Registered Company Number: SC093464
Registered Charity Number: SC011227

HIGHLAND HOSPICE

REPORT of the TRUSTEES and AUDITED CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 March 2026

HIGHLAND HOSPICE

Financial Statements
For the year ended 31 March 2026

HIGHLAND HOSPICE

Report of the Trustees and Strategic Report
For the year ended 31 March 2026

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 2026. 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

Nearly a quarter of people in the Highlands are aged 65 or over. This ageing population is driving increased demand for Highland Hospice services. Against this backdrop Highland Hospice has established Ambition 2030 - to provide the right care, in the right place at the right time. To achieve this ambition, we have focussed on delivering the five Ambition 2030 priorities of Leadership, Community, Knowledge, Communication and Financial Sustainability.

During the year, we were able to increase the number of people receiving direct support from Hospice staff and volunteers by 6%, with a notable 25% increase in those receiving end-of-life care at home. The number of adults and children receiving bereavement support increased by 19%.

To achieve this level of growth we increased our complement of staff and volunteers, whilst also improving recruitment and retention through improved communication, more effective on-boarding and increased training and development opportunities.

Whilst our expenditure grew 6%, income grew by 10% and surpassed £10m for the first time. A small operational deficit was covered by gains on investments, leaving our balance sheet in a stronger position than at the start of the year.

Our Purpose

Highland Hospice offers care, support and advice to people in the Highlands who are living with a terminal illness, approaching the end of life, or experiencing bereavement.

Our Care

At Highland Hospice our care for people approaching the end of life focuses on the individual and puts their needs and those of their families at the centre of decision-making. We help manage pain and other physical symptoms to enhance quality of life. Our team also provides support with emotional, social and spiritual needs, working with patients, families and carers with a focus on dignity and wellbeing at the end of life.

Our bereavement services are offered to people of all ages who have been bereaved by the death of a significant person in their life, regardless of the cause of death. Bereavement support offers a range of therapeutic approaches where people can share their story, make positive connections with others and build on their coping mechanisms, self-esteem and confidence.

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 would least like to be cared for in hospital towards the end-of-life. 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: Leadership, Community, Knowledge, Communications and Financial Sustainability.

HIGHLAND HOSPICE

Report of the Trustees and Strategic Report
For the year ended 31 March 2026

Our Approach

Our approach is based on partnership. We recognise that we cannot support everyone in the Highlands on our own. As well as providing services direct to those in need, we work alongside our NHS and third sector colleagues. We also work with local communities and support professional and unpaid carers by sharing resources and offering training and mentoring, so they can provide the best care they can.

Our Services

- Specialist palliative and end-of-life care in our 11-bed unit at Ness House on the riverside in Inverness
- Specialist occupational therapy, physiotherapy, complementary therapies and social and spiritual support for our inpatients, outpatients and those in the community
- Wellbeing services aimed at empowering individuals to optimise quality of life and supporting their families
- A flexible home care service supporting people nearing the end of life to remain at home or to return home from hospital
- A 24/7 helpline providing advice, support and information for patients nearing the end of life, their families, carers and professionals anywhere in the Highlands and Argyll and Bute
- Specialist advice and support for patients with palliative and end-of-life care needs in hospital
- Adult, young person and child bereavement services
- Volunteer befriending and support providing respite for unpaid carers and tackling the loneliness and isolation which often accompanies deteriorating health and is exacerbated in remote and rural communities
- Knowledge exchange, training and mentoring with the wider health and social care workforce and the public

Our 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.

Leeson's Story – Why timely bereavement support matters

After the death of his wife Sue, Leeson Carlyle turned to Highland Hospice's bereavement services for support. Sue was diagnosed with breast cancer in 2022, and by early 2024 illness had become terminal, spreading to her liver and bones. She spent her final weeks in the Hospice's inpatient unit, where she died aged 68.

'I was very impressed by the level of care she received, it was beyond anything I could have hoped for' Leeson said.

Despite expecting her death, Leeson found himself struggling in the weeks that followed. Through a bereavement pack and the Hospice website, he discovered the Grief Café and later joined the Sharing Spaces programme. *'I thought I could manage, but within a few weeks it was clear I couldn't'* he said.

Leeson had two major concerns: whether Sue had a 'good death', and how to rediscover his identity after 40 years of marriage and caring for Sue, who had lived with a spinal injury for many years. Through Sharing Spaces, he found peace with his first concern. One-to-one bereavement support helped him rebuild his sense of self. *'It made a huge difference. I felt empowered and began to understand what life might look like going forward'*.

Now Leeson volunteers with the Hospice, helping to run Grief Café sessions. *'It helped me realise I'm not alone. I'm just happy to contribute and hopefully help others in the same way.'*

Our Achievements

1,194 people supported by the Hospice with care at the end of life or in bereavement

↑6%

3,594 calls to the Palliative Care Helpline

↑2%

81 people at the end of life received care at home from the Hospice

↑25%

173 inpatient admissions

↓16%

552 people received bereavement support

↑19%

341 people received rehab and wellbeing support

415 people benefitting from increased social interaction and respite for their unpaid carer

588 health and social care workers participated in our knowledge exchange opportunities

£6.9m comes from fundraising, commercial activity and legacies

26% of expenditure covered by NHS Highland grant

216 staff members + 919 volunteers collaborated to deliver our services and raise our income

330+ tonnes of landfill avoided by selling pre-loved items in our shops

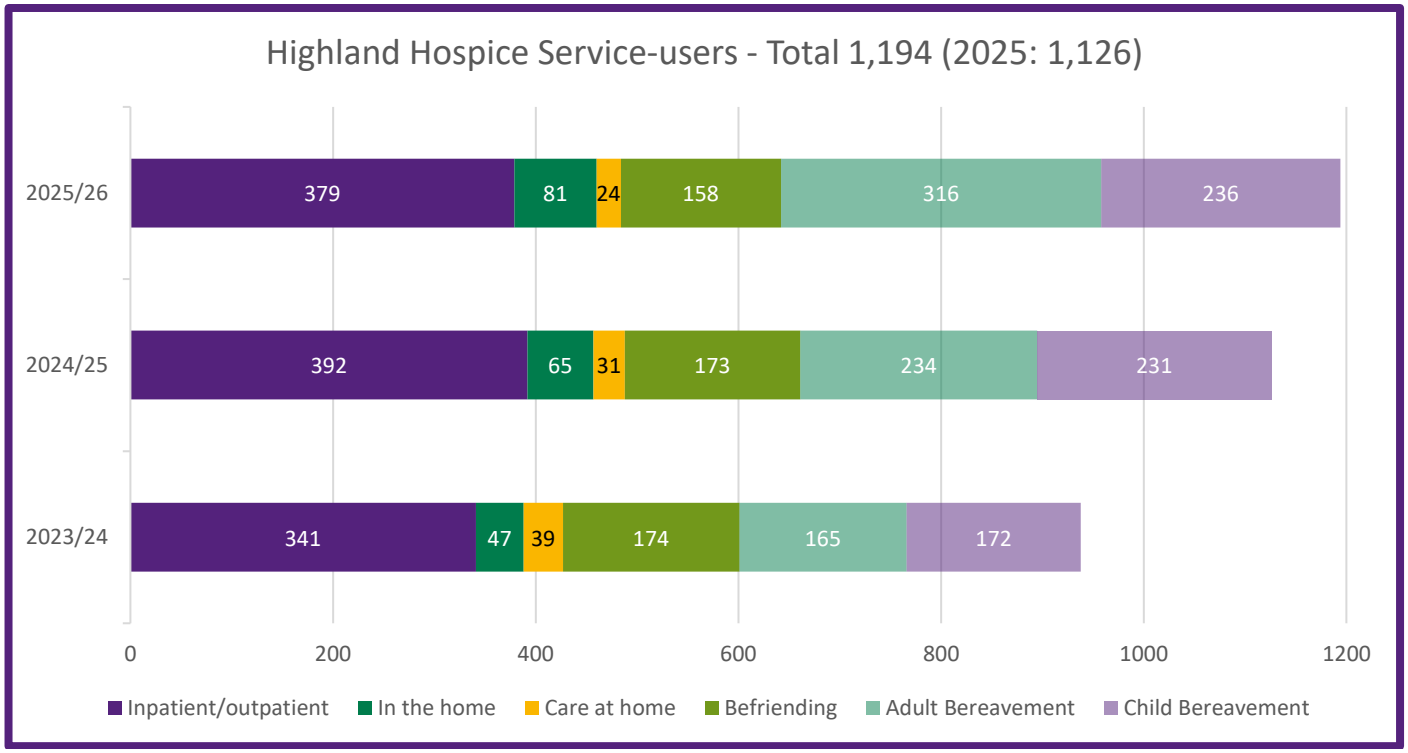
The People We Support

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 – our service-users.
- There are more who access advisory services such as the Palliative Care Helpline and Enhanced Palliative Care Advisory Service in Raigmore Hospital.
- 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 2025/26, 1,194 (2025: 1,126) people received care and support directly from Hospice staff and volunteers.



