# THE EAST LANCASHIRE HOSPICE

England & Wales · Charity number 1075653

## Details

| | |
|---|---|
| **Status** | Registered |
| **Legal form** | Charitable company |
| **Company number** | 03755216 |
| **Registered** | 1999-05-24 |
| **Register** | View on the Charity Commission register |

## Contact

| | |
|---|---|
| **Address** | East Lancashire Hospice<br>Park Lee Road<br>Blackburn<br>BB2 3NY |
| **Phone** | 01254 965830 |
| **Email** | Nicola.Hanna@eastlancshospice.org.uk |
| **Website** | www.eastlancshospice.org.uk |

## Activities

**Objects:** THE CHARITY'S OBJECTS ARE:TO PROVIDE SPECIALIST, SUPPORTIVE AND END OF LIFE CARE FOR ADULTS WHO ARE SUFFERING FROM A LIFE THREATENING ILLNESS AND WHO ARE RESIDENT IN EAST LANCASHIRE AND IN PARTICULAR (BUT WITHOUT PREJUDICE TO THE GENERALITY OF THE FOREGOING) THE LOCAL AUTHORITY AREAS OF BLACKBURN-WITH-DARWEN, HYNDBURN AND RIBBLE VALLEY, AND ANY SUCCESSOR AUTHORITIES;TO PROVIDE SUPPORT TO THE FAMILIES OF ADULTS WHO ARE SUFFERING FROM A LIFE THREATENING ILLNESS.

**Activities:** Provide specialist palliative and supportive care for the residents of Blackburn, Darwen, Hyndburn and the Ribble Valley. We aim to enhance the quality of life for people who have a life limiting illness and their families. Access to our facilities is free, whether in the hospice, the community or in their own home. Specialist resources are also available to other providers of palliative care

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## Classification

- **How:** Provides Human Resources, Provides Services, Provides Advocacy/advice/information
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** Elderly/old People, The General Public/mankind

## Geography

- **Area of benefit:** EAST LANCASHIRE
- Blackburn With Darwen
- Lancashire

## Finances

| Period end | Income | Expenditure | Assets | Employees |
|---|---|---|---|---|
| 2025-03-31 | £4,343,447 | £4,600,886 | £15,272,558 | 116 |
| 2024-03-31 | £3,697,170 | £4,449,681 | £15,842,737 | 125 |
| 2023-03-31 | £3,487,077 | £4,015,205 | £15,297,470 | 118 |
| 2022-03-31 | £3,820,164 | £3,612,202 | £16,213,283 | 109 |
| 2021-03-31 | £4,054,952 | £3,443,510 | £15,128,675 | 97 |

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## Trustees

| Name | Role | Appointed |
|---|---|---|
| **MR FREDERICK GRAHAM PARR** | Chair | 2010-10-12 |
| Carole Ward | | 2025-06-24 |
| Ismail Hafeji | | 2023-06-20 |
| Lianne Robinson | | 2023-06-20 |
| MRS GILLIAN MARY LEACY | | 2004-06-08 |
| Michael Graveston | | 2025-06-24 |
| Paul Hinnigan | | 2023-06-20 |
| RICHARD JOHN SUTLIEFF | | 1999-04-13 |
| Sara Knagg-Whiteley | | 2025-06-24 |
| Steve Almond | | 2023-06-20 |
| THOMAS KENNEDY | | 2010-04-13 |
| YUSUF JAN-VIRMANI Cllr | | 1999-08-10 |

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**THE EAST LANCASHIRE HOSPICE**

England & Wales - Charity number 1075653

# Accounts

Docusign Envelope ID: 04146401-AC22-4172-BF39-20A56776BC41

East Lancashire Hospice

# Trustees Annual Report & Accounts

## 2024/2025

















Docusign Envelope ID: 04146401-AC22-4172-BF39-20A56776BC41

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# Welcome

We are really pleased to present the Trustees Annual Report and Accounts for the year ended 31 March 2025.

Although it has been another tough year for income we benefitted from two additional grants from NHS Urgent and Emergency Care, which focused on trying to keep patients out of hospital, and helping them to put their affairs in order by writing an Advance Care Plan. These extra pots of funding were gratefully received and made a significant difference to people in our community.

Our supporters went the extra mile as usual to help us raise voluntary income in our 40th year – for which we are extremely grateful. This saw a year long set of events and products – all with a 40th theme – we even made our own East Lancashire Hospice gin!

We also had an unannounced inspection from our regulators, the Care Quality Commission (CQC) and in August 2024 we were rated as "Outstanding" again. To arrive at this rating, the CQC spoke to staff, volunteers, patients, carers and family members and external stakeholders – so thank you to everyone.

2024/2025 was also a year of planned investment as the Board look to the next 40 years. As a result, we finished the year with a planned deficit (£570,179) and remain confident that we are using our funds wisely and our actions will benefit the people of Blackburn, Darwen, Hyndburn and the Ribble Valley.

All of our services are provided free of charge and enabling us to do that is a group of volunteers without whom we could not do what we do. So, first of all a big thank you to you all.

We also want to extend our thanks to one of our trustees who retired this year – after many years of service. We said farewell to trustee Ian Willock after 14 years in January 25. Ian's contribution in quality improvement and general commercial activity will be sorely missed.

And finally, our sincere thanks go to our amazing staff without whom the Hospice wouldn't exist – they make us the outstanding Hospice we are.


Graham Parr


Hilary Barrett

# Mission, Vision & Values

## Our Mission

To support and care for patients with a life limiting illness, in Blackburn, Darwen, Hyndburn and the Ribble Valley and those important to them. To provide care that puts the individual's health and wellbeing at the centre of everything we do**.**

## Our Vision

To enable people to make the most of life by focusing on what is important to them and helping them achieve the things that matter most.

## Our Values

We commit to:

Care | Listen | Respect | Work Together

## Our Aims

**To Thrive** – we will increase our resilience in all that we do

**To Reach** – we will increase the number of people we care for in the community and raise awareness of what we do

**To Innovate** – we will offer new services and constantly seek to develop new ways of delivering those services to meet the needs of our patients, their friends and families

In order to achieve these aims over the next three years (2023-2026), we have set out four key priorities:

**Priority 1 - People** – We will invest in and support our staff and volunteers to be the best they can be

**Priority 2 - Care** – We will continue to innovate and develop our services to meet the needs of our diverse community

**Priority 3 - Digital Optimisation** – We will ensure that our IT infrastructure and systems are robust, and support our ambitious strategy by providing digital solutions to the delivery and reach of our services

**Priority 4 - Sustainability** – We will manage our charity efficiently and effectively to ensure long-term sustainability

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# Strategic Report

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ending 31 March 2025, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published in October 2019.

## What we do

The Trustees believe that the charity provides a public benefit as its principal activity and complies with the Charities Act and guidance published by the Charity Commission.

