

HOSPICE MALTA

Annual Report and Financial Statements  
31 December 2023

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## Chairperson's statement

Throughout 2023 Hospice Malta continued to work tirelessly on two fronts – firstly, the provision of palliative care services to patients (and their families) within the community, and secondly, the finalization of the new premises – St Michael Hospice in St Venera. Challenges were encountered in both areas. On one hand, with the ever-increasing demand for our services and, on the other hand, unforeseen delays due to circumstances beyond control which affected the project's timeline.

Clearly both aspects necessitate proper planning and attention to detail. In this regard we have focused on the proper implementation of capacity building– mostly our Hospice clinical frontliners, but also, in parallel, our administrative/managerial processes to ensure an effective and efficient structure. Further awareness of Hospice services has also led to a record number of patient referrals. By way of example, the Home Care Assistants service, allowing patients to remain in the comfort of their own home as well as serving as respite support to their relatives, has tripled throughout the year to reach a record of almost 27,000 hours. The total number of families supported throughout the year amounted to another record – 1446 families. For Hospice to be able to support the delivery of all services free of charge, we rely heavily on the generosity of the general public, corporations, fund agreements with governmental Ministries as well as fundraising activities held throughout the year.

It is noteworthy to acknowledge the increase in donations received from all segments of society, however, the need for Fundraising continues to be of paramount importance. Our efforts are mainly concentrated on the major annual fundraising events namely, the Hospice Telethon, televised on all local TV channels, the Sunflower campaign, the Hospice Lottery, as well as the Hospice Dinner. Other seasonal fundraising events are organized internally and also through third parties, sometimes through the personal initiatives of some of our own volunteers, with all proceeds being donated to Hospice.

After the disruption caused by Covid 19, we are also grateful to have retained 198 volunteers who willingly offer their time and support at multiple levels to assist Hospice in its mission. These volunteers clocked up a total of 11,611 hours of service in 2023, the equivalent of just under 6 full time employees.

Hospice continues to embrace people and processes to further its deep commitment to providing excellent palliative care services in the Maltese islands. We look forward to the coming year determined to bring the St Michael Hospice Project to a close so Hospice can begin a new chapter in its 35 year history. We eagerly anticipate 2024 to be the year that Hospice's long-held dream of ensuring a more comprehensive seamless service for the benefit of our patients becomes a reality.



Bernadette Bonnici Kind  
Chairperson Hospice Malta

8 May 2024

## Report of the Board of Governors

The members of the Board of Governors present herewith their report and the audited financial statements of Hospice Malta for the year ended 31 December 2023.

### Principal activities

Hospice Malta, (the "Association") is a non-profit organisation providing and promoting the highest standards of Palliative Care for people with progressive life limiting diseases. It also supports and cares for the families and carers of patients and of the bereaved. In order to be able to offer these services free of charge, Hospice Malta generates annual income from donations, fundraising and funding through grant agreements with the Government of Malta and other institutions.

### Review of performance

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During the year under review, the Association reported a surplus amounting to €465,590 (2022: €819,068).

### Results

The statement of comprehensive income is set out on page 10.

### Members of the Board of Governors

In accordance with the statute, the members of the Board of Governors are elected at the Annual General Meeting for a term of two years. All the members retire after their initial term of two years and are eligible for re-election for any number of terms. The members on the Board of Governors serve on a voluntary basis and receive no remuneration.

The members of the Board of Governors who held office during the year were:

Ms. Bernadette Bonnici Kind – Chairperson  
Mr. Ramon Muscat – Vice-Chairperson  
Perit Fleur Marie Ebejer – Secretary  
Mr. Vladimiro Comodini – Treasurer  
Dr. Etienne Borg Cardona – Member  
Ms. Lora Cascun – Member  
Ms. Miriam Muscat – Member  
Dr. Oriella De Giovanni – Member  
Dr. Robert Sammut – Member  
Dr. Stefan Laspina – Member

## Report of the Board of Governors - continued

### Statement of responsibilities of the Board of Governors for the financial statements

The Board of Governors is required by the Voluntary Organisations Act, Legal Notice 379 of 2012, to prepare financial statements which give a true and fair view of the state of affairs of the Association as at the end of each reporting period and of the surplus or deficit for that period.

In preparing the financial statements, the Board of Governors is responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Association will continue in business as a going concern.

The Board of Governors is also responsible for designing, implementing and maintaining internal control as the Board of Governors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Voluntary Organisations Act, Legal Notice 379 of 2012. They are also responsible for safeguarding the assets of the Association and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements of Hospice Malta for the year ended 31 December 2023 are published in hard-copy printed form.

### Auditors

PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

On behalf of the Board of Governors



Bernadette Bonnici Kind  
Chairperson



Vladimiro Comodini  
Treasurer

39 Good Shepherd Avenue  
Balzan BZN 1623  
Malta

8 May 2024

## **Other information**

### **Board of Governors Committees**

#### **Audit Committee**

Dr. Etienne Borg Cardona – Chairperson  
Ms. Maria Micallef – independent member  
Ms. Geraldine Schembri – independent member

The audit committee reports directly to the Board of Governors of Hospice Malta.

#### **Management Committees**

Management committees report to the CEO of Hospice Malta.

