THE PRINCE & PRINCESS OF WALES HOSPICE  
FOR THE YEAR ENDED 31 MARCH 2022**

**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 2022 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 2022 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.

**THE PRINCE & PRINCESS OF WALES HOSPICE  
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES  
AND MEMBERS OF THE PRINCE & PRINCESS OF WALES HOSPICE  
FOR THE YEAR ENDED 31 MARCH 2022**  
*(continued)*

**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 parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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:

**THE PRINCE & PRINCESS OF WALES HOSPICE  
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES  
AND MEMBERS OF THE PRINCE & PRINCESS OF WALES HOSPICE  
FOR THE YEAR ENDED 31 MARCH 2022**

*(continued)*

**Auditor's responsibilities for the audit of the financial statements - continued**

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

**THE PRINCE & PRINCESS OF WALES HOSPICE  
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES  
AND MEMBERS OF THE PRINCE & PRINCESS OF WALES HOSPICE  
FOR THE YEAR ENDED 31 MARCH 2022**

*(continued)*

**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

26<sup>th</sup> October 2022

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

**THE PRINCE & PRINCESS OF WALES HOSPICE  
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted Funds 2022 £	Restricted Funds 2022 £	Total Funds 2022 £	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £
<b>Income and endowments from:</b>							
Donations and legacies	5	1,288,580	-	1,288,580	1,040,093	-	1,040,093
Income from charitable activities:							
Specialist palliative care	6	2,438,740	139,722	2,578,462	2,820,452	158,376	2,978,828
SG emergency funding	6	616,715	-	616,715	1,632,988	-	1,632,988
Other trading activities	7	3,085,321	-	3,085,321	1,099,831	-	1,099,831
Investments	8	93,924	-	93,924	101,098	-	101,098
Other incoming resources	9	58,864	-	58,864	28,041	-	28,041
<b>Total Income</b>		<b>7,582,144</b>	<b>139,722</b>	<b>7,721,866</b>	<b>6,722,503</b>	<b>158,376</b>	<b>6,880,879</b>
<b>Expenditure on:</b>							
Raising funds:							
Other trading activities	10	2,191,163	-	2,191,163	1,402,443	-	1,402,443
Charitable activities	11	4,382,001	107,106	4,489,107	4,005,636	45,266	4,050,902
<b>Total Expenditure</b>		<b>6,573,164</b>	<b>107,106</b>	<b>6,680,270</b>	<b>5,408,079</b>	<b>45,266</b>	<b>5,453,345</b>
<b>Net income/(expenditure) and net movement in funds before gains and losses on investments</b>		<b>1,008,980</b>	<b>32,616</b>	<b>1,041,596</b>	<b>1,314,424</b>	<b>113,110</b>	<b>1,427,534</b>
Realised gain on investments		51,560	-	51,560	244,641	-	244,641
Unrealised gains/(losses) on investments	16	120,822	-	120,822	588,393	-	588,393
<b>Net income/(expenditure)</b>		<b>1,181,362</b>	<b>32,616</b>	<b>1,213,978</b>	<b>2,147,458</b>	<b>113,110</b>	<b>2,260,568</b>
Transfers between funds	19	-	-	-	5,941	(5,941)	-
<b>Net movement in funds</b>		<b>1,181,362</b>	<b>32,616</b>	<b>1,213,978</b>	<b>2,153,399</b>	<b>107,169</b>	<b>2,260,568</b>
<b>Funds reconciliation</b>							
Total Funds brought forward		26,745,876	159,451	26,905,327	24,592,477	52,282	24,644,759
<b>Total Funds carried forward</b>	<b>19</b>	<b>27,927,238</b>	<b>192,067</b>	<b>28,119,305</b>	<b>26,745,876</b>	<b>159,451</b>	<b>26,905,327</b>

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

THE PRINCE & PRINCESS OF WALES HOSPICE  
CONSOLIDATED BALANCE SHEET  
AS AT 31 MARCH 2022

	Note	2022	2021
		£	£
<b>Fixed assets:</b>			
Tangible assets	15	19,357,323	19,550,383
Investments	16	4,148,002	4,025,753
<b>Total Fixed Assets</b>		<b>23,505,325</b>	<b>23,576,136</b>
<b>Current assets:</b>			
Debtors	17	723,496	1,121,287
Stock		11,823	16,358
Short term deposits	22	717,311	924,975
Cash at bank and in hand	22	3,972,246	2,086,616
		5,424,876	4,149,236
<b>Liabilities:</b>			
Creditors falling due within one year	18	810,896	820,045
<b>Net Current Assets</b>		<b>4,613,980</b>	<b>3,329,191</b>
<b>Total Assets less Current Liabilities</b>		<b>28,119,305</b>	<b>26,905,327</b>
<b>Reserves:</b>			
<b>Restricted funds</b>			
General	19	192,067	159,451
<b>Unrestricted Funds</b>			
Designated income funds	19		
Fixed asset reserve		19,357,323	19,550,383
Digital Transformation project		296,725	300,000
Retail Central Hub Facility		2,000,000	-
Social Enterprise project		105,000	105,000
Young persons respite pilot		595,083	71,000
Other service developments		100,000	100,000
<b>Other unrestricted funds</b>	19		
General reserve		5,473,107	6,619,493
<b>Total funds</b>		<b>28,119,305</b>	<b>26,905,327</b>

These financial statements were approved by the board on 26 October 2022 and signed on its behalf by:



RONALD BOWIE  
Chairman

DAVID HUNTER  
Director



Company Registration No. SC084008

The statement of Hospice Reserves and notes on pages 25 to 39 form part of these financial statements.