Our principal activity (as defined in our Memorandum and Articles of Association) is to enhance the quality of life for individuals with a life limiting illness.

The aim is to provide specialist, supportive and end of life care to any adult in the communities we serve (i.e. Blackburn, Darwen, the Ribble Valley and Hyndburn).

We do this without discrimination, free of charge and, wherever possible, in the place of their choice. We offer support to them, their relatives, carers and friends.

Referrals are accepted from a variety of Health Care Professionals and patients can self-refer to many of our services with places offered according to need.

Our care is provided in various settings including within the Hospice itself, on our Inpatient Unit or on an outpatient basis and alternatively within the community in patients' own homes.

In more detail, this includes:

- **A ten-bedded Inpatient Unit (IPU)** where specialist palliative and end of life care is delivered by a multidisciplinary team
- **A community team** which consists of Clinical Nurse Specialists (who work with General Practitioners and other Health Care Professionals). It also consists of a multi-skilled Hospice@Home team who support the provision of palliative and end of life care in people's own homes
- **Single Point of Access for Night Support** to maximise the opportunity for responsive intervention that supports the person achieving a preferred place of care, whilst also aiming to prevent avoidable admissions
- **Support and Wellbeing services consisting of:**
  - Creative and Supportive therapies
  - Family Support including Counselling and Bereavement support
  - Complementary therapies
  - Palliative care physiotherapy
  - Outpatient clinics

In addition to face-to-face consultations at the hospice, we have continued to offer our support and wellbeing services either in the hospice or virtually (where appropriate) to meet the needs of our patients.

We work collaboratively with other Health Care Providers and have continued to host a range of clinics for example, for people with Motor Neurone Disease, a Parkinson's drop in, as well as the regular specialist palliative care consultant-led outpatient clinics.

We also provide specialist, generalist and end of life palliative care education within our hospice and to the wider community.

Our philosophy of care is that we care for the whole person be that physically, socially, emotionally or spiritually. Our services support people with a life limiting illness from the first days of uncertainty through to the last days of life and death. Beyond that, we continue to support the family through bereavement.

The need for high quality palliative care continued to grow as we saw more complex needs, later presentation and more patients with multiple comorbidities, not just a single diagnosis such as cancer. Our multidisciplinary teams ensure we can address this.

*"I would like to thank you so much, as you gave me hope when I was feeling quite low and helped me to accept my feelings of grief.*
*I would recommend East Lancashire Hospice Bereavement Counselling for anyone struggling to come to terms with a loss of a loved one."* **- Bereavement Counselling Patient**

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# The Year in Focus
# Priority 1 – People

**‘We will invest in and support our staff and volunteers to be the best they can be.’**

- Over the past 12 months, we have delivered a wide range of wellbeing activities designed around the four pillars of wellbeing: physical, social, financial, and emotional. In total, over 1,560 hours of wellbeing support were provided, including two dedicated Wellbeing Weeks and 122 hours of one-to-one conversations with staff and volunteers. These efforts reflect our ongoing commitment to supporting the health and resilience of our hospice team.
- To enhance the volunteer experience, we introduced a new volunteer support group, offering a space for volunteers to openly share their experiences, discuss any challenges they face, and provide valuable feedback. This initiative not only supports volunteer wellbeing but also helps us continuously improve how we engage and support our volunteer community.
- As part of our 40th anniversary celebrations, we held a summer garden party to mark this significant milestone. The event was a heartfelt thank you to our staff – past and present – our dedicated volunteers, and the wider community who have supported the hospice over the years. It was a joyful occasion that celebrated the people at the heart of our work and the collective impact we have made over four decades.
- We continued our investment in our team using external trainers (sector experts) – we know that this helps to create a loyal and high performing team – for our clinical and non clinical staff.
- We want to be an “employer of choice” and part of that aim means that we are constantly looking for ways to improve our culture and values. We committed to our staff that we would do this and scoped out what our culture project would look like. We are part way through this project.
- We continued to hear feedback from our team through engagement activities including Tea n Toast (held quarterly for all staff and volunteers), Hospice Leadership Team meetings (held quarterly, attended by Heads of Department, Team Leaders and the CEO and Senior Leadership Team and then cascaded to the wider teams at team meetings). Our Wellbeing and Support activities also play a huge part in keeping us alert to the needs of our people. These touchpoints are vital for us to keep the flow of information moving and enable us to react to requests/needs/challenges in a timely fashion.
- We widened our education provision and opened this to external health and care providers meaning our core schedule included: The Shoulds, Musts and Oughts of Bereavement Support, Advance Care Planning, Opening the Spiritual Gate and Suicide Risk Assessment (for hospice staff) and latterly Dementia Awareness. The presence of external participants significantly enhances shared learning, builds relationships and provides an opportunity to build awareness of hospice services.



# Priority 2 – Care

**"We will continue to innovate and develop our services to meet the needs of our diverse community."**

- We invested in training and development for our Clinical Nurse Specialist (CNS) team to strengthen skills, build confidence, and enhance the quality of patient care. This initiative has already improved team cohesion and clinical effectiveness, with ongoing development programmes planned to further support professional growth.
- Staff Nurse roles within our Hospice at Home (H@H) service were expanded in response to increased demand and greater complexity. This has improved our capacity to deliver timely, compassionate care in the community, and we plan to continue growing the team to meet future needs and broaden our reach.
- We worked closely with Intensive Home Support Service (part of the NHS) to improve the responsiveness for patients requiring fast track services – our Supportive Care Coordinators and Hospice@Home nurses in particular were central to this.
- In response to our experience of working with more patients living with Dementia we have increased our expertise and invested in a ‘Train the Trainer’ programme so that our team can be continuously trained for our patient’s benefit.
- Having resumed our complementary therapy service, we extended our reach further by introducing therapeutic group sessions as well as 1:1 treatments.
- We successfully rolled out ePrescribing, a key step in making our clinical processes more effective and improving our patient experience. It has enhanced medication safety, improved efficiency, and reduced administrative burden, with future plans to integrate further digital tools that support clinical excellence.
- We committed to investing in our clinical teams to strengthen the foundation for cross-departmental working including outreach to enhance our ability to be flexible to patient need and changing circumstance. This being in keeping with national and local drivers for community-based provision, achievement of preferred place of care/ death and appropriate admission avoidance. The emphasis, during this time, on working collaboratively with key partners and enhancing existing relationships underpins future success.
- The UEC Winter Pressures Project resulted in a range of incremental engagement activities encompassing vulnerable groups within our communities including Maundy Relief and T.H.O.M.A.S. as well as ELHT Intermediate Care Allocation Team (ICAT) and Intensive Home Support Service (IHSS). This work enabled greater understanding of hospice services and served to secure an increase in timely referral and responsiveness to patient need. The work has provided a strong basis for future work despite funding being limited to the four-month winter period.
- Our services were represented on World Suicide Prevention Day (WSPD) by our Head of Support and Wellbeing Therapies who, supported by the Hospice, is also a member of the Blackburn with Darwen “Speak their Name” project. This is a peer support group bringing together those bereaved by suicide, to remember their loved ones through the creation of a memorial quilt, share experiences and provide support in a safe and confidential space. The quilt, a work in progress, was displayed at the Blackburn with Darwen event. Our Family Support Services are continuously establishing close connections with such local providers in support of onward referrals and signposting of patients/families to community providers where appropriate.