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#### **Strategic Financial Committee**

Mr. Vladimiro Comodini – Chairperson  
Ms. Bernadette Bonnici Kind  
Ms. Juanita Bencini  
Mr. Wilfred Mallia  
Mr. Kenneth Delia  
Ms. Rachel Micallef

#### **Education Committee**

Dr. Stefan Laspina – Chairperson  
Dr. Joanna Depares  
Prof. Alexander Gatt  
Ms. Lara Farrugia  
Ms. Anna Frendo  
Mr. Kenneth Delia

#### **Quality and Care Committee**

Ms. Anna Frendo – Chairperson  
Dr. Elaine Boland  
Dr. Jurgen Abela  
Ms. Lara Farrugia  
Mr. Kenneth Delia

#### **Project Management Steering Committee**

Ms. Lora Cascun – Chairperson  
Perit Claude Borg  
Mr. Kenneth Delia  
Mr. Karm Farrugia  
Ms. Bernadette Bonnici Kind  
Mr. Chris Naudi  
Mr. Ing. Noel Psaila  
Ms. Rachel Micallef  
Ms. Roslynn Vella

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**Other information** - continued

**Fundraising Committee**

Ms. Bernadette Bonnici Kind – Chairperson  
Mr. Chris Bianco  
Mr. Vladimiro Comodini  
Ms. Juanita Bencini  
Mr. Kenneth Delia  
Ms. Alexia Demicoli

**Change Management Committee**

Mr. Ramon Muscat – Chairperson  
Ms. Joanne Bondin  
Ms. Antoinette Caruana  
Ms. Roslynn Vella  
Ms. Anna Frendo  
Mr. Kenneth Delia

**Auditors**

PricewaterhouseCoopers  
78, Mill Street  
Zone 5, Central Business District, CBD 5090  
Qormi  
Malta



## *Independent auditor's report*

To the Board of Governors of Hospice Malta

### *Report on the audit of the financial statements*

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#### *Our opinion*

In our opinion:

- The financial statements give a true and fair view of the financial position of Hospice Malta (the Association) as at 31 December 2023, and of the Association's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Voluntary Organisations Act, Legal Notice 379 of 2012.

#### **What we have audited**

Hospice Malta's financial statements, set out on pages 9 to 31, comprise:

- the statement of financial position as at 31 December 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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#### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Independence**

We are independent of the Association in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these Codes.



## *Independent auditor's report - continued*

To the Board of Governors of Hospice Malta

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### *Other information*

The Board of Governors is responsible for the other information. The other information comprises the Chairperson's statement, the Report of the Board of Governors and the Other Information (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, 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.

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### *Responsibilities of the Board of Governors and those charged with governance for the financial statements*

The Board of Governors is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Voluntary Organisations Act, Legal Notice 379 of 2012, and for such internal control as the Board of Governors determines 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 Board of Governors is responsible for assessing the Association'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 Board of Governors either intends to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

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### *Auditor's responsibilities for the audit of the financial statements*

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 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.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

## *Independent auditor's report – continued*

To the Board of Governors of Hospice Malta

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Governors.
- Conclude on the appropriateness of the Board of Governors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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### *Other matter – use of this report*

Our report, including the opinion, has been prepared for and only for the Association's Board of Governors and the members of the Association in accordance with the requirements of the Voluntary Organisations Act, Legal Notice 379 of 2012. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.



Christopher Cardona  
Principal

*For and on behalf of*  
**PricewaterhouseCoopers**  
78, Mill Street  
Zone 5, Central Business District  
Qormi  
Malta

8 May 2024

## Statement of financial position

	Notes	As at 31 December		As at 1 January
		2023 €	2022 € (restated)	2022 € (restated)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	4	2,932,617	3,082,237	1,745,546
Financial assets at FVOCI	5	1,396,803	1,030,418	1,105,260
Term deposits	6	210,000	100,000	-
<b>Total non-current assets</b>		<b>4,539,420</b>	<b>4,212,655</b>	<b>2,850,806</b>
<b>Current assets</b>				
Non-current asset held for sale	4	-	-	450,000
Term deposits	6	670,000	525,000	725,000
Other receivables	7	38,854	45,548	30,539
Cash and cash equivalents	8	3,286,629	2,662,517	2,439,803
<b>Total current assets</b>		<b>3,995,483</b>	<b>3,233,065</b>	<b>3,645,342</b>
<b>Total assets</b>		<b>8,534,903</b>	<b>7,445,720</b>	<b>6,496,148</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Capital and reserves</b>				
Accumulated surplus	9	1,080,000	1,080,000	1,080,000
Capital reserve	9	6,100,765	5,635,175	4,816,107
Fair value reserve	10	64,446	39,288	133,546
<b>Total equity</b>		<b>7,245,211</b>	<b>6,754,463</b>	<b>6,029,653</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Trade and other payables	11	52,720	62,592	72,251
<b>Total non-current liabilities</b>		<b>52,720</b>	<b>62,592</b>	<b>72,251</b>
<b>Current liabilities</b>				
Trade and other payables	11	1,236,972	628,665	394,244
<b>Total current liabilities</b>		<b>1,236,972</b>	<b>628,665</b>	<b>394,244</b>
<b>Total liabilities</b>		<b>1,289,692</b>	<b>691,257</b>	<b>466,495</b>
<b>Total equity and liabilities</b>		<b>8,534,903</b>	<b>7,445,720</b>	<b>6,496,148</b>

The notes on pages 13 to 31 are an integral part of these financial statements.

