



HIGHLAND HOSPICE

**REPORT of the TRUSTEES and
AUDITED CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended 31 March 2025

CT:

HIGHLAND HOSPICE

Financial Statements
For the year ended 31 March 2025

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Report of the Trustees and Strategic Report For the year ended 31 March 2025

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the group and charitable company for the year ended 31 March 2025. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

Executive Summary

Our Ambition

Our ambition for 2030 is to ensure that everyone in the Highlands faced with death, dying or bereavement has access to the best palliative and end-of-life care - **the right care, in the right place, at the right time.**

Our Services

- An 11-bed **Inpatient Unit** in Inverness
- **Rehabilitation and Wellbeing** services at our Netley Centre in Inverness and in the community
- A 24/7 **Palliative Care Helpline** for patients nearing the end of life, their families, carers and professionals
- A **Palliative Care Response Service** providing care in the home for people nearing the end of life
- The **Enhanced Palliative Care Advisory Service** (Enhanced PCAS), at Raigmore Hospital in partnership with NHS Highland
- **Adult and Child Bereavement Services**
- Care at home through our **Sunflower Home Care** partnerships
- **Helping Hands** volunteer befriending and support
- **Knowledge Exchange**, training and mentoring with the wider health and social care workforce and the public

In addition, through our leadership role in the **End of Life Care Together** (EOLCT) partnership we work to create positive change which enhances and improves end-of-life care for all in the Highlands.

The People We Support

- Our care services directly supported 661 (2024: 601) people at or approaching the end of life and 465 (2024: 337) bereaved adults and children.
- In excess of 1500 people accessed the Palliative Care Helpline or Palliative Care Advisory Service
- Over 200 people were supported at home by our community partners.
- We provided training, mentoring and support to over 500 professional and lay carers.

Our People

We employ over 210 people, 66% of whom work for us part-time, and we have 888 people who volunteer with us.

Our Finances

We are an independent local charity. Our services are offered free of charge to all those in the Highlands who need them. We receive 22% of our expenditure from NHS Highland and are reliant on our community for the balance. Every contribution of time or money, as a volunteer or donor, makes a meaningful difference to people when they need it most.

Income	£9,659,920
Expenditure	£10,227,424
Total assets	£20,180,412

Our Ambition

Ambition 2030

The right care, in the right place, at the right time.

We know that a third of all bed days in the NHS are accounted for by the tiny proportion of our population, around 1%, who are in their last year of life, and that 75% of the £45m spent on palliative and end-of-life care in the Highlands is spent in acute hospitals. But we also know that people say they would least like to be cared for in hospital towards the end-of-life.

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Ambition 2030 (cont.)

For many people hospital is appropriate, but we estimate that between 20% and 40% being admitted could be supported at home if the right care was in place. By better understanding their care needs and preferences, sharing these digitally and increasing the support available at home and in the community, we can provide a better experience and reduce acute hospital admissions.

Our ambition for 2030 is to ensure that everyone in the Highlands faced with death, dying or bereavement has access to the best palliative and end-of-life care - the right care, in the right place, at the right time.

To achieve our ambition, we have identified five priorities for the organisation to focus on over the next few years:

Leadership

- We will take on the role of leading change in palliative and end-of-life care in the Highlands.
- Through the End of Life Care Together partnership we will help our dedicated health and care colleagues in our communities and organisations to work better together and feel part of a well-supported team.
- And, we will encourage and support collaborative leadership at all levels in the Hospice, bringing out the best in our people and teams.

Community

- We will work with and within our communities, helping to identify local needs and foster local solutions to support people at the end-of-life, their families and carers across the Highlands.

Knowledge

- We will share and seek knowledge.
- We will grow our education, training and mentoring programmes supporting those providing care at the end of life.
- By evaluating services and sharing this data, we will identify what's working and what's not, allowing us to tailor the best solutions.
- And, we will work with GP's and others to gather and digitally share people's care needs and preferences to help them receive the care they want, where and when they need it.

Communication

- We will seek to ensure that everyone who needs to understand what the Hospice and our partners can offer and how to access it does so.
- We will facilitate discussion between partners on the subjects that matter to our population.
- And, we will encourage the Highland population to support our income generation activities.

Financial Sustainability

- We will work to be secure in our finances so that we are here for the long term.
- We will always seek to deliver quality and value, meeting the needs of our population within the resources that are available.
- And, we will innovate our fundraising and commercial activities, diversifying our income portfolio to reduce risk and generate more funding.

Values

For those we serve:

- Facilitating patient choice and independence is key to delivering good care. Providing sanctuary, respect and dignity is at the heart of our philosophy of care.
- Supporting family members and carers is integral to our model of care both during illness and after death.

We will achieve this through our:

- **Commitment** - We will strive to deliver the best for those we serve and the organisation.
- **Compassion** - We will be concerned for each other, and we will support each other to achieve the organisation's objectives.
- **Team working** - We will work together and in partnership with others to achieve the best outcomes.
- **Transparency** - We will demonstrate openness and transparency in all decision making.
- **Trust** - We will act with integrity and be honest, respectful, and sincere in dealings with each other and our partners.

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Report of the Trustees and Strategic Report
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Our Achievements

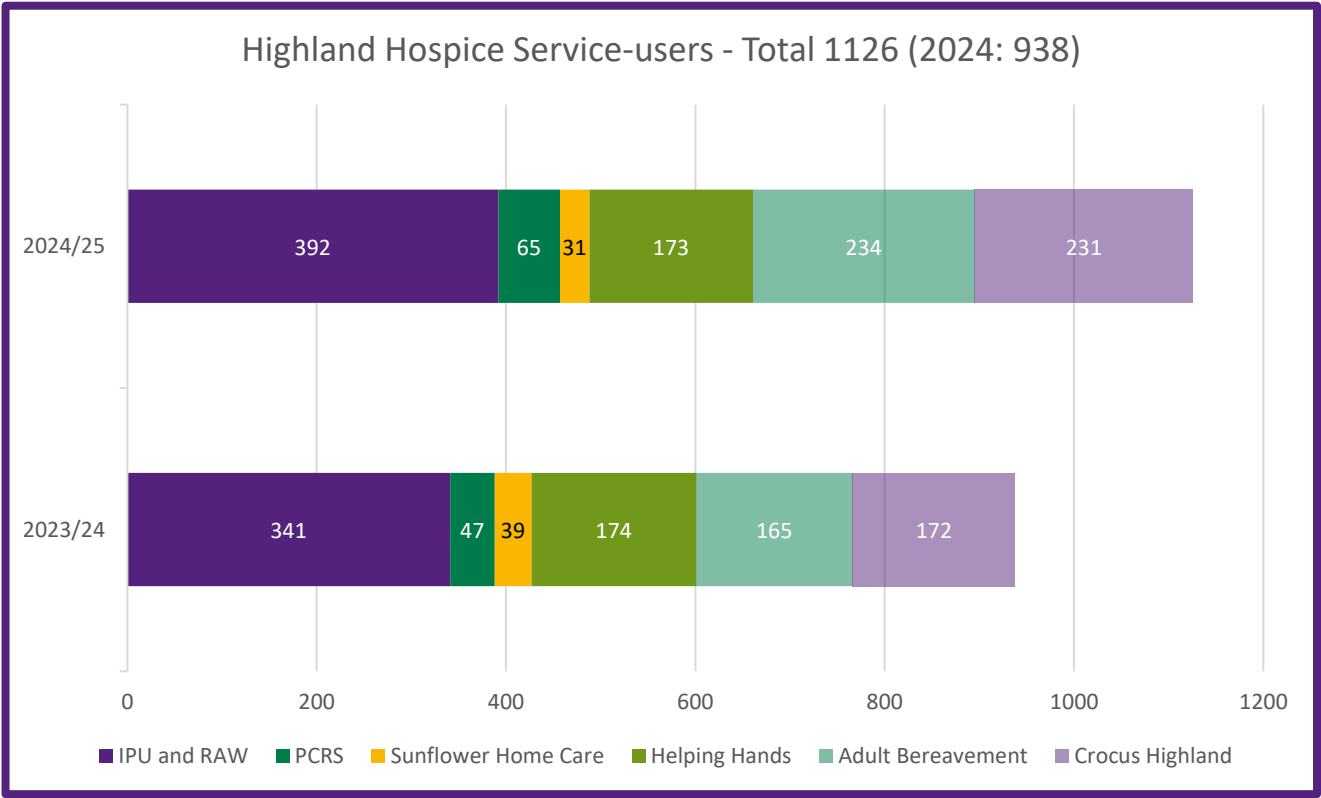
The People We Support

Approximately 2,200 people die in Highland every year. Around 80% of these deaths are people with palliative and end of life care needs – in other words they are predictable and follow a period of declining health. These people should have access to the right care, in the right place, at the right time to make the most of their remaining life. Furthermore, all deaths impact on loved ones, and in some cases, people dealing with grief can benefit from additional support. This is who Highland Hospice is for.

We recognise that support from Highland Hospice can take many forms:

- There are those people who receive care and support directly from Hospice staff and volunteers.
- There are more who access advisory services such as the Palliative Care Helpline and Enhanced PCAS
- Many people benefit from services delivered by our community partners.
- And, there are those that receive improved quality of care because of the training and support we have given to the person providing their care.

In 2024/25, 1126 (2024: 938) people received care and support directly from Hospice staff and volunteers.



In addition:

- In excess of 1500 people accessed the Palliative Care Helpline or Palliative Care Advisory Service.
- 214 people were supported at home by our community partners.
- We cannot count the number of people who benefitted because their care provider received education, training or mentoring from the Hospice, but we do know that over 500 professional and lay carers accessed these services.

End of Life Care Together

End of Life Care Together is a partnership of organisations across voluntary, health and social care, led by Highland Hospice and including NHS Highland, Macmillan Cancer Support and Social Finance. Funding is provided from Highland Hospice reserves and Macmillan Cancer Support. Our shared aim is to take a population approach based on the fundamentals of value-based health care, developing services that provide:

- Personal Value - meeting the outcomes that matter most to people nearing the end of life, their family and carers.
- Allocative Value - measuring and ensuring fair access to care based on need.

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End of Life Care Together (cont.)

- Technical Value - refocusing resources as efficiently as possible to increase community support, reduce unscheduled care and meet the outcomes that matter most to the people of Highland.

Service development is currently focused on increasing identification of people who need support by better future care planning, and fast-tracking palliative and social care at home through the 24/7 Palliative Care Helpline and the Enhanced Palliative Care Response Service (Enhanced PCAS).

During the year agreement was reached with NHS Highland and Macmillan Cancer Support to enhance the existing NHS Highland Palliative Care Advisory Service based in the Inverness acute hospital, Raigmore. Highland Hospice and Macmillan funding will add nursing and medical capacity to the service. Enhanced PCAS will focus proactively on identifying patients in the last three months of life who are medically fit for discharge but remain in hospital due to gaps in community care.

24/7 Palliative Care Helpline

The **24/7 Palliative Care Helpline (PCH)** provides a single point of access for advice, support and information for people nearing the end of life, their families, carers and professionals across Highland and Argyll and Bute.

- During the year, the PCH received 3,528 (2024: 2,543) calls relating to 988 (2024: 811) individuals.
- NHS Highland stopped providing cover for weekday out-of-hours and all helpline staff are now employed by Highland Hospice.
- Work was initiated to integrate the helpline staff more fully with the Inpatient Unit across all shifts. This provides better cover in event of unexpected staff absence and allows helpline staff to retain hands-on experience.
- Between the launch of the 24/7 Helpline in May 2023 and September 2024, people who died having used the helpline spent on average four fewer days in hospital in their last year of life following an emergency admission than would have been expected for this patient cohort.
- The 970 people who died having accessed the Helpline spent a total of 4,105 fewer days in hospital. This is the financial equivalent of £3,817,650 (based on published NHS Highland bed day rates).

Palliative Care Response Service

Our **Palliative Care Response Service (PCRS)** provides flexible and timely access to social care at home and other support services for people nearing the end of life across Inverness. In an emergency we aim to assess patient care needs and have social care in place within four hours. In all other cases this will be done within 24 hours. By coordinating access to urgent social care services, we can help to prevent unwanted hospital admissions or accelerate discharge from hospital, supporting people to remain at home longer and helping manage hospital capacity.

- During the year the PCRS accepted 139 (2024: 105) referrals of whom 65 (2024: 47) were directly supported by Highland Hospice with care in their home.
- The PCRS Co-ordinator also sources care from other providers and refers to other agencies such as Marie Curie and Connecting Carers and many of the remaining referrals were supported by other organisations arranged by the Co-ordinator.
- We have been in discussion with NHS Highland and The Highland Council to secure transformation funding to allow a trial extension of the PCRS to areas outside Inverness. We hope these will lead to activity in 2025/26.
- Between the launch of the Palliative Care Response Service in January 2023 and September 2024, people who died having used the service spent on average 20 fewer days in hospital in their last year of life following an emergency admission than would have been expected for this patient cohort.
- The 151 people who died having accessed PCRS spent a total of 3,079 fewer days in hospital. This is the financial equivalent of £2,863,470 (based on published NHS Highland bed day rates).

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Palliative Care Response Service (cont.)

Shirley Ann's Story

Shirley Ann was 64 and working as a medical practice receptionist when she received her terminal lung cancer diagnosis. In October of 2024, her husband David was in the Philippines, where he manages an engineering firm, when Shirley Ann's health took a sharp downturn. With David working overseas she was being supported by her daughter Laura. Upon his return David noticed a significant change in her health, with Shirley Ann now mostly confined to bed.

"Mark, the Macmillan nurse, was the one who alerted the Hospice team", David said, adding "We received a hospital bed to help manage the bed sores that had started to develop, along with a commode and a shower chair".