In addition:

- In excess of 1,500 people accessed the Palliative Care Helpline or Enhanced Palliative Care Advisory Service.
- 219 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 580 professional and lay carers accessed these services.

Progress Towards Achieving Ambition 2030

Late in 2024 the Hospice adopted Ambition 2030, setting out our aim to ensure that by the end of the decade 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.

Ambition 2030 established five priorities – Leadership, Community, Knowledge, Communication and Financial Sustainability.

All staff and teams were asked to consider how they could contribute to achieving the Ambition, to discuss this during their annual appraisal and at team meetings, and then to implement the changes in practice and the new plans they formulated. We now report our activity, achievements and impact through the framework of Ambition 2030.

Progress Towards Achieving Ambition 2030 (cont.)

Leadership

We said:

- We will take on the role of leading change in palliative and end-of-life care in the Highlands. 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.

We did:

- We proposed the development of a Highland-wide Hospice at Home service to NHS Highland and The Highland Council to reduce the burden on acute care and increase the number of people dying in their preferred place. This is being considered for multi-year funding.

- A review of the newly launched Enhanced Palliative Care Advisory Service (EPCAS) at the local acute hospital identified that the service demonstrates sustained increases in referrals, earlier identification of patients, reduced length of stay and a shift in place of death from hospital to home.

- EPCAS is associated with an estimated reduction in acute hospital bed utilisation of between £693,000 and £924,000 per annum, delivered within the context of increasing demand and rising referral volumes.

- Our second Community Partnership conference brought together over 20 small charities from across the Highlands to share knowledge and experience and support the development of their capacity, confidence and capability to provide community-led social care. Conference delegates committed to investigate establishing a network to support their work and each other. Highland Hospice will provide funding and admin support for this for up to two years.

- A number of clinical staff and team leads are engaging in The King's Fund ShiftWorks programme which offers online learning, and networking with peers across the health and care sector to support a new generation of leaders.

- We commissioned a bespoke Management Development Programme designed to support operational managers across the Hospice in building confidence, strengthening people-management capability, and embedding consistent, effective management practice across all teams and services.

- We have reviewed and improved support for line managers who lead volunteer teams. This includes access to our volunteer management database, to give them better insight on the volunteers they have. This has resulted in an increase in volunteer retention, reducing the need for continuous recruitment and training.

Ian and Caroline's Story – Supporting the patient and their family

When Dr Alan Bremner died at the Hospice in December 2021, his daughter Caroline Elliot was left with a lasting gratitude for the kindness and compassion shown to her father and family. Dr Bremner, a retired GP and avid hockey player, faced bowel cancer during the Covid pandemic. After chemotherapy at Raigmore proved unsuccessful and surgery was ruled out, the family were encouraged by a Macmillan nurse to explore Hospice outpatient services.

Dr Bremner joined the men's group, where he found connection with people in a similar position to himself. He enjoyed the chance to share, often bringing along hockey memorabilia to show to the group. Before his death the family made a special trip to the Western Isles to honour the memory of his late wife, whose ashes had been scattered there. Shortly afterwards his health declined and he was admitted to the Hospice as an inpatient.

For Caroline the care her father received at the end of life could not have been better. *'The quality of care and expertise was world class'*, she recalls. *'Once Dad passed, the nurses were fantastic with us. Very caring, very empathetic, and they gave us the time and space we needed.'*

Although one of Caroline's brothers could not travel to be there at the end, the Hospice team made sure the family felt fully supported. They were also offered grief counselling, which Caroline was touched by. *'Everybody connected, from Macmillan to the Hospice helped to give us a positive experience at a difficult time.'*

Progress Towards Achieving Ambition 2030 (cont.)

Community

We said:

- 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.

We did:

- Our Sunflower Home Care team have worked with NHS Highland colleagues to increase referrals to our end-of-life care at home service. This service is now the default discharge option for those requiring end-of-life care. The service also developed a direct referral pathway with the Scottish Ambulance Service, enabling earlier access to end-of-life care and avoid unnecessary hospital admission. 25% more people at the end of life received support in their home.

- As part of the integration of the Palliative Care Helpline (PCH) with the Inpatient Unit (IPU), we completed a training needs analysis of all qualified IPU staff to identify and address skills and knowledge gaps. The helpline now operates as part of the IPU allowing callers to benefit from the specialist expertise of the IPU team and improving the resilience of the service. An average of 300 calls a month were received by the Palliative Care Helpline.

- A partnership was formed with Forres Area Community Trust (FACT), supporting their local befriending service when it was faced with closure due to lack of funds. There are now 14 community partners supported by the Hospice to deliver local services including befriending and carer respite, benefitting 219 people at the end of life.

- We reviewed our partnership agreements to ensure they remained relevant in a rapidly changing environment and that partners receive the right level of support to ensure their services remain sustainable over the long term.

- We are supporting the Capstone Centre in Alness to establish a Grief Café and working with Befriending Caithness to establish their needs and develop appropriate support. Crocus Highland was part of a successful bid to deliver health and wellbeing hubs throughout the Skye and Lochalsh area. All of these will improve local access to bereavement support in these areas.

- A virtual bereavement pack, co-developed using service-user feedback, was placed on the Hospice website allowing people to self-support, reducing the demand on our stretched services.

- Our Crocus Highland child and young person bereavement service is working with Plockton High School to develop a ‘bereavement friendly’ school and community. This will support the bereaved young person to remain in school and to develop resilience amongst their peers. If successful, it is hoped this model can be repeated elsewhere.

Care Inspectorate Report on Sunflower Home Care

In January 2026, the Care Inspectorate undertook an announced inspection of our care at home service, Sunflower Home Care, which includes support to people in the Boleskine and Glenurquhart communities as well as providing palliative care to individuals in their own homes in the Inverness area. The service received scores of 5 (Very Good) in all inspected areas. Specific comments received included

- People experienced support that promoted their dignity, independence and choice
- Staff knew people's needs, aspirations and concerns well
- People and families benefited from warm, encouraging, positive relationships
- Staff were quick to identify changes in people's health and seek relevant health advice
- The staff team worked well together, were flexible and responsive to changing situations
- Care and support planning is thorough, person-centred, and responsive to individual needs

Feedback from people and their families was very positive. For example:

‘The staff are excellent, every one of them’
‘The care is brilliant and they are always smiling!’

The inspectors also sought the views of external professionals who work with the service, who said: *‘Care and support planning is thorough, person-centred, and responsive to individual needs. Plans are developed with service users and families, ensuring preferences and goals are respected’.*

Progress Towards Achieving Ambition 2030 (cont.)

Knowledge

We said:

- 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.

We did:

- Our Knowledge Exchange team developed its approach to influencing system change. We refined the ECHO model and secured funding to test a community-of-practice toolkit for rural GPs. Alongside qualitative evaluation, this is improving our understanding of system pressures, patient experience, and future priorities.

- Last Aid is now embedded in reflective training for NHS Highland Care Homes and Care at Home teams. We are preparing 10 NHS facilitators and contributing to a wider palliative care skills needs analysis. This approach is also helping us understand public need and cultural influences and allows us to identify appropriate opportunities to improve understanding of death and dying.

- We continued supporting development of skills, knowledge and confidence levels for health and care professionals through facilitation of two well attended conferences. This extends the specialist knowledge and expertise we have across our communities.

- Our Bereavement Team are working with schools across the region to upskill staff and support them to normalise conversations around death and dying. We recently delivered training to staff working with young people experiencing adverse childhood experiences (ACEs), including bereavement. Action for Children, Barnardo's and the police were among the attendees. The training provided practitioners with the ability to therapeutically support the young people they had the relationship with, rather than involving more adults.

- We initiated development of a framework for engagement and participation of Hospice service-users and supporters. The first phase of this is an online feedback tool designed for use by service-users, fundraisers or customers and accessible via a QR code prominently displayed throughout all Hospice premises. This feedback will help us improve service delivery.

- Our Rehabilitation and Wellbeing team is undertaking a comprehensive service review to ensure resources are used in a way which has maximum benefit for as many people as possible.

- We are developing a virtual training and education programme for healthcare professionals and service users on the management of breathlessness, anxiety, fatigue and other frequently experienced symptoms.

- By working directly with GP Practices to support a primary care-led approach to early identification and future care planning we have seen an increase in the number of people on the palliative care register and an improvement in the quality of information recorded. Those on the register are much less likely to die in hospital than those outside it, and because of improvements in the information recorded, the proportion of people on the register dying in their preferred place increased from 59.3% to around 70%.