The financial statements on pages 9 to 31 were authorised for issue by the Board of Governors on 8 May 2024 and were signed on its behalf by:

  
Bernadette Bonnici Kind  
Chairperson

  
Vladimiro Comodini  
Treasurer

## Statement of comprehensive income

	Notes	Year ended 31 December	
		2023 €	2022 € (restated)
Revenue	12	<b>2,838,121</b>	2,673,372
Expenditure	13	<b>(2,423,863)</b>	(1,893,896)
<b>Operating surplus</b>		<b>414,258</b>	779,476
Finance income	15	<b>56,695</b>	43,644
Finance costs	16	<b>(5,363)</b>	(4,052)
<b>Surplus for the year</b>		<b>465,590</b>	819,068
<b>Items that may be subsequently reclassified to surplus or deficit</b>			
Fair value movements on financial assets at FVOCI, net of tax	10	<b>25,158</b>	(94,258)
<b>Other comprehensive income for the year, net of tax</b>		<b>25,158</b>	(94,258)
<b>Total comprehensive income for the year</b>		<b>490,748</b>	724,810

The notes on pages 13 to 31 are an integral part of these financial statements.

## Statement of changes in equity

	Notes	Accumulated surplus €	Fair value reserve €	Capital reserve €	Total €
<b>Balance at 1 January 2022</b> (as previously reported)		1,080,000	133,546	5,486,708	6,700,254
<b>Restatement</b>					
Effect of prior period adjustment	21	-	-	(670,601)	(670,601)
<b>Balance at 1 January 2022 (restated)</b>		<b>1,080,000</b>	<b>133,546</b>	<b>4,816,107</b>	<b>6,029,653</b>
<b>Comprehensive income</b>					
Surplus for the year (restated)		-	-	819,068	819,068
<b>Other comprehensive income</b>					
Fair value movements on financial assets at FVOCI, net of tax	10	-	(94,258)	-	(94,258)
<b>Balance at 31 December 2022 (restated)</b>		<b>1,080,000</b>	<b>39,288</b>	<b>5,635,175</b>	<b>6,754,463</b>
<b>Balance at 1 January 2023 (restated)</b>		1,080,000	39,288	5,635,175	6,754,463
<b>Comprehensive income</b>					
Surplus for the year		-	-	465,590	465,590
<b>Other comprehensive income</b>					
Fair value movements on financial assets at FVOCI, net of tax	10	-	25,158	-	25,158
<b>Balance at 31 December 2023</b>		<b>1,080,000</b>	<b>64,446</b>	<b>6,100,765</b>	<b>7,245,211</b>

The notes on pages 13 to 31 are an integral part of these financial statements.

## Statement of cash flows

	Notes	Year ended 31 December	
		2023 €	2022 € (restated)
<b>Cash flows from operating activities</b>			
Cash generated from operations	18	1,073,615	927,766
Interest received	15	56,695	43,644
Interest paid	16	(5,363)	(4,052)
Net cash generated from operating activities		1,124,947	967,358
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	4	(4,684,698)	(3,142,496)
Government grants received in relation to assets	4	4,780,090	1,767,268
Purchase of financial assets at FVOCI	5	(411,927)	(102,500)
Disposal of financial assets at FVOCI	5	70,700	83,084
Proceeds on maturity of term deposits		200,000	100,000
Purchase of term deposits		(455,000)	-
Proceeds on non-current asset held for sale	4	-	550,000
Net cash used in investing activities		(500,835)	(744,644)
<b>Movement in cash and cash equivalents</b>		<b>624,112</b>	<b>222,714</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>2,662,517</b>	<b>2,439,803</b>
<b>Cash and cash equivalents at end of year</b>	8	<b>3,286,629</b>	<b>2,662,517</b>

The notes on pages 13 to 31 are an integral part of these financial statements.

## Notes to the financial statements

### 1. Material accounting policy information

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

#### 1.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Voluntary Organisations Act, Legal Notice 379 of 2012. They have been prepared under the historical cost convention and as modified by the fair value of financial assets at FVOCI.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires Board of Governors to exercise their judgement in the process of applying the Association's accounting policies (see Note 3 - Critical accounting estimates and judgements).

#### *Standards, interpretations and amendments to published standards effective in 2023*

In 2023, the Association adopted new standards, amendments and interpretations to existing standards that are mandatory for the Association's accounting period beginning on 1 January 2023. The adoption of these revisions to the requirements of IFRSs as adopted by the EU did not result in changes to the Association's accounting policies, not impacting the Association's financial performance and position.

#### *Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies*

The amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The term 'significant' was replaced with 'material' in the context of disclosing accounting policy information. In assessing the materiality of the accounting policy information, the Association considers the size of transactions, other events or conditions and their nature.

#### *Standards, interpretations and amendments to published standards that are not yet adopted*

Certain new standards, amendments and interpretations to existing standards have been published by the date of authorisation for issue of these financial statements but are mandatory for the Association's accounting periods beginning after 1 January 2023. The Association has not early adopted these revisions to the requirements of IFRSs as adopted by the EU, and the Association's Board of Governors are of the opinion that, there are no requirements that will have a possible significant impact on the Association's financial statements in the period of initial application.

##### 1.1.1 Prior period adjustment

During the year, the Association identified a prior period adjustment with respect to recognising the government grants that have been recognised as revenue in the statement of comprehensive income as opposed to deducting their value from the carrying amount of the related asset.