Alerting the Hospice team set wheels in motion with the Palliative Care Response Service (PCRS) and the family were swiftly visited by Ciara who helped to co-ordinate a package of care which would support Shirley Ann to remain at home with family in her final weeks. Though Shirley Ann's medication was still managed through oral tablets, additional medication was delivered for the community nurses to administer if necessary. This intervention was vital to protecting Shirley Ann's quality of life towards the end, with David recalling that the carers provided not just physical support but also a comforting presence and emotional relief, *"They stayed as long as necessary; they told us if you need an hour we'll be here for an hour. They were fantastic, every one of them."* David said.

Another key service which provided vital support to the Burgess family was the 24/7 Palliative Care Helpline (PCH). *"The Helpline was really good once we figured out that it was just one phone call. You called them and they would speak to the doctor or the nurse and sort things, so we weren't chasing anyone."*

For Shirley Ann to be able to spend her final weeks at home thanks to the support of the PCH and PCRS was *"very important"* for the family, David said, with the support allowing them to spend their final moments together as just that, a family - something David will forever cherish.

"I can't sing the praises of the carers enough. They're a special breed, very passionate about what they do and very thoughtful."

Inpatient Care

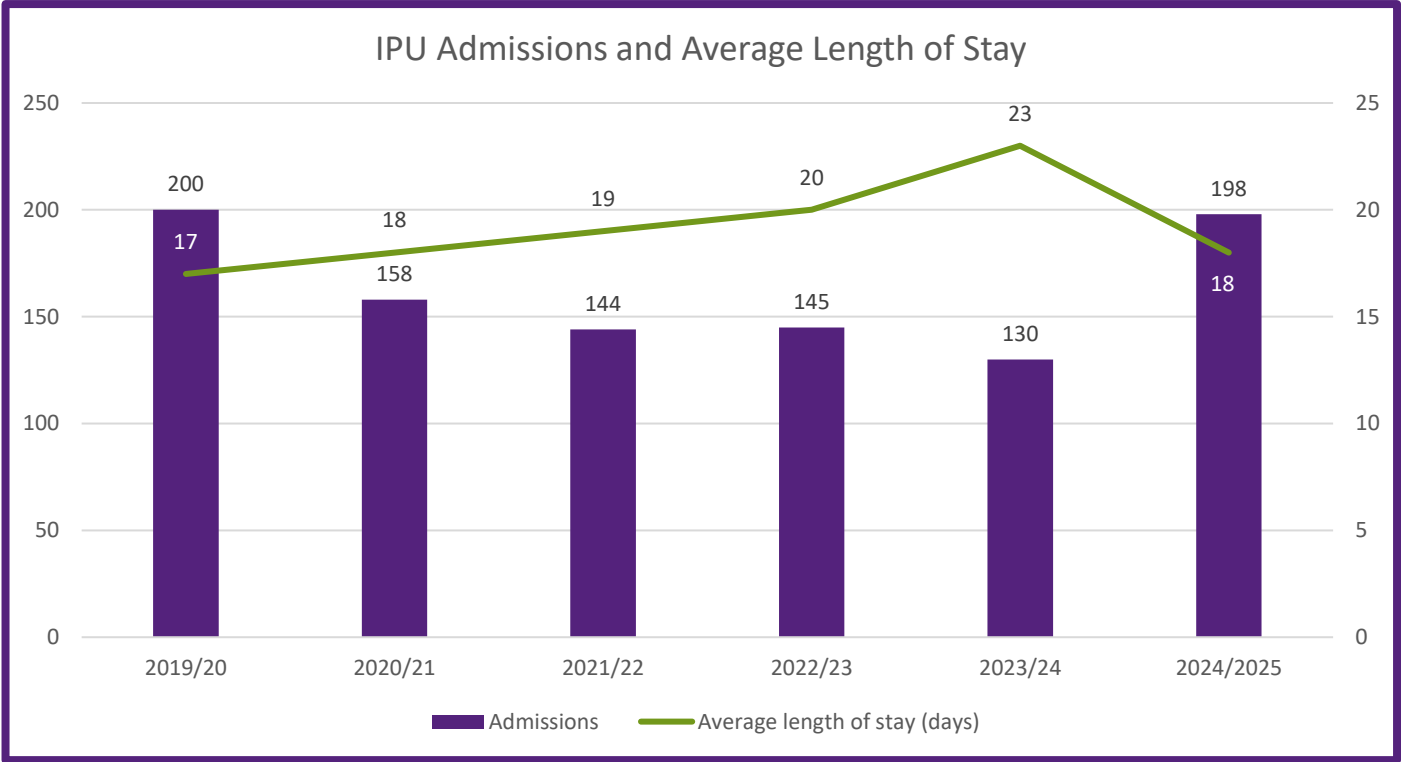
Our **11-bed Inpatient Unit (IPU)** provides specialist palliative care, improving the quality of life for those who require specific treatment for difficult issues such as pain and symptom control, or who would benefit from rehabilitation. Around a third of our patients stay for a short time before returning home or to an alternative care environment, and we offer end-of-life care for those who need it and who benefit from being in a hospice environment at this stage of their life. Through effective integration with the wider Hospice team we are able to deliver high-quality care for those most in need of specialist support. There were 198 (2024: 130) admissions to the Inpatient Unit, made up from 160 (2024: 118) individuals (some people are discharged and readmitted). Our discharge rate was 30% (2024: 35%) and our bed occupancy 69% (2024: 78%).

- In the years following the Covid-19 pandemic we saw a decline in admissions to the IPU. During 2024/25 we saw a significant reverse of this with admissions almost at pre-Covid levels and the average length of stay back down around 2-3 weeks.
- A notable variation this year was the number of younger patients with complex pain management and psychological needs being admitted. This pattern has been reported by other hospices, but we are not aware of any underlying reasons for it.
- Over the past few years, we have recruited three Advanced Clinical Nurse Specialists (ACNS's) to work alongside the medical team. All patients in the IPU are seen daily by either an ACNS or one of the medical team, and, amongst other developments, they are building their skills to be able to provide specialist care on-site that would otherwise have required admission to acute services.
- In September 2024, NHS Highland withdrew their support of the Palliative Care Helpline and all out-of-hours calls started to be taken by IPU staff. The ACNS's have been able to support this change and we have also trained the majority of staff nurses to take calls. Later in the year work was initiated to integrate the daytime helpline staff with the Inpatient Unit across all shifts.

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Inpatient Care (cont.)



Alison and Andrew’s Story

Alison discovered she had tumours in her lung and various other places after being tested for the cause of unusual back pain. When caring for Alison at home started to become a struggle for her husband Andrew, she was admitted to the Hospice to receive inpatient care. While her pain wasn't gone, she was more comfortable than before. Andrew remarked *"The care from the nurses was great, she was eating a lot better, she seemed happy sending me pictures of her lunch. There was a comfort knowing that there's people there taking care of her."* Andrew went on to say that one of the nurses told him *"You concentrate on being a husband, and we'll concentrate on being nurses"*, and he added *"That was a relief, that I knew she'd be looked after right to the end"*.

Andrew recalled how the Hospice staff went above and beyond for Alison, *"The facilities were great, it's the best of everything and Alison was very comfortable. The staff were so amazing"*. He recalls Alison's favourite time when she had asked a staff member for a hot chocolate. The café was busy and after 20 minutes, there was no sign of it, so they assumed the lady had been called away or forgotten. It turned out that there had been no cream or marshmallows in the café, so someone had popped out to Tesco to buy some specially for Alison. Andrew said, *"Alison was so delighted, and we got a photo of her holding her hot chocolate. Those little touches made an impression."*

During her final week she had a bit of a surge and was able to see her family which Andrew described as being a *"special day"*. Alison died on Boxing Day.

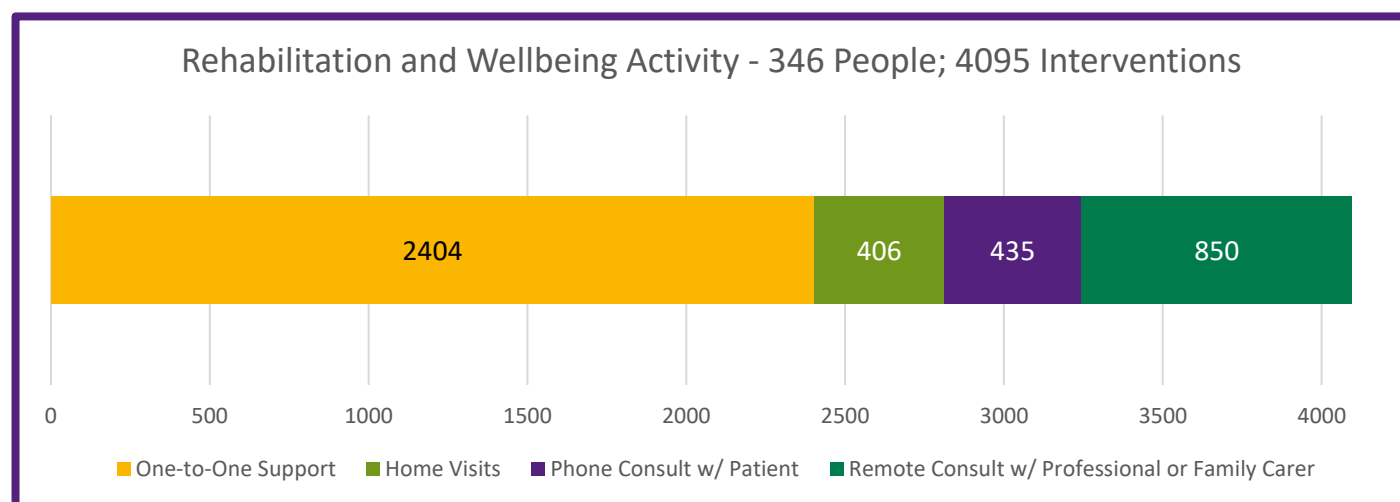
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Rehabilitation and Wellbeing

The Rehabilitation and Wellbeing (RAW) team at Highland Hospice offer a range of services to help people live well with a life shortening illness. This includes management of symptoms such as breathlessness, fatigue and anxiety; practical support to help service-users maintain their independence; advice about finances, benefits and accessing social care; creative sessions to try out new techniques, make gifts or capture memories; and complementary therapies.

Around half of RAW service-users are living at home and access the service on an outpatient or domiciliary basis, with some additional phone support. The majority of patients admitted to the Inpatient Unit also receive support from the team whilst in the IPU and the team follow them if they are discharged. RAW activity has changed a lot since Covid and this year we introduced new activity measurements meaning we can't show like-for-like changes from previous years. The chart below shows RAW activity for the year.



- The majority of activity involves the team working one-to-one with the service-user, either in the Hospice or at home. Hospice based one-to-one sessions are split evenly between IPU patients and outpatients.
- To support people to retain independence as long as possible and to live well with their illness, the RAW team have found that providing advice directly to either their professional or family carer can be highly effective. Around 60% of these remote consults are with community-based healthcare professionals.
- The complementary therapies service also provides support in Invergordon and Nairn through partnerships with local service providers in these areas.
- The introduction of Rehabilitation Assistants has allowed the service to expand. Under the supervision and guidance of our qualified therapists this is proving to be effective and resource efficient. However, demand for RAW services continues to grow, putting pressure on the team and leading to development of a waiting list and triage process which will help prioritise people and ensure they are offered the care they need.

Our very own 'Calendar Girls'

In the summer, a group of ladies from our Rehabilitation and Well-being weekly group therapy session, expressed their desire to create a 'Calendar Girls' style calendar, with the motive of highlighting positive body image and raising funds.

One of the group members, Karen explains, *"As a group, we get so much comfort and support from the Hospice's Rehabilitation & Wellbeing Service. We know each other so well and share lots about our diagnoses and journeys. However, there are members of the group who are no longer with us and this is always difficult – and exactly why we want to celebrate the here and now!"*

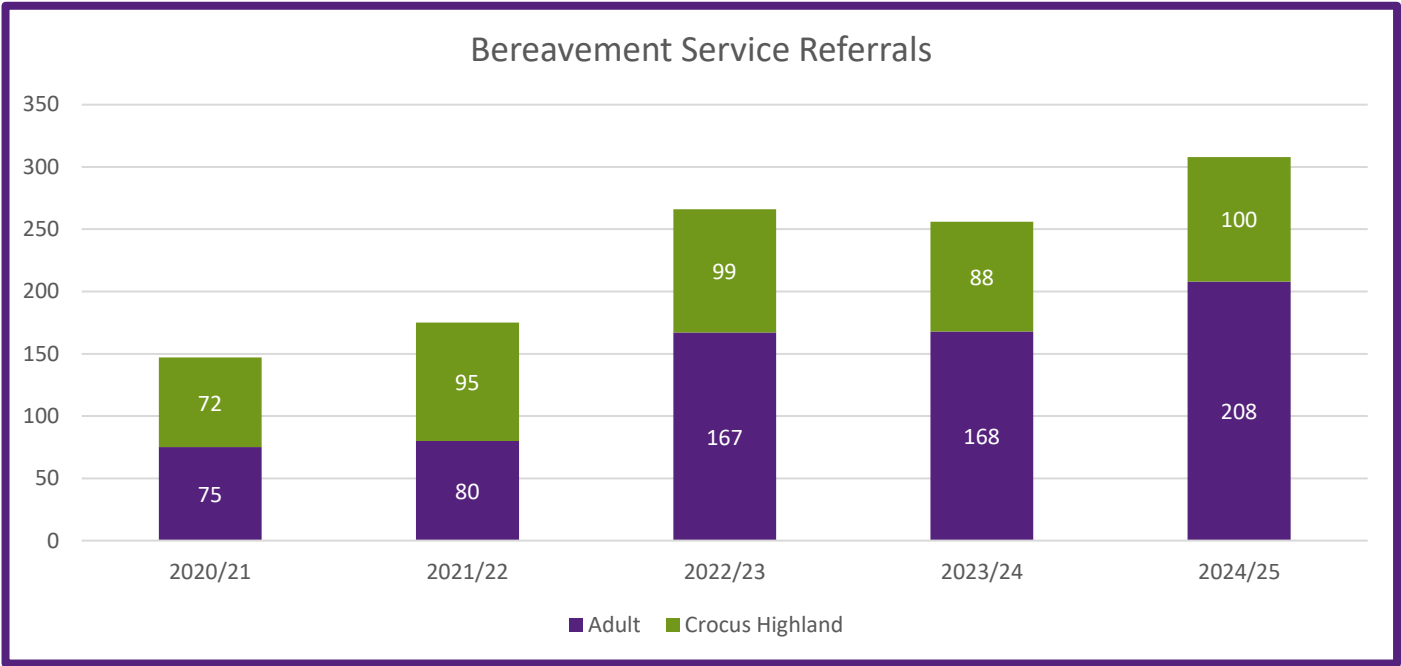
For the RAW Team Lead, Jen this was a real highlight of the year, *'One of the most unforgettable moments for the team this year was supporting the inspiring Women's Group in creating a fundraising calendar. Staff felt privileged to be part of a truly special day - filled with pampering, laughter, and camaraderie - that resulted in a beautiful calendar celebrating body confidence, raising awareness of hospice services, and reflecting the invaluable support these women provide for one another.'*

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Adult and Child Bereavement Services

Highland Hospice offers bereavement support for people of all ages living in Highland, regardless of the cause of death of the person who has died. The service is not restricted to the families of Hospice patients. Support can take many forms including access to a library of materials to help understanding of grief, informal and social support groups, group therapy work and 1-2-1 counselling. For people under the age of 18 the service is called Crocus Highland. Through our leadership role in Grief Matters Highland, the Hospice facilitates partnership working between agencies and charities, with the aim of ensuring support is available for all those in Highland living with grief, regardless of age or location.