- We reviewed and enhanced our volunteer training modules, ensuring that all content reflects current health and safety requirements while also being designed to be inclusive and accessible for all volunteers. The revised modules aim to provide clear guidance, support best practice, and equip volunteers with the knowledge and confidence they need to carry out their roles safely and effectively. This will improve volunteer satisfaction and retention.

Communication

We said:

- 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.

We did:

- Our Chief Executive engaged with NHS Highland leadership, local and national politicians and the media to stimulate discussion around the need to improve provision of palliative and end-of-life care in rural communities across the Highlands.

Progress Towards Achieving Ambition 2030 (cont.)

Communication (cont.)

- Development of a single point of access to Hospice services continues. It is recognised that providing a single phone number, email address and web-based referral form for all Hospice services will improve understanding of what the Hospice can offer and how to access it, leading to more people benefitting from the work we do.

- A small group drawn from across the Hospice service and support teams looked at where we should focus our efforts in communications. This process identified five key audiences – carers, community, clients, changemakers and colleagues. In the future we will target communications at these audiences, improving efficiency and increasing effectiveness of our messaging.

- The IPU has introduced a weekly team brief to improve internal communications and timely sharing of information for the whole team, including bank staff. This provides updates on operational matters, educational material and national strategy to ensure greater connectivity between departments.

- Service team leads and the communications team are working together to review and update the Hospice website to ensure information provided is relevant, meaningful and beneficial for our audiences.

- We tested a simple message on what we do, who we are for and how to access our services at the Staff and Volunteer Gathering. This was refined and then disseminated to all staff and volunteers as a simple 'Talking Points' postcard ensuring consistency and reinforcing the Hospice story.

- Our HR team have reviewed and adapted information provided to job applicants and staff to ensure it is clear, accessible and informative. This helps improve staff recruitment and retention.

Kalli's Story – Helping people lead life to the full

When Kalli Spencer was diagnosed with stage 3 breast cancer in January 2024, her world changed overnight. Just a few months later her diagnosis progressed to stage 4, bringing new challenges, including mobility issues that made walking difficult. But in the midst of it all, Kalli found support, reassurance and kindness through Highland Hospice. After getting in touch, she was met with a level of care that made an immediate difference. *'The staff were so kind'* Kalli shared. *'They never made me feel like I was ill or a burden.'*

That support came at just the right time. With a holiday booked only two weeks away, Kalli was worried she might not be able to go. But the Hospice team stepped in, arranging a wheelchair so she could travel comfortably and enjoy her time away without stress. *'They completely saved the day'* she said.

The support didn't stop there. From providing a rise and recline armchair to helping with massage therapies, the Hospice has helped Kalli manage day-to-day life with greater comfort and independence. As a result, Kalli decided to give something back by signing up to Strictly Inverness, a challenge that's pushed her out of her comfort zone in more ways than one. Already involved in fundraising through a skipping event for Cancer Research UK, she decided to take on Strictly to support the Hospice. Despite being advised to avoid quick movements, making dances like the cha-cha-cha a real test, Kalli took it all in her stride. *'I fancied another challenge'* she said. *'And this felt like the perfect way to give something back.'*

Financial Sustainability

We said:

- 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.

We did:

- We established a sustainable drawdown strategy which will increase income from our share portfolio by £200,000 - £250,000 a year.

Progress Towards Achieving Ambition 2030 (cont.)

Financial Sustainability (cont.)

- We have introduced a longer planning horizon for our fundraising, looking forward three years at a time instead of annually, with longer lead times improving the planning for activity and helping us smooth out income variations. We are collaborating with other independent hospices UK-wide on a legacy giving campaign, and Scotland-wide to secure national corporate fundraising income. These will lead to increased income in the medium-to-long term.

- We held our first 'Thankathon' to personally thank supporters, helping them feel valued, appreciated, and connected to the Hospice and its work and retaining their support.

- We have undertaken an audit of charitable trusts on our database and are about to commence similar with our corporate supporters. We will use the better understanding this provides to build on both income streams.

- We raised over £350,000 from trust applications and a public appeal to fund the conversion of our underused 3-bed room into two single en-suite rooms on our Inpatient Unit.

- We set out a Retail Growth Plan that will expand our shop portfolio and improve income from existing shops, and we put in place a revised team structure to support these developments.

- With the tenant in our investment property in Inverness entering administration, we chose to occupy the shop unit ourselves. This improved the return from this property from around 8% to over 20%. We also opened a clearance shop (all items £1) next to our warehouse selling items that would in the past have gone for recycling as they were too low value to sell in our high street shops.

- We have improved the efficiency of our expenses claims by using the Pleo expense management platform and have automated the transfer of daily retail sales figures from Cybertill to Xero, reducing opportunity for human error and increasing productivity in the finance team.

Our People

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 73% (2025: 72%) of expenditure.
- The number of employees at year end was 216 (2025: 211), around two-thirds of whom were part-time.
- Staff turnover was 25.2% (2025 22.4%) and absence 4.4% (2025: 4.5%). 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.

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 16 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 919 (2025: 888). We remain the organisation with most volunteers in the Highlands.
- We received 274 (2024: 289) applications to volunteer, with 211 (2025: 167) of these leading to individuals joining the team, demonstrating a more proactive and effective approach to recruitment over the past year.
- 201 applications were for retail roles, highlighting the ongoing importance of retail volunteering.
- Our work to strengthen volunteer management has contributed to improved retention and overall volunteer experience. In 2024/25, 58% of new volunteers left the organisation within 12 months of starting. In 2025/26, this rate had fallen to 24%.
- 21% of our applicants were aged 18 or under and nearly 44% (2025: 40%) of our volunteers are aged 64 or under.

Sustainability

Emissions are measured across 3 scopes: Scope 1 – Direct Energy, Scope 2 Indirect Energy and Scope 3 – Indirect Emissions (everything else).

- Comparing year-on-year data, we recorded a 2% increase in total emissions, rising to 490 tonnes CO2e.
- Our Scope 1 and 3 emissions increased and Scope 2 decreased.
- Our intensity ratio remained at 3.3 based on employee numbers, showing that although emissions rose, this was aligned to an increase in staff numbers.

Our shops play a key role in the reduce, reuse, recycle economy. Our shops sold 562,000 items. Using the Charity Retail Association Carbon Footprint Calculator this prevented over 330 tonnes of landfill.

In addition, we:

- Made good progress against the Greener Palliative Care Award framework
- Increased our use of electric vehicles for work journeys
- Installed EV chargers at the hospice in Inverness
- Completed installation of LED lighting throughout the hospice building
- Moved to delivering most volunteer training online
- Developed policy and practice to reduce drug waste from patients in IPU

Finances

Income and Expenditure

The Hospice Group made a surplus on core activities whilst also investing over £760,000 in developing additional services. The organisation therefore recorded a net operating deficit of £227,163 (2025: £567,504 deficit) before recording realised and unrealised gains on investments of £682,846 (2024: £94,900) leaving a surplus for the year of £456,962 (2025: £475,269 deficit).

The current liquidity ratio of 4.5:1 indicates that the charity has a strong liquidity position.

The return on investment from fundraising and donations was 2.35 (2025: 2.59) and the profitability of our commercial activity (charity shops and online selling, café, Ness Islands Railway) was 29% (2025: 34%). Net income from fundraising and donations fell by 14% and that from our commercial activity fell by 13%, representing a £360,000 decline in these income streams. These changes reflect the challenging environment for both fundraising and retail, with wage inflation and energy costs having a particular impact on our shops.

The fall in fundraising and commercial income was offset by a 200% increase in legacy income from £493,492 to £1,480,859. These additional funds were welcome, although this does highlight the highly variable and uncertain nature of legacy income. To ensure there is no overreliance on legacies the annual budget for them is deliberately set low.