**THE PRINCE & PRINCESS OF WALES HOSPICE  
STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted Funds 2022	Restricted Funds 2022	Total Funds 2022	Unrestricted Funds 2021	Restricted Funds 2021	Total Funds 2021
		£	£	£	£	£	£
<b>Income and endowments from:</b>							
Donations and legacies	5	1,285,095	-	1,285,095	1,040,051	-	1,040,051
Income from charitable activities:							
Specialist palliative care	6	2,377,627	139,722	2,517,349	2,783,858	158,376	2,942,234
SG emergency funding	6	616,715	-	616,715	1,632,988	-	1,632,988
Other trading activities	7	3,039,313	-	3,039,313	1,073,992	-	1,073,992
Investments	8	113,460	-	113,460	104,466	-	104,466
Other incoming resources	9	58,864	-	58,864	28,041	-	28,041
<b>Total Income</b>		<b>7,491,074</b>	<b>139,722</b>	<b>7,630,796</b>	<b>6,663,396</b>	<b>158,376</b>	<b>6,821,772</b>
<b>Expenditure on:</b>							
Raising funds							
Other trading activities	10	2,161,957	-	2,161,957	1,369,019	-	1,369,019
Charitable activities	11	4,299,514	107,106	4,406,620	3,947,622	45,266	3,992,888
<b>Total Expenditure</b>		<b>6,461,471</b>	<b>107,106</b>	<b>6,568,577</b>	<b>5,316,641</b>	<b>45,266</b>	<b>5,361,907</b>
<b>Net income/(expenditure) and net movement in funds before gains and losses on investments</b>		<b>1,029,603</b>	<b>32,616</b>	<b>1,062,219</b>	<b>1,346,755</b>	<b>113,110</b>	<b>1,459,865</b>
Realised gains on investments		51,560	-	51,560	244,641	-	244,641
Unrealised gains/(losses) on investments	16	120,822	-	120,822	588,393	-	588,393
<b>Net income/(expenditure)</b>		<b>1,201,985</b>	<b>32,616</b>	<b>1,234,601</b>	<b>2,179,789</b>	<b>113,110</b>	<b>2,292,899</b>
Transfers between funds	19	-	-	-	5,941	(5,941)	-
<b>Net movement in funds</b>		<b>1,201,985</b>	<b>32,616</b>	<b>1,234,601</b>	<b>2,185,730</b>	<b>107,169</b>	<b>2,292,899</b>
<b>Funds reconciliation</b>							
Total Funds brought forward		26,843,587	159,451	27,003,038	24,657,857	52,282	24,710,139
<b>Total Funds carried forward</b>		<b>28,045,572</b>	<b>192,067</b>	<b>28,237,639</b>	<b>26,843,587</b>	<b>159,451</b>	<b>27,003,038</b>

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

**THE PRINCE & PRINCESS OF WALES HOSPICE  
BALANCE SHEET  
AS AT 31 MARCH 2022**

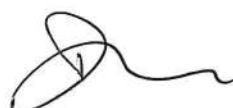
	Note	2022	2021
		£	£
<b>Fixed assets:</b>			
Tangible assets	15	19,407,323	19,600,383
Investments	16	4,149,003	4,026,754
<b>Total Fixed Assets</b>		<b>23,556,326</b>	<b>23,627,137</b>
<b>Current assets:</b>			
Debtors	17	791,687	1,208,809
Stock		8,935	8,970
Short term deposits	22	717,311	924,975
Cash at bank and in hand	22	3,970,320	2,044,316
		<b>5,488,253</b>	<b>4,187,070</b>
<b>Liabilities:</b>			
Creditors falling due within one year	18	806,940	811,169
<b>Net Current Assets</b>		<b>4,681,313</b>	<b>3,375,901</b>
<b>Total Assets less Current Liabilities</b>		<b>28,237,639</b>	<b>27,003,038</b>
<b>Reserves:</b>			
<b>Restricted funds</b>			
General	19	192,067	159,451
<b>Unrestricted Funds</b>			
Designated income funds			
Fixed asset reserve		19,407,323	19,600,383
Digital Transformation project		296,725	300,000
Retail Central Hub Facility		2,000,000	-
Social Enterprise project		105,000	105,000
Young persons respite pilot		595,083	71,000
Other service developments		100,000	100,000
<b>Other unrestricted funds</b>			
General reserve		5,541,441	6,667,204
<b>Total funds</b>		<b>28,237,639</b>	<b>27,003,038</b>

These financial statements were approved by the board on 26 October 2022 and signed on its behalf by:

RONALD BOWIE  
Chairman



DAVID HUNTER  
Director



Company Registration No. SC084008

The statement of Hospice Reserves and notes on pages 25 to 39 form part of these financial statements.