This prior period adjustment was applied retrospectively in accordance with the requirements of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. Accordingly, the Association has adjusted the opening balance of each affected component for the earliest period presented in these financial statements and other comparative amounts disclosed for the comparative period presented, as if the revised accounting treatment had always been applied.

**1. Material accounting policy information - continued**

**1.1 Basis of preparation - continued**

*1.1.1 Prior period adjustment - continued*

The financial impact of this adjustment comprises the retrospective restatement of Government grants relating to assets, which are now being presented as a deduction to the carrying amount of the related assets, rather than credited to revenue within the statement of comprehensive income. The correction to capital reserve as at 1 January 2022 amounted to €670,601.

In accordance with the requirements of IAS 8, the statement of changes in equity together with the notes for property, plant and equipment (Note 4) and revenue (Note 12) include information on the amount of the correction at the beginning of the earliest prior period presented. Other notes have not been impacted by the adjustment, and accordingly only include information as at 31 December 2023 and 31 December 2022.

The prior period adjustment as described above results in the financial statements providing reliable and more relevant information about the effects of events or conditions on the Association's financial position and financial performance.

**1.2 Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Association operates ("the functional currency"). The financial statements are presented in euro, which is the Association's functional and presentation currency.

**1.3 Property, plant and equipment**

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the carrying amount of an asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Borrowing costs which are incurred for the purpose of acquiring or constructing a qualifying asset are capitalised as part of its cost. Borrowing costs are capitalised while acquisition or construction is actively underway. Capitalisation of borrowing costs is ceased once the asset is substantially complete and is suspended if the development of the asset is suspended.

Land is not depreciated as it is deemed to have an indefinite life. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	%
Buildings	1
Electrical installations	6.67
Furniture, fixtures and air-conditioning	10
Computer software	20
Office and other equipment	20
Motor vehicle	25

**1. Material accounting policy information - continued**

**1.3 Property, plant and equipment - continued**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 1.4).

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised in surplus or deficit. When revalued assets are sold, the amounts included in the revaluation reserve relating to the assets are transferred to retained earnings.

**1.4 Impairment of non-financial assets**

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**1.5 Financial assets**

*(a) Classification*

The Association classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Association's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Association has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Association reclassifies debt investments when and only when its business model for managing those assets changes.

*(b) Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Association commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Association has transferred substantially all the risks and rewards of ownership.

**1. Material accounting policy information - continued**

**1.5 Financial assets - continued**

*(c) Measurement*

At initial recognition, the Association measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

*Debt instruments*

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Subsequent measurement of debt instruments depends on the Association's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Association classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets are included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented separate line item in the statement of profit or loss.
- **FVOCI:** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- **FVPL:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

*Equity instruments*

The Association subsequently measures all equity investments at fair value. Where the Association's Board of Governors have elected to present fair value gains and losses on equity investment in OCI, there's no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Association's right to receive payments is established.

**1. Material accounting policy information - continued**

**1.5 Financial assets - continued**

*(c) Measurement - continued*

*Equity instruments - continued*

Changes in the fair value of financial assets at FVPL are recognised in changes in fair value of financial assets in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

*(d) Impairment*

The Association assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For other receivables, the Association applied the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The impact of the identified expected credit loss on the retained earnings and equity with regards to each class of financial assets mentioned above was immaterial.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified expected credit loss was immaterial.

**1.6 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at face value. In the statement of cash flows, cash and cash equivalents includes cash in hand and deposits held at call with banks.

**1.7 Financial liabilities**

The Association recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The Association's financial liabilities are classified as financial liabilities which are not at fair value through surplus or deficit (classified as 'Other liabilities') under IFRS 9. Financial liabilities not at fair value through surplus or deficit are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost. The Association derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.

**1.8 Trade and other payables**

Trade and other payables comprise obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**1. Material accounting policy information - continued**

**1.9 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

**1.10 Revenue recognition**

Revenue comprises income received or receivable from various sources such as donations, fund raising activities, memberships, sponsorships and government grants. The Association recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.

Owing to the nature of the Association's income, only income from sponsorships are invoiced. Government grants are accounted for in accordance with Note 1.11. Donations received for the specific purpose of the construction of St Michael Hospice has been deferred and will be released to revenue in line with the depreciation pattern of the Hospice. Other donations are accounted for on a cash received basis and all other income is accounted for on the accrual basis.

Finance income is recognised for all interest-bearing instruments using the effective interest method.

**1.11 Government grants**

Government grants are recognised at their fair value only when there is a reasonable assurance that:

- (a) the Association will comply with the conditions attaching to them; and
- (b) the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Association recognises as expenses the related costs for which grants are intended to compensate. Accordingly, grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the related costs that they are intended to compensate. Grants related to income are generally presented as a credit in profit or loss; however, they are deducted in reporting the related expense if the costs intended to be compensated are clearly identifiable.

Government grants relates to assets, i.e., in respect of the purchase or construction of property, plant and equipment, are presented in the statement of financial position by deducting the grant in arriving at the carrying amount of the asset.