- During the year the team worked with 465 (2024: 337) adults, young people and children.
- Over a five year period we have seen a doubling in annual referrals to our bereavement services. These numbers alone can hide the complexity of support we need to provide, especially through the Crocus child and young person service where the cause of death is often sudden traumatic or suicide. We also find that in these cases the remaining adult carer needs support as much if not more so than the young person.
- The significant growth in ongoing casework and new referrals has put pressure on the team and they now operate a waiting list for the adult service that can be up to six months. People on the waiting list are offered less formal interventions and support which sometimes result in them realising they don't need formal counselling.
- We continue to develop a volunteer service with volunteers provided listening training. The volunteers have made an impact in supporting people on the waiting list and reducing its length.
- We reintroduced 'Grief Talks' for people new to the service or on the waiting list. These are psychoeducational sessions, two hours long where there is information provided about grief, its effects and detail on what support can look like.

Bereavement Service-user Feedback

'I like the Day to Remember. I met someone just like me, his daddy died too.'

Crocus service-user

'...the difference you have made to her and us as a family has been incredible. When I first reached out we were struggling even to get her into school, and she wasn't hardly sleeping at night.'

Crocus service-user parent

'I feel so much lighter having attended this session. Not feeling alone as my family do not understand my feelings.'

Grief Talk participant

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Sunflower Home Care

Sunflower Home Care is our care-at-home service. We work in partnership with communities to recruit locally based care workers when other providers aren't meeting demand. We contract with NHS Highland to deliver high quality, tailored social care. We operate the Sunflower Home Care service in two rural communities, Boleskine and Foyers on South Loch Ness and Glenurquhart on the north side of Loch Ness. Sunflower is also responsible for delivering the Palliative Care Response Service in Inverness.

- During the year we supported 31 (2024: 39) people through our community partnerships and 65 (2024: 47) through the Palliative Care Response Service.
- Towards the end of the year, following several months of trying to recruit staffing for our service in Fort Augustus, Glengarry and Glenmoriston, we made the difficult decision to withdraw from delivery in this area.
- Care worker recruitment in the remaining two communities continues to be challenging, but we are able to meet our contractual requirements.
- Our partners in Boleskine secured funding for two electric vehicles which are leased to the service on favourable terms for use by local Sunflower staff. These vehicles reduce carbon footprint and encourage staff recruitment and retention.

Lorna and Jim's Story

"The Sunflower Home Care team were a fantastic support to my late dad Jim and to myself, my husband and my brother during the last week of palliative care at home for him. After being referred to them through our district nurse Louisa and our doctor's surgery, we started with a team of two twice a day - but it soon needed to go up to four times daily when dad couldn't manage to leave his bed.

The Sunflower team came in to wash and change dad, give him personal care, shave him and help feed him - they advised me to feed porridge/custard etc and water as I was struggling and worried he would choke. This enabled me to have half an hour four times a day to have a cup of tea or shower.

We really appreciated the girls cleaning dad's false teeth, as the sorer he became the more ulcers he would get in his mouth. They would then give him a drink through a straw and make him more comfortable. I kept everything as clean as possible but knew I could ask the girls anything and share any worries, they were always so professional but very gentle and caring towards my dad, every single one of them.

Dad always wanted to stay in his cotton shirts instead of pyjamas, which was never a problem, and they changed his bedclothes. The girls always spoke to him and listened to his answers, this was important as it kept his dignity and also gave him a little control over his personal care. Dad loved listening to pipe music and the girls would chat to him about his motorbike, mum and the pipes. He always responded to them with humour. We probably met about six to eight of the team over the week and they were outstanding in their care of my dad.

This helped my family spend quality time saying goodbye at such an emotional and draining time. It was essential to my dad's end-of-life care. Both my dad and mum wanted to pass away at home and the Sunflower Home Care team gave me the last four days of dad's life. I had the chance to simply love and look after my dad with no regrets. Knowing I was being supported in this amazing way made me stronger."

Helping Hands

Helping Hands is a group of services aimed at reducing social isolation, supporting carers and improving service-users quality of life. Most support is provided one-to-one by carefully matched volunteers. In some areas support is provided in a group setting. The Inverness and Easter Ross service is managed directly by Highland Hospice. We also support 12 community partners to provide a local befriending service. Each Helping Hands volunteer and the person they support is unique. The amount of time they spend together, and activities will vary but every volunteer will provide a friendly ear to listen as well as extra assistance to help reduce anxiety and stress for individuals and carers.

- Highland Hospice led services supported 209 (2024: 207) individuals and those of our community partners worked with a further 214 (2024: 191) people – a total of 423 (2023: 398).
- Two new partners came on board in Lochcarron and Badenoch and Strathspey.
- Increased demand has resulted in a waiting list being operated in Inverness and Easter Ross. People on the list are closely monitored and support given to those deemed high priority first.

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Helping Hands (cont.)

- Volunteer training was updated based on feedback with changes positively reviewed. Community partners note the provision of training and ongoing support as one of the key benefits of working with Highland Hospice.
- The opportunity to adapt and extend the Helping Hands service to support discharge from hospital is being investigated by the Hospice and a number of partners.

Helping Hands Feedback

'You sent us an angel who brought sunshine and stimulation to mum during her visits, whilst she was in her own home. We cannot express enough how lovely the volunteer has been, not just to mum, but to all of us – she has created a real friendship.'

Knowledge Exchange

By offering support, mentoring and learning, our specialist staff are able to undertake knowledge exchange with the wider health and social care workforce and informal carers across Highland. Knowledge Exchange is most easily explained as the sharing of evidence-based and lived experience knowledge between professionals and the public in a safe environment of equality. Our aim is to develop skills and confidence levels amongst carers, helping people to be provided with respect, dignity and choice during their declining health wherever their care is taking place. We run several activities which promote this ethos which include:

- ECHO (Extension of Community Health Outcomes) for health and social care professionals to share learning about complex conditions and improve practice. We supported 5 (2024: 7) Communities of Practice with a total of 232 (2024: 264) health and care workers benefiting from participating in these sessions.
- Last Aid which is a public health programme to encourage confidence for people to talk about death and dying in their own families and communities.
- Two conferences per year for our health and social care partners in Highland. Together these were attended by 246 people.

We have a knowledge exchange team to oversee these projects and expand the Hospice's activity. The team works across Highland, Scotland and internationally. We seek to create good relationships with our partners in the region, NHS Scotland, Scottish Government and with international colleagues in Germany, Canada, Australia and the USA. We also deliver ECHO with our partners in Malawi. We use learning from our national and international work to improve our services for people in Highland.

This year we saw our Scottish Government funded research for ECHO and Care Homes published following the completion of a successful project across Highland and Scotland which reached more than 180 social care staff. We regularly contribute to literary publications, and this helps to ensure the Hospice's presence in policy making decisions for example, the National Palliative Care Strategy, My Health, My Care, My Home and Long COVID.

In addition, we provided 3500 hours of placements and work experiences to colleagues from outside the Hospice to support development of their skills and knowledge.

Our Resources

Staff

We could not deliver all the services and meet our customer and supporters' needs without our staff and volunteers. Every individual plays a vital role in delivering the achievements described in this report and is valued for their contribution. Staff salaries account for 72% (2024: 66%) of expenditure. The number of employees at year end was 211 (2024: 202), 66% of whom were part-time. In addition, there were six vacant positions. Staff turnover was 22.4% (2024: 19.7%) and absence 4.5% (2024: 2.6%). These figures reflect the diversity of our staffing which includes retail and social care where turnover and absence data reflects national trends and is higher than other staff groups.

There were over 1500 individual attendances (staff and volunteers) at training and development events during the year, reflecting both required needs for the Hospice and individual desire to learn and develop.

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Volunteers

Across Hospice services, volunteers provide support including reception, ward clerk, driving, events, office administration, gardening, flower arranging, bereavement support and befriending. In addition, around half of our volunteers help keep our 15 shops, warehouse, the Hospice café and Ness Islands Railway open throughout the year. The contribution of volunteers is critical to our success as a community-supported organisation, and we are hugely grateful to each and every one of them for their hard work and dedication.

- At year-end the total number of volunteers was 888 (2024: 931). We remain the organisation with most volunteers in the Highlands.
- We received 288 (2024: 294) applications to volunteer, with 167 of these leading to individuals joining the team.
- Nearly 40% of our volunteers are aged 64 or under.
- The Hospice encourages a diverse and inclusive volunteer community and looks at initiatives to enable all volunteers to feel valued. To support this, we introduced a Volunteer Support Plan which facilitates conversations with volunteers who have disclosed a physical or mental health condition on their application. Its purpose is to understand their needs and provide tailored support, ensuring they can contribute effectively while volunteering.

Sustainability

In the last year we have made further progress in support of our Sustainability Strategy.

Emissions are measured across 3 scopes: Scope 1 – Direct Energy, Scope 2 Indirect Energy and Scope 3 – Indirect Emissions (everything else). We have now measured our CO₂ emissions (CO₂e) across the organisation for the financial years ended 31 March 2024 and 31 March 2025.

- Comparing year-on-year data, we have recorded a 3% reduction in our total emissions to 480 tonnes CO₂e.
- Our Scope 1 emissions reduced, Scope 2 increased and Scope 3 remained similar across both years.
- Our intensity ratio has reduced by 11% to 3.3 (based on employee numbers). This is within the context of an organisation which is expanding our services and employee numbers.

Measuring emissions can be complex, so we are improving how we collect data to make reporting more efficient. We will use the available data, combined with the forthcoming 3rd year data, to focus our future efforts to reduce emissions.

Our shops sold over 499,000 second-hand items. Using the Charity Retail Association Carbon Footprint Calculator this avoided over 1.35m CO₂e and prevented over 126 tonnes of landfill.

In addition, we are:

- Supporting our Cycle to Work scheme by increasing the financial support to broaden appeal for more expensive e-bikes.
- Engaging with volunteers to use online approaches rather than only paper-based solutions – this reduces print materials and also helps improve how the service is delivered and reduces risks of data breaches.
- Continuing to look at sustainable alternatives within fundraising e.g. use of apps and QR codes to reduce print materials.
- Moving paper based fundraising tasks online e.g. Gift Aid.
- Providing guidance on what we can sell in our shops to supporters to reduce the amount of donated goods that go to landfill.
- Taking part in the Greener Palliative Care Award pilot.
- Incorporating sustainability as a factor when making decisions at board and leadership meetings.