THE PRINCE & PRINCESS OF WALES HOSPICE  
CONSOLIDATED & CHARITY STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
<b><i>Cash flows from operating activities:</i></b>					
<b>Net cash provided by (used in) operating activities</b>	<b>21</b>	1,588,622	1,609,460	76,020	116,002
<b><i>Cash flows from investing activities:</i></b>					
Purchase of tangible fixed assets		(54,713)	(54,713)	(16,973)	(16,973)
Sale of Tangible Fixed Assets		-	-	-	-
Investments added		(456,679)	(456,679)	(544,223)	(544,223)
Sale of investments		506,812	506,812	755,845	755,845
Gift Aid donation		-	19,536	-	3,368
Investment income received		93,924	93,924	101,098	101,098
<b>Net cash (used in) provided by investing activities</b>		89,344	108,880	295,747	299,115
<b>Change in cash and cash equivalents in the year</b>		1,677,966	1,718,341	371,767	415,117
Cash and cash equivalents brought forward	<b>22</b>	3,011,591	2,969,291	2,639,824	2,554,174
<b>Cash and cash equivalents carried forward</b>	<b>22</b>	4,689,557	4,687,631	3,011,591	2,969,291

**THE PRINCE & PRINCESS OF WALES HOSPICE  
STATEMENT OF HOSPICE RESERVES  
FOR THE YEAR ENDED 31 MARCH 2022**

Group	Restricted Funds										Unrestricted Funds							
	General										Designated Funds							
	Facilities Development	Career's Choice Project	Butterfly Extension Project	Cycling without Age	Other Ongoing Activities	£	£	£	£	£	Digital Transformation Project	Retail Central Hub Facility	Social Enterprise Project	Young Persons Respite Project	For other Service Extension	Fixed Asset Reserve	General Reserve	Total Funds
At 1 April 2021	133,847	16,514	2,308	800	5,982	133,847	16,514	2,308	800	5,982	300,000	-	105,000	71,000	100,000	19,550,383	6,619,493	26,905,327
Income	139,722	-	-	-	-	139,722	-	-	-	-	-	-	-	-	-	-	7,754,526	7,894,248
Expenditure	(98,016)	-	(2,308)	(800)	(5,982)	(98,016)	-	(2,308)	(800)	(5,982)	(3,275)	-	-	(1,917)	-	-	(6,567,972)	(6,680,270)
Surplus (Deficit)	41,706	-	(2,308)	(800)	(5,982)	41,706	-	(2,308)	(800)	(5,982)	(3,275)	-	-	(1,917)	-	-	1,186,554	1,213,978
Transfers:	-	-	-	-	-	-	-	-	-	-	-	2,000,000	-	526,000	-	-	(2,526,000)	-
Capital Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	54,713	(54,713)	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(247,773)	247,773	-
Sale of Property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Designations In	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Designations out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Movement	-	-	-	-	-	-	-	-	-	-	-	2,000,000	-	526,000	-	(193,060)	(2,332,940)	-
At 31 March 2022	175,554	16,514	(0)	-	(0)	175,554	16,514	(0)	-	(0)	296,725	2,000,000	105,000	595,083	100,000	19,357,323	5,473,107	28,119,305

**THE PRINCE & PRINCESS OF WALES HOSPICE**  
**STATEMENT OF HOSPICE RESERVES**  
**FOR THE YEAR ENDED 31 MARCH 2022**  
*(Continued)*

	Restricted Funds						Unrestricted Funds							Total Funds
	General						Designated Funds							
	Facilities Development	Carer's Choice Project	Butterfly Extension Project	Cycling without Age	Other Ongoing Activities		Digital Transformation Project	Social Enterprise Project	Young Persons Respite Project	For other Service Extension	Fixed Asset Reserve	General Reserve		
At 1 April 2020	18,058	9,711	16,187	800	7,526	-	-	-	50,000	19,791,009	4,751,468	24,644,759		
Income	139,663	11,500	-	-	7,213	-	-	-	-	-	7,695,810	7,854,186		
Expenditure	(17,933)	(4,697)	(13,879)	-	(8,757)	-	-	-	-	-	(5,548,352)	(5,593,618)		
Surplus (Deficit)	121,730	6,803	(13,879)	-	(1,544)	-	-	-	-	-	2,147,458	2,260,568		
Transfers:						300,000	105,000	71,000	50,000	-	(526,000)	-		
Capital Expenditure	(5,941)	-	-	-	-	-	-	-	-	16,973	(11,032)	-		
Depreciation	-	-	-	-	-	-	-	-	-	(257,599)	257,599	-		
Sale of Property	-	-	-	-	-	-	-	-	-	-	-	-		
Designations In	-	-	-	-	-	-	-	-	-	-	-	-		
Designations out	-	-	-	-	-	-	-	-	-	-	-	-		
Net Movement	(5,941)	-	-	-	-	300,000	105,000	71,000	50,000	(240,626)	(279,433)	-		
At 31 March 2021	133,847	16,514	2,308	800	5,982	300,000	105,000	71,000	100,000	19,550,383	6,619,493	26,905,327		

**THE PRINCE & PRINCESS OF WALES HOSPICE  
STATEMENT OF HOSPICE RESERVES  
FOR THE YEAR ENDED 31 MARCH 2022  
(Continued)**

**Reserve Policies and Analysis**

The Directors' policies for reserve retention reflect the extremely difficult income generation environment we are facing as we emerge from the Covid pandemic and encounter other extreme external economic conditions. We have seen our ability to raise funds through fundraising events diminish in recent months as the cost of living crisis reduces how much free cash our supporters have, the board believe 2022/23 will be challenging:

**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 £133,847 was brought forward from 2020-21 to be spent on the cost of equipment improvements. We also received further grants totalling £139,722 during 2021/22 for equipment improvements. Of these funds, £98,016 was spent, leaving a balance of £175,554 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. All of the funds were retained during the financial year due to the pandemic, with restrictions limiting our ability to attend, leaving a balance of £16,514 to be carried forward to the coming financial year



**THE PRINCE & PRINCESS OF WALES HOSPICE  
STATEMENT OF HOSPICE RESERVES  
FOR THE YEAR ENDED 31 MARCH 2022  
(Continued)**

***Unrestricted Funds - Designated Funds***

*Designated Service Development Reserve – 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, but a balance of £100,000 has been retained to allow for any imminent unfunded requirements.