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# Priority 3 - Digital Optimisation

**"We will ensure that our IT infrastructure and systems are robust, and support our ambitious strategy by providing digital solutions to the delivery and reach of our services."**

- A significant data project was launched to improve data management and support evidence-based decision-making across the organisation. The initial phase has already enhanced data accuracy and accessibility, with future plans to inform strategic planning and service delivery.
- We agreed to appoint an in-house Head of IT, a pivotal step in strengthening our digital infrastructure. This role will improve responsiveness to internal IT needs, and going forward, will drive the development of a long-term digital strategy aligned with our organisational goals.
- Key hardware upgrades were implemented to ensure our systems meet the evolving needs of our services and teams. These upgrades have already improved system reliability and user experience, with further plans to continued upgrades and the enhancement of cybersecurity over the coming year.






# Priority 4 - Sustainability

**'We will manage our charity efficiently and effectively to ensure long term sustainability.'**

- As part of our growth strategy for voluntary income, we successfully opened a new KIDS shop this year, marking a key step in the expansion of our retail portfolio. Alongside this, we began negotiating additional shop leases to support our continued growth plans for 2025 and beyond.
- Combined with increased turnover across our existing shops, the addition of the KIDS shop contributed to an impressive 18% rise in overall retail income – demonstrating the strength of our trading strategy and the continued support of our local communities.
- Our Digital Christmas Appeal was another major success, with strong engagement driven by the creative use of film. The campaign focused on our core services, offering our community a deeper understanding of the care we provide and the impact of their support. This storytelling approach not only raised funds but also strengthened our connection with donors.
- Our Annual Ball, held in November, was a tremendous success. This sold-out event focused on celebrating 40 years of East Lancashire Hospice and raised over £38,000. The evening was made possible through the continued generous sponsorship of Cardboard Box Company Ltd; a long-standing corporate partner whose support remains invaluable to the Hospice.
- We also saw a 15% increase in voluntary income – an encouraging sign of the continued generosity and commitment of our supporters. This growth places us firmly on track to achieve our target of a 30% increase in voluntary income by 2026.
- We continue to invest in areas of expertise with consultants where we need them. We invested in the services of a Trusts and Grants consultant and already have received over £30,000 – confirming to us that this income stream should be invested in for our future sustainability.
- We continue to scrutinise every penny we spend to make sure we are always achieving the best Value for Money.

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# Our Year in Numbers
## 2024- 2025

**Hospice at Home team carried out 2,321 visits**

**Hospice at Home team gave 9,412 hours of care to patients in the community**

**10 beds on the Inpatient Unit**

**98,010 items sold in our charity shops**

**Patients in the community were cared for by the Hospice at Home team for an average of 71.5 days**

**4,594 people made a donation to the hospice**

**31% of Hospice at Home patients that were cared for had non-cancer life-limiting illnesses**

**1,500 pies sold by Café Retreat**

**42 new members of staff**





# Mick's Story

**Mick first used East Lancashire Hospice's bereavement services eight years ago following the death of his mother Eunice.**

The former gardener, who has heart disease, was looked after by his mum after he suffered a huge heart attack which led to open heart surgery.

"My mum was a diamond, and looked after me when I had my heart attack. I may never get over losing my mum - but the bereavement sessions at the hospice have helped. I know that there are people here for me."

Alongside using the bereavement services at the hospice, Mick also attends the Creative and Support Therapies (CaST) sessions each week, where he enjoys getting involved in a range of complimentary sessions including art, crafts, singing and more.

"When my mum died, I had a mental breakdown and the group has helped me to come back slowly. I feel like I am under a constant grey cloud – but the staff and the other patients have tried to help me through my journey. When I come to the hospice, I feel like the world is a little better.

*"Coming to the hospice provides me with a change of scenery and for me, that helps. I don't think I'd still be here if it wasn't for East Lancashire Hospice. Everyone is so friendly and they all try and help you. Everyone is dealing with something, and I have made some lovely friends."*

One of the therapies Mick enjoys most during the CaST sessions is painting. In particular, creating abstracts using watercolours.

Mick has used a range of services provided by the hospice and also enjoys using the Complementary Therapy services; in particular, the aromatherapy massage, and jacuzzi bathing services, which help him to relax both his mind and body.

Mick, who uses a wheelchair, said: "I don't have the facilities at home to have a bath. At the hospice, I really enjoy using the bathing service. There are twinkling lights and you can have music playing whilst you bathe. It's so relaxing – and it really helps my legs too."

Mick, who gets taken to and from the hospice via Patient Transport from his home in Oswaldtwistle, added: "They are all stars here. All the staff and volunteers deserve a medal. Everybody is so caring, and so kind, and they are there for you."

Speaking to people who have never been to the hospice before, Mick said: "I wouldn't be nervous. The Hospice is a special place. It's full of happiness even on the dark days."

# 40th Year

We celebrated all year and looked back to look forward for the next 40 years. Our journey is summarised in a timeline which is proudly displayed in the Hospice and we produced a "Forty Faces" magazine with features written by some of the people (past and present) who have made us what we are today.

The culmination for staff and volunteers, supporters, stakeholders and dignitaries was a well attended garden party with food, drink, entertainment, music and dancing.

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# Financial Review

The Statement of Financial Activities for the year is set out on page 30. A summary of the financial results and the work of the Charity are detailed below.

The group's results show a net operational deficit (before investment gains/losses) of £257,439 for the year following a deficit of £752,511 in the year to 31 March 2024.

Total income is up by £646,277 (17.4%) and expenditure has increased by £151,205 (3.4%). Income being above budget is the main reason for the reduced deficit.

Inflation and increasing salary costs account for the majority of resources expended as the hospice continues to invest in its people, for example training and recruitment costs have almost doubled this year when compared to 2023/24.

The Charity's total net deficit for the year, including investment losses of £312,740, is £570,179 and it is the loss on investments that have significantly impacted the net position at 31st March 2025. It should also be noted that the Charity's investments had shown a gain of £1,297,778 in the previous financial year and performance is monitored on a regular basis.

**More detail relating to income and expenditure is provided below.**

## Income

This year has seen us invest to grow across all we do, we joined the Hospice UK legacy campaign, agreed to recruit more lottery players and continued to grow the number of retail shops we have.

The financial climate we are working in is still challenging but we have seen great success and support in many ways. Our supporters continue to do what they can, when they can, to support the Hospice, for which we are so grateful.

