

THE MALTA HOSPICE MOVEMENT

Annual Report and Financial Statements
31 December 2017

Chairperson's statement

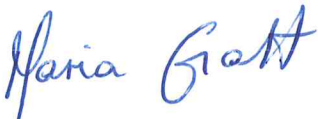
Our Association, through the Council of Administrators, is responsible to plan out the Malta Hospice Movement strategy, give direction and make appropriate decisions in allocating its resources in the best possible way.

This strategic management involves the formulation and implementation of our major goals and the initiatives taken by our Council of Administrators are based on consideration of resources available and a continuous assessment of the internal and external environments in which our organisation operates.

We are well aware that our income relies heavily on fundraising initiatives and donations, which are largely unpredictable. This is one reason why we strive at maintaining a built-up reserve that ensures sustainability of services in the face of a shortfall in income. Our promise is to continue to seek even more ways to secure funds so that our services will be further improved. It has always been our shared dream that Hospice's excellent services will be eventually administered through a new Hospice complex. This dream has now been partially fulfilled. A commodatum agreement was signed on Monday 16th April 2018, a truly memorable day for Hospice. The new St Michael's Hospice will house a 16 bedded in-patient unit, day therapy and community services and fully functioning educational facilities.

Several challenges lie ahead of us but the Malta Hospice Movement pledges to continue monitoring and working tirelessly to source the funds necessary and to engage the best human resource pool to deliver quality Palliative care in the most effective and efficient way.

I am confident that the commitment of all of us, namely Council members, Management and Staff, Volunteers and Benefactors will widen access to excellent Hospice care helping to make a difference in the quality of life of many more patients and their families.



Maria Gatt
Chairperson Hospice Malta

21 May 2018

Report of the council of administrators

The members of the Council of Administrators present herewith their report and the audited financial statements of The Malta Hospice Movement for the year ended 31 December 2017.

Principal activities

The Malta Hospice Movement, (the “Movement”) is a private, charitable, non-profit organisation based on Christian principles. It exists to provide and promote the highest standards of Palliative Care for persons with cancer, motor neurone disease and other terminal diseases. It also aims to help and support their families and carers. In order to be able to offer these services free of charge the Malta Hospice Movement organises various fundraising events.

Review of performance

During the year under review, the Movement reported a surplus amounting to €99,939 (2016: €185,727).

Results

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

Members of the Council of Administrators

In accordance with the statute, the members of the Council of Administrators 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 Council of Administrators serve on a voluntary basis and receive no remuneration.

The members of the Council of Administrators who held office during the year were:

Ms. Maria Gatt - Chairperson
Mr Ramon Muscat - Vice-Chairperson
Dr. Vincent Zammit - Secretary
Dr. Robert Sammut - Treasurer
Ms. Lora Cascun - Member
Mr. Marcel Cassar - Member
Mr. Vladimiro Comodini - Member
Dr. Oriella De Giovanni - Member
Ms. Fleur Marie Ebejer - Member
Ms. Miriam Muscat - Member
Ms. Bernardette Bonnici Kind (appointed on 26 March 2018)

Report of the council of administrators - continued

Statement of responsibilities of the Council of Administrators for the financial statements

The Council of Administrators 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 Movement as at the end of each reporting period and of the surplus or deficit for that period.

In preparing the financial statements, the Council of Administrators 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 Movement will continue in business as a going concern.

The Council of Administrators is also responsible for designing, implementing and maintaining internal control as the Council of Administrators 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 Movement and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements of The Malta Hospice Movement for the year ended 31 December 2017 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 Council of Administrators



Vincent Zammit
Secretary

39 Good Shepherd Avenue
Balzan BZN 1623
Malta

21 May 2018

Other information

Investment Committee

Dr. Robert Sammut - Chairperson
Ms. Miriam Muscat
Mr. Karol Farrugia
Mr. Vladmiro Comodini
Mr. Marcel Cassar
Mr. Kenneth Delia

Education Committee

Dr. Vincent Zammit - Chairperson
Ms. Lora Cascun
Ms. Maria Gatt
Mr. Kenneth Delia

Fundraising Committee

Mr. Ramon Muscat – Chairperson
Ms. Maria Gatt
Mr. Vladimiro Comodini
Mr. Kenneth Delia

Bankers

Bank of Valletta plc
Cannon Road
Sta Venera
SVR 9030

HSBC Bank Malta plc
116, Archbishop Street
Valletta
VLT 1444

Auditors

PricewaterhouseCoopers
78 Mill Street
Qormi



Independent auditor's report

To the Council of Administrators of The Malta Hospice Movement

Report on the audit of the financial statements

Our opinion

In our opinion:

- The Malta Hospice Movement's financial statements give a true and fair view of the Movement's financial position as at 31 December 2017, and of the Movement'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

The Malta Hospice Movement's financial statements, set out on pages 9 to 28, comprise:

- the statement of financial position as at 31 December 2017;
- 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, which include a summary of significant accounting policies.

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 Movement in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional 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 the IESBA Code.



Independent auditor's report - continued

To the Council of Administrators of The Malta Hospice Movement

Other information

The Council of Administrators is responsible for the other information. The other information comprises the Chairperson's statement and the Council of Administrators' report (but does not include the financial statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report.

Our opinion on the financial statements does not cover the other information, including the Chairperson's statement and the Council of Administrators' report.

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.

With respect to the Council of Administrators' report, we also considered whether the Council of Administrators' report includes the disclosures required by the Voluntary Organisations Act, Legal Notice 379 of 2012.