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

*Digital Transformation Project*

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.

*Social Enterprise Project*

The Hospice plans to create a social enterprise along with a local college. The Social Enterprise which we hope, to be based in Pollock will produce low cost healthy food, these products will be sold to the local residents. The Hospice also plans to open a Hospice shop within the same location to provide low cost high quality clothing.

*Retail Central Hub Facility*

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, maximising their sales. We also would 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 reengage with volunteers, circular economy businesses, and recycling and scrap merchants. We plan to use our re-engagement to further raise awareness of hospice services and return to generating income through a Central Hub.

*Young Persons Respite*

The Hospice recognised a growing need for a Young Persons Respite service and the pandemic has made this need even more acute. The Board agreed to run a pilot of the potential service to demonstrate this need to our HSCP. The Hospice believes this will be of great assistance to the families of our young patients. As this project is closely aligned with our vision and values, we have taken the decision to increase the reserve available to fund this project. We have set aside funds which we believe will allow the project to run for 12 months.

*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, the investment in our designated reserves and capital expenditure this has resulted in a decrease of £1,146,386 in the General Reserve. With the continued uncertainty caused by the Covid Pandemic and current economic factors out with our control, the Directors consider that it is appropriate to carry a higher level of General Reserve during this time.

**THE PRINCE & PRINCESS OF WALES HOSPICE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**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 17, to the detailed budgets prepared for the following financial year 2022-23, 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.

Capital grants and capital appeal contributions are credited through the Consolidated Income and Expenditure Account to a Restricted fund until the expenditure is incurred.

**THE PRINCE & PRINCESS OF WALES HOSPICE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**1. Accounting Policies**

*(continued)*

**(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 accruals 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 and depreciation**

Heritable Property is stated at depreciated cost. Following the implementation of FRS102 'The Financial Reporting Standard applicable in UK and Republic of Ireland' the parent company is adopting a policy of not revaluing tangible fixed assets. A review for impairment of heritable property is carried out if events or changes in circumstances indicate that the carrying value amount of the property may not be recoverable. The new Hospice building will not be depreciated because, in the opinion of the Directors, it carries significant residual value and no depreciation is necessary.

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:

Other 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)

**(g) Fixed asset investments**

Investments are stated at market value.

**(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.

**THE PRINCE & PRINCESS OF WALES HOSPICE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

**1. Accounting Policies**

*(continued)*

**(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) Realised gains and losses**

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

**(m) 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.

**(n) 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.

**(o) 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 2022 the charity had 54 members. The number of members is limited to 500.



**THE PRINCE & PRINCESS OF WALES HOSPICE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**3. Financial activities of subsidiaries**

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

	<b>2022</b>	<b>2021</b>
	£	£
<b>Turnover</b>	42,839	17,828
Cost of sales	(19,299)	(9,960)
Administration costs	(4,004)	(4,500)
<b>Profit before taxation</b>	<u>19,536</u>	<u>3,368</u>
Taxation	-	-
Donation to parent company	<u>19,536</u>	<u>3,368</u>

**The assets and liabilities of the Hospice Enterprises Limited were:**

Fixed assets	-	-
Current assets	7,445	19,219
Current liabilities	(6,445)	(18,219)
<b>Total net assets</b>	<u>1,000</u>	<u>1,000</u>

**Aggregate share capital and reserves**

<u>1,000</u>	<u>1,000</u>
--------------	--------------

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 gift aid. 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 £19,536 (2021: £3,368). 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:

	<b>2022</b>	<b>2021</b>
	£	£
Income from donations & grants	16,394	31,100
Income from charitable activities	48,205	5,536
Income from trading activities	3,169	1,347
	<u>67,768</u>	<u>37,983</u>
Expenditure on charitable activities	(82,487)	(56,013)
Expenditure on other trading activities	(5,904)	(14,300)
<b>(Deficit)/Surplus</b>	<u>(88,391)</u>	<u>(32,330)</u>
Taxation	-	-
<b>Funded by Parent Company</b>	<u>(20,623)</u>	<u>(32,330)</u>

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

	<b>2022</b>	<b>2021</b>
	£	£
Current assets	6,304	19,006
Current liabilities	(74,639)	(66,718)
<b>Total net assets</b>	<u>(68,335)</u>	<u>(47,712)</u>

"Beauty with a Conscience" was formed as a Scottish Charitable Incorporated Organisation (SCIO) which will operate as a subsidiary of the Hospice but 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.

**THE PRINCE & PRINCESS OF WALES HOSPICE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**3. Financial activities of subsidiaries**

*(continued)*

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

	<b>2022</b>	<b>2021</b>
	£	£
<b>Turnover including interest receivable</b>	-	6,664
Costs	-	(6,664)
<b>Net (loss)/profit</b>	<u>-</u>	<u>-</u>
Taxation	-	-
Donation to Parent Company	<u>-</u>	<u>-</u>
 <b>The assets and liabilities of the Hospice Developments Limited were:</b>		
Fixed assets	-	-
Current assets	1	21,754
Current liabilities	-	(21,753)
Total net assets	<u>1</u>	<u>1</u>
 <b>Aggregate share capital and reserves</b>	<u>1</u>	<u>1</u>

The wholly owned trading subsidiary Hospice Developments Limited, incorporated in Scotland, organised, and oversaw the development of the new Hospice facilities.