This year our voluntary income has grown but there is more to do. Below we have commented in more detail how we have raised income for the hospice.

## Events

We saw a great response to our events this year and had the biggest turnout for our annual Pub Walk, over 1,000 people walked the route and raised £36,000 for the hospice.

We had continued support from Intack Self Drive, a local company that supports the hospice in many ways and Ribblesdale Rotary Club, who ensure the safety and logistics of the route.

The annual ball which is held in November was a huge success with our key messaging focusing on 40 years of East Lancashire Hospice. This was a sell-out event and over £38,000 raised. The event continues to be financially supported by Cardboard Box Company Ltd. a long standing corporate supporter of the Hospice.

We organised our first virtual walk – '60 Miles in March', the key messaging for this event was to ask donors to walk 60 Miles throughout March to support the 60,000 families and carers who are supported by Hospice services throughout the UK each year. This event was a huge success with a closed Facebook group where participants could share their success and feel like they are doing it together as a community. Overall, this raised over £7,000.

## Lottery

Continued investment in our face-to-face lottery fundraising has been very positive with growth in lottery numbers, we also introduced a personalised supporter journey for our lottery players focusing on how their support makes an impact.

To facilitate our lottery, we work with two professional fundraising organisations: Sterling Lotteries and Engage and Connect.

Engage and Connect are signing up new lottery players by attending different venues out in the community, from supermarkets to local festivals and events. So far this is going well for us, and we are recruiting more people to play the lottery.

## Individual Giving

Our 2024 Christmas Appeal marked a significant milestone — 40 years of caring for our community. Centred around the theme "£40 for 40 Years", we highlighted how a £40 donation could make a tangible difference across our services. The campaign followed a "12 Days of Christmas" format, featuring a series of individual videos shared daily, each showcasing a different aspect of our work. These were complemented by a full-length video, launched on 13th December 24 and available until 1st January 25. Thanks to the generosity of our supporters, the campaign raised over £32,000, helping us continue to provide vital services to those who need them most.

We also sent out our annual Sunflower and Light up a Life appeals, asking our community to make a donation in memory of a loved one, both appeals culminated in two lovely events where our community came together in reflection and remembrance. This year we held LUAL in the hospice garden, a poignant moment for East Lancashire Hospice. We lit up the gardens and invited members of the public to come together at Christmas time to remember those who have sadly died.

We are also thankful to all the supporters who have set up a regular donation throughout the year, providing the hospice with long term, sustainable income.

## Gifts in Wills

Legacy giving continues to provide us with a valuable, regular and sustainable income stream. We continue to strengthen our work and investment in this area, in order to grow over the next 3 years and as part of our Income Generation strategy.

We proudly took part in the Hospice UK National Legacy Campaign – *This is Hospice Care* – a powerful national initiative designed to raise awareness about the lasting impact of leaving a gift in a Will. This campaign gave us the valuable opportunity to localise the message, engaging with our own community and highlighting how legacy giving directly supports the future of hospice care in our area. We remain committed to this campaign and continue to use it as a platform to strengthen our legacy messaging.

Our legacy income increased this year, generating £460,369 through gifts in Wills.

## Corporate

The 2024/25 Corporate Challenge proved to be another tremendous success, raising over £36,000 in support of the Hospice. We're thrilled to see a growing number of participating companies continuing their commitment beyond the challenge, choosing to support us year-round.

This year, we also launched our Enterprise Heroes scheme – a new initiative allowing smaller businesses to support the Hospice by donating £365 a year (just £1 a day). This scheme is already gaining momentum and helping us build stronger connections within the local business community.

A special thanks goes to The Cardboard Box Company, who have continued their support. In addition to sponsoring our annual ball, they regularly provide gifts in kind and their dedicated staff volunteer at our CaST Christmas party.

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# Financial Review (continued)

In June 2024, we formed an exciting new partnership with Prestige Beds. For every Alma mattress sold, £10 is donated to the Hospice. This initiative has already raised over £2,000, and the partnership continues to grow in both financial and non-financial support.

We were also honoured to be selected as Senator's Charity of the Year. Their staff have shown incredible enthusiasm and commitment, raising over £4,000 through various fundraising efforts. We're delighted that Senator has chosen to continue the partnership into next year.

Lastly, we were thrilled to receive a generous £25,000 donation from Blackburn Chemicals. This significant contribution will make a huge difference in helping us provide essential care and support to those who need it most.

A huge thank you to all the businesses that support us in so many ways. Whether through donations, sponsorship, fundraising, volunteering, or gifts in kind – your contributions are vital to our work, and we are deeply grateful for your continued support.

### Community

Community fundraising continues to play a vital role in supporting the work of the hospice, with a wide variety of events and activities taking place throughout the year.

The ever-popular Gravy Wrestling event attracted over 500 attendees and raised more than £9,000, while individual supporters took on increasingly ambitious challenges — including Dave Clarke, who has now raised over £25,000 in memory of his mum.

Longstanding events like the Star Wars Fan Fun Day raised over £10,000, and our Ramadan campaign, led by volunteer Suleman Khonat, generated £14,000 and strengthened engagement within our Muslim community.

Golf Days, organised by local Rotary groups and families supported by the hospice, collectively raised £21,000. These elements of fundraising do not only provide essential income but also strengthen our connection with the wider community.

### Charitable Trusts

This year we have invested in working closely with charitable trusts and foundations to build relationships and increase income. We were delighted to receive funding from the Albert Hunt Trust and the Greenhall Foundation and would like to thank them for their recognition of our work and their very generous donations.

### Grant Funding

We received an NHS grant from the Lancashire and South Cumbria Integrated Care Board (which has replaced the CCG structure) – this grant covers about a third of our running costs so we need to raise around £3m to break even.

The hospice is part of a collaborative for Lancashire and South Cumbria (Lancashire and South Cumbria Hospices Together, LSCHT) which liaises with the ICB with one voice.

Whilst the future of the NHS funds we receive is uncertain, we remain positive about our working relationship with the ICB despite not having had an increase to our grant for 2 years, although costs and patient needs have both increased.

## Expenditure

### Charitable Activities

Staffing remains our single largest cost. Staffing costs were up on last year, mainly because of an increase in staff salaries of 3% from April 2024.

We also paid a bonus of £750 to each member of staff in recognition of the hard work and loyalty of our staff, and as a contribution towards the increasing costs of living.

We benchmark against the pay awards of the NHS and other hospices and try to ensure that our total benefits package is attractive.

NHS England once again continued to fund the NHS Pension costs following the 2016 actuarial valuation. It remains unclear if or when employers will be expected to take this cost on directly.

All costs continue to be carefully monitored to ensure value for money and responsible allocation of resources, overall spending for the year was considerably below budget.

The majority of savings to budget are due to lower than planned staff costs, mainly because of unfilled vacancies due to not being able to recruit people with the required skill set.