HIGHLAND HOSPICE

Report of the Trustees and Strategic Report
For the year ended 31 March 2025

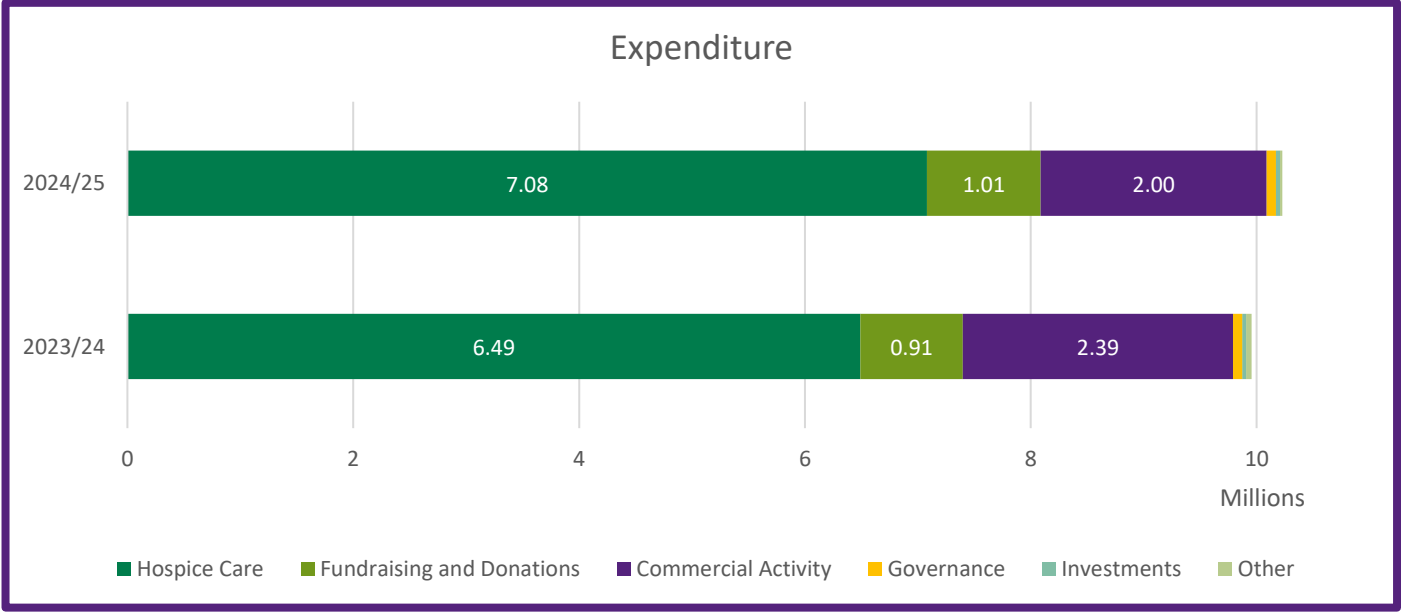
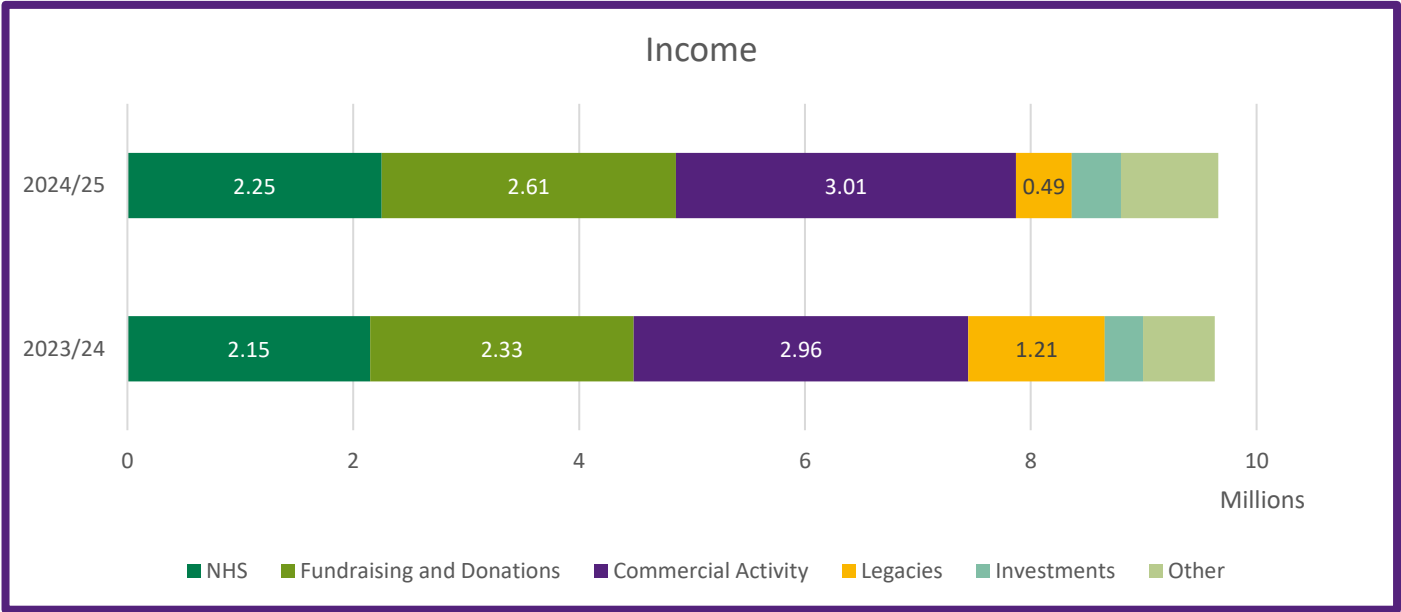
Finances

The Hospice made a small surplus of £3k on core activities and invested £570k in additional services development and therefore recorded a net operating deficit of £567,504 (2024: £324,543) before recording realised and unrealised gains on investments of £94,900 (2024: £794,036) leaving a deficit for the year of £475,269 (2024: £471,740 surplus).

The current liquidity ratio of 5.4:1 indicates that the charity has a strong liquidity position.

The charity's wholly owned trading company, Highland Hospice Trading Limited, recorded a profit of £64,404 (2024: £70,029), all of which was gifted to the charity. In addition to profits the company transferred £nil (2024: £2,272) in loan repayment to the Hospice, bringing its total contribution to £64,404 (2024: £72,301).

The charity's wholly owned company, Ness Islands Railway Limited, recorded a profit for the year of £76 (2024: £16,987), the prior year profit was gifted to the charity. In addition to profits the company transferred £3,000 (2024: £3,000) in rent and £973 (2024: £3,068) in loan interest to the Hospice, bringing its total contribution to £3,973 (2024: £23,055).



The Hospice values the grant income received from NHS Highland, acknowledges the ongoing tight financial constraints within which they are currently operating and is grateful to NHS Highland for agreeing a further uplift in our grant to reflect salary increases within the NHS.

HIGHLAND HOSPICE

Report of the Trustees and Strategic Report For the year ended 31 March 2025

Income Generation and Communications

- Income from fundraising and donations rose by 12% and the return on investment was 2.59 (2024: 2.57)
- We saw growth in income from our fundraising events with particular success for an exclusive Burns Supper organised and held in London by one of our supporters.
- Trust income was boosted by over £172,000 from the winding-up of Miss M B Reekie's Charitable Trust.
- With extra investment in recruiting new players, we saw a drop in Lottery income for the year but expect it to climb considerably in future years.
- We entered a partnership with nine independent Scottish hospices to recruit a National Corporate Fundraising Lead with a strategy to secure national corporate partnerships each hospice couldn't gain on their own. This will open a new income stream for each hospice.
- Income from our commercial activity includes our 15 charity shops and Ebay shop, our subsidiary Highland Hospice Trading Ltd operating the Hospice café and selling a range of new goods and Christmas cards, and our subsidiary Ness Islands Railway Ltd.
- Commercial income rose by 1.6% and profitability was 34% (2024: 36%).
- After five years of difficult trading the decision was made to close our second café in the local shopping centre. This will reduce income but improve the profitability of the trading company in future years.
- Activity at Ness Islands Railway was affected by the delayed refurbishment of the play park in which it is located. This led to lower footfall in the area and significantly fewer passengers. The new play park was in place for the start of the 2025 season and we expect income at the Railway to bounce back.
- Income from legacies fell by 59% reflecting the unpredictable nature of this funding. In recognition that we cannot control this income, annual budgets are set with a minimal contribution from legacies to reduce risk.
- To secure legacy income long-term, we began a multi-year collaboration with over 140 hospices across the UK to run a national legacy-giving campaign for local hospices. The first burst of TV advertising for this campaign was in February 2025 and was supported by local promotion through social media and other channels.
- Towards year end the Hospice purchased a second investment property and now owns a building in Ullapool let to NHS Highland and a building in Inverness let to multiple tenants. Together the properties have the potential to provide over £130,000 income p.a.
- Communication has been highlighted as one of the five priorities to help achieve Ambition 2030. During the development of the Ambition particular emphasis was placed on ensuring the public understand what the Hospice can do for them and how to access our services. Development of the 'Comms 2030' strategy is a high priority for 2025/26.

'Hospice Stars' - A Communications Success Story

In November, the Communications team, invited our social media followers to nominate someone they felt had gone above and beyond for Highland Hospice over the previous year. Twenty-four 'Hospice Stars' were highlighted on our socials during the advent countdown in December.

As a result of inviting public nominations, a variety of 'unsung heroes' from across the Highlands received recognition.

Hospice Stars ticked multiple boxes in terms of our communications goals. Audience interaction was significantly higher than with our standard posts - people were talking about it and wondering who was coming next; it highlighted our breadth of care and services as well as our fundraising, corporate support, volunteering and community partnerships - all in a very accessible and easy to digest manner.

Perhaps most importantly, this initiative offered a platform for people to recognise the achievements of others, and made a variety of people feel good - not only grateful that someone had taken the time to nominate them but also lifted by reading the hundreds of lovely and supportive comments of others who agreed with their recognition.

Our Hospice Stars social media campaign was highly effective in educating people about Highland Hospice, as well as spreading a large dollop of festive cheer and goodwill at a time that can be difficult for many.

HIGHLAND HOSPICE

Report of the Trustees and Strategic Report For the year ended 31 March 2025

Investment Policy and Objectives

The Hospice has an investment policy which delegates decision making on investment matters from the trustees to the Investment Committee which reports into the Finance Governance Committee of the board. The Investment Committee consists of at least two members of the Finance Governance Committee, including the Chair, and other appropriately qualified external representatives co-opted from time-to-time.

The investment policy is reviewed annually and currently states the following objectives:

- Highland Hospice seeks to produce the best financial return within an acceptable level of risk.
- The investment objective for the long-term reserves is to generate a return in excess of inflation over the long term whilst generating an income to support on-going activities of the Hospice.
- The investment objective for the short-term reserves is to preserve the capital value with a minimum level of risk. Assets should be readily available to meet short term cash requirements and pledges.
- The Hospice's assets should be invested in line with its aims.

Investment management is delegated to RBC Brewin Dolphin on a discretionary basis with the Finance Governance Committee maintaining regular contact with the RBC Brewin Dolphin team. The investment process at RBC Brewin Dolphin incorporates Ethical, Social and Governance (ESG) analysis whereby they review prospective investments against a wide range of ESG Criteria alongside robust financial analysis. The committee has reviewed these ESG policies and are confident that RBC Brewin Dolphin are good stewards of the Hospice's assets.

The Trustees have specifically asked RBC Brewin Dolphin to avoid any direct investment in companies involved in the production of tobacco. RBC Brewin Dolphin has the ability to screen, thereby excluding companies such as those producing or selling tobacco, as well as selecting companies portraying positive characteristics.

Reserves Policy

The Board and Senior Management maintain a rolling five-year income/expenditure forecast based on expectations for inflationary increases, service growth and fundraising and commercial income projections. This forecast shows a period of deficits driven by plans for service growth and the effects of inflation. Current surpluses and reserves are required to ensure the continued financial sustainability of the Hospice over the long term.

At 31 March 2025 the total assets of the charity including fixed assets, restricted funds, risk reserve and designated funds amounted to £20,180,412 (2024: £20,655,681).

The Fixed Asset Fund represents the book value of tangible fixed assets including buildings and equipment owned by the charity. Fixed assets account for 33% of all the Hospice's assets.

Restricted funds held by the charity are those which can only be used for a specified purpose. This restriction is generally placed by the donor and can only be lifted with the donor's permission. At year-end the total amount of restricted funds was £111,879 (2024: £114,188) including:

- Net income from the therapeutic arts project fund, art plan, and the palliative care course fund not yet spent.
- The staff fund constituting donations specifically given in support of staff and volunteers social activities.
- Monies held to purchase medicines for Malawi and to support community-led services in Ullapool.
- Bereavement support fund to enable the expansion of bereavement support services.

With a commitment to the work of the End of Life Together partnership, the trustees continue to designate £249,858 towards supporting this activity.

The Board of Highland Hospice recognises the importance of financial security, especially at a time of economic uncertainty. The risk reserves policy is reviewed annually by the trustees. The policy states that the value of the risk reserve should be based on a risk analysis of income, expenditure and balance sheet assets and all capital projects. At 31 March 2025, the total risk reserve was set at £3,917,600.

A full copy of the reserves policy is available on request.

HIGHLAND HOSPICE

Report of the Trustees and Strategic Report For the year ended 31 March 2025

Our Governance

Governing Document

The charity is controlled by its governing document, the Articles of Association, and is a company limited by guarantee, as defined by the Companies Act 2006, and registered in Scotland no. SC093464.

Trustees

Recruitment and Appointment of New Trustees

The recruitment process ensures the Hospice meets the requirements of The Charities and Trustee Investment (Scotland) Act 2005 and is in line with good practice guidance published by the Office of the Scottish Charity Regulator. Trustee vacancies are advertised on the Hospice website, through social media and via business networks. These adverts specify any particular skills or experience required at that time to ensure the Board retains a diversity of members. Applicants are asked to complete a Highland Hospice application form which is used to draw up a short list. All shortlisted candidates are interviewed by two trustees accompanied by the Chief Executive.

Trustees identified through the recruitment process are then appointed by the Company Members at the Annual General Meeting for an initial three-year term and have the option to make themselves available to be considered for a further period of three years. In exceptional circumstances the Board can invite a trustee to remain for a third three-year term. The trustees have the power at any time to appoint any person to be a trustee so long as the total number of trustees does not exceed 12. Any trustee so appointed shall hold office only until the next Annual General Meeting.

Trustees' indemnity insurance is in force for the benefit of all the Hospice trustees and also for the directors of its subsidiaries.

Induction and Training of Trustees

Trustees are required to understand their legal obligations under charity and company law, the content of the Articles of Association, the committee and decision-making process and the recent financial performance of the charity. Therefore, upon acceptance of the post, trustees are provided with an induction which includes:

- A pack with information on the legal responsibilities of being a trustee, a request to complete the appropriate Companies House documentation and general information on Highland Hospice care services and income generation activities.
- Meetings with the Chief Executive and each of the Senior Management Team to outline the operational activity of their departments.
- A tour of the Hospice premises provided by a member of the clinical team.
- The opportunity to attend one or more Board meetings or Governance Committee meetings in a shadow capacity.

Organisational Structure

The Board of Trustees, which can have up to 12 members, sets the strategic direction for the charity, monitors and evaluates progress towards strategic objectives and makes decisions on significant financial and staffing matters. The Chief Executive is appointed by the trustees to manage the day-to-day operations of the charity supported by a Senior Management Team consisting of the Head of Hospice Services, Head of Income and Development, Head of Finance and Facilities, and Head of People. The Chief Executive and the Senior Management Team are advised by both Palliative Care Consultants on matters influencing medical care.