**2. Financial risk management**

**2.1 Financial risk factors**

The Association's activities potentially expose it to a variety of financial risks: market risk (including foreign exchange risk and cash flow and fair value interest rate risk), credit risk and liquidity risk. The Association's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Association's financial performance. The Board of Governors do not consider the Association's exposure to price risk and foreign exchange risk to be substantial in view of the nature of the assets and liabilities. The Board of Governors provide principles for overall risk management, as well as policies covering specific areas, such as credit risk. The Association did not make use of derivative financial instruments to hedge certain risk exposures during the current and preceding financial years.

**2. Financial risk management - continued**

**2.1 Financial risk factors - continued**

*(a) Market Risk*

*(i) Foreign exchange risk*

Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the Association's functional currency. The Association's revenues, purchases and operating expenditure, financial assets and liabilities, including financing, are mainly denominated in euro.

Accordingly, the Association is not significantly exposed to foreign exchange risk and a sensitivity analysis for foreign exchange risk disclosing how surplus or deficit and equity would have been affected by changes in foreign exchange rates that were reasonably possible at the end of the reporting period is not deemed necessary.

*(ii) Cash flow and fair value interest rate risk*

The Association has no significant interest-bearing assets other than debt securities and term deposits subject to fixed interest rates (refer to Notes 5 and 6) and bank balances (refer to Note 8) subject to variable rates of interest. Fixed interest instruments are measured at amortised cost and accordingly the Association is not exposed to fair value interest rate risk. The Association's interest rate risk principally arises from bank balances which expose the Association to cash flow interest rate risk.

*(b) Credit risk*

Credit risk arises from cash and cash equivalents, term deposits and credit exposures to customers, including outstanding receivables and committed transactions. The Association's exposures to credit risk as at the end of the reporting periods are analysed as follows:

	As at 31 December 2023 €	As at 31 December 2022 €
Loans and receivables category:		
Term deposits (Note 6)	880,000	625,000
Other receivables (Note 7)	30,753	20,585
Cash and cash equivalents (Note 8)	3,286,629	2,662,517
	<b>4,197,382</b>	<b>3,308,102</b>

The figures disclosed in the table above in respect of other receivables exclude prepayments and deposits.

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements. The Association does not hold any collateral as security in this respect.

The Association banks only with local financial institutions with high quality standing or rating.

**2. Financial risk management - continued**

**2.1 Financial risk factors - continued**

*(b) Credit risk - continued*

The Association manages credit limits and exposures actively in a practicable manner such that there is no material past due amounts receivable from customers as at the end of the reporting period. The Association's receivables, which are not impaired financial assets, are principally in respect of transactions with customers for whom there is no recent history of default. Management does not expect any losses from non-performance by these customers.

*(c) Liquidity risk*

The Association is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise trade and other payables (Note 11). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Association's obligations.

Management monitors liquidity risk by reviewing expected cash flows and ensures that no additional financing facilities are expected to be required over the coming year. The Association's liquidity risk is not deemed material in view of the matching of cash inflows and outflows arising from expected maturities of financial instruments.

The Association's trade and other payables are entirely repayable within one year from the end of the reporting period.

**2.2 Capital risk management**

The Association's objectives when managing capital are to safeguard the respective Association's ability to continue as a going concern in order to provide returns for the sole purpose of providing the highest standards of Palliative Care for persons with cancer, motor neurone disease and other terminal diseases.

The Association's accumulated surplus, as disclosed in the statement of financial position, constitutes its capital. The Association maintains the level of capital by reference to its financial obligations and commitments arising from operational requirements. In view of the nature of the Association's activities, the capital level as at the end of the reporting period is deemed adequate by the Board of Governors.

**2.3 Fair value of financial instruments**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

## 2. Financial risk management - continued

### 2.3 Fair value of financial instruments - continued

The following table presents the Association's assets and liabilities that are measured at fair value at 31 December:

	Level 1 €	Total balance €
<b>31 December 2022</b>		
Financial assets at FVOCI		
- Equity instruments	520,000	520,000
- Debt instruments	510,418	510,418
<b>Total financial assets</b>	<b>1,030,418</b>	<b>1,030,418</b>
<b>31 December 2023</b>		
Financial assets at FVOCI		
- Equity instruments	603,428	603,428
- Debt instruments	793,375	793,375
<b>Total financial assets</b>	<b>1,396,803</b>	<b>1,396,803</b>

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

At 31 December 2023 and 2022, the carrying amounts of receivables, cash and cash equivalents and payables reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

## 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the Board of Governors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS1.

**4. Property, plant and equipment**

	Land and buildings €	Improvements to leasehold premises €	Specialised equipment €	Furniture, fixtures and fittings €	Motor vehicles €	Computer software €	Electrical installation €	Total €
<b>At 1 January 2022</b>								
Cost	332,089	2,087,687	381,208	124,537	180,013	32,169	8,008	3,145,711
Accumulated depreciation	(68,238)	-	(336,847)	(118,630)	(176,267)	(24,777)	(4,805)	(729,564)
<b>Net book amount</b>	<b>263,851</b>	<b>2,087,687</b>	<b>44,361</b>	<b>5,907</b>	<b>3,746</b>	<b>7,392</b>	<b>3,203</b>	<b>2,416,147</b>
<b>Effect of prior period adjustments</b>								
Government grants (Note 21)	-	(670,601)	-	-	-	-	-	(670,601)
<b>At 1 January 2022 - as restated</b>								
Cost	332,089	1,417,086	381,208	124,537	180,013	32,169	8,008	2,475,110
Accumulated depreciation	(68,238)	-	(336,847)	(118,630)	(176,267)	(24,777)	(4,805)	(729,564)
<b>Net book amount – as restated</b>	<b>263,851</b>	<b>1,417,086</b>	<b>44,361</b>	<b>5,907</b>	<b>3,746</b>	<b>7,392</b>	<b>3,203</b>	<b>1,745,546</b>
<b>Year ended 31 December 2022</b>								
Opening net book amount - as restated	263,851	1,417,086	44,361	5,907	3,746	7,392	3,203	1,745,546
Additions	-	3,027,782	27,809	259	29,062	57,584	-	3,142,496
Government grants	-	(1,767,268)	-	-	-	-	-	(1,767,268)
Depreciation charge	(3,377)	-	(22,291)	(1,271)	(5,510)	(5,555)	(533)	(38,537)
<b>Closing net book amount - as restated</b>	<b>260,474</b>	<b>2,677,600</b>	<b>49,879</b>	<b>4,895</b>	<b>27,298</b>	<b>59,421</b>	<b>2,670</b>	<b>3,082,237</b>