**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 (2020-21: £nil). It is the charity's policy to not pay expenses to trustees.

Total donations by Directors, senior management and their families amounted to £50,053 (2020-21 £26,858).

During the year no Director, senior manager or their families had any personal interest in any contract or transaction entered into by the charity (2020-21: 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. Hospice Developments Limited was dormant in the current year.



**THE PRINCE & PRINCESS OF WALES HOSPICE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**5. Income from donations and legacies**

	<b>Group 2022</b>	<b>Charity 2022</b>	<b>Group 2021</b>	<b>Charity 2021</b>
	£	£	£	£
Donations				
Others	667,204	663,719	886,474	886,432
	<hr/> 667,204	<hr/> 663,719	<hr/> 886,474	<hr/> 886,432
Legacies	621,376	621,376	153,619	153,619
	<hr/> 1,288,580	<hr/> 1,285,095	<hr/> 1,040,093	<hr/> 1,040,051

**6. Income from charitable activities**

	<b>Group 2022</b>	<b>Charity 2022</b>	<b>Group 2021</b>	<b>Charity 2021</b>
	£	£	£	£
<b>Specialist Palliative Care</b>				
NHS/HSCP	2,373,248	2,373,248	2,258,223	2,258,223
Beauty With a Conscience	48,205	-	5,536	-
Grants received	157,009	144,101	715,069	684,011
	<hr/> 2,578,462	<hr/> 2,517,349	<hr/> 2,978,828	<hr/> 2,942,234
<b>SG Emergency Funding</b>				
Covid-19 Support	616,715	616,715	1,632,988	1,632,988
	<hr/> 3,195,177	<hr/> 3,134,064	<hr/> 4,611,816	<hr/> 4,575,222

Income from charitable activities includes £2,373,248 (2021: £2,258,223) received from Glasgow City Health and Social Care Partnership towards running costs of the Hospice services. Covid funding of £616,715 (2021: £1,632,988) was received from the Scottish Government via our HSCP. There are no unfulfilled conditions or contingencies associated with these government grants.

**7. Income from other trading activities**

	<b>Group 2022</b>	<b>Charity 2022</b>	<b>Group 2021</b>	<b>Charity 2021</b>
	£	£	£	£
Events & fundraising Income	1,287,638	1,287,638	303,328	303,328
Lottery income	682,501	682,501	573,159	573,159
Trading Income	1,069,174	1,069,174	204,169	197,505
Retail income	46,008	-	19,175	-
	<hr/> 3,085,321	<hr/> 3,039,313	<hr/> 1,099,831	<hr/> 1,073,992

**8. Investment income**

	<b>Group 2022</b>	<b>Charity 2022</b>	<b>Group 2021</b>	<b>Charity 2021</b>
	£	£	£	£
Hospice Enterprises Limited	-	19,536	-	3,368
Hospice Developments Limited	-	-	-	-
Dividend income	93,371	93,371	100,324	100,324
Interest from short term deposits	553	553	774	774
	<hr/> 93,924	<hr/> 113,460	<hr/> 101,098	<hr/> 104,466

THE PRINCE & PRINCESS OF WALES HOSPICE  
NOTES TO THE FINANCIAL STATEMENTS  
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9. Other income - Group & Charity

	2022 £	2021 £
Student education	-	13,825
Kitchen and café income	58,864	14,216
	<u>58,864</u>	<u>28,041</u>

10. Raising funds – expenditure on other trading activities

	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Direct costs of fundraising events	380,518	380,518	28,211	28,211
Lottery prizes and expenses	364,358	364,358	244,111	244,111
Costs of trading activity	1,028,984	1,028,984	714,580	707,916
Costs of retail activity	29,207	-	26,760	-
Other fundraising costs	388,096	388,097	388,782	388,782
	<u>2,191,163</u>	<u>2,161,957</u>	<u>1,402,443</u>	<u>1,369,019</u>

11. Analysis of expenditure on charitable activities

Specialist Palliative Care	Group 2022 £	Charity 2022 £	Group 2021 £	Charity 2021 £
Staff Costs	3,349,512	3,303,652	3,180,433	3,152,330
Depreciation	247,774	247,774	257,598	257,598
Governance costs (note 12)	30,859	30,859	30,730	28,730
Support costs (note 12)	185,480	185,480	170,821	170,821
Other	675,482	638,855	411,320	383,409
	<u>4,489,107</u>	<u>4,406,620</u>	<u>4,050,902</u>	<u>3,992,888</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	2022 Total allocated £	Governance related £	Other support costs £	Basis of apportionment
Staff costs	206,089	20,609	185,480	Staff time
<b>Total</b>	<u>206,089</u>	<u>20,609</u>	<u>185,480</u>	

THE PRINCE & PRINCESS OF WALES HOSPICE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

Cost type	2021 Total allocated £	Governance related £	Other support costs £	Basis of apportionment
Staff costs	189,801	18,980	170,821	Staff time
<b>Total</b>	<b>189,801</b>	<b>18,980</b>	<b>170,821</b>	