Corporate governance is managed through three Board governance sub-committees:

- The **Finance Governance Committee** takes delegated responsibility on behalf of the Board of Trustees for overseeing all financial aspects (including activities of subsidiaries, fundraising and investment) of the charity so as to ensure short and long term viability. An Investment Committee meets separately and reports into the Finance Governance Committee.
- The **Care Governance Committee** takes delegated responsibility on behalf of the Board for overseeing the quality of care provided by Highland Hospice.
- The **People Governance Committee** - takes delegated responsibility on behalf of the Board for overseeing all HR aspects of the charity and to ensure that the Hospice meets its legal requirement to staff and volunteers and creates the conditions in which staff and volunteer potential can be achieved.

HIGHLAND HOSPICE

Report of the Trustees and Strategic Report For the year ended 31 March 2025

Organisational Structure (cont.)

These committees are chaired by a Board member, comprise relevant Board and Senior Management Team members and meet quarterly between Board meetings. The Chair of each sub-committee reports to the Board and each Committee has a written 'Terms of Reference' document which is reviewed annually.

Delegated responsibility to Senior Managers for financial decisions is defined in the Scheme of Delegation.

The Board have also established a Pay and Benefits Review Committee (PBRC) which is a sub-committee jointly reporting to the Finance and People Governance Committees. The purpose of the PBRC is to annually provide strategic direction and leadership to ensure that the Terms and Conditions of Highland Hospice are fit for purpose, sustainable and are determined by the Hospice. The PBRC has representatives from the Board, Senior Management and staff.

Related Parties

The Hospice holds 100% of the issued ordinary share capital of Highland Hospice Trading Limited, which is involved in operation of the Hospice café and the retailing of Christmas and greetings cards and other new goods in order to raise funds to support the work of Highland Hospice.

The Hospice holds 100% of the issued ordinary share capital of Ness Islands Railway Limited, which owns and operates the Ness Islands Railway miniature railway at Whin Park in Inverness and donates all profits to support the work of Highland Hospice.

Risk Management

The trustees have a duty to identify and review the risk to which the charity is exposed and to ensure appropriate controls are in place to mitigate these risks. A risk register for each function is maintained and reviewed at the relevant Finance, Care or People Governance Committees prior to amalgamation into a corporate risk register which is reviewed every six months by the Board.

After reviewing mitigations put in place by senior management, the trustees have identified the following as being the most significant risks facing the charity:

- Exceptional events which impact on income streams and delivery of services eg pandemic
- Financial fraud or error
- Ability to seek opportunities and successfully integrate a new income stream
- Entering a period of deficit forecasts over the next five years

Reference and Administrative Details

Registered company number
SC093464 (Scotland)

Registered charity number
SC011227

Registered office
Highland Hospice
Ness House
1 Bishop's Road
Inverness
IV3 5SB

HIGHLAND HOSPICE

Report of the Trustees and Strategic Report For the year ended 31 March 2025

Reference and Administrative Details (cont.)

Trustees

Shona Isobel Cree MacDougall - Joint Board Chair
Stephen Pennington - Joint Board Chair (term ended 23 September 2024)
Peter Mearns - Chair of Finance Governance Committee
Roisin Connolly - Chair of People Governance Committee
Sara Louise Ramsey - Chair of Care Governance Committee
Margaret Davidson
William Gilfillan
Kathryn Hamling
Shona MacBryer
Donna Mortimer (died 28 January 2025)
Roy Templeton
Maria Wybrew

Senior Statutory Auditor

Jeremy Chittleburgh

Auditors

CT Audit Limited
61 Dublin Street
Edinburgh
EH3 6NL

Bankers

Bank of Scotland
2-6 Eastgate
Inverness
IV2 3NA

Solicitors

Ledingham Chalmers LLP
Ord House
Cradlehall Business Park
Caulfield Road North
Inverness
IV2 5GH

Investment Manager

RBC Brewin Dolphin Limited
Sixth Floor
Atria One
114 Morrison Street
Edinburgh
EH3 8BR

Chief Executive

Kenny Steele

Senior Management Team

Paula Cooper, Head of Hospice Services
Julie Douglas, Head of Finance and Facilities
Linda Lawton, Head of People
Andrew Leaver, Head of Income and Development

HIGHLAND HOSPICE

Report of the Trustees and Strategic Report For the year ended 31 March 2025

Trustees' responsibilities statement

The trustees (who are also directors of Highland Hospice for the purposes of company law) are responsible for preparing the Trustees' Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these 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 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's 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.

Approved by order of the Board of Trustees, as the Company Directors, and signed on its behalf by:



Shona Isobel Cree MacDougall – Trustee

Date – 25 June 2025

REPORT OF THE INDEPENDENT AUDITOR'S TO THE TRUSTEES AND MEMBERS OF HIGHLAND HOSPICE



Opinion

We have audited the group financial statements of Highland Hospice Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the Statement of Financial Activities, the Consolidated Statement of Financial Activities, The Balance Sheet, the Consolidated Balance Sheet, the charity and consolidated Statement of Cash Flows, and the notes to the financial statements, 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 parent charitable company's affairs as at 31 March 2025, and of the group's and parent charitable company's incoming resources and application of resources, including the group's and parent charitable company's 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 requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

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 charity's ability to continue as a going concern for a period of at least 12 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 other information comprises the information included in the Trustees' Annual Report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' Annual Report. 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.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material 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.

REPORT OF THE INDEPENDENT AUDITOR'S TO THE TRUSTEES AND MEMBERS OF HIGHLAND HOSPICE



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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 and the Charities Accounts (Scotland) Regulations 2006 require 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's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.; or
- the trustees were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the trustees' report, 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 and for being satisfied that they 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 group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company 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 auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report to you in accordance with regulations made under those Acts.

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:

REPORT OF THE INDEPENDENT AUDITOR'S TO THE TRUSTEES AND MEMBERS OF HIGHLAND HOSPICE

CT:

Auditor's responsibilities for the audit of the financial statements (continued)

We gained an understanding of the legal and regulatory framework applicable to the charity and the sector in which it operates and considered the risk of acts by the charity which were contrary to applicable laws and regulations, including fraud. This included but was not limited to the Charities and Trustee Investment (Scotland) Act 2005, and The Charities Accounts (Scotland) Regulations 2006.

We focused on laws and regulations that could give rise to a material misstatement in the charity's financial statements. Our tests included, but were not limited to:

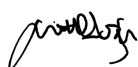
- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the trustees and key management personnel;
- review of minutes of board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the 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. 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.



Jeremy Chittleburgh CA (Senior Statutory Auditor)

For and on behalf of CT Audit Limited
Chartered Accountants and Statutory Auditor
61 Dublin Street
Edinburgh, EH3 6NL

Date: 28 July 2025

CT Audit Limited is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

HIGHLAND HOSPICE**CONSOLIDATED STATEMENT of FINANCIAL ACTIIVTIES**
(Incorporating an Income and Expenditure Account)**For the year ended 31 March 2025**

	Notes	Un- restricted Funds £	Restricted Funds £	2025 Total Funds £	2024 Total Funds £
Income and Endowments from					
Donations and legacies	3	3,727,543	10,408	3,737,951	4,267,142
<u>Charitable activities</u>					
Provision of palliative care	6	628,108	-	628,108	579,396
Other trading activities	4	4,624,604	-	4,624,604	4,388,423
Investment income	5	435,125	-	435,125	337,751
Other income		234,132	-	234,132	57,415
		-----	-----	-----	-----
Total		9,649,512	10,408	9,659,920	9,630,127
Expenditure on					
Raising funds	7	3,041,712	-	3,041,712	3,334,193
<u>Charitable activities</u>					
Provision of palliative care	8	7,152,643	12,717	7,165,360	6,572,429
Other		20,352	-	20,352	48,048
		-----	-----	-----	-----
Total		10,214,707	12,717	10,227,424	9,954,670
		-----	-----	-----	-----
Operating (deficit)/surplus		(565,195)	(2,309)	(567,504)	(324,543)
Net gains/(losses) on investments	17	94,900	-	94,900	794,036
		-----	-----	-----	-----
Net income/(expenditure)		(470,295)	(2,309)	(472,604)	469,493
Transfers between funds	22	-	-	-	-
Corporation tax credit/(charge) on subsidiary trading profits		(2,665)	-	(2,665)	2,247
		-----	-----	-----	-----
Net movement in funds		(472,960)	(2,309)	(475,269)	471,740
Reconciliation of funds					
Total funds brought forward		20,541,493	114,188	20,655,681	20,183,941
		-----	-----	-----	-----
Total funds carried forward		20,068,533	111,879	20,180,412	20,655,681
		=====	=====	=====	=====

Continuing operations

All income and expenditure has arisen from continuing operations.

The notes on pages 28 to 52 form part of these financial statements.

HIGHLAND HOSPICE**CHARITY STATEMENT of FINANCIAL ACTIIVTIES**
(Incorporating an Income and Expenditure Account)**For the year ended 31 March 2025**

	Notes	Un- restricted Funds £	Restricted Funds £	2025 Total Funds £	2024 Total Funds £
Income and Endowments from					
Donations and legacies	3	3,727,543	10,408	3,737,951	4,267,142
<u>Charitable activities</u>					
Provision of palliative care	6	628,108	-	628,108	579,396
Other trading activities	4	4,229,894	-	4,229,894	3,969,365
Investment income	5	503,502	-	503,502	433,106
Other income		234,132	-	234,132	57,415
		-----	-----	-----	-----
Total		9,323,179	10,408	9,333,587	9,306,424
Expenditure on					
Raising funds	7	2,718,120	-	2,718,120	3,008,243
<u>Charitable activities</u>					
Provision of palliative care	8	7,152,643	12,717	7,165,360	6,572,429
Other		20,352	-	20,352	48,048
		-----	-----	-----	-----
Total		9,891,115	12,717	9,903,832	9,628,720
		-----	-----	-----	-----
Operating (deficit)/surplus		(567,936)	(2,309)	(570,245)	(322,296)
Net gains/(losses) on investments	16	94,900	-	94,900	794,036
		-----	-----	-----	-----
Net (expenditure)/income		(473,036)	(2,309)	(475,345)	471,740
Transfers between funds	21	-	-	-	-
		-----	-----	-----	-----
Net movement in funds		(473,036)	(2,309)	(475,345)	471,740
Reconciliation of funds					
Total funds brought forward		20,541,493	114,188	20,655,681	20,183,941
		-----	-----	-----	-----
Total funds carried forward		20,068,457	111,879	20,180,336	20,655,681
		=====	=====	=====	=====

Continuing operations

All income and expenditure has arisen from continuing operations.

HIGHLAND HOSPICE**CONSOLIDATED BALANCE SHEET****At 31 March 2025**

	Notes	Un- restricted Funds £	Restricted Funds £	2025 Total Funds £	2024 Total Funds £
Fixed assets					
Tangible assets	15	6,706,322	-	6,706,322	6,795,576
Investments	16	10,219,295	-	10,219,295	9,259,307
		-----	-----	-----	-----
		16,925,617	-	16,925,617	16,054,883
Current assets					
Stock		17,750	-	17,750	10,848
Debtors	17	348,120	-	348,120	276,768
Cash at bank and in hand		4,124,143	111,879	4,236,022	5,735,562
		-----	-----	-----	-----
		4,490,013	111,879	4,601,892	6,023,178
Creditors					
Amounts falling due within one year	18	(856,533)	-	(856,533)	(931,816)
		-----	-----	-----	-----
Net current assets		3,633,480	111,879	3,745,359	5,091,362
		-----	-----	-----	-----
Total assets less current liabilities		20,559,097	111,879	20,670,976	21,146,245
		-----	-----	-----	-----
Provisions	20	(490,564)	-	(490,564)	(490,564)
		-----	-----	-----	-----
Net assets		20,068,533	111,879	20,180,412	20,655,681
		=====	=====	=====	=====
Funds	21				
Unrestricted funds:					
General				7,159,753	7,230,717
Fixed assets				6,702,644	6,791,898
Revaluation reserve				1,038,678	921,755
Designated				5,167,458	5,597,123
				-----	-----
				20,068,533	20,541,493
Restricted funds				111,879	114,188
				-----	-----
Total Funds				20,180,412	20,655,681
				=====	=====

The financial statements were approved by the Board of Trustees and signed on its behalf by:

Shona Isobel Cree MacDougall

 Shona Isobel Cree MacDougall

Trustee

Date: 25 June 2025

Company number: SC093464

The notes on pages 28 to 52 form part of these financial statements.

HIGHLAND HOSPICE**CHARITY BALANCE SHEET****At 31 March 2025**

	Notes	Un- restricted Funds £	Restricted Funds £	2025 Total Funds £	2024 Total Funds £
Fixed assets					
Tangible assets	15	6,664,837	-	6,664,837	6,737,058
Investments	16	10,236,795	-	10,236,795	9,276,807
		-----	-----	-----	-----
		16,901,632	-	16,901,632	16,013,865
Current assets					
Debtors	17	427,450	-	427,450	380,698
Cash at bank and in hand		4,055,845	111,879	4,167,724	5,647,916
		-----	-----	-----	-----
		4,483,295	111,879	4,595,174	6,028,614
Creditors					
Amounts falling due within one year	18	(825,906)	-	(825,906)	(896,234)
		-----	-----	-----	-----
Net current assets		3,657,389	111,879	3,769,268	5,132,380
		-----	-----	-----	-----
Total assets less current liabilities		20,559,021	111,879	20,670,900	21,146,245
		-----	-----	-----	-----
Provisions	20	(490,564)	-	(490,564)	(490,564)
		-----	-----	-----	-----
Net assets		20,068,457	111,879	20,180,336	20,655,681
		=====	=====	=====	=====
Funds	21				
Unrestricted funds:					
General				7,201,161	7,289,235
Fixed assets				6,661,160	6,733,380
Revaluation reserve				1,038,678	921,755
Designated				5,167,458	5,597,123
				-----	-----
				20,068,457	20,541,493
Restricted funds				111,879	114,188
				-----	-----
Total Funds				20,180,336	20,655,681
				=====	=====

The financial statements were approved by the Board of Trustees and signed on its behalf by:

Shona Isobel Cree MacDougall

 Shona Isobel Cree MacDougall

Trustee

Date: 25 June 2025

Company number: SC093464

The notes on pages 28 to 52 form part of these financial statements.