**4. Property, plant and equipment - continued**

	Land and buildings €	Improvements to leasehold premises €	Specialised equipment €	Furniture, fixtures and fittings €	Motor vehicles €	Computer software €	Electrical installation €	Total €
<b>At 31 December 2022</b>								
- as restated								
Cost	332,089	2,677,600	409,017	124,796	209,075	89,753	8,008	3,850,338
Accumulated depreciation	(71,615)	-	(359,138)	(119,901)	(181,777)	(30,332)	(5,338)	(768,101)
<b>Net book amount – as restated</b>	<b>260,474</b>	<b>2,677,600</b>	<b>49,879</b>	<b>4,895</b>	<b>27,298</b>	<b>59,421</b>	<b>2,670</b>	<b>3,082,237</b>
<b>Year ended 31 December 2023</b>								
Opening net book amount	260,474	2,677,600	49,879	4,895	27,298	59,421	2,670	3,082,237
- as restated								
Additions	-	4,518,177	72,033	2,728	21,467	70,293	-	4,684,698
Disposals	-	-	(147)	-	-	-	-	(147)
Government grants	-	(4,780,090)	-	-	-	-	-	(4,780,090)
Depreciation charge	(3,377)	-	(26,891)	(1,040)	(7,010)	(15,367)	(533)	(54,218)
Depreciation released	-	-	137	-	-	-	-	137
<b>Closing net book amount</b>	<b>257,097</b>	<b>2,415,687</b>	<b>95,011</b>	<b>6,583</b>	<b>41,755</b>	<b>114,347</b>	<b>2,137</b>	<b>2,932,617</b>
<b>At 31 December 2023</b>								
Cost	332,089	2,415,687	480,903	127,524	230,542	160,046	8,008	3,754,799
Accumulated depreciation	(74,992)	-	(385,892)	(120,941)	(188,787)	(45,699)	(5,871)	(822,182)
<b>Net book amount</b>	<b>257,097</b>	<b>2,415,687</b>	<b>95,011</b>	<b>6,583</b>	<b>41,755</b>	<b>114,347</b>	<b>2,137</b>	<b>2,932,617</b>

**4. Property, plant and equipment - continued**

On 16 April 2018, Hospice Malta entered into a lease agreement with the Archdiocese of Malta, granting and conceding by title of commodatum (referred to as loan for use) Adelaide Cini Institute premises located in Santa Venera.

The agreement has a definite period of 50 years, with possibility of extension. The property leased with no charges can be used exclusively for the promotion and provision of palliative care services in Malta.

On 6 July 2020, the Association was donated a property in Santa Venera which was valued by an independent architect at €450,000. In 2022, the Association entered into a sale agreement and sold the property in Santa Venera at €550,000.

The Association entered into a Memorandum of Agreement with the National Development and Social Fund (NDSF), signed in June 2021, awarded grants towards the development and completion of the St Michael Hospice in Santa Venera. The term of the agreement was originally set to expire by December 2023. During 2023, the agreement was amended to further extend it to 30 June 2024, when the project is expected to be completed.

The Association also received grants under the European Regional Development Fund Grant Agreement ERDF.08.141 under the Cohesion Policy 2014-2020 Operational Programme 1 under the project title 'Improving Palliative Care in Malta'.

During the year, the Association received funds from a government agency as part of the Community Greening Grant which will provide assistance in the generation of a green space within the Hospice Institute. No expenses relating to the project were incurred during the financial year.

The table above include assets financed through Government grants as follows:

	<b>As at 31 December</b>	
	<b>2023</b>	2022
	€	€
At beginning of year	<b>2,437,869</b>	670,601 (restated)
Grant recognised during the year:		
NDSF funding	<b>3,714,564</b>	1,619,812
EU funding	<b>1,065,526</b>	147,456
At end of year	<b>7,217,959</b>	2,437,869

Once the improvement to leasehold premises start to depreciate, the Association will depreciate the net book amount (i.e., net of Government grants) over a period not exceeding the remaining definite lease term.