### Raising Funds

Expenditure on raising funds are those costs incurred in attracting voluntary income through various fundraising initiatives, the hospice lottery and the costs incurred in retail trading activities. There is more detail about how we fundraise in "Key Risks and Uncertainties" on page 20.

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# Financial Review (continued)

## Reserves Policy

Throughout this year the hospice reserves policy, which is to keep a minimum of 24 months running costs (currently 24 months) was observed. The Board of Trustees review the reserves policy annually. The Finance Governance Committee reviews and monitors the performance of our reserves quarterly and reports to the Board.

Reserves and investment reviews encompass all income and expenditure streams, the need to match variable income with fixed commitments and longer term plans to support a sustainable future. When deficits occur, we rely on our reserves to enable us to continue to provide hospice services for our patients and their families.

To strengthen our governance, The Board of Trustees agreed in 2024 to an independent review of our investment policy and the performance of our investment managers. This independent review will be repeated every 3 years.

A prudent approach is taken by the Board of Trustees towards reserves. It is based on our accounts as they currently stand along with a potentially unstable future financial position.

Total reserves as at 31 March 2025 were £15,272,558 (2024: £15,842,737), of which £14,762,717 is unrestricted funds, £1,398 is restricted funds and £508,443 are designated funds. After the deduction from total funds of restricted funds, designated funds and tangible fixed assets the total reserves are £13,301,492. This reserves value currently represents no more than 26 months of budgeted expenditure, which meets the reserves policy.

Some unrestricted general funds from the reserves have been designated from 2024 for the following projects:

- £250,000 I.T. Investment Fund – this is a 3-year investment in I.T. which is part of our Digital Transformation Strategy.
- £175,000 Retail Expansion Fund – these funds have been allocated to expand from 5 to 15 shops over the next 5 years, this is part of our Invest to Grow Strategy.
- £52,500 Maintenance Plan - this is to enable some significant upgrades, and maintenance works to be carried out in 2025/26 and includes some specific items of planned expenditure, for example, additional automatic doors for patients' use.
- £50,000 Brand Project Fund – this is for a brand redesign to be carried out in 2024/25 including roll-out costs.
- £30,000 New Website Fund – this is for the redesign of our hospice website.
- Any surplus to the minimum reserves policy will be used to safeguard future financial sustainability and to finance short- and long-term development plans.

Development plans for the upcoming years include:

- Regularly reviewing and investing in our services to ensure they meet the increasing needs of patients, including employing extra staff.
- Replacing on an ongoing basis patient equipment and enhancing patient facilities.
- Investing in digital technology and equipment.
- Continuing to invest in our gardens and outdoor space for patients, their families and carers, staff, volunteers and our supporters.
- Regular investment in support and educational development for staff and volunteers to ensure we are the best we can be.
- Regular investment to upgrade the hospice environment for patients, visitors, staff and volunteers.

## Investment Objectives & Returns

The responsibility for investment matters has been delegated by the Board of Trustees to the Finance Governance Committee (FGC). Three Trustees currently sit on the FGC with one being Chair, together with the Chief Executive and other senior officers. The Committee seeks to achieve maximum returns on the capital within the charity than offered by deposit accounts, and our investments act both as a diversified income stream and reserves. The investment portfolio decreased in value by £312,740 towards the end of the financial year (funds increased by £1,297,778 in 2024). This decrease arose as a result of continued global economic changes and geopolitical events.

The Committee's general strategy, in terms of cash deposits, is to look to invest all funds over and above those required for operational purposes on deposit accounts, spreading the risk across financial institutions. Quarterly meetings provide an opportunity to review the funds and their performance. Returns on cash deposits generated £96,199 (2024: £68,616).

At the start of the financial year, we employed two firms of Investment Managers to manage our investments. Following an in-year review of the performance of the Investment Managers it was decided by the Board to reduce to one firm, CCLA. These managers have total discretion regarding how the funds are invested within agreed guidelines. The Investment Manager provides the Committee with a quarterly asset allocation statement. This is submitted along with summaries to highlight the performance of the portfolio, relative to agreed industry recognised benchmarks.

The Charity's investments would be protected in the unlikely event of the Investment Manager's insolvency, Assets are held separately, in trust, with a nominee company and would therefore not be impacted by the insolvency.

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# Key Risks & Uncertainties

Each monthly Board meeting has an agenda item to discuss the major risks to the hospice (anything scoring 12 or above). Each governance committee is responsible for checking its own risk register every quarter. The SLT scrutinises the register every quarter. All risks which would be catastrophic for the hospice (but unlikely to happen) are raised at the quarterly Board meeting along with the organisational risk register.

The key risks and uncertainties which the Board considered in 2024/2025 were:

- Recruitment and retention of staff across the Hospice
- The loss of key people – which supported the need for continued succession planning
- The inability to meet patient needs and remain safe – because of vacancies and stretched resources
- The failure to embrace digitalisation opportunities
- The uncertainty about financial support from the ICB and the reliance on voluntary income in a cost-of-living crisis

Plans were agreed to mitigate these risks with the knowledge that some risks would just have to be accepted as ongoing. These risks are continually monitored.

Other risks and uncertainties include:

## Income Generation

We remain conscious of the impact that high inflation and global events continue to have on household income. We know that there will be even more pressure on the donor pound in future periods. All our income generation is managed internally by our Income Generation team who are also responsible for all volunteers who support our fundraising and retailing. We continue to work hard to ensure our supporters' data is secure as well as developing our systems to ensure that our supporters can choose how they would like to be contacted and with what types of communication. We are also aware that we have increasing competition as more charities compete for the same pots of money.

## Data Protection and Confidentiality

These are vital to our organisation, and we are fully aware of the reputational risks posed by not managing this area effectively.

## Approach to Fundraising

We are committed to practicing the highest standards and we take care to ensure all our fundraising activities reflect the hospice values. We are registered with the Fundraising Regulator and as such monitor ourselves against their recognised standards ensuring that all our fundraising activity complies with the Fundraising Regulator's Code of Fundraising Practice.

## Fundraising Complaints

Once again, we did not receive any complaints about our fundraising activities during the year. We strive to always act ethically and responsibly, using best practice when communicating with our supporters, and we strictly adhere to General Data Protection Regulations (GDPR) processes in relation to data usage.

How We Protect Vulnerable People and Members of the Public:

All our supporters are treated as individuals, and we have policies and systems in place for ensuring that vulnerable people are recognised and treated accordingly.

- We adhere to the Fundraising Regulator's Code of Fundraising Practice and the Fundraising Promise
- We promptly action any requests for removal from our database
- We never sell or pass on the data of any of our donors and supporters to any third parties under any circumstances
- We only work with professional fundraising agencies who can demonstrate a proven track record of best practice in the sector and compliance with the Fundraising Regulator

## How we work with and oversee commercial participators/ professional fundraisers

This is fully covered within our policies which are supported by a standard operating procedure which includes a formal agreement that is monitored within our Governance Framework.