HIGHLAND HOSPICE**CONSOLIDATED CASH FLOW STATEMENT****For the year ended 31 March 2025**

	Notes	2025 £	2024 £
Cash flows from operating activities			
Cash generated from operations	1	(880,242)	368,530
		-----	-----
Net cash (used in)/provided by operating activities		(880,242)	368,530
		-----	-----
Cash flows from investing activities			
Purchase of tangible fixed assets		(192,336)	(275,713)
Purchase of fixed asset investments		(1,099,138)	(2,189,827)
Purchase of investment property		(869,086)	(360,690)
Proceeds from sale of investments		1,150,488	2,149,123
Dividends and interest on investments		199,172	214,104
Interest received		238,953	155,352
Movement in investment cash		(47,351)	86,767
		-----	-----
Net cash (used in) investing activities		(619,298)	(220,884)
		-----	-----
Change in cash and cash equivalents in the reporting period	25	(1,499,540)	147,646
Cash and cash equivalents at the beginning of the reporting period		5,735,562	5,587,916
		-----	-----
Cash and cash equivalents at the end of the reporting period		4,236,022	5,735,562
		=====	=====

NOTES to the CONSOLIDATED CASH FLOW STATEMENT**For the year ended 31 March 2025**

	2025 £	2024 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(472,604)	469,493
Adjustments for:		
Depreciation charges	281,590	293,927
Losses/(gain) on investments	(94,900)	(794,036)
Movement in dilapidations provision	-	490,564
Interest received	(199,172)	(155,352)
Dividends and interest on investments	(238,953)	(214,104)
Tax (paid)/received	(2,236)	2,247
(Increase)/decrease in stock	(6,902)	619
(Increase)/decrease in debtors	(71,353)	(18,366)
Increase/(decrease) in creditors	(75,712)	293,538
	-----	-----
Net cash (used in)/provided by operating activities	(880,242)	368,530
	=====	=====

The notes on pages 28 to 52 form part of these financial statements.

HIGHLAND HOSPICE**CHARITY CASH FLOW STATEMENT****For the year ended 31 March 2025**

	Notes	2025 £	2024 £
Cash flows from operating activities			
Cash generated from operations	Below	(861,867)	415,648
Net cash (used in)/provided by operating activities		<u>(861,867)</u>	<u>415,648</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(192,336)	(275,713)
Purchase of fixed asset investments		(1,099,138)	(2,189,827)
Purchase of investment property		(869,086)	(360,690)
Proceeds from sale of investments		1,150,488	2,149,123
Dividends and interest on investments		200,145	214,104
Interest received		238,953	155,352
Movement in investment cash		(47,351)	86,767
Net cash (used in) investing activities		<u>(618,325)</u>	<u>(220,884)</u>
Change in cash and cash equivalents in the reporting period	25	(1,480,192)	194,764
Cash and cash equivalents at the beginning of the reporting period		5,647,916	5,453,152
Cash and cash equivalents at the end of the reporting period		<u>4,167,724</u>	<u>5,647,916</u>

NOTES to the CHARITY CASH FLOW STATEMENT**For the year ended 31 March 2025**

	2025 £	2024 £
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(475,345)	471,740
Adjustments for:		
Depreciation charges	264,556	273,892
Losses/(gain) on investments	(94,900)	(794,036)
Movement in dilapidations provision	-	490,564
Interest received	(200,145)	(155,352)
Dividends and interest on investments	(238,953)	(214,104)
Tax (paid)/received	-	-
(Increase)/decrease in debtors	(46,752)	(50,892)
Increase/(decrease) in creditors	(70,328)	292,052
Net cash (used in)/provided by operating activities	<u>(861,867)</u>	<u>415,648</u>

The notes on pages 28 to 52 form part of these financial statements.

HIGHLAND HOSPICE**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS****For the year ended 31 March 2025****1. Statutory Information**

Highland Hospice is a private company, limited by guarantee, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

2. Accounting policies**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective – 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at fair value.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Group financial statements

These financial statements consolidate the results of the charity and its wholly owned subsidiaries, Highland Hospice Trading Limited and Ness Islands Railway Limited, on a line-by-line basis.

Going concern

The charitable group continues to adopt the going concern basis of preparing the financial statements. The Trustees have reviewed the five-year forecast and reserves level and assessed the charity's ability to continue as a going concern. The charity has a diversified range of income streams and has significant headroom above the risk reserve level of £3.9M. The Trustees have a reasonable expectation that the charity had adequate resources to continue in operational existence for the foreseeable future.

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Income is deferred only when the charity has to fulfil conditions before becoming entitled to it or where the donor has specified that the income is to be expended in a future period.

Grants received are credited to the Statement of Financial Activities in the year for which they are received.

Income from investments and from rental income is included in the Statement of Financial Activities in the year in which it is receivable.

Income from the Expendable Endowment Fund is unrestricted.

Donated goods are measured at fair value except where it is impractical to measure reliably the fair value of donated items. Where it is impractical to measure the fair value of goods donated, the donated goods are recognised in income when they are sold.

Gifts in kind, donated services and facilities are included at the value to the charity where this can be quantified. The value of services provided by volunteers has not been included in these financial statements.

HIGHLAND HOSPICE**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025****2. Accounting policies (continued)****Expenditure**

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 a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT is recorded under management support costs.

The award of grants is recognised as a liability only when the criteria for a constructive obligation are met, payment is probable, it can be measured reliably and there are no conditions attaching to its payment that limit its recognition. Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

Raising funds

Raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities, events and non-charitable trading.

Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

Governance costs

Governance costs comprise all costs attributable to the strategic planning of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit together with related support and overhead costs.

Allocation and apportionment of costs

Overhead and support costs have been allocated as a direct cost or apportioned on an appropriate basis between Charitable Activities and Governance Costs.

Leasing commitments

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profits on a straight line basis over the period of the lease.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% straight line on cost
Improvements to property	- 20% straight line on cost
Medical equipment	- 20% straight line on cost
Fixtures and fittings	- 20% straight line on cost
Motor vehicles	- 20% straight line on cost
Office equipment	- 20% - 33% straight line on cost

HIGHLAND HOSPICE

NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

2. Accounting policies (continued)

Tangible fixed assets (continued)

Fixed asset purchases of less than £2,000 are not capitalised.

Fixed assets are stated at cost, being purchase price, less accumulated depreciation.

Taxation

The charity is exempt from corporation tax on its charitable activities.

Stock

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Pension costs and other post-retirement benefits

Contributions payable to the defined contribution pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

The Highland Hospice also participates in the NHS Superannuation Scheme for Scotland providing defined benefits based on final pensionable pay, where contributions are credited to the Exchequer and are deemed to be invested in a portfolio of Government Securities. The Hospice is unable to identify its share of the underlying notional assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined benefit contribution scheme, as required by FRS 102. As a result, the amount charged to the statement of financial activities represents the Hospice's employer contributions payable to the Scheme in respect of the year. The contributions deducted from employees are reflected in the gross salaries charged and are similarly remitted to the Exchequer. The pension cost is assessed every five years by the Government Actuary and determines the rate of contributions required. The most recent actuarial valuation can be found at <http://www.sppa.gov.uk>.

Fixed asset investments

The investment policy of the Highland Hospice is to ensure that surplus funds not required immediately for current expenditure or for designated projects are invested appropriately for the medium and long-term benefit of the Hospice.

Listed investments are stated at fair value at the balance sheet date.

Unlisted investments are stated at fair value.

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 opening fair value (purchase price if later). Unrealised gains and losses are calculated as the difference between the fair value at the year end and opening fair value (or purchase price if later).

Debtors

Debtors are recognised at the settlement amount due. Prepayments are valued at the amount prepaid.

Cash and cash equivalents

Cash and cash equivalents comprise cash and bank accounts with a short term of maturity, being twelve months or less, from opening of the deposit or similar account.

HIGHLAND HOSPICE**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025****2. Accounting policies (continued)****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.

3. Donations and legacies	2025	Group	2025	Charity
	£	2024	£	2024
		£		£
Donations	992,565	906,821	992,565	906,821
Legacies	493,492	1,209,064	493,492	1,209,064
Grants	2,251,894	2,151,257	2,251,894	2,151,257
	-----	-----	-----	-----
	3,737,951	4,267,142	3,737,951	4,267,142
	=====	=====	=====	=====

Grants received, included in the above are as follows:

NHS Highland	2,251,894	2,151,257	2,251,894	2,151,257
	-----	-----	-----	-----
	2,251,894	2,151,257	2,251,894	2,151,257
	=====	=====	=====	=====

4. Other trading activities	2025	Group	2025	Charity
	£	2024	£	2024
		£		£
Fundraising events	1,613,052	1,424,843	1,613,052	1,424,843
Retail income	2,503,390	2,442,722	2,503,390	2,442,722
Trading company income	361,428	369,477	-	-
Ness Railway income	33,282	49,581	-	-
Retail gift aid	113,452	101,800	113,452	101,800
	-----	-----	-----	-----
	4,624,604	4,388,423	4,229,894	3,969,365
	=====	=====	=====	=====

5. Investment income	2025	Group	2025	Charity
	£	2024	£	2024
		£		£
Donation from subsidiaries	-	-	64,404	87,016
Dividends and interest on investments	234,980	182,399	238,953	190,738
Interest on cash deposits	200,145	155,352	200,145	155,352
	-----	-----	-----	-----
	435,125	337,751	503,502	433,106
	=====	=====	=====	=====

HIGHLAND HOSPICE**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025****6. Income from charitable activities**

		Group and Charity	
		2025	2024
		£	£
	Activity		
Palliative care course	Provision of services to improve palliative and end of life care	-	1,893
Grants	Provision of services to improve palliative and end of life care	79,525	96,108
Other income	Provision of services to improve palliative and end of life care	548,583	481,395
		-----	-----
		628,108	579,396
		=====	=====

Grants received, included in the above, are as follows:

NHS Highland	30,804	35,616
Highland Council	20,658	20,658
3 Glens Community	-	15,205
Boleskine Community	7,800	6,750
Fort Augustus & Glenmoriston	13,509	12,865
Soirbheas	-	5,014
Glengarry Trust	6,754	-
	-----	-----
	79,525	96,108
	=====	=====

7. Raising Funds

7. Raising Funds		Group		Charity
	2025	2024	2025	2024
	£	£	£	£
Raising donations and legacies				
Fundraising staff costs	616,496	571,005	616,496	571,005
Website and intranet	4,595	525	4,595	525
Postage and stationery	5,195	5,675	5,195	5,675
Fundraising expenses	93,540	83,574	93,540	83,574
Support costs	13,337	14,063	13,337	14,063
	-----	-----	-----	-----
	733,163	674,842	733,163	674,842
	=====	=====	=====	=====
Other trading activities				
Trading staff costs	1,189,861	1,068,309	1,101,471	983,970
Retail expenditure	138,222	131,279	-	-
Ness Railway expenditure	16,753	20,649	-	-
Retail support costs	655,756	1,174,741	575,528	1,085,058
Fundraising support costs	272,285	230,793	272,285	230,793
	-----	-----	-----	-----
	2,272,877	2,625,771	1,949,285	2,299,821
	=====	=====	=====	=====
Investment management costs				
Portfolio management	35,672	33,580	35,672	33,580
	=====	=====	=====	=====
Aggregate amounts	3,041,712	3,334,193	2,718,120	3,008,243
	-----	-----	-----	-----

HIGHLAND HOSPICE**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025**

	Direct Costs £	Grant funding of activities (see note 9) £	Support (see note 10) £	Total £
8. Charitable activities costs				
Group and Charity - 2025				
Provision of services to improve palliative and end of life care	5,163,672	28,668	1,973,021	7,165,360
	=====	=====	=====	=====
Group and Charity - 2024				
Provision of services to improve palliative and end of life care	4,611,258	13,917	1,947,254	6,572,429
	=====	=====	=====	=====
9. Grants payable			Group and charity 2025 £	2024 £
Provision of services to improve palliative and end of life care			28,668	13,917
			=====	=====
The total grants paid to institutions during the year was as follows:				
Skye and Lochalsh Council for Voluntary Organisations			5,000	5,000
Sutherland Care Forum			3,255	-
North Coast Connection			2,241	2,500
Gairloch and Loch Ewe Action Forum			3,672	2,417
Urram			4,500	4,000
Lochrann Centre			5,000	-
Badenhoch & Strathsprey			5,000	-
			-----	-----
			28,668	13,917
			=====	=====
10. Support costs	Management £	Finance £	Governance Costs £	Total £
Group and Charity - 2025				
Raising donations and legacies	13,337	-	-	13,337
Other trading activities	13,337	-	-	13,337
Provision of services to improve palliative and end of life care	1,699,021	190,394	83,576	1,973,021
	-----	-----	-----	-----
	1,725,725	190,394	83,576	1,999,695
	=====	=====	=====	=====
Group and Charity - 2024				
Raising donations and legacies	14,063	-	-	14,063
Other trading activities	14,063	-	-	14,063
Provision of services to improve palliative and end of life care	1,701,178	165,323	80,753	1,947,254
	-----	-----	-----	-----
	1,729,304	165,323	80,753	1,975,380
	=====	=====	=====	=====

HIGHLAND HOSPICE**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025**

11. Net income/(expenditure)	2025	Group	2025	Charity
	£	2024	£	2024
		£		£
Auditor's remuneration	12,450	15,810	12,450	11,560
Other non-audit services	25,530	45,446	16,230	42,400
Depreciation – owned assets	281,590	287,542	264,556	273,892
Amortisation of goodwill	-	3,000	-	-
Property leases	395,443	273,750	375,515	243,750
Plant and machinery operating leases	3,098	5,646	-	-
	=====	=====	=====	=====

12. Trustees' remuneration and benefits

There was no trustees' remuneration or other benefits for the year ended 31 March 2025 or 31 March 2024. Trustee indemnity insurance is included in the charity's insurance policy but the amount related to this is not separately identifiable.