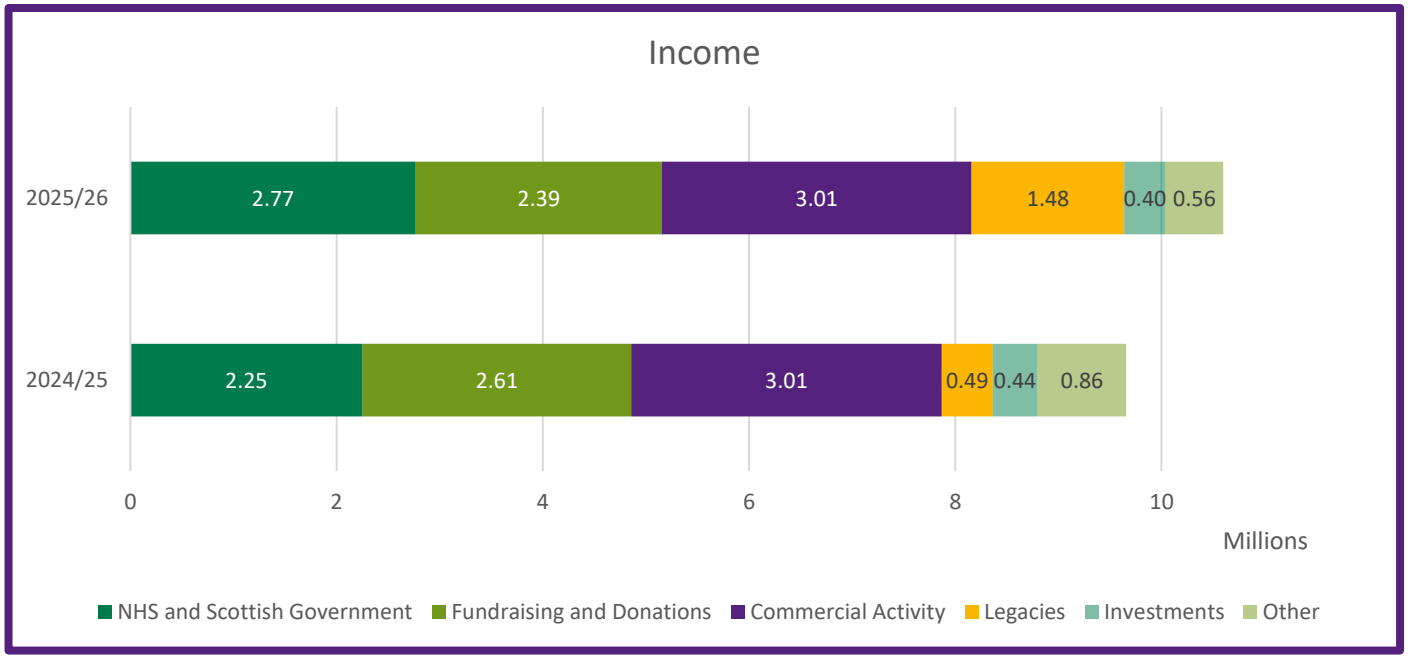
Following extensive lobbying of Scottish Government by Scotland's Hospices, Highland Hospice, along with all other hospices in Scotland, received additional funds from Scottish Government to support pay rises for hospice staff in line with those received by NHS staff. The Hospice values the grant income received from NHS Highland and Scottish Government, acknowledges the ongoing tight financial constraints within which they are currently operating and is grateful to them for agreeing this further uplift in our grant.

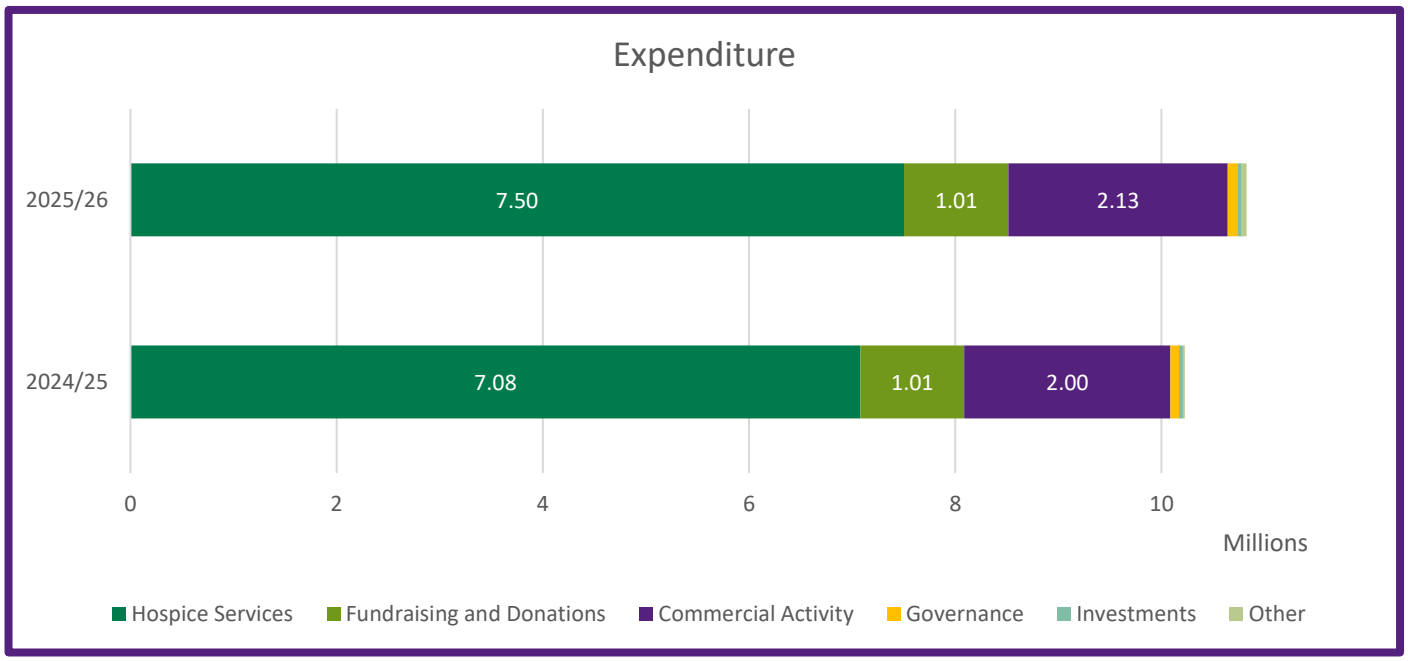
The charity's wholly owned trading company, Highland Hospice Trading Limited, recorded a profit of £62,441 (2025: £64,404), on a turnover of £216,088 (2025: £361,427). Improved profitability followed the closure of a loss-making café early in the year. All profits are gifted to the charity.

The charity's wholly owned company, Ness Islands Railway Limited, recorded a profit for the year of £35,500 (2025: £75). In addition to profits the company transferred £3,000 (2025: £3,000) in rent and £780 (2025: £973) in loan interest to the Hospice, bringing its total contribution to £39,280 (2025: £3,973).

Delivery of Hospice Services accounts for 69% of all expenditure, and Governance for 1%. Most of the remaining expenditure is the cost of raising funds through our fundraising and commercial activities.

Income and Expenditure (cont.)





Investment Policy and Objectives

The Hospice has an Investment Committee which is delegated responsibility on behalf of the Board of Trustees for overseeing the investment of the Hospice's reserves so as to protect the Hospice's money, reputation and long-term financial sustainability, and to report back to the Board accordingly.

The Investment Committee consists of a minimum of two and maximum of three Board members appointed by the Board of Trustees and a minimum of one and maximum of four independent members with appropriate investment management expertise appointed by the Chair of the Committee.

The Chair of the Investment Committee is appointed by the Board of Trustees.

The Investment Committee meets at least six monthly, or more frequently as determined by market conditions or at the request of the Board or Chair.

Investment Policy and Objectives (cont.)

Investment Committee Responsibilities

- To recommend for appointment and review the performance of the Investment Manager(s).
- To ensure that the Investment Policy is adhered to and to monitor investment performance against agreed benchmarks, reporting regularly to the Board of Trustees.
- To ensure that investments are managed in line with the Hospice's values, charitable objectives and agreed ethical investment approach as set out in the Investment Policy.

The Committee may make decisions regarding changes to investment strategy, asset allocation, ethical screening or appointment of advisers, but any material changes to policy, risk appetite or use of capital reserves remain reserved to the Board of Trustees for approval.

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

The investment objective for the long-term reserves is to generate a return in excess of inflation, with an emphasis on capital growth. A total return approach is to be taken and an annual drawdown of 5%, from a combination of income and capital has been agreed. The long-term time horizon for this reserve is 10 years plus.

A low-risk fund is also held to manage the total return strategy and meet cashflow requirements. Gain will be secured in the long-term reserve through time and transferred to the low-risk fund to prepare ahead for future cashflow requirements.

The investment objective for the short-term reserve is to preserve the real capital value with a minimum level of risk. Liquidity is important and assets should be readily available to meet short-term cash requirements and pledges.

Investment management is delegated to RBC Brewin Dolphin on a discretionary basis with the Investment 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 2026 the total assets of the charity including fixed assets, restricted funds, risk reserve and designated funds amounted to £20,637,374 (2025: £20,180,412).

The Fixed Asset Fund represents the book value of tangible fixed assets including buildings and equipment owned by the charity. Fixed assets account for 36% of all the Hospice's assets.

Recognising the high level of unrestricted funds held in the Hospice's share portfolio and the need for a sustainable increase in income to help deliver Ambition 2030, a sustainable drawdown strategy has been established which will increase income from the portfolio by £200,000-£250,000 a year over the long term.

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 £97,568 (2025: £111,879) 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.

Reserves Policy (cont.)

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 2026, the total risk reserve was set at £4,199,400.

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

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 Advisory 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 concerning medical care.