Based on the work we have performed, in our opinion:

- The information given in the Council of Administrators' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Council of Administrators' report has been prepared in accordance with the requirements of the Voluntary Organisations Act, Legal Notice 379 of 2012

In addition, in light of the knowledge and understanding of the Movement and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the Council of Administrators' report and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of the Council of Administrators for the financial statements

The Council of Administrators 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 Council of Administrators 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 Council of Administrators is responsible for assessing the Movement'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 Council of Administrators either intends to liquidate the Movement or to cease operations, or have no realistic alternative but to do so.



Independent auditor's report - continued

To the Council of Administrators of The Malta Hospice Movement

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:

- 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 Movement's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council of Administrators.
- Conclude on the appropriateness of the Council of Administrators' 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 Movement'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 Movement 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 Council of Administrators 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.



Independent auditor's report - continued

To the Council of Administrators of The Malta Hospice Movement

Report on other legal and regulatory requirements

Other matters on which we are required to report by exception

We also have responsibilities under the Voluntary Organisations Act, Legal Notice 379 of 2012, to report to you if, in our opinion:

- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.
- We have not received all the information and explanations we require for our audit.
- Certain disclosures of Council of Administrators' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

We have nothing to report to you in respect of these responsibilities.

PricewaterhouseCoopers

78, Mill Street
Qormi
Malta

A large, stylized handwritten signature in blue ink, appearing to read 'J. Camilleri', is written over the printed name and title.

Joseph Camilleri
Partner

21 May 2018

Statement of financial position

		As at 31 December		
		2017	2016	
		€	€	
Notes				
ASSETS				
Non-current assets				
	Property, plant and equipment	4	368,822	356,209
	Available-for-sale financial assets	5	826,905	891,154
	Term deposits	6	100,000	100,000
	Total non-current assets		1,295,727	1,347,363
Current assets				
	Term deposits	6	800,000	951,423
	Other receivables	7	40,589	267,999
	Cash and cash equivalents	8	747,456	268,447
	Total current assets		1,588,045	1,487,869
	Total assets		2,883,772	2,835,232
EQUITY AND LIABILITIES				
Capital and reserves				
	Accumulated surplus		1,080,000	1,080,000
	Capital reserve	9	1,663,875	1,563,936
	Fair value reserve	10	63,549	92,698
	Total equity		2,807,424	2,736,634
Current liabilities				
	Trade and other payables	11	76,348	98,598
	Total current liabilities		76,348	98,598
	Total equity and liabilities		2,883,772	2,835,232

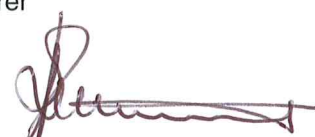
The notes on pages 13 to 28 are an integral part of these financial statements.

The financial statements on pages 9 to 28 were authorised for issue by the Council of Administrators on 21 May 2018 and were signed on its behalf by:



Maria Gatt
Chairperson

Robert Sammut
Treasurer



Statement of comprehensive income

	Notes	Year ended 31 December	
		2017 €	2016 €
Revenue	12	1,012,568	935,125
Cost of sales	13	(78,448)	(58,953)
Gross surplus		934,120	876,172
Administrative expenses	13	(880,941)	(749,108)
Other income		3,470	-
Operating surplus		56,649	127,064
Finance income	15	44,599	60,010
Finance costs	16	(1,309)	(1,347)
Surplus for the year		99,939	185,727
Items that may be subsequently reclassified to surplus or deficit			
Fair value movements on available-for-sale investments, net of tax	10	(29,149)	3,463
Other comprehensive income for the year, net of tax		(29,149)	3,463
Total comprehensive income for the year		70,790	189,190

The notes on pages 13 to 28 are an integral part of these financial statements.

Statement of changes in equity

	Note	Accumulated surplus €	Fair value reserve €	Capital surplus €	Total €
Balance at 1 January 2016		1,080,000	89,235	1,378,209	2,547,444
Comprehensive income					
Surplus for the year		-	-	185,727	185,727
Other comprehensive income					
Fair value movements on available-for-sale investments	10	-	3,463	-	3,463
Balance at 31 December 2016		1,080,000	92,698	1,563,936	2,736,634
Balance at 1 January 2017		1,080,000	92,698	1,563,936	2,736,634
Comprehensive income					
Surplus for the year		-	-	99,939	99,939
Other comprehensive income					
Fair value movements on available-for-sale investments	10	-	(29,149)	-	(29,149)
Balance at 31 December 2017		1,080,000	63,549	1,663,875	2,807,424

The notes on pages 13 to 28 are an integral part of these financial statements.

Statement of cash flows

	Notes	Year ended 31 December	
		2017 €	2016 €
Cash flows from operating activities			
Cash generated from operations	18	311,944	16,953
Interest received	15	44,599	60,010
Interest paid	16	(1,309)	(1,347)
Net cash generated from operating activities		355,234	75,616
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(62,748)	(73,637)
Purchase of available-for-sale financial assets	5	(200,000)	(201,054)
Disposal of available-for-sale financial assets	5	235,100	101,024
Additions of term deposits	6	(528,672)	(101,423)
Proceeds on maturity of term deposits		680,095	-
Net cash generated from/(used in) investing activities		123,775	(275,090)
Movement in cash and cash equivalents		479,009	(199,474)
Cash and cash equivalents at beginning of year		268,447	467,921
Cash and cash equivalents at end of year	8	747,456	268,447