Trustees' Expenses

There were trustees' expenses of £541 for the year ended 31 March 2025 (2024 - £1,744).

HIGHLAND HOSPICE**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025**

13. Staff costs	2025	Group 2024	2025	Charity 2024
	£	£	£	£
Wages and salaries	6,110,134	5,525,329	6,028,741	5,448,117
Social security costs	541,949	505,977	539,088	502,073
Other pension costs	679,662	583,946	675,526	580,692
	-----	-----	-----	-----
	7,331,745	6,615,252	7,243,355	6,530,882
	=====	=====	=====	=====

	No.	No.	No.	No.
The average monthly number of employees during the year was as follows:				
Charitable activities	130	124	130	124
Fundraising	21	20	15	14
Retail	50	43	50	43
Management and finance	28	26	28	26
	-----	-----	-----	-----
	229	213	223	207
	=====	=====	=====	=====

The number of employees, comprising three members of key management and four clinical staff, whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025 No.	2024 No.
£60,001 - £70,000	2	2
£70,001 - £80,000	2	1
£80,001 - £90,000	-	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
£110,001 - £120,000	-	-
£120,001 - £130,000	-	-
£130,001 - £140,000	-	1
£140,001 - £150,000	-	1
£150,001 - £160,000	2	-
	-----	-----
	7	6
	=====	=====

Number of employees for which retirement benefits are accruing under the defined benefit scheme

2025	2024
No.	No.
5	4
=====	=====

Total contributions made for the provision of pension costs to employees earning over £60,000 totalled £132,820 (2024: £105,017).

HIGHLAND HOSPICE**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025****13. Staff costs (continued)**

The Hospice considers that the key management personnel comprise the Trustees and the Senior Management Team – who are the Chief Executive, Head of Hospice Services, Head of People, Head of Finance and Facilities and Head of Income and Development. The total employee benefits of the key management personnel of the Hospice were £425,576 (2024: £408,202).

The Hospice participates in the NHS Pension Scheme (Scotland). The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31 March 2020. This valuation informed an employer contribution rate from 1 April 2024 of 22.5% of pensionable pay and an anticipated yield of 9.6% employee's contributions.

The Hospice has no liability for other employers' obligations to the multi-employer scheme. As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme.

The National Health Service Superannuation Scheme for Scotland is a multi-employer scheme where the share of the assets and liabilities applicable to each employer is not identified. The employer contribution rate for the period from 1 April 2024 is 22.5% of pensionable pay. The employee rate applied is variable and is anticipated to provide a yield of 9.6% of pensionable pay. The Hospice will therefore account for its pension costs on a defined contribution basis as permitted by FRS 102. For the year to 31 March 2025, normal employer contributions of £387,083, were payable to the SPPA (2024: £324,950). At the balance sheet date, pension costs of £47,743 were outstanding to SPPA.

The Hospice also operated a defined contribution scheme and for the year to 31 March 2025, employer contributions of £288,443 (2024: £255,741) were payable. At the balance sheet date, pension costs of £41,708 were outstanding. Employer contributions for the group total £679,662.

HIGHLAND HOSPICE**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025****14. Comparatives for the Statement of Financial Activities**

Group	Un- restricted Funds £	Restricted Funds £	Endow- ment Fund £	2024 Total Funds £
Income and Endowments from				
Donations and legacies	4,263,641	3,501	-	4,267,142
<u>Charitable activities</u>				
Provision of palliative care	579,396	-	-	579,396
Other trading activities	4,388,426	-	-	4,388,426
Investment income	337,751	-	-	337,751
Other income	57,415	-	-	57,415
Total	9,626,626	3,501	-	9,630,127
Expenditure on				
Raising funds	3,334,193	-	-	3,334,193
<u>Charitable activities</u>				
Provision of palliative care	6,538,194	4,235	30,000	6,572,429
Other	48,048	-	-	48,048
Total	9,920,435	4,235	30,000	9,954,970
Operating surplus	(293,809)	(734)	(30,000)	(324,543)
Net gains/(losses) on investments	794,036	-	-	794,036
Net income/(expenditure)	500,227	(734)	(30,000)	469,493
Transfers between funds	-	-	-	-
Corporation tax on subsidiary trading profits	2,247	-	-	2,247
Net movement in funds	502,474	(734)	(30,000)	471,740
Reconciliation of funds				
Total funds brought forward	20,039,019	114,922	30,000	20,183,941
Total funds carried forward	20,541,493	114,188	-	20,655,681
	=====	=====	=====	=====

HIGHLAND HOSPICE**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025****14. Comparatives for statement of activities (continued)**

Charity	Un- restricted Funds £	Restricted Funds £	Endow- ment Fund £	2024 Total Funds £
Income and Endowments from				
Donations and legacies	4,263,641	3,501	-	4,267,142
<u>Charitable activities</u>				
Provision of palliative care	579,396	-	-	579,396
Other trading activities	3,969,365	-	-	3,969,365
Investment income	433,106	-	-	433,106
Other income	57,415	-	-	57,415
Total	9,302,923	3,501	-	9,306,424
Expenditure on				
Raising funds	3,008,243	-	-	3,008,243
<u>Charitable activities</u>				
Provision of palliative care	6,538,194	4,235	30,000	6,572,429
Other	48,048	-	-	48,048
Total	9,594,485	4,235	30,000	9,628,720
Operating surplus	(291,562)	(734)	(30,000)	(322,296)
Net gains/(losses) on investments	794,036	-	-	794,036
Net income/(expenditure)	502,474	(734)	(30,000)	471,740
Transfers between funds	-	-	-	-
Net movement in funds	502,474	(734)	(30,000)	471,740
Reconciliation of funds				
Total funds brought forward	20,039,019	114,922	30,000	20,183,941
Total funds carried forward	20,541,493	114,188	-	20,655,681

HIGHLAND HOSPICE**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025**

15. Tangible Fixed Assets	Freehold Property £	Improve- ments Property £	Fixtures & Fittings £	Motor Vehicles £
Cost				
At 1 April 2024	8,356,112	671,709	391,945	74,804
Additions	-	74,496	28,563	29,342
	-----	-----	-----	-----
At 31 March 2025	8,356,112	746,205	420,508	104,146
	-----	-----	-----	-----
Depreciation				
At 1 April 2024	1,818,193	555,491	366,933	71,181
Charge for year	168,608	49,134	8,829	7,504
	-----	-----	-----	-----
At 31 March 2025	1,986,801	604,625	375,762	78,685
	-----	-----	-----	-----
Net book value				
At 31 March 2025	6,369,311	141,580	44,746	25,461
	=====	=====	=====	=====
At 31 March 2024	6,537,919	116,218	25,012	3,623
	=====	=====	=====	=====

	Medical equipment £	Office equipment £	Charity total £	Subsid- iaries £	Group Total £
Cost					
At 1 April 2024	219,009	204,216	9,917,795	110,058	10,027,853
Additions	36,709	23,225	192,335	-	192,335
	-----	-----	-----	-----	-----
At 31 March 2025	255,718	227,441	10,110,130	110,058	10,220,188
	-----	-----	-----	-----	-----
Depreciation					
At 1 April 2024	194,964	173,975	3,180,737	51,540	3,232,277
Charge for year	19,008	11,473	264,556	17,034	281,590
	-----	-----	-----	-----	-----
At 31 March 2025	213,972	185,448	3,445,293	68,574	3,513,867
	-----	-----	-----	-----	-----
Net book value					
At 31 March 2025	41,746	41,993	6,664,837	41,484	6,706,321
	=====	=====	=====	=====	=====
At 31 March 2024	24,045	30,241	6,737,058	58,518	6,795,576
	=====	=====	=====	=====	=====

HIGHLAND HOSPICE**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025**

16. Fixed asset investments	Shares in group undertakings	Listed invest- ments	Cash	Investment Property	Totals
	£	£	£	£	£
Market value					
At 1 April 2024	17,500	8,810,461	88,156	360,690	9,276,807
Additions at cost	-	1,099,139	-	869,086	1,968,225
Disposals at opening market value	-	(1,126,571)	47,351	-	(1,079,220)
Unrealised gain on revaluation	-	70,983	-	-	70,983
	-----	-----	-----	-----	-----
At 31 March 2025 – Charity	17,500	8,854,012	135,507	1,229,776	10,236,795
	=====	=====	=====	=====	=====
At 31 March 2025 – Group	-	8,854,012	135,507	1,229,776	10,219,295
	=====	=====	=====	=====	=====

The cost of the listed investments held was £7,950,840 (2024: £7,976,862). All investments were registered within the UK.

Shares in group undertakings represent the company's holding of 100% of the 17,500 issued ordinary shares capital of Highland Hospice Trading Limited, a retail company, registered in Scotland with company number SC110041. All available profits are passed on to the Hospice by gift aid. In the year to 31 March 2025, the company had a turnover of £361,427 (2024: £369,477), expenditure of £297,023 (2024: £299,448) and generated a profit of £64,404 (2024: £70,029) after tax. The aggregate capital and reserves of the company at 31 March 2025 was £16,500 (2024: £16,500). This subsidiary is included in the consolidated financial statements.

Also included is the company's holding of 100% of the 2 issued ordinary share capital of Ness Islands Railway Limited, a company that operates a miniature railway, registered in Scotland with company number SC625594. All available profits are passed on to the Hospice by gift aid. In the year to 31 March 2025, the company had a turnover of £33,282 (2024: £49,581), expenditure of £30,542 (2024: £34,066), tax charge on profits of £2,665 (2024: tax credit of £1,472) and generated a profit of £75 (2024: £16,987) after tax. The aggregate capital and reserves of the company at 31 March 2025 was £1,075 (2024: £1,000). This subsidiary is included in the consolidated financial statements.

The portfolio of listed investments is split between gilts, property and general stock market investments.

Realised and unrealised gains/(losses)	Group and charity	
	2025	2024
	£	£
Realised gains on fixed asset investments	23,917	109,028
Unrealised gains/(losses) on fixed asset investments	70,983	685,008
	-----	-----
	94,900	794,036
	=====	=====

17. Debtors: Amounts falling due within one year	2025	Group 2024	2025	Charity 2024
	£	£	£	£
Sundry debtors	48,024	105,011	46,105	96,638
Amounts owed by group undertakings	-	-	86,369	112,868
VAT	99,290	52,398	99,290	52,398
Prepayments and accrued income	167,166	119,359	166,602	118,794
Other debtors	33,640	-	29,084	-
	-----	-----	-----	-----
	348,120	276,768	427,450	380,698
	=====	=====	=====	=====

HIGHLAND HOSPICE**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025**

18. Creditors: Amounts falling due within one year	2025	Group	2025	Charity
	£	2024	£	2024
		£		£
Sundry creditors	162,021	165,917	153,356	153,319
Social security and other expenses	139,968	132,232	128,759	120,127
Accrued expenses	363,627	273,290	354,641	273,290
Deferred income	188,820	349,498	188,820	349,498
Corporation Tax	2,099	-	-	-
Other Creditors	498	9,209	330	-
Deferred Tax	-	1,670	-	-
	-----	-----	-----	-----
	856,534	931,816	825,906	896,234
	=====	=====	=====	=====

Deferred income – group and charity	2025	2024
	£	£
Brought forward	349,498	165,305
(Released to income)	(349,498)	(165,305)
Deferred – Income from fundraising events not yet taken place	99,496	173,004
Deferred - Other income	89,324	176,494
	-----	-----
Balance as at 31 March 2025	188,820	349,498
	=====	=====

19. Leasing agreements	2025	Group	2025	Charity
	£	2024	£	2024
		£		£
Minimum lease payments under non-cancellable operating leases fall due as follows:				
Within one year	234,739	292,264	234,739	257,989
Between one and five years	555,847	684,998	555,847	663,545
In more than five years	48,750	125,000	48,750	125,000
	-----	-----	-----	-----
	839,336	1,102,262	839,336	1,046,534
	=====	=====	=====	=====

20. Provisions – group and charity	2025	2024
	£	£
Brought forward	490,564	-
Additions	-	490,564
	-----	-----
Balance as at 31 March 2025	490,564	490,564
	=====	=====

The provisions all relate to dilapidations on the properties rented by the charity.