The Board unanimously agreed at its meeting dated 22 September 2025 to move away from an organisation based on a number of Board sub-committees and towards a ‘unitary’ style of governance. Consequently, the sub-committees of: Finance Governance, People Governance and Care (Clinical) Governance were disbanded.

Organisational Structure (cont.)

The following Advisory Committees remain:

- Investment Committee
- Pay and Benefits Review Committee
- Health, Safety and Wellbeing Committee

The above Committees and any other Committees or Advisory Committees established, act on behalf of the Board. The Committees make decisions on a majority basis of those present and inform the Board accordingly. Any recommendations outside the scope of the delegated authorities will be presented to the Board for approval.

The purpose of the Pay and Benefits Review Committee (PBRC) is to 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.

The purpose of the Health, Safety and Wellbeing Committee (HSWC) is to ensure the health, safety, and wellbeing of all employees, volunteers, service users, visitors and contractors. The committee provides oversight, guidance, and assurance that Highland Hospice complies with relevant legislation, manages risks effectively, and promotes a positive culture of safety and wellbeing throughout the organisation. The HSWC 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 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:

- Financial and reputational loss as a result of cybersecurity threats, fraud or error
- Exceptional events which impact on income streams and delivery of services eg pandemic
- Ability to and impact of expansion of PCRS into a wider Hospice at Home service
- Data compromised either deliberately or through loss of systems impacting patients, clients, staff and volunteers

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

Reference and Administrative Details (cont.)

Trustees
William Gilfillan – Board Chair
Helen Fraklin – Board Vice Chair (appointed 22 September 2025)
Shona Isobel Cree MacDougall - Joint Board Chair (term ended 22 September 2025)
Roisin Connolly (term ended 22 September 2025)
Margaret Davidson
Kathryn Hamling
Peter Mearns
Dr Shona MacBryer
Professor Jenni MacDonald (appointed 22 September 2025)
Dr Stephen McCabe (appointed 22 September 2025)
Dr Ken Oates (appointed 22 September 2025)
Dr Sara Louise Ramsey (term ended 22 September 2025)
Roy Templeton
Iain Thain (appointed 22 September 2025)
Dr Maria Wybrew

Senior Statutory Auditor
Anthony Gillham CA

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

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:

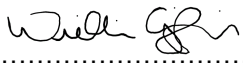
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate 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:



……..
William Gilfillan – Trustee

Date – 24 June 2026

REPORT OF THE INDEPENDENT AUDITOR'S TO THE TRUSTESS 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 2026 which comprise the Consolidated Statement of Financial Activities, the parent charitable company Statement of Financial Activities, the Consolidated Balance Sheet, the parent charitable company Balance Sheet, the Consolidated and parent charitable company 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 2026, 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.

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 (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report and the directors' report have 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 strategic report and 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement on page 16, 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:

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.
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.
- Reviewing the accounting policies and the application of these policies to ensure compliance with the standard and consistency of application.
- Specific consideration was given to transactions with related parties.

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.

Anthony Gillham

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

Date: 30 July 2026

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 2026

	Notes	Un-restricted Funds £	Restricted Funds £	2026 Total Funds £	2025 Total Funds £
Income and Endowments from					
Donations and legacies	3	5,067,831	5,095	5,072,926	3,737,951
Charitable activities					
Provision of palliative care	6	414,983	-	414,983	628,108
Other trading activities	4	4,566,851	-	4,566,851	4,624,604
Investment income	5	399,789	-	399,789	435,125
Other income		144,415	-	144,415	234,132
Total		10,593,869	5,095	10,598,964	9,659,920
Expenditure on					
Raising funds	7	3,177,056	-	3,177,056	3,041,712
Charitable activities					
Provision of palliative care	8	7,579,581	19,406	7,598,987	7,165,360
Other		50,084	-	50,084	20,352
Total		10,806,721	19,406	10,826,127	10,227,424
Operating (deficit)/surplus		(212,852)	(14,311)	(227,163)	(567,504)
Net gains/(losses) on investments	16	682,846	-	682,846	94,900
Net income/(expenditure)		469,994	(14,311)	455,683	(472,604)
Transfers between funds	21	-	-	-	-
Corporation tax credit/(charge) on subsidiary trading profits		1,279	-	1,279	(2,665)
Net movement in funds		471,273	(14,311)	456,962	(475,269)
Reconciliation of funds					
Total funds brought forward		20,068,533	111,879	20,180,412	20,655,681
Total funds carried forward		20,539,806	97,568	20,637,374	20,180,412

Continuing operations
All income and expenditure has arisen from continuing operations.

The notes on pages 26 to 50 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 2026

	Notes	Un-restricted Funds £	Restricted Funds £	2026 Total Funds £	2025 Total Funds £
Income and Endowments from					
Donations and legacies	3	5,067,831	5,095	5,072,926	3,737,951
Charitable activities					
Provision of palliative care	6	414,983	-	414,983	628,108
Other trading activities	4	4,278,477	-	4,278,477	4,229,894
Investment income	5	501,585	-	501,585	503,502
Other income		144,415	-	144,415	234,132
Total		10,407,291	5,095	10,412,386	9,333,587
Expenditure on					
Raising funds	7	2,989,125	-	2,989,125	2,718,120
Charitable activities					
Provision of palliative care	8	7,579,581	19,406	7,598,987	7,165,360
Other		50,084	-	50,084	20,352
Total		10,618,790	19,406	10,638,196	9,903,832
Operating (deficit)/surplus		(211,499)	(14,311)	(225,810)	(570,245)
Net gains/(losses) on investments	16	682,846	-	682,846	94,900
Net (expenditure)/income		471,347	(14,311)	457,036	(475,345)
Transfers between funds	21	-	-	-	-
Net movement in funds		471,347	(14,311)	457,036	(475,345)
Reconciliation of funds					
Total funds brought forward		20,068,457	111,879	20,180,336	20,655,681
Total funds carried forward		20,539,804	97,568	20,637,372	20,180,336

Continuing operations
All income and expenditure has arisen from continuing operations.

The notes on pages 26 to 50 form part of these financial statements.

HIGHLAND HOSPICE

CONSOLIDATED BALANCE SHEET

At 31 March 2026

	Notes	Un-restricted Funds £	Restricted Funds £	2026 Total Funds £	2025 Total Funds £
Fixed assets					
Tangible assets	15	7,336,576	-	7,336,576	6,706,322
Investments	16	10,253,569	-	10,253,569	10,219,295
		17,590,145	-	17,590,145	16,925,617
Current assets					
Stock		22,120	-	22,120	17,750
Debtors	17	225,470	-	225,470	348,120
Cash at bank and in hand		4,166,949	97,568	4,264,517	4,236,022
		4,414,539	97,568	4,512,107	4,601,892
Creditors					
Amounts falling due within one year	18	(1,002,564)	-	(1,002,564)	(856,533)
Net current assets		3,411,975	97,568	3,509,543	3,745,359
Total assets less current liabilities		21,002,120	97,568	21,099,688	20,670,976
Provisions	20	(462,314)	-	(462,314)	(490,564)
Net assets		20,539,806	97,568	20,637,374	20,180,412
Funds	21				
Unrestricted funds:					
General				6,981,177	7,159,753
Fixed assets				7,349,827	6,702,644
Revaluation reserve				1,009,402	1,038,678
Designated				5,199,400	5,167,458
				20,539,806	20,068,533
Restricted funds				97,568	111,879
Total Funds				20,637,374	20,180,412

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

……..……..

William Gilfillan - Trustee

Date: 24 June 2026

Company number: SC093464

The notes on pages 26 to 50 form part of these financial statements.

HIGHLAND HOSPICE

CHARITY BALANCE SHEET

At 31 March 2026

	Notes	Un-restricted Funds £	Restricted Funds £	2026 Total Funds £	2025 Total Funds £
Fixed assets					
Tangible assets	15	7,302,174	-	7,302,174	6,664,837
Investments	16	10,271,069	-	10,271,069	10,236,795
		17,573,243	-	17,573,243	16,901,632
Current assets					
Debtors	17	309,984	-	309,984	427,450
Cash at bank and in hand		4,105,134	97,568	4,202,702	4,167,724
		4,415,118	97,568	4,512,686	4,595,174
Creditors					
Amounts falling due within one year	18	(986,243)	-	(986,243)	(825,906)
Net current assets		3,428,875	97,568	3,526,443	3,769,268
Total assets less current liabilities		21,002,118	97,568	21,099,686	20,670,900
Provisions	20	(462,314)	-	(462,314)	(490,564)
Net assets		20,539,804	97,568	20,637,372	20,180,336
Funds	21				
Unrestricted funds:					
General				7,032,505	7,201,161
Fixed assets				7,298,497	6,661,160
Revaluation reserve				1,009,402	1,038,678
Designated				5,199,400	5,167,458
				20,539,804	20,068,457
Restricted funds				97,568	111,879
Total Funds				20,637,372	20,180,336

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

William Gilfillan - Trustee

Date: 24 June 2026

Company number: SC093464

The notes on pages 26 to 50 form part of these financial statements.