## Conforming to Fundraising Regulations

Compliance is managed by our Income Generation and Marketing Director and is governed through our Finance Governance Committee. This ensures that fundraising activity is fully compliant with legislation and regulations, and we have internal policies which reflect these.

We have a risk management policy to minimise or as far as it is reasonably practicable eliminate any risks to patients, staff or volunteers, supporters and members of the public in relation to our fundraising activity.

Staff identify and assess risks and put necessary preventable controls in place.

## Plans for future sustainability

We continued to implement our strategy which runs till March 2026.

Our 4 priorities describe our plans for sustainability – each priority underpins a key focus for us which, when we connect them all together, provide a firm foundation on which to continue delivering our services.

Our priorities for the year were:

- **People** – we will invest in and support our staff and volunteers to be the best they can be
- **Care –** we will continue to innovate and develop our services to meet the needs of our diverse community
- **Digital Optimisation** – we will ensure that our IT infrastructure and systems are robust and provide digital solutions to the delivery and reach of our services
- **Sustainability** – we will manage our charity efficiently and effectively to ensure long term sustainability

We are committed to developing a green strategy to support (and extend) some initiatives we have already taken. This action plan will be further scoped out in 2025/26.

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# Statement of Trustee Responsibilities

The Trustees (who are also directors of the East Lancashire 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).

The law applicable to charities in England and Wales requires the trustees to prepare financial statements for each year which give a true and fair view of the situation of the charity and of the incoming resources and application of resources of the charity 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 209 (FRS102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK accounting standards have been followed
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity 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 company's auditor is unaware, and the Trustees have taken all steps they ought to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.



# Structure – Governance and Management

## Governing document

The charity is a charitable company limited by guarantee and not having share capital is exempt from the requirement to use the word "limited" as part of its name.

It is governed by a memorandum and articles of association and was incorporated on 20th April 1999 to take over from 1st July 1999, the activities of the East Lancashire Hospice Fund, an unincorporated association which was originally founded in 1981.

The charity was entered in the Central Register of Charities with effect from 24th May 1999 and accepted by HM Revenue and Customs as a charity for tax purposes.

## Recruitment and appointment of Trustees

On 31st March 2025, the Board of East Lancashire Hospice was made up of 10 Trustees who are all registered volunteers. One Trustee retired in January 2025, leaving 10 actively serving on the Board.

Recruitment is undertaken via a formal, inclusive process, and positions are advertised in a targeted way to meet the skill mix and diversity needs of the Board.

Potential candidates are invited to apply by CV, and a formal process takes place including a panel interview with Trustees and the CEO.

Trustees are appointed for a term of three years and may be re-elected after this period for a further three years.

Trustee induction (spread over two days) consists of an induction pack which incorporates key information on the charity and the responsibilities of being a trustee. Trustees also meet the Senior Leadership Team and other staff and volunteers.

Trustees are also supported to attend appropriate external training events that will assist them in their role. They also undertake mandatory training.

## Organisational

The Board of Trustees continue to meet on a monthly basis to direct and manage the governance of the Hospice. The trustees have ultimate responsibility for setting the strategic direction of the hospice and their role is to ensure that the hospice is financially viable and that it meets the needs for which it was set up.

A CEO is appointed by the Board to manage the daily operations of the hospice supported by a Senior Leadership Team. They all have predetermined levels of authority. Matters such as policy, strategy and budgets are prepared for consideration and approval by the trustees who then also monitor the implementation of these plans.

Heads of Department are responsible to the appropriate Senior Leadership Directors who are responsible to the CEO who is in turn responsible to the Board of Trustees.

We have three governance committees each responsible for its own risk and each chaired by a trustee who formally reports to the Board every quarter.

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# Governance and Management (continued)

The quarterly governance committees are:

- Clinical Governance Committee – CLGC
- Finance Governance Committee – FGC
- Corporate Governance Committee - CGC

They are supported by six sub committees (which also meet quarterly and report to a Governance Committee). They are:

- People and Culture reporting to CGC
- Income Generation and Marketing reporting to FGC
- Non clinical Audit and Health and Safety reporting to CGC
- Infection Control reporting to CLGC
- Equipment User Group reporting primarily to CLGC
- Nutrition and Hydration reporting to CLGC

The membership of each subcommittee is made up of trustees (where needed), Senior Leadership Directors (SLT) and Heads of Department (HODS) who have been selected for their skills, experience and knowledge. Sub committees are chaired by the SLT/HODS.

We opted for Board stability in 24/25 and chose not to add to it.

## Related parties and Cooperation with Other Organisations

We continue to work collaboratively with our partners in the ICB, across the system and at Place – all to improve the services, experience and flow for our patients, their families and friends.

We continue to work with partners in the community and to grow our outreach. We are an active member of Lancashire and South Cumbria Hospices Together (LSCHT) - a collective formed at the outset of COVID 19 but continues to flourish and gives greater strength to the voices of hospices (speaking as one) to our system partners ensuring that we are always represented at the table and part of system development.

We are also members of Hospice UK – a national membership body for the sector which campaigns and lobbies on the sector's behalf. We hosted and contributed to one of their reports investigating the financial hardships faced by patients with an EOL diagnosis.

Members of staff continue to be involved in local, regional and national networks which support the sharing of best practices, benchmarking and mutual support in the ever changing and challenging landscape of hospice care.

## Pay Policy for Staff

All our Trustees and volunteers give their time freely. They received no pay during the year and claimed minimal expenses.

The Trustees consider the CEO and SLT to be the key management in the hospice, in charge of directing, controlling, running and operating the hospice on a day-to-day basis.

All staff are remunerated according to the responsibilities of their job description (JD).

JDs are reviewed annually as part of the Personal Development Review process – in which everyone participates.

All staff (including the CEO and SLT) receive the same cost of living pay increase and other benefits which are agreed annually by the Board of Trustees.

## Our Staff and Volunteers

The hospice is committed to equal opportunities in everything it does. Our values (care, listen, respect and work together) are central to all we do. This continues to mean that anyone who comes in to contact with us is treated fairly, appropriately, with respect and dignity.

Our staff and volunteers are important to us. Every single one of them played a vital role in helping patients, families, the public and each other throughout the year. It's simple – **without them we couldn't do what we do.**

Our volunteers gifted us nearly £500,000 last year in time, so the Garden Party we hosted in June 2024 was a token of our appreciation.

Our volunteer strategy started its development in 2024/25 and will be reported in 2025/26. It has been built on from the feedback of our volunteers.

We continued to ask for feedback in our staff and volunteer surveys and to feedback and act on the results. Often the agendas for our quarterly Tea n Toast meetings are shaped by an issue which might have been raised in the staff survey and we debate the issues honestly and openly. All staff and volunteers are invited to these sessions.

## Auditor

The auditor, MHA, previously traded through the legal entity MacIntyre Hudson LLP. In response to regulatory changes, MacIntyre Hudson LLP ceased to hold an audit registration with the engagement transitioning to MHA Audit Services LLP.