HIGHLAND HOSPICE**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025**

	At 1 April 2024 £	Net Movement in Funds £	Transfers between Funds £	At 31 March 2025 £
21. Movement in funds				
Group				
Unrestricted funds				
General fund	7,230,717	391,295	(462,259)	7,159,753
	-----	-----	-----	-----
	7,230,717	391,295	(462,259)	7,159,753
Designated funds				
Fixed asset fund	6,791,898	(281,590)	192,336	6,702,644
Revaluation reserve	921,755	-	116,923	1,038,678
Social care development fund	23,856	(23,856)	-	-
Capital investment for income generation fund	1,000,000	-	-	1,000,000
Risk reserve	3,764,600	-	153,000	3,917,600
End of Life Care Together	808,667	(558,809)	-	249,858
	-----	-----	-----	-----
	13,310,776	(864,255)	462,259	12,908,780
Restricted funds				
Art plan fund	6,622	(875)	-	5,747
Staff fund	260	230	-	490
Palliative care course fund	35,870	(3,241)	-	32,629
Therapeutic Art	42,971	-	-	42,971
Care at Home training fund	6,000	(6,000)	-	-
Bereavement Support fund	17,685	-	-	17,685
Medicines for Malawi fund	4,780	-	-	4,780
Community Engagement Ullapool	-	7,577	-	7,577
	-----	-----	-----	-----
	114,188	(2,309)	-	111,879
	-----	-----	-----	-----
Total Group Funds	20,655,681	(475,269)	-	20,180,412
	=====	=====	=====	=====

HIGHLAND HOSPICE**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025**

21. Movement in funds (continued)	At 1 April 2024 £	Net Movement in Funds £	Transfers between Funds £	At 31 March 2025 £
Charity				
Unrestricted funds				
General fund	7,289,235	374,185	(462,259)	7,201,161
	7,289,235	374,185	(462,259)	7,201,161
Designated funds				
Fixed asset fund	6,733,380	(264,556)	192,336	6,661,160
Revaluation reserve	921,855	-	116,923	1,038,678
Social care development fund	23,856	(23,856)	-	-
Capital investment for income generation fund	1,000,000	-	-	1,000,000
Risk reserve	3,764,600	-	153,000	3,917,600
End of Life Care Together	808,667	(558,809)	-	249,858
	13,252,258	(847,221)	462,259	12,867,296
Restricted funds				
Art plan fund	6,622	(875)	-	5,747
Staff fund	260	230	-	490
Palliative care course fund	35,870	(3,241)	-	32,629
Therapeutic Art	42,971	-	-	42,971
Care at Home training fund	6,000	(6,000)	-	-
Bereavement Support fund	17,685	-	-	17,685
Medicines for Malawi fund	4,780	-	-	4,780
Community Engagement Ullapool	-	7,577	-	5,577
	114,188	(2,309)	-	111,879
Total Charity Funds	20,655,681	(475,343)	-	20,180,336
	=====	=====	=====	=====

HIGHLAND HOSPICE**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025**

21. Movement in funds (continued)	Incoming resources	Resources expended*	Gains and losses	Movement in funds
	£	£	£	£
Net movement in funds included in the above are as follows:				
Group – 2025				
Unrestricted funds				
General fund	9,649,512	(9,353,117)	94,900	391,295
	-----	-----	-----	-----
Designated funds				
Fixed asset fund	-	(281,590)	-	(281,590)
Social care development fund	-	(23,856)	-	(23,856)
End of Life Care Together fund	-	(558,809)	-	(558,809)
	-----	-----	-----	-----
	9,649,512	(10,214,707)	94,900	(472,960)
Restricted funds				
Art plan fund	390	(1,265)	-	(875)
Staff fund	648	(418)	-	230
Palliative Care Course fund	-	(3,241)	-	(3,241)
Therapeutic Art	-	-	-	-
Bereavement Support fund	-	-	-	-
Medicines for Malawi fund	-	-	-	-
Care at Home training fund	-	(6,000)	-	(6,000)
Community Engagement Ullapool	9,370	(1,793)	-	7,577
	-----	-----	-----	-----
	10,408	(12,717)	-	(2,309)
	-----	-----	-----	-----
Total group funds	9,659,920	(10,230,089)	94,900	(475,269)
	=====	=====	=====	=====

*Includes Corporation tax paid.

HIGHLAND HOSPICE**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025**

21. Movement in funds (continued)	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Charity – 2025				
General fund	9,323,179	(9,043,894)	94,900	374,185
	-----	-----	-----	-----
Designated funds				
Fixed asset fund	-	(264,566)	-	(264,556)
Social care development fund	-	(23,856)	-	(23,856)
End of Life Care Together fund	-	(558,809)	-	(558,809)
	-----	-----	-----	-----
	9,323,179	(9,891,115)	94,900	(473,036)
Restricted funds				
Art plan fund	390	(1,265)	-	(875)
Staff fund	648	(418)	-	230
Palliative Care Course fund	-	(3,241)	-	(3,241)
Therapeutic Art	-	-	-	-
Bereavement Support fund	-	-	-	-
Medicines for Malawi fund	-	-	-	-
Care at Home training fund	-	(6,000)	-	(6,000)
Community Engagement Ullapool	9,370	(1,793)	-	7,577
	-----	-----	-----	-----
	10,408	(12,717)	-	(2,309)
Endowment fund				
Glasgow Northern Highland fund	-	-	-	-
	-----	-----	-----	-----
Total charity funds	9,333,587	(9,903,832)	94,900	(475,345)
	=====	=====	=====	=====

HIGHLAND HOSPICE**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025**

	1 April 2023 £	Net Movement in Funds £	Transfers between Funds £	At 31 March 2024 £
21. Movement in funds				
Group				
Unrestricted funds				
General fund	6,585,060	1,230,289	(584,632)	7,230,717
	-----	-----	-----	-----
	6,585,060	1,230,289	(584,632)	7,230,717
Designated funds				
Fixed asset fund	6,807,112	(290,927)	275,713	6,791,898
Revaluation reserve	745,836	-	175,919	921,755
Social care development fund	108,892	(85,036)	-	23,856
Capital investment for income generation fund	1,000,000	-	-	1,000,000
Risk reserve	3,631,600	-	133,000	3,764,600
End of Life Care Together	1,160,519	(351,852)	-	808,667
	-----	-----	-----	-----
	13,453,959	(727,815)	584,632	13,310,776
Restricted funds				
Art plan fund	7,756	(1,134)	-	6,622
Staff fund	-	260	-	260
Palliative care course fund	33,977	1,893	-	35,870
Therapeutic Art	42,971	-	-	42,971
Care at Home training fund	6,000	-	-	6,000
Bereavement Support fund	19,438	(1,753)	-	17,685
Medicines for Malawi fund	4,780	-	-	4,780
	-----	-----	-----	-----
	114,922	(734)	-	114,188
Endowment fund				
Glasgow Northern Highland fund	30,000	(30,000)	-	-
	-----	-----	-----	-----
Total Group Funds	20,183,941	471,740	-	20,655,681
	=====	=====	=====	=====

HIGHLAND HOSPICE**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025**

	At 1 April 2023 £	Net Movement in Funds £	Transfers between Funds £	At 31 March 2024 £
21. Movement in funds (continued) – comparative				
Charity				
Unrestricted funds				
General fund	6,660,613	1,213,254	(584,632)	7,289,235
	-----	-----	-----	-----
	6,660,613	1,213,254	(584,632)	7,289,235
Designated funds				
Fixed asset fund	6,731,559	(273,892)	275,713	6,733,380
Revaluation reserve	745,836	-	175,919	921,755
Social care development fund	108,892	(85,036)	-	23,856
Capital investment for income generation fund	1,000,000	-	-	1,000,000
Risk reserve	3,631,600	-	133,000	3,764,600
End of Life Care Together	1,160,519	(351,852)	-	808,667
	-----	-----	-----	-----
	13,378,406	(710,780)	584,632	13,252,258
Restricted funds				
Art plan fund	7,756	(1,134)	-	6,622
Staff fund	-	260	-	260
Palliative care course fund	33,977	1,893	-	35,870
Therapeutic Art	42,971	-	-	42,971
Care at Home training fund	6,000	-	-	6,000
Bereavement Support fund	19,438	(1,753)	-	17,685
Medicines for Malawi fund	4,780	-	-	4,780
	-----	-----	-----	-----
	114,922	(734)	-	114,188
Endowment fund				
Glasgow Northern Highland fund	30,000	(30,000)	-	-
	-----	-----	-----	-----
Total Charity Funds	20,183,941	471,740	-	20,655,681
	=====	=====	=====	=====

HIGHLAND HOSPICE**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025**

21. Movement in funds (continued) - comparatives	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Net movement in funds included in the above are as follows:				
Group				
Unrestricted funds				
General fund	9,626,626	(9,190,373)	794,036	1,230,289
	-----	-----	-----	-----
	9,626,626	(9,190,373)	794,036	1,230,289
Designated funds				
Fixed asset fund	-	(290,927)	-	(290,927)
Social care development fund	-	(85,036)	-	(85,036)
End of Life Care Together fund	-	(351,852)	-	(351,852)
	-----	-----	-----	-----
	-	(727,815)	-	(727,815)
Restricted funds				
Art plan fund	240	(1,374)	-	(1,134)
Staff fund	1,000	(740)	-	260
Palliative Care Course fund	2,160	(267)	-	1,893
Therapeutic Art	-	-	-	-
Bereavement Support fund	101	(1,854)	-	(1,753)
Medicines for Malawi fund	-	-	-	-
	-----	-----	-----	-----
	3,501	(4,235)	-	(734)
Endowment fund				
Glasgow Northern Highland fund	-	(30,000)	-	-
	-----	-----	-----	-----
Total group funds	9,630,127	(9,952,423)	794,036	471,740
	=====	=====	=====	=====

*Includes Corporation tax paid.

HIGHLAND HOSPICE**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025**

21. Movement in funds (continued) - comparatives	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Charity				
Unrestricted funds				
General fund	9,302,923	(8,883,705)	794,036	1,213,254
	-----	-----	-----	-----
	9,302,923	(8,883,705)	794,036	1,213,254
Designated funds				
Fixed asset fund	-	(273,892)	-	(273,892)
Social care development fund	-	(85,036)	-	(85,036)
End of Life Care Together fund	-	(351,852)	-	(351,852)
	-----	-----	-----	-----
	-	(710,780)	-	(710,780)
Restricted funds				
Art plan fund	240	(1,374)	-	(1,134)
Staff fund	1,000	(740)	-	260
Palliative Care Course fund	2,160	(267)	-	1,893
Therapeutic Art	-	-	-	-
Bereavement Support fund	101	(1,854)	-	(1,753)
Medicines for Malawi fund	-	-	-	-
	-----	-----	-----	-----
	3,501	(4,235)	-	(734)
Endowment fund				
Glasgow Northern Highland fund	-	(30,000)	-	(30,000)
	-----	-----	-----	-----
Total charity funds	9,306,424	(9,628,720)	794,036	471,740
	=====	=====	=====	=====

HIGHLAND HOSPICE

NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

21. Movement in funds (continued)

Unrestricted funds

General fund

Free and unrestricted reserves of the charity.

Designated funds

Fixed asset fund

Fund representing the value of all unrestricted fixed assets held by the Hospice.

Revaluation reserve

Represents the increase in market value over the cost of fixed asset investments.

Social Care Development fund

A fund to support the development of Social Care in partnership with local communities.

Capital investment for income generation fund

A fund set up to allow for future capital investment to provide a sustainable income stream.

Risk reserve

The risk reserve fund has been designated by the Trustees for the purpose of providing sustainable core income for the future operational requirements of the Hospice in view of current uncertain economic conditions and the potential downturn impact on investment income and income from legacies.

End of Life Care Together

A fund to support End of Life Care Together, a partnership of Highland organisations with the aim of improving palliative and end of life care. The founding partners were Highland Hospice, NHS Highland, Marie Curie and Macmillan.

Restricted funds

Art Plan fund

Fund representing monies received for use in providing art work for the new In Patient Unit.

Staff fund

Fund representing donations given for the benefit of the Hospice's staff.

Palliative Care Course fund

Surplus on the provision of palliative care course to be used to deliver the training to a wider audience.

Therapeutic Art

A fund to provide therapeutic art opportunities to patients and service users.

Care at Home training fund

A fund to support the introduction of Care at Home services working in partnership with local communities.

Bereavement Support fund

A fund to support the expansion of bereavement support services working in partnership with other organisations.

Medicines for Malawi fund

Donations received to facilitate the supply of essential medicines to Malawi.

Community Engagement Ullapool

Monies donated for the provision of a befriending service in Ullapool

HIGHLAND HOSPICE**NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)****For the year ended 31 March 2025****21. Movement in funds (continued)****Restricted funds (continued)**Endowment funds

Endowment fund for the support of families in bereavement.

Transfers between funds

A transfer of £192,336 has taken place from the general fund to the fixed asset fund, which represents the purchase of capital items from general income being transferred to the fixed asset fund.

A transfer of £153,000 has also been made between the risk reserve and the general fund following the decision by the Trustees to increase the risk reserve to £3,917,600.

Finally, a transfer of £116,923 has been made from the revaluation reserve to ensure that the final revaluation reserve represents the difference between the cost of the investments held and the market value at the year end.

22. Contingent assets

As at 31 March the charity had been notified of 6 residual legacies subject to life interests held by third parties which are not fully recognised in the Hospice's financial statements as they were not sufficiently progressed to demonstrate entitlement, measurability and probability of receipt. The likely income from these is in the region of £460,000.

23. Contingent liabilities

Highland Hospice received grants from the National Lottery Charities Board relating to the building of the Netley centre in 1999. As a condition of these grants, the company may neither dispose of the property nor use it as security for a loan or any other financial purpose before 2079 without the consent of the National Lottery Charities Board.

24. Subsequent Events

During May 2025, the charity completed the purchase of a new shop in Dornoch for a purchase price of £115,000.

25. Related party disclosuresHighland Hospice Trading Limited – 100% owned by Highland Hospice

During the year, the Hospice paid expenses on behalf of the trading company totalling £64,573 (2024: £64,667). A donation of £64,404 (2024: £70,029) was recorded from the trading company to the Hospice at the year end. At the balance sheet date, the total amount due from the company to the Hospice was £72,369 (2024: £89,939).

Ness Islands Railway Limited – 100% owned by Highland Hospice

During the year, the Hospice paid expenses on behalf of the company totalling £2,906 (2024: £2,056). A donation of £nil (2024: £16,987) was recorded from the company to the Hospice at the year end. At the balance sheet date, the total amount due from the company to the Hospice was £14,000 (2024: £22,592).

HIGHLAND HOSPICE

NOTES to the CONSOLIDATED FINANCIAL STATEMENTS (continued)

For the year ended 31 March 2025

26. Analysis of Changes in Net Debt

Group	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash and cash equivalents			
Cash at bank and in hand	5,735,562	(1,499,540)	4,236,022
	-----	-----	-----
	5,735,562	(1,499,540)	4,236,022
	=====	=====	=====
Charity	At 1 April 2024 £	Cash flows £	At 31 March 2025 £
Cash and cash equivalents			
Cash at bank and in hand	5,647,916	(1,480,192)	4,167,724
	-----	-----	-----
	5,647,916	(1,480,192)	4,167,724
	=====	=====	=====