HIGHLAND HOSPICE

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2026

	Notes	2026	2025
		£	£
Cash flows from operating activities			
Cash generated from operations	1	335,418	(880,242)
Net cash (used in)/provided by operating activities		335,418	(880,242)
Cash flows from investing activities			
Purchase of tangible fixed assets		(326,174)	(192,336)
Purchase of fixed asset investments		(3,312,112)	(1,099,138)
Purchase of investment property		-	(869,086)
Proceeds from sale of investments		3,319,295	1,150,488
Dividends and interest on investments		211,800	199,172
Interest received		191,769	238,953
Movement in investment cash		(391,501)	(47,351)
Net cash (used in) investing activities		(306,923)	(619,298)
Change in cash and cash equivalents in the reporting period	25	28,495	(1,499,540)
Cash and cash equivalents at the beginning of the reporting period		4,236,022	5,735,562
Cash and cash equivalents at the end of the reporting period		4,264,517	4,236,022

NOTES to the CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2026

	2026	2025
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	455,683	(472,604)
Adjustments for:		
Depreciation charges	281,991	281,590
Losses/(gain) on investments	(252,956)	(94,900)
Movement in dilapidations provision	(28,250)	-
Interest received	(191,769)	(199,172)
Dividends and interest on investments	(211,800)	(238,953)
(Gain)/loss on disposal of tangible assets	16,929	-
Tax (paid)/received	1,279	(2,236)
(Increase)/decrease in stock	(4,370)	(6,902)
(Increase)/decrease in debtors	122,650	(71,353)
Increase/(decrease) in creditors	146,031	(75,712)
Net cash (used in)/provided by operating activities	335,418	(880,242)

The notes on pages 26 to 50 form part of these financial statements.

HIGHLAND HOSPICE

CHARITY CASH FLOW STATEMENT

For the year ended 31 March 2026

	Notes	2026	2025
		£	£
Cash flows from operating activities			
Cash generated from operations	Below	325,902	(861,867)
Net cash (used in)/provided by operating activities		325,902	(861,867)
Cash flows from investing activities			
Purchase of tangible fixed assets		(310,175)	(192,336)
Purchase of fixed asset investments		(3,312,112)	(1,099,138)
Purchase of investment property		-	(869,086)
Proceeds from sale of investments		3,319,295	1,150,488
Dividends and interest on investments		211,800	200,145
Interest received		191,769	238,953
Movement in investment cash		(391,501)	(47,351)
Net cash (used in) investing activities		(290,924)	(618,325)
Change in cash and cash equivalents in the reporting period	25	34,978	(1,480,192)
Cash and cash equivalents at the beginning of the reporting period		4,167,724	5,647,916
Cash and cash equivalents at the end of the reporting period		4,202,702	4,167,724

NOTES to the CHARITY CASH FLOW STATEMENT

For the year ended 31 March 2026

	2026	2025
	£	£
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	457,036	(475,345)
Adjustments for:		
Depreciation charges	275,838	264,556
Losses/(gain) on investments	(252,956)	(94,900)
Movement in dilapidations provision	(28,250)	-
Interest received	(191,769)	(200,145)
Dividends and interest on investments	(211,800)	(238,953)
Tax (paid)/received	-	-
(Increase)/decrease in debtors	117,466	(46,752)
Increase/(decrease) in creditors	160,337	(70,328)
Net cash (used in)/provided by operating activities	325,902	(861,867)

The notes on pages 26 to 50 form part of these financial statements.

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 £4.2M. 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.

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.

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

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.

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

	Group		Charity	
	2026	2025	2026	2025
	£	£	£	£
Donations	824,613	992,565	824,613	992,565
Legacies	1,480,859	493,492	1,480,859	493,492
Grants	2,767,454	2,251,894	2,767,454	2,251,894
	5,072,926	3,737,951	5,072,926	3,737,951
Grants received, included in the above are as follows:				
NHS Highland	2,767,454	2,251,894	2,767,454	2,251,894
	2,767,454	2,251,894	2,767,454	2,251,894

4. Other trading activities

	Group		Charity	
	2026	2025	2026	2025
	£	£	£	£
Fundraising events	1,561,417	1,613,052	1,561,417	1,613,052
Retail income	2,585,380	2,503,390	2,585,380	2,503,390
Trading company income	216,088	361,428	-	-
Ness Railway income	72,286	33,282	-	-
Retail gift aid	131,680	113,452	131,680	113,452
	4,566,851	4,624,604	4,278,477	4,229,894

5. Investment income

	Group		Charity	
	2026	2025	2026	2025
	£	£	£	£
Donation from subsidiaries	-	-	98,016	64,404
Dividends and interest on investments	208,020	234,980	211,800	238,953
Interest on cash deposits	191,769	200,145	191,769	200,145
	399,789	435,125	501,585	503,502

6. Income from charitable activities

		Group and Charity 2026 £	2025 £
	Activity		
Palliative care course	Provision of services to improve palliative and end of life care	-	-
Grants	Provision of services to improve palliative and end of life care	59,732	79,525
Other income	Provision of services to improve palliative and end of life care	355,251	548,583
		414,983	628,108

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

NHS Highland	11,124	30,804
Highland Council	20,658	20,658
Boleskine Community	7,800	7,800
Fort Agustus & Glenmoriston	-	13,509
Glengarry Trust	-	6,754
NHS Education Scotland	15,000	-
SPIFOX Too	8,111	-
MacMillan Charity	639	-
Scottish Social Services Council	(3,600)	-
	59,732	79,525

7. Raising Funds

	Group 2026 £	2025 £	Charity 2026 £	2025 £
Raising donations and legacies				
Fundraising staff costs	620,064	616,496	620,064	616,496
Website and intranet	825	4,595	825	4,595
Postage and stationery	5,537	5,195	5,537	5,195
Fundraising expenses	122,854	93,540	122,854	93,540
Support costs	13,232	13,337	13,232	13,337
	762,512	733,163	762,512	733,163
Other trading activities				
Trading staff costs	1,379,932	1,189,861	1,337,222	1,101,471
Retail expenditure	90,777	138,222	-	-
Ness Railway expenditure	19,802	16,753	-	-
Retail support costs	635,884	655,756	601,242	575,528
Fundraising support costs	251,187	272,285	251,187	272,285
	2,377,582	2,272,877	2,189,651	1,949,285
Investment management costs				
Portfolio management	36,962	35,672	36,962	35,672
Aggregate amounts	3,177,056	3,041,712	2,989,125	2,718,120

8. Charitable activities costs	Direct Costs	Grant funding of activities (see note 9)	Support (see note 10)	Total
	£	£	£	£
Group and Charity - 2026				
Provision of services to improve palliative and end of life care	5,470,630	35,274	2,093,083	7,598,987
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

9. Grants payable	Group and charity 2026	2025
	£	£
Provision of services to improve palliative and end of life care	35,274	28,668
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	3,765	3,255
North Coast Connection	2,285	2,241
Gairloch and Loch Ewe Action Forum	4,724	3,672
Urram	4,500	4,500
The Lochcarron Centre	-	5,000
Badenoch & Strathspey Community Connections	5,000	5,000
Forres Area Community Trust	5,000	-
Voluntary Action Lochaber	5,000	-
	35,274	28,668

10. Support costs	Management	Finance	Governance Costs	Total
	£	£	£	£
Group and Charity - 2026				
Raising donations and legacies	13,232	-	-	13,232
Other trading activities	13,232	-	-	13,232
Provision of services to improve palliative and end of life care	1,797,474	198,959	96,650	2,093,083
	1,823,938	198,959	96,650	2,119,547
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	1,699,051	190,394	83,576	1,973,021
	1,725,725	190,394	83,576	1,999,695

11. Net income/(expenditure)	Group		Charity	
	2026	2025	2026	2025
	£	£	£	£
Auditor's remuneration	17,250	12,450	17,250	12,450
Other non-audit services	6,440	25,530	1,450	16,230
Depreciation – owned assets	281,991	281,590	275,838	264,556
Property leases	353,206	395,443	395,443	375,515
Plant and machinery operating leases	-	3,098	-	-

12. Trustees' remuneration and benefits

There was no trustees' remuneration or other benefits for the year ended 31 March 2026 or 31 March 2025. 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 £302 for the year ended 31 March 2026 (2025 - £541).