**5. Financial assets at FVOCI**

	<b>As at 31 December</b>	
	<b>2023</b>	<b>2022</b>
	<b>€</b>	<b>€</b>
<b>Listed debt and equity investments - non-current</b>		
6% Medserv Plc Secured and Guaranteed € Notes 2020-2023	-	17,701
6% Island Hotels Group Holdings Plc Bonds 2024	32,237	31,465
6% AX Investments Plc 2024	23,300	23,300
5.8% International Hotel Investments Plc Euro 2023	-	23,000
5.75% International Hotel Investments plc 2025	38,090	38,658
5.3% United Finance Plc Unsecured Bonds 2023	-	30,213
5% Tumas Investments plc 2024	19,400	19,516
2.6% Malta Government Stock 2028	95,380	99,000
4.5% Hili Properties plc 2025	2,878	2,897
4.25% Corinthia Finance Plc Bonds 2026	45,864	46,800
4% Eden Bonds 2027	30,301	31,227
4% Midi plc 2026 (Secured)	29,634	30,000
3.75% Virtu Finance Bonds 2027	33,635	33,950
3.75% Tumas Bonds 2027	29,681	29,502
3.75% Premier Capital Bonds 2026	121,699	25,317
4% Exalco Bonds 2028	27,761	27,872
5.1% 6PM Holdings 2025	14,964	-
2.875% Heineken 2025	99,480	-
1% Deutschland Rep 2025	97,556	-
Apple Inc	10,539	-
L'oreal SA	11,266	-
Microsoft Corp	12,007	-
Nestle SA	8,927	-
Visa Inc Class A	10,689	-
Fundsmith equity fund	51,515	-
Shares in PG Plc	550,000	520,000
<b>Total financial assets at FVOCI</b>	<b>1,396,803</b>	<b>1,030,418</b>
Opening balance	1,030,418	1,105,260
Additions	411,927	102,500
Disposals	(70,700)	(83,084)
Movement in fair value	25,158	(94,258)
	<b>1,396,803</b>	<b>1,030,418</b>

On 23 July 2020, Mr Paul Gauci and Mrs Marlene Gauci donated 250,000 shares in PG Group p.l.c to Hospice Malta with a market value of €475,000. The donation was carried out through a notarised contract. The conditions pertaining to the donation are that the shares can never be traded and should Hospice Malta cease to be a charitable institution carrying out charitable activities, the shares shall be returned to Mr and Mrs Gauci, or their heirs, without any recompense to the Association.

**6. Term deposits**

	<b>As at 31 December</b>	
	<b>2023</b>	<b>2022</b>
	€	€
Non-current	<b>210,000</b>	100,000
Current	<b>670,000</b>	525,000
	<b>880,000</b>	625,000

The Association held term deposits with Lombard Bank Malta p.l.c., MeDirect Bank (Malta) plc, IIG Bank (Malta) Limited, APS Bank plc, Izola Bank plc and Banif Bank plc.

**7. Other receivables**

	<b>As at 31 December</b>	
	<b>2023</b>	<b>2022</b>
	€	€
<b>Current</b>		
Prepayments	<b>7,701</b>	22,944
Other receivables	<b>5,400</b>	7,019
Accrued income	<b>25,753</b>	15,585
	<b>38,854</b>	45,548

**8. Cash and cash equivalents**

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	<b>As at 31 December</b>	
	<b>2023</b>	<b>2022</b>
	€	€
Cash at bank and in hand	<b>3,286,629</b>	2,662,517

The Association held cash at bank with Bank of Valletta p.l.c., HSBC Bank Malta plc, MeDirect Bank (Malta) plc, Lombard Bank Malta p.l.c., APS Bank plc, and Banif Bank plc.

**9. Capital reserve**

	As at 31 December	
	2023	2022
	€	€ (restated)
As at beginning of year	5,635,175	4,816,107
Transfer for the year	465,590	819,068
As at end of year	6,100,765	5,635,175

The income of the Association is largely unpredictable. To ensure sustainability of the services Hospice Malta has built a reserve to ensure continuity if there is a significant short-term drop in income. The Board of Governors resolved that the accumulated surplus in excess of €1,080,000 is to be transferred to a Capital Reserve account which will help Hospice Malta achieve its ultimate goal of building a new Hospice including an In-patient Palliative Care Unit.

**10. Fair value reserve**

	As at 31 December	
	2023	2022
	€	€
Opening balance	39,288	133,546
Fair value movements on financial assets at FVOCI, net of tax	25,158	(94,258)
	64,446	39,288

The revaluation reserve is a non-distributable reserve.

**11. Trade and other payables**

	As at 31 December	
	2023	2022
	€	€
<b>Non-current</b>		
Sponsored loan	52,720	62,592
<b>Current</b>		
Sponsored loan	9,872	9,660
Trade and other payables	329,452	51,586
Accruals	583,628	312,399
Deferred revenue	314,020	255,020
	1,289,692	691,257

A local bank has donated the sum of €100,000 to the Association in the form of a sponsored loan over a ten-year period. The bank has committed to settle the loan through yearly instalments. These funds will be fully utilised by the Association towards the refurbishment of the new premises in Santa Venera (see note 4).

Accruals includes retention money in relation to construction of the St Michael Hospice.

## 12. Revenue

	2023 €	2022 € (restated)
Donations	518,226	504,623
Fund raising activities	885,743	822,646
Memberships and sponsorships	6,184	8,101
Malta government grant	1,376,317	1,171,802
Other income	51,651	66,200
Gain on sale of non-current asset held for sale	-	100,000
	<b>2,838,121</b>	<b>2,673,372</b>

Income from government grant relates to funding received from the Ministry for Health as per agreement held for the provision of palliative care services as well as an agreement with the Ministry of Social Policy and Children's Rights for the provision of family psychosocial services and professional care assistance provided by Hospice.