Governance costs:	2022 £	2021 £
Auditor's remuneration	10,250	11,750
Support costs (see above)	20,609	18,980
	<b>30,859</b>	<b>30,730</b>

Breakdown of governance and support costs by activity;

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

	Support costs	Governance	2021 £
Specialist palliative care	170,821	30,730	201,551

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

	Group 2022 £	Group 2021 £
Salaries	3,618,288	3,299,280
Social Security costs	354,871	330,723
Employer's Pension costs	415,201	400,961
	<b>4,388,360</b>	<b>4,030,964</b>
Key management personnel remuneration	<b>291,285</b>	<b>278,664</b>

None of the directors received any remuneration or expenses during the year (2021 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:

	2022 £	2021 £
£110,000 - £120,000	1	0
£100,000 - £110,000	1	1
£90,000 - £100,000	0	1

**THE PRINCE & PRINCESS OF WALES HOSPICE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

	<b>No.</b>	<b>No.</b>
The average weekly number of persons, by headcount, employed by the charity during the year was:	160	153

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

This is stated after charging:	<b>2022</b> £	<b>2021</b> £
Depreciation	247,773	257,599
External auditors' remuneration	8,500	6,800
Other services		
Subsidiary audit fee	1,000	2,000
Subsidiary Independent examination	750	750
Non-audit services	-	1,500

**15a. Tangible Fixed Assets – Group**

	<b>Heritable Property</b> £	<b>Equipment &amp; Vehicles</b> £	<b>New Hospice</b> £	<b>Total</b> £
<b>Cost or valuation</b>				
At 1 April 2021	151,041	1,352,447	18,897,569	20,401,057
Additions	-	54,758	(45)	54,713
Transfers	-	-	-	-
Disposals	-	(5,339)	-	(5,339)
At 31 March 2022	151,041	1,401,866	18,897,524	20,450,431
<b>Depreciation</b>				
At 1 April 2021	109,312	741,362	-	850,674
Charge for the year	6,395	241,378	-	247,773
Eliminated on disposals	-	(5,339)	-	(5,339)
At 31 March 2022	115,707	977,401	-	1,093,108
<b>Net book value</b>				
At 31 March 2022	35,334	424,465	18,897,524	19,357,323
At 31 March 2021	41,729	611,085	18,897,569	19,550,383

THE PRINCE & PRINCESS OF WALES HOSPICE  
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15b. Tangible Fixed Assets - Company

	Heritable Property £	Equipment & Vehicles £	New Hospice £	Total £
<b>Cost or valuation</b>				
At 1 April 2021	151,041	1,352,447	18,947,569	20,451,057
Additions	-	54,758	(45)	54,713
Disposals	-	(5,339)	-	(5,339)
At 31 March 2022	151,041	1,401,866	18,947,524	20,500,431
<b>Depreciation</b>				
At 1 April 2021	109,312	741,362	-	850,674
Charge for the year	6,395	241,378	-	247,773
Eliminated on disposals	-	(5,339)	-	(5,339)
At 31 March 2022	115,707	977,401	-	1,093,108
<b>Net book value</b>				
At 31 March 2022	35,334	424,465	18,947,524	19,407,323
At 31 March 2021	41,729	611,085	18,947,569	19,600,383

16. Fixed Asset Investments

<i>Group &amp; Company</i>	2022 £	2021 £
<b>Listed investments at cost:</b>		
At 1 April 2021	3,647,821	3,917,099
Additions	456,679	544,223
Disposals	(455,252)	(813,501)
At 31 March 2022	3,649,248	3,647,821
<b>Change in market value of listed investments:</b>		
At 1 April 2021	377,932	(512,758)
Realised Gain in year	-	300,000
Unrealised Gain/(Loss) in year	120,822	590,690
At 31 March 2022	498,754	377,932
<b>Market value at 31 March</b>	4,148,002	4,025,753
<i>Company</i>		
<b>Unlisted investments at cost:</b>		
At 1 April 2021	1,001	1,001
Additions	-	-
At 31 March 2022	1,001	1,001
<b>Total investments</b>	<u>4,149,003</u>	<u>4,026,754</u>

**THE PRINCE & PRINCESS OF WALES HOSPICE  
NOTES TO THE FINANCIAL STATEMENTS  
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**16. Fixed Asset Investments(Cont)**

The company holds all the shares of Hospice Enterprises Limited which is registered in Scotland. This company was formed to carry out fundraising activities for the Prince & Princess of Wales Hospice from April 1996. In November 2011, the Hospice formed another wholly owned subsidiary company, Hospice Developments Limited, to organise and oversee the development of the new and replacement Hospice facility.

Hospice Enterprises Limited made a trading profit of £19,537 in 2021-22 (2020-21 £3,368), all of which was gifted to the parent charity. The company therefore made neither a profit or loss during the year (2020-21 £nil). At 31 March 2022, it had net assets of £1,000 (2021 £1,000).

Beauty with a Conscience made a deficit of £20,623 in the period to March 2022.

Hospice Developments Limited made a profit of £nil 2021-22 (2020-21 £nil). At 31 March 2022, it had net assets of £1 (2021 £1).