Trustee Donations

There were trustee donations of £nil for the year ended 31 March 2026 (2025 - £nil)

13. Staff costs

	Group		Charity	
	2026	2025	2026	2025
	£	£	£	£
Wages and salaries	6,395,320	6,110,134	6,354,869	6,028,741
Social security costs	749,417	541,949	747,475	539,088
Other pension costs	709,239	679,662	708,111	675,526
	7,853,976	7,331,745	7,810,455	7,243,355
	No.	**No.**	**No.**	**No.**
The average monthly number of employees during the year was as follows:				
Charitable activities	122	130	122	130
Fundraising	18	21	16	15
Retail	55	50	55	50
Management and finance	29	28	29	28
	224	229	222	223

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

	2026	2025
	No.	No.
£60,001 - £70.000	2	2
£70,001 - £80,000	3	2
£80,001 - £90,000	-	-
£90,001 - £100,000	-	-
£100,001 - £110,000	1	1
£110,001 - £120,000	-	-
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001 - £150,000	-	-
£150,001 - £160,000	1	2
£160,001 - £170,000	1	-
	8	7
Number of employees for which retirement benefits are accruing under the defined benefit scheme	4	5

Total contributions made for the provision of pension costs to employees earning over £60,000 totalled £134,094 (2025: £132,820).

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 £457,561 (2025: £425,576).

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 four-yearly funding valuation undertaken by the scheme actuary.

The valuation carried out as at 31 March 2020 confirmed that an increase in the employer contribution rate from 20.9% to 22.5% will be required from 1 April 2024 to 31 March 2027. In addition, member pension contributions since 1 April 2024 have been paid within a range of 5.7% to 13.7% and have been anticipated to deliver a yield of 9.8%.

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 an unfunded multi-employer scheme. It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the Hospice is unable to identify its share of the underlying assets and liabilities of the scheme. The employer contribution rate for the period from 1 April 2025 is 22.5% of pensionable pay. The employee rate applied is variable and is anticipated to provide a yield of 9.8% of pensionable pay. While a valuation was carried out as at 31 March 2016, work on the cost control element of that valuation was suspended by the UK Government following the Court of Appeal judgments in the McCloud (Judiciary scheme) and Sargeant (Firefighters' scheme) cases, which found that the transitional protections introduced as part of the 2015 reforms unlawfully discriminated on the grounds of age. Following consultation and the introduction of statutory measures to remedy the discrimination, the UK Government confirmed that the cost control element of the 2016 valuations could be completed. In parallel, the Government Actuary was asked to review whether, and to what extent, the employer cost cap mechanism continues to meet its original policy objectives. The findings of that review were taken into account in the completion of the 2020 actuarial valuations, which were substantially delayed as a result of the McCloud remedy and wider economic changes. Employer contribution rates were implemented from 1 April 2024 following the completion of the 2020 valuations and will remain in force pending the outcome of the current 2024 valuation cycle, which is now underway.

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 2026, normal employer contributions of £399,894, were payable to the SPPA (2025: £387,083). 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 2026, employer contributions of £308,217 (2025: £288,443) were payable. At the balance sheet date, pension costs of £89,749 (2025: £41,708) were outstanding. Employer contributions for the group total £709,239 (2025: £679,662).

14. Comparatives for the Statement of Financial Activities

Group	Un-restricted Funds £	Restricted Funds £	2025 Total Funds £
Income and Endowments from			
Donations and legacies	3,727,543	10,408	3,737,951
Charitable activities			
Provision of palliative care	628,108	-	629,108
Other trading activities	4,624,604	-	4,624,604
Investment income	435,125	-	435,125
Other income	234,132	-	234,132
Total	9,649,512	10,408	9,659,920
Expenditure on			
Raising funds	3,041,712	-	3,041,712
Charitable activities			
Provision of palliative care	7,152,643	12,717	7,165,360
Other	20,352	-	20,352
Total	10,214,707	12,717	10,227,424
Operating surplus	(565,195)	(2,309)	(567,504)
Net gains/(losses) on investments	94,900	-	94,900
Net income/(expenditure)	(470,295)	(2,309)	(472,604)
Transfers between funds	-	-	-
Corporation tax on subsidiary trading profits	(2,665)	-	(2,665)
Net movement in funds	(472,960)	(2,309)	(475,269)
Reconciliation of funds			
Total funds brought forward	20,541,493	114,188	20,655,681
Total funds carried forward	20,068,533	111,879	20,180,412

14. Comparatives for statement of activities (continued)

Charity	Un-restricted Funds £	Restricted Funds £	2025 Total Funds £
Income and Endowments from			
Donations and legacies	3,727,543	10,408	3,737,951
Charitable activities			
Provision of palliative care	628,108	-	628,108
Other trading activities	4,229,894	-	4,229,894
Investment income	503,502	-	503,502
Other income	234,132	-	234,132
Total	9,323,179	10,408	9,333,587
Expenditure on			
Raising funds	2,718,120	-	2,718,120
Charitable activities			
Provision of palliative care	7,152,643	12,717	7,165,360
Other	20,352	-	20,352
Total	9,891,115	12,717	9,903,832
Operating surplus	(567,936)	(2,309)	(570,245)
Net gains/(losses) on investments	94,900	-	94,900
Net income/(expenditure)	(473,036)	(2,309)	(475,345)
Transfers between funds	-	-	-
Net movement in funds	(473,036)	(2,309)	(475,345)
Reconciliation of funds			
Total funds brought forward	20,541,493	114,188	20,655,681
Total funds carried forward	20,068,457	111,879	20,180,336

15. Tangible Fixed Assets	**Freehold Property**	**Property Improve-ments**	**Fixtures & Fittings**	**Motor Vehicles**
	£	£	£	£
Cost				
At 1 April 2025	8,356,112	746,205	420,508	104,146
Additions	115,270	85,018	92,151	-
Transfer from investment property	603,000	-	-	-
Disposals	-	-	-	-
At 31 March 2026	9,074,382	831,223	512,659	104,146
Depreciation				
At 1 April 2025	1,986,801	604,625	375,762	78,685
Charge for year	174,741	52,953	14,264	6,386
Disposals	-	-	-	-
At 31 March 2026	2,161,542	657,578	390,026	85,071
Net book value				
At 31 March 2026	6,912,840	173,645	122,633	19,075
At 31 March 2025	6,369,311	141,580	44,746	25,461

	Medical equipment	**Office equipment**	**Charity total**	**Subsid-iaries**	**Group Total**
	£	£	£	£	£
Cost					
At 1 April 2025	255,718	227,441	10,110,130	110,058	10,220,188
Additions	15,592	2,144	310,175	15,999	326,174
Transfer from investment property	-	-	603,000	-	603,000
Disposals	-	-	-	(62,040)	(62,040)
At 31 March 2026	271,310	229,585	11,023,305	64,017	11,087,322
Depreciation					
At 1 April 2025	213,972	185,448	3,445,293	68,574	3,513,867
Charge for year	14,510	12,984	275,838	6,153	281,991
Disposals	-	-	-	(45,112)	(45,112)
At 31 March 2026	228,482	198,432	3,721,131	29,615	3,750,746
Net book value					
At 31 March 2026	42,828	31,153	7,302,174	34,402	7,336,576
At 31 March 2025	41,746	41,993	6,664,837	41,484	6,706,321

16. Fixed asset investments	Shares in group undertakings	Listed invest-ments	Cash	Investment Property	Totals
	£	£	£	£	£
Market value					
At 1 April 2025	17,500	8,854,012	135,507	1,229,776	10,236,795
Additions at cost	-	3,312,112	-	-	3,312,112
Disposals at opening market value	-	(3,319,295)	391,501	-	(2,927,794)
Transfer to fixed assets	-	-	-	(603,000)	(603,000)
Unrealised gain on revaluation	-	252,956	-	-	252,956
At 31 March 2026 – Charity	17,500	9,099,785	527,008	626,776	10,271,069
At 31 March 2026 – Group	-	9,099,785	527,008	626,776	10,253,569

The historical cost of the listed investments held was £8,617,390 (2025: £7,950,840). 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 2026, the company had a turnover of £216,088 (2025: £361,427), expenditure of £153,647 (2025: £297,023) and generated a profit of £62,441 (2025: £64,404) after tax. The aggregate capital and reserves of the company at 31 March 2026 was £16,500 (2025: £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 2026, the company had a turnover of £72,286 (2025: £33,282), expenditure of £38,065 (2025: £30,542), tax credit on profits of £1,279 (2025: tax charge of £2,665) and generated a profit of £35,500 (2025: £75) after tax. The aggregate capital and reserves of the company at 31 March 2026 was £1,006 (2025: £1,075). This subsidiary is included in the consolidated financial statements.

The charitable company holds two investment properties; a property in Ullapool let to NHS Highland (acquired December 2023) and a commercial property in Academy Street, Inverness (acquired March 2025). Both were valued at the time by Grant Stewart MRICS, a qualified chartered surveyor. The trustees are of the opinion that the current carrying value still reflects the fair value of the property.