## 13. Expenses by nature

	2023 €	2022 €
Employee benefit expense (Note 14)	1,630,145	1,286,701
Depreciation of tangible assets (Note 4)	54,218	38,537
Fund raising activities	200,276	177,367
Education and other events	16,207	26,069
Staff continuous professional development	21,165	11,546
Repairs and maintenance	9,930	6,027
Insurance, licences, subscriptions and fees	82,410	54,633
Respite care services	258,525	174,207
Other day services expenses	36,736	24,631
Staff welfare and related costs	22,130	24,110
Motor vehicle expenses, transport and travel	38,829	24,234
Premises, communications and utilities	53,292	45,834
	<b>2,423,863</b>	<b>1,893,896</b>

### Auditor's fees

Fees charged by the auditor for services rendered during the financial years ended 31 December 2023 and 2022 relate to the following:

	2023 €	2022 €
Annual statutory audit	2,000	2,000

**14. Employee benefit expense**

	2023 €	2022 €
Wages and salaries	1,526,864	1,202,631
Social security costs	103,281	84,070
	1,630,145	1,286,701

The average number of persons employed by the Association during the year were:

	2023	2022
Palliative care		
Full time	26	22
Part time	22	22
Administration		
Full time	10	7
Part time	1	2
	59	53

**15. Finance income**

	2023 €	2022 €
Interest income from investments	56,695	43,644
	56,695	43,644

**16. Finance costs**

	2023 €	2022 €
Bank charges	5,363	4,052
	5,363	4,052

**17. Taxation**

The Association has been granted an exemption from income tax (including tax on interest) in accordance with paragraph (e) of sub-section (1) of section 12 of the Income Tax Act (L.N. 64/1994 in Government Gazette dated 3 June 1994) and therefore no provision for income tax has been made in these financial statements.

**18. Cash generated from operations**

Reconciliation of operating surplus to cash generated from operations:

	2023 €	2022 € (restated)
Operating surplus	<b>414,258</b>	779,476
Adjustments for:		
Gain on sale of non-current asset held for sale (Note 4)	-	(100,000)
Loss on disposal of property, plant and equipment	<b>10</b>	-
Depreciation of property, plant and equipment (Note 4)	<b>54,218</b>	38,537
Changes in working capital:		
Other receivables	<b>6,694</b>	(15,009)
Trade and other payables	<b>598,435</b>	224,762
Cash generated from operations	<b>1,073,615</b>	927,766

**19. Commitments**

*Capital commitments*

Commitments for capital expenditure in relation to property development (Note 4) not provided for in these financial statements are €2,562,828.

**20. Statutory information**

Hospice Malta is a registered voluntary organisation with identification number V0/0062.

**21. Prior period adjustment**

During the year, the Association identified a prior period adjustment with respect to recognising the government grants that have been recognised as revenue in the statement of comprehensive income as opposed to deducting their value from the carrying amount of the related asset.

This prior period adjustment was applied retrospectively in accordance with the requirements of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*. Accordingly, the Association has adjusted the opening balance of each affected component for the earliest period presented in these financial statements and other comparative amounts disclosed for the comparative period presented, as if the revised accounting treatment had always been applied.

The financial impact of this adjustment comprises the retrospective restatement of Government grants relating to assets, which are now being presented as a deduction to the carrying amount of the related assets, rather than credited to revenue within the statement of comprehensive income.

**21. Prior period adjustment - continued**

The correction to capital reserve as at 1 January 2022 amounted to €670,601. The adjustment has been corrected by restating each of the affected financial statement line items for the prior period as follows:

**Statements of financial position (extract)**

**Comparative period – 31 December 2022**

	31 December 2022 €	Adjustment €	31 December 2022 € (restated)
<b>Non-current assets</b>			
Property, plant and equipment	5,520,106	(2,437,869)	3,082,237
<b>Total</b>	<b>5,520,106</b>	<b>(2,437,869)</b>	<b>3,082,237</b>
<b>Capital and reserves</b>			
Capital reserve	8,073,044	(2,437,869)	5,635,175
<b>Total</b>	<b>8,073,044</b>	<b>(2,437,869)</b>	<b>5,635,175</b>

**Prior period adjustment**

	1 January 2022 €	Adjustment €	1 January 2022 € (restated)
<b>Non-current assets</b>			
Property, plant and equipment	2,416,147	(670,601)	1,745,546
<b>Total</b>	<b>2,416,147</b>	<b>(670,601)</b>	<b>1,745,546</b>
<b>Capital and reserves</b>			
Capital reserve	5,486,708	(670,601)	4,816,107
<b>Total</b>	<b>5,486,708</b>	<b>(670,601)</b>	<b>4,816,107</b>

**Statement of comprehensive income (extract)**

	2022 €	Adjustment €	2022 € (restated)
Revenue	4,440,640	(1,767,268)	2,673,372
Expenditure	(1,893,896)	-	(1,893,896)
<b>Operating surplus</b>	<b>2,546,744</b>	<b>(1,767,268)</b>	<b>779,476</b>
Finance income	43,644	-	43,644
Finance costs	(4,052)	-	(4,052)
<b>Surplus for the year</b>	<b>2,586,336</b>	<b>(1,767,268)</b>	<b>819,068</b>