<b>17. Debtors</b>	<b>Group 2022</b>	<b>Charity 2022</b>	<b>Group 2021</b>	<b>Charity 2021</b>
	£	£	£	£
Event income receivable	290,209	290,209	47,743	47,743
Income tax recoverable	73,514	73,514	48,245	48,245
Other debtors and prepayments	359,773	350,836	1,025,300	1,015,010
Hospice Enterprises Ltd	-	5,945	-	16,719
Beauty with a Conscience	-	71,183	-	59,340
Hospice Developments Limited	-	-	-	21,752
	<u>723,496</u>	<u>791,687</u>	<u>1,121,287</u>	<u>1,208,809</u>

**18. Creditors: amounts falling due within one year**

	<b>Group 2022</b>	<b>Charity 2022</b>	<b>Group 2021</b>	<b>Charity 2021</b>
	£	£	£	£
Sundry creditors & accrued charges	547,211	543,255	665,989	657,112
Deferred Income	177,333	177,333	62,630	62,630
Taxation and social security	86,352	86,352	91,427	91,427
	<u>810,896</u>	<u>806,940</u>	<u>820,045</u>	<u>811,169</u>

Deferred Income comprises:

	<b>Other Incomes</b>	<b>Lottery Subscriptions</b>	<b>Event Incomes</b>	<b>Total</b>
	£	£	£	£
At 1 April 2021	-	62,630	-	62,630
Released to Income	-	(62,630)	-	(62,630)
Received and deferred	-	80,425	96,908	177,333
	<u>-</u>	<u>80,425</u>	<u>96,908</u>	<u>177,333</u>
At 31 March 2022	-	80,425	96,908	177,333



THE PRINCE & PRINCESS OF WALES HOSPICE  
NOTES TO THE FINANCIAL STATEMENTS  
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19. Analysis of charitable funds - Group

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

THE PRINCE & PRINCESS OF WALES HOSPICE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022

19. Analysis of charitable funds – Group(Cont)

Analysis of Fund Movements	As at 1 April 2020	Income	Expenditure	Transfer	Gains/(Losses)	As at 31 March 2021
	£	£	£	£	£	£
<b>Unrestricted Funds:</b>						
Fixed Assets	19,791,009	-	-	(240,626)	-	19,550,383
Digital Transformation	-	-	-	300,000	-	300,000
Social Enterprise	-	-	-	105,000	-	105,000
Young persons Respite	-	-	-	71,000	-	71,000
Other service developments	50,000	-	-	50,000	-	100,000
<b>Total designated funds</b>	19,841,009	-	-	285,374	-	20,126,383
General funds	4,751,468	6,722,503	(5,408,079)	(279,433)	833,034	6,619,493
<b>Total Unrestricted funds</b>	24,592,477	6,722,503	(5,408,079)	5,941	833,034	26,745,876
<b>Restricted funds</b>						
General	52,282	158,376	(45,266)	(5,941)	-	159,451
<b>Total restricted funds</b>	52,282	158,376	(45,266)	(5,941)	-	159,451
<b>TOTAL FUNDS</b>	24,644,759	6,880,879	(5,453,345)	-	833,034	26,905,327

20. Net assets over funds – group

	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	3,096,808	192,067	4,689,557
Creditors	(810,896)	-	-	(810,896)
	5,473,107	22,454,131	192,067	28,119,305

**THE PRINCE & PRINCESS OF WALES HOSPICE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

	<b>Unrestricted Funds</b>	<b>Designated Funds</b>	<b>Restricted Funds</b>	<b>Total 2021</b>
	£	£	£	£
Tangible Fixed assets	-	19,550,383	-	19,550,383
Fixed Asset Investments	4,025,753	-	-	4,025,753
Debtors	1,121,287	-	-	1,121,287
Stock	16,358	-	-	16,358
Bank & Cash	2,276,140	576,000	159,451	3,011,591
Creditors	(820,045)	-	-	(820,045)
	<u>6,619,493</u>	<u>20,126,383</u>	<u>159,451</u>	<u>26,905,327</u>

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

	<b>Group 2022</b>	<b>Charity 2022</b>	<b>Group 2021</b>	<b>Charity 2021</b>
	£	£	£	£
Net income for the year	1,213,978	1,234,601	2,260,568	2,292,899
Adjustments for:				
Loss/(Gains) on investments	(172,382)	(172,382)	(833,034)	(833,034)
Investment Income received	(93,924)	(113,460)	(101,098)	(104,466)
Depreciation charges	247,773	247,773	257,599	257,599
Decrease (increase) in Stock	4,535	35	(1,497)	(8,970)
Decrease (increase) in debtors	397,791	417,122	(645,046)	(651,073)
Increase (decrease) in creditors	(9,149)	(4,229)	(861,472)	(836,953)
<b>Net cash provided (used) by operating activities</b>	<u>1,588,622</u>	<u>1,609,460</u>	<u>76,020</u>	<u>116,002</u>

**22. Analysis of cash and cash equivalents**

	<b>Group 2022</b>	<b>Charity 2022</b>	<b>Group 2021</b>	<b>Charity 2021</b>
	£	£	£	£
Short term deposits	717,311	717,311	924,975	924,975
Cash at bank and in hand	3,972,246	3,970,320	2,086,616	2,044,316
<b>Total cash and cash equivalents</b>	<u>4,689,557</u>	<u>4,687,631</u>	<u>3,011,591</u>	<u>2,969,291</u>

**THE PRINCE & PRINCESS OF WALES HOSPICE  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2022**

**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:

	<b>2022</b>	<b>2021</b>
	£	£
Within one year	180,431	69,939
Between two and five years	239,380	300,431
In over five years	31,586	196,767
	<u>451,397</u>	<u>567,137</u>

**24. Redundancies**

During the financial year redundancy payments totalling £Nil were distributed. There is no plan for any redundancies and we as an employer endeavour to retain all our staff members but in the current economic climate nothing can be ruled out.