Realised and unrealised gains/(losses)	Group and charity 2026	2025
	£	£
Realised gains on fixed asset investments	429,890	23,917
Unrealised gains/(losses) on fixed asset investments	252,956	70,983
	682,846	94,900

17. **Debtors**: Amounts falling due within one year	Group 2026	2025	Charity 2026	2025
	£	£	£	£
Sundry debtors	26,265	48,024	25,509	46,105
Amounts owed by group undertakings	-	-	85,835	86,369
VAT	60,954	99,290	60,954	99,290
Prepayments and accrued income	125,088	167,166	124,523	166,602
Other debtors	13,163	33,640	13,163	29,084
	225,470	348,120	309,984	427,450

18. Creditors: Amounts falling due within one year	Group		Charity	
	2026	**2025**	**2026**	**2025**
	£	£	£	£
Sundry creditors	115,933	162,021	110,672	153,356
Social security and other expenses	158,300	139,968	156,626	128,759
Accrued expenses	297,474	363,627	288,908	354,641
Deferred income	430,037	188,820	430,037	188,820
Corporation Tax	820	2,097	-	-
Other Creditors	-	-	-	330
	1,002,564	856,533	986,243	825,906

Deferred income – group and charity	**2026**	**2025**
	£	£
Brought forward	188,820	349,498
(Released to income)	(188,820)	(349,498)
Deferred – Income from fundraising events not yet taken place	130,968	99,496
Deferred - Other income	299,069	89,324
Balance as at 31 March 2026	430,037	188,820

19. Leasing agreements	Group		Charity	
	2026	**2025**	**2026**	**2025**
	£	£	£	£
Minimum lease payments under non-cancellable operating leases fall due as follows:				
Within one year	276,151	269,014	269,376	234,739
Between one and five years	723,840	577,300	709,387	555,847
In more than five years	-	48,750	-	48,750
	999,991	895,064	978,763	839,336

20. Provisions – group and charity	**2026**	**2025**
	£	£
Brought forward	490,564	490,564
Additions	-	-
Released	(28,250)	-
Balance as at 31 March 2026	462,314	490,564

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

21. Movement in funds	At 1 April 2025 £	Net Movement in Funds £	Transfers between Funds £	At 31 March 2026 £
Group				
Unrestricted funds				
General fund	7,159,753	1,003,122	(1,181,698)	6,981,177
	7,159,753	1,003,122	(1,181,698)	6,981,177
Designated funds				
Fixed asset fund	6,702,644	(281,991)	929,174	7,349,827
Revaluation reserve	1,038,678	-	(29,276)	1,009,402
Social care development fund	-	-	-	-
Capital investment for income generation fund	1,000,000	-	-	1,000,000
Risk reserve	3,917,600	-	281,800	4,199,400
End of Life Care Together	249,858	(249,858)	-	-
	12,908,780	(531,849)	1,181,698	13,558,629
Restricted funds				
Art plan fund	5,747	(342)	-	5,405
Staff fund	490	4,443	-	4,933
Palliative care course fund	32,629	(17,750)	-	14,879
Therapeutic Art	42,971	-	-	42,971
Care at Home training fund	-	-	-	-
Bereavement Support fund	17,685	(662)	-	17,023
Medicines for Malawi fund	4,780	-	-	4,780
Community Engagement Ullapool	7,577	-	-	7,577
	111,879	(14,311)	-	97,568
Total Group Funds	20,180,412	456,962	-	20,637,374

21. Movement in funds (continued)	At 1 April 2025 £	Net Movement in Funds £	Transfers between Funds £	At 31 March 2026 £
Charity				
Unrestricted funds				
General fund	7,201,161	997,043	(1,165,699)	7,032,505
	7,201,161	997,043	(1,165,699)	7,032,505
Designated funds				
Fixed asset fund	6,661,160	(275,838)	913,175	7,298,497
Revaluation reserve	1,038,678	-	(29,276)	1,009,402
Social care development fund	-	-	-	-
Capital investment for income generation fund	1,000,000	-	-	1,000,000
Risk reserve	3,917,600	-	281,800	4,199,400
End of Life Care Together	249,858	(249,858)	-	-
	12,867,296	(525,696)	1,165,699	13,507,299
Restricted funds				
Art plan fund	5,747	(342)	-	5,405
Staff fund	490	4,443	-	4,933
Palliative care course fund	32,629	(17,750)	-	14,879
Therapeutic Art	42,971	-	-	42,971
Care at Home training fund	-	-	-	-
Bereavement Support fund	17,685	(662)	-	17,023
Medicines for Malawi fund	4,780	-	-	4,780
Community Engagement Ullapool	7,577	-	-	7,577
	111,879	(14,311)	-	97,568
Total Charity Funds	20,180,336	457,036	-	20,637,372

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 – 2026				
Unrestricted funds				
General fund	10,593,869	(10,273,593)	682,846	1,003,122
Designated funds				
Fixed asset fund	-	(281,991)	-	(281,991)
Social care development fund	-	-	-	-
End of Life Care Together fund	-	(249,858)	-	(249,858)
	10,593,869	(10,805,442)	682,846	471,273
Restricted funds				
Art plan fund	70	(412)	-	(342)
Staff fund	5,025	(582)	-	4,443
Palliative Care Course fund	-	(17,750)	-	(17,750)
Therapeutic Art	-	-	-	-
Bereavement Support fund	-	-	-	-
Medicines for Malawi fund	-	(662)	-	(662)
Care at Home training fund	-	-	-	-
Community Engagement Ullapool	-	-	-	-
	5,095	(19,406)	-	(14,311)
Total group funds	10,598,964	(10,824,848)	682,846	456,962

*Includes Corporation tax paid.

21. Movement in funds (continued)	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Charity – 2026				
General fund	10,407,291	(10,093,094)	682,846	997,043
Designated funds				
Fixed asset fund	-	(275,838)	-	(275,838)
Social care development fund	-	-	-	-
End of Life Care Together fund	-	(249,858)	-	(249,858)
	10,407,291	(10,618,790)	682,846	471,347
Restricted funds				
Art plan fund	70	(412)	-	(342)
Staff fund	5,025	(582)	-	4,443
Palliative Care Course fund	-	(17,750)	-	(17,750)
Therapeutic Art	-	-	-	-
Bereavement Support fund	-	-	-	-
Medicines for Malawi fund	-	(662)	-	(662)
Care at Home training fund	-	-	-	-
Community Engagement Ullapool	-	-	-	-
	5,095	(19,406)	-	(14,311)
Total charity funds	10,412,386	(10,638,196)	682,846	457,036

21. Movement in funds (continued) - comparatives	At 1 April 2024 £	Net Movement in Funds £	Transfers between Funds £	At 31 March 2025 £
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

21. Movement in funds (continued) – comparatives	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	921,755	-	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
	13,252,258	(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	-	7,577
	114,188	(2,309)	-	111,879
Total Charity Funds	20,655,681	(475,345)	-	20,180,336

21. Movement in funds (continued) - comparatives

Net movement in funds included in the above are as follows:

	Incoming resources	Resources expended*	Gains and losses	Movement in funds
	£	£	£	£
Group				
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	(10,217,372)	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.

21. Movement in funds (continued) - comparatives	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Charity				
Unrestricted funds				
General fund	9,323,179	(9,043,894)	94,900	374,185
Designated funds				
Fixed asset fund	-	(264,566)	-	(264,566)
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)
Total charity funds	9,333,587	(9,903,832)	94,900	(475,345)

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

21. Movement in funds (continued)

Restricted funds (continued)

Transfers between funds
A transfer of £929,174 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 £281,800 has of also been made between the risk reserve and the general fund following the decision by the Trustees to increase the risk reserve to £4,199,400.

Finally, a transfer of £29,276 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 2026 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. Capital commitments

	2026	2025
	£	£
Contracted for but not provided for in the financial statements	298,582	-

24. Related party disclosures

Highland Hospice Trading Limited – 100% owned by Highland Hospice
During the year, the Hospice paid expenses on behalf of the trading company totalling £61,167 (2025: £64,573) and recharged income totalling £177,966. A donation of £62,441 (2025: £64,404) 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 £54,538 (2025: £72,369).

Ness Islands Railway Limited – 100% owned by Highland Hospice
During the year, the Hospice paid expenses on behalf of the company totalling £6,682 (2025: £2,906). A donation of £35,575 (2025: £nil) 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 £31,297 (2025: £14,000).

25. Analysis of Changes in Net Debt

Group	At 1 April 2025	Cash flows	At 31 March 2026
	£	£	£
Cash and cash equivalents			
Cash at bank and in hand	4,236,022	28,495	4,264,517
	4,236,022	28,495	4,264,517

Charity	At 1 April 2025	Cash flows	At 31 March 2026
	£	£	£
Cash and cash equivalents			
Cash at bank and in hand	4,167,724	34,978	4,202,702
	4,167,724	34,978	4,202,702