**25. 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 £205,000 at year-end rates and membership (2021 £221,000). 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 £162,750 at year end rates and membership (2021 £155,000). Effective minimum rates of employer contribution increased to 3.6% from April 2019. At the balance sheet date, there were outstanding contributions of £20,493 (2021 £37,930).

**26. Judgements and Key Sources of Estimation and Uncertainty**

In the application of the company's accounting policies, the Trustees 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 periods.

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*The following pages 40 and 41 are unaudited, but have been extracted from the foregoing Financial Statements*

**THE PRINCE & PRINCESS OF WALES HOSPICE  
FIVE YEAR SUMMARY OF FINANCIAL STATEMENTS  
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNTS**

	2022	2021	2020	2019	2018
	£	£	£	£	£
<b>Expenditure:</b>					
Workforce	3,728,311	3,616,003	3,738,463	3,681,503	3,553,851
Depreciation	247,774	257,599	256,219	159,031	195,695
Other charitable expenses	1,092,227	971,735	844,942	749,728	806,672
<b>Total expenditure</b>	<b>5,068,312</b>	<b>4,845,337</b>	<b>4,839,624</b>	<b>4,590,262</b>	<b>4,556,218</b>
<b>Net Operating incomes:</b>					
Retail contribution	246,576	(106,764)	246,576	297,477	230,279
Lottery contribution	318,143	329,048	434,371	429,405	496,625
Fundraising events	907,120	275,117	655,165	695,103	559,026
Donations	768,493	886,432	768,493	691,468	638,142
Grants received	157,009	715,069	87,538	193,324	214,608
Non-group investment income	93,924	101,098	41,907	36,010	51,584
Gain/(Loss) on investments	120,822	833,034	(512,927)	170	1,421
Other	58,864	28,041	94,755	51,906	39,848
	2,670,951	3,061,075	1,815,878	2,394,863	2,231,533
HSCP	2,373,248	2,258,223	2,153,872	2,082,594	2,148,812
Scottish Government(Covid)	616,715	1,632,988	-	-	-
<b>Total operating income</b>	<b>5,660,914</b>	<b>6,952,286</b>	<b>3,969,750</b>	<b>4,477,457</b>	<b>4,380,345</b>
<b>Surplus/(Deficit) on operations</b>	<b>592,602</b>	<b>2,106,949</b>	<b>(869,874)</b>	<b>(112,805)</b>	<b>(175,873)</b>
Legacies	621,376	153,619	218,748	634,415	1,120,708
	1,213,978	2,260,568	(651,126)	521,610	944,835
Capital Appeal	-	-	-	687,707	1,323,236
Disposal of Carlton Place	-	-	-	(772,898)	-
<b>Surplus/(Deficit) for year</b>	<b>1,213,978</b>	<b>2,260,568</b>	<b>(651,126)</b>	<b>436,419</b>	<b>2,268,071</b>

**THE PRINCE & PRINCESS OF WALES HOSPICE  
FIVE YEAR SUMMARY OF FINANCIAL STATEMENTS  
CONSOLIDATED BALANCE SHEETS**

	2022	2021	2020	2019	2018
	£	£	£	£	£
<b>Tangible assets:</b>					
Fixed assets	19,357,323	19,550,388	19,791,009	19,909,201	19,252,964
Investments	4,148,002	4,025,753	3,404,342	892	722
	<u>23,505,325</u>	<u>23,576,136</u>	<u>23,195,351</u>	<u>19,910,093</u>	<u>19,253,686</u>
<b>Current assets:</b>					
Debtors & Stock	735,319	1,137,645	491,102	656,589	1,005,911
Short term deposits	717,311	924,975	924,398	2,115,959	6,885,532
Cash on hand	3,972,246	2,086,616	1,715,425	4,030,572	1,374
	<u>5,424,876</u>	<u>4,149,236</u>	<u>3,130,295</u>	<u>6,803,120</u>	<u>7,892,817</u>
<b>Current liabilities:</b>					
Sundry creditors	810,896	820,045	1,681,517	1,417,328	2,287,037
	<u>4,613,980</u>	<u>3,329,191</u>	<u>1,449,408</u>	<u>5,385,752</u>	<u>5,605,780</u>
<b>Net current assets</b>	<u>28,119,305</u>	<u>26,905,327</u>	<u>24,644,759</u>	<u>25,295,885</u>	<u>24,859,466</u>
<b>Accumulated funds</b>					
Restricted income funds	192,067	159,451	52,282	86,917	79,179
Unrestricted Funds					
Designated income funds					
Fixed asset reserve	19,357,323	19,550,383	19,791,009	19,909,201	19,252,964
Service Development					
New Hospice	-	-	-	-	3,211,046
Other Service	100,000	100,000	50,000	50,000	50,000
Digital Transformation	296,725	300,000	-	-	-
Retail Central Hub	2,000,000	-	-	-	-
Social Enterprise	105,000	105,000	-	-	-
Young persons Respite	595,083	71,000	-	-	-
Other unrestricted funds:					
General Reserve	5,473,107	6,619,493	4,751,468	5,249,767	2,266,677
	<u>28,119,305</u>	<u>26,905,327</u>	<u>24,644,759</u>	<u>25,295,885</u>	<u>24,859,466</u>