MHA will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report, which incorporates the Strategic Report, was approved by the board of Trustees on and signed on its behalf.

December 5, 2025

Mr F G Parr – Chairman

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# Independent Auditor's Report to the Members of the East Lancashire Hospice

## Opinion

We have audited the financial statements of The East Lancashire Hospice (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2025, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 March 2025, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended.
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- have been prepared in accordance with the requirements of the Companies Act 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 group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.



## Other information

The 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 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 inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the trustees' 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.

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

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate 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.

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# Independent Auditors' Report (continued)

## Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements 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 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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations.
- Enquires with management about any known or suspected instances of fraud.
- Review of minutes of board meetings.
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls.
- Review of legal and professional expenditure to identify any evidence of ongoing litigation or enquiries;
- Review of the systems for recording income, and testing of a sample of income transactions throughout the year to check they have been recorded in the accounts and in the correct period.

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

## Use of report

This report is made solely to the charitable company's members, as a body, in accordance with the Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

J Steer

**Jack Steer BA(Hons) FCA**

Senior Statutory Auditor

For and on behalf of MHA, Statutory Auditor
Preston, United Kingdom

December 9, 2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

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# Consolidated Statement of Financial Activities
## (Including Income & Expenditure Account) for the Year Ended 31 March 2025

| | Note | Unrestricted funds £ | Designated funds £ | Restricted funds £ | Total funds 2025 £ | Total funds 2024 £ |
|---|---|---|---|---|---|---|
| **Income from** | | | | | | |
| **Donations and legacies:** | | | | | | |
| Donations and gifts | | **341,592** | **-** | **-** | **341,592** | 241,872 |
| Legacies | | **460,369** | **-** | **-** | **460,369** | 423,763 |
| | | | | | | |
| **Charitable activities:** | | | | | | |
| Integrated Care Board | | **1,638,285** | **-** | **-** | **1,638,285** | 1,601,292 |
| Other grants | | **302,845** | **-** | **90,023** | **392,868** | 76,348 |
| Catering and other income | | **129,547** | **-** | **-** | **129,547** | 108,868 |
| | | | | | | |
| **Other trading activities:** | | | | | | |
| Goods for resale | | **12,089** | **-** | **-** | **12,089** | 17,973 |
| Fundraising events | | **543,158** | **-** | **-** | **543,158** | 435,702 |
| Lottery | | **341,709** | **-** | **-** | **341,709** | 353,282 |
| Shop | | **326,403** | **-** | **-** | **326,403** | 275,518 |
| | | | | | | |
| **Investments** | | **157,427** | **-** | **-** | **157,427** | 162,552 |
| | | | | | | |
| **Total income** | **2** | **4,253,424** | **-** | **90,023** | **4,343,447** | 3,697,170 |
| | | | | | | |
| **Expenditure on** | | | | | | |
| Raising funds | **3** | **1,019,530** | **-** | **-** | **1,019,530** | 725,920 |
| Charitable activities | **5** | **3,520,638** | **40,202** | **20,516** | **3,581,356** | 3,723,761 |
| | | | | | | |
| **Total expenditure** | | **4,540,168** | **40,202** | **20,516** | **4,600,886** | 4,449,681 |
| | | | | | | |
| **Net income/(expenditure) before other gains and losses** | | **(286,744)** | **(40,202)** | **69,507** | **(257,439)** | (752,511) |
| | | | | | | |
| Gain/(loss) on investments | | **(312,740)** | **-** | **-** | **(312,740)** | 1,297,778 |
| | | | | | | |
| **Net income/(expenditure) for the year** | **7** | **(599,484)** | **(40,202)** | **69,507** | **(570,179)** | 545,267 |
| | | | | | | |
| Transfers between funds | | **94,368** | **(8,855)** | **(85,513)** | **-** | - |
| | | | | | | |
| **Net movement in funds** | | **(505,116)** | **(49,057)** | **(16,006)** | **(570,179)** | 545,267 |
| | | | | | | |
| **Reconciliation of funds:** | | | | | | |
| | | | | | | |
| Total funds brought forward | | **15,267,833** | **557,500** | **17,404** | **15,842,737** | 15,297,470 |
| | | | | | | |
| **Total funds carried forward** | | **14,762,717** | **508,443** | **1,398** | **15,272,558** | 15,842,737 |

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The result for the year for Companies Act purposes comprises the net income for the year net of unrealised profits and losses on investments and was a deficit of £257,439 (2024: deficit of £752,511). The notes on pages 34 - 53 form part of these financial statements.



# Consolidated Balance Sheet
## As at 31 March 2025

| | Note | Unrestricted funds £ | Designated funds £ | Restricted funds £ | Total funds 2025 £ | Total funds 2024 £ |
|---|---|---|---|---|---|---|
| **Fixed assets** | | | | | | |
| Tangible fixed assets | **12** | **1,461,225** | **-** | **-** | **1,461,225** | 1,462,114 |
| Investments | **13** | **13,036,274** | **508,443** | **-** | **13,544,717** | 13,079,353 |
| | | | | | | |
| | | **14,497,499** | **508,443** | **-** | **15,005,942** | 14,541,467 |
| | | | | | | |
| **Current assets** | | | | | | |
| Stock | | **7,225** | **-** | **-** | **7,225** | 6,025 |
| Debtors | **14** | **342,031** | **-** | **-** | **342,031** | 242,435 |
| Cash at bank and in hand | | **479,074** | **-** | **1,398** | **480,472** | 1,900,313 |
| | | | | | | |
| | | **828,330** | **-** | **1,398** | **829,728** | 2,148,773 |
| **Creditors:** amounts falling due within one year | **15** | **(563,112)** | **-** | **-** | **(563,112)** | (847,503) |
| | | | | | | |
| **Net current assets** | | **265,218** | **-** | **1,398** | **266,616** | 1,301,270 |
| | | | | | | |
| **Net assets** | | **14,762,717** | **508,443** | **1,398** | **15,272,558** | 15,842,737 |
| | | | | | | |
| **Represented by:** | | | | | | |
| | | | | | | |
| Total funds | **16** | **14,762,717** | **508,443** | **1,398** | **15,272,558** | 15,842,737 |

These financial statements were approved by the Trustees on December 5, 2025

and signed on their behalf by:

**Mr F G Parr - Chairman**

**Mr P Hinnigan – Trustee**

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# Charity Balance Sheet
## As at 31 March 2025

| | Note | Unrestricted funds £ | Designated funds £ | Restricted funds £ | Total funds 2025 £ | Total funds 2024 £ |
|---|---|---|---|---|---|---|
| **Fixed assets** | | | | | | |
| Tangible fixed assets | 12 | **1,440,411** | **-** | **-** | **1,440,411** | 1,440,680 |
| Investments | 13 | **13,036,374** | **508,443** | **-** | **13,544,817** | 13,079,453 |
| | | **14,476,785** | **508,443** | **-** | **14,985,228** | 14,520,133 |
| **Current assets** | | | | | | |
| Stock | | **5,250** | **-** | **-** | **5,250** | 5,250 |
| Debtors | 14 | **391,648** | **-** | **-** | **391,648** | 281,434 |
| Cash at bank and in hand | | **442,357** | **-** | **1,398** | **443,755** | 1,868,943 |
| | | **839,255** | **-** | **1,398** | **840,653** | 2,155,627 |
| **Creditors**: amounts falling due within one year | 15 | **(556,848)** | **-** | **-** | **(556,848)** | (841,201) |
| **Net current assets** | | **282,407** | **-** | **1,398** | **283,805** | 1,314,426 |
| **Net assets** | | **14,759,192** | **508,443** | **1,398** | **15,269,033** | 15,834,559 |
| **Represented by:** | | | | | | |
| Total funds | | **14,759,192** | **508,443** | **1,398** | **15,269,033** | 15,834,559 |

As permitted by s408 Companies Act 2006, the charitable company has not presented its own statement of financial activities and related notes. The charitable company's deficit for the year was £565,526 (2024: surplus of £517,101).

These financial statements were approved by the Trustees on December 5, 2025

and signed on their behalf by:

**Mr F G Parr - Chairman**

**Mr P Hinnigan – Trustee**

**Company registration number 03755216 (England and Wales)**

# Consolidated Cash Flow Statement
## for the year ended 31 march 2025

| | 2025 £ | 2024 £ |
|---|---|---|
| Net income/(expenditure) for the year | **(570,179)** | 545,267 |
| **Adjustments for:** | | |
| Investment income | **(157,427)** | (162,552) |
| (Gain)/loss on investments | **312,740** | (1,297,778) |
| Depreciation | **101,091** | 100,511 |
| (Increase)/decrease in stock | **(1,200)** | 1,038 |
| (Increase)/decrease in debtors | **(99,596)** | (35,278) |
| Increase/(decrease) in creditors | **(284,391)** | 63,677 |
| **Net cash (used in) / provided by operating activities** | **(698,962)** | (785,115) |
| **Cash flows from investing activities:** | | |
| Investment income | **157,427** | 162,552 |
| Purchase of tangible fixed assets | **(100,202)** | (38,294) |
| Purchase of investments | **(2,425,817)** | (1,576,656) |
| Proceeds from sale of investments | **3,624,766** | 1,513,598 |
| Movement in cash held as investments | **(1,977,053)** | (3,373) |
| **Net cash (used in) / provided by investing activities** | **(720,879)** | 57,827 |
| **Change in cash and cash equivalents in the year** | **(1,419,841)** | (727,288) |
| Cash and cash equivalents at the beginning of the year | **1,900,313** | 2,627,601 |
| **Cash and cash equivalents at the end of the year** | **480,472** | 1,900,313 |
| **Analysis of cash and cash equivalents** | | |
| Cash in hand | **4,227** | 3,188 |
| Cash at bank | **476,245** | 1,897,125 |
| | **480,472** | 1,900,313 |

Total group cash and cash equivalents includes a total of £nil (2024: £557,500) relating to designated funds and £1,398 (2024: £17,404) relating to restricted funds.

Docusign Envelope ID: 04146401-AC22-4172-BF39-20A56776BC41

# Notes to the Financial Statements
## for the year ended 31 March 2025

## 1 Accounting policies

### Company information

The charity constitutes a limited company, limited by guarantee as defined by the Companies Act 2006, incorporated in England and Wales. The registered office is as stated on page 54. The members of the company are the Trustees named on page 54. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

### Basis of preparation

The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The East Lancashire Hospice meets the definition of a public benefit entity under FRS 102.

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line-by-line basis.

The charity has availed itself of Paragraph 4(1) of Schedule 1 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006. The parent company's result for the year for Companies Act purposes was a deficit for the year was £565,526 (2024: surplus of £517,101).

### Going concern

The trustees are required to assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation of the accounts. At the date of approving these accounts, the trustees have a reasonable expectation that the charity has sufficient cash resources to enable it to meet its liabilities as they fall due for at least 12 months from the date of approval. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.



### Fund accounting

General funds are unrestricted funds, which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds are set aside by the Trustees out of unrestricted general funds for specific purposes or projects. Restricted funds are those to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the accounts.

### Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

Income received in advance of an event or provision of other specific provision of other specified service it is deferred until the criteria for income recognition are met.

Trading income is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes where applicable. Income from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Lottery income is accounted for when received, to the extent that the company has a right to consideration arising from the performance of its contractual arrangements.

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# Notes to the Financial Statements (continued)

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

### Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), no amounts are included in the financial statements for services donated by volunteers.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

### Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs 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 the resources.

Detailed analyses of the expenditure, including irrecoverable VAT where applicable, are provided in the notes to the accounts.

### Tangible fixed assets

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight-line basis over their expected economic lives as follows:

- Short leasehold building improvements - over the period of the lease
- Fixtures, fittings and equipment - over 5 years

### Investments

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.



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

### Stock

Stock is included at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed, on the basis that it is considered impractical to measure the fair value of goods donated for resale, and the costs of valuation outweigh the benefit to users of the accounts and the charity of this information.

### Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

### Creditors

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

### Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

### Operating leases

Rentals applicable to operating leases are charged to the SOFA on a straight-line basis over the term of the lease.

### Pensions

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the SOFA. The company also contributes to a multi-employer defined benefit scheme. As the proportion of the fund attributable to The East Lancashire Hospice cannot be calculated this scheme has been treated as if it was a defined contribution scheme.

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# Notes to the Financial Statements (continued)

### Taxation

The company is a registered charity and therefore exempt from taxation.

### Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### Judgements and key sources of estimation uncertainty

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Trustees do not believe that there are any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

## 2 Income

| | Unrestricted funds | Restricted funds | 2025 |
|---|---|---|---|
| | £ | £ | £ |
| **Donations and legacies:** | | | |
| Donations and gifts | **341,592** | **-** | **341,592** |
| Legacies | **460,369** | **-** | **460,369** |
| **Charitable activities:** | | | |
| Integrated Care Board | **1,638,285** | **-** | **1,638,285** |
| Other grants | **302,845** | **90,023** | **392,868** |
| Catering and other income | **129,547** | **-** | **129,547** |
| **Other trading activities:** | | | |
| Goods for resale | **12,089** | **-** | **12,089** |
| Fundraising events | **543,158** | **-** | **543,158** |
| Lottery | **341,709** | **-** | **341,709** |
| Shop | **326,403** | **-** | **326,403** |
| **Investments** | **157,427** | **-** | **157,427** |
| | **4,253,424** | **90,023** | **4,343,447** |

| | Unrestricted funds | Restricted funds | 2024 |
|---|---|---|---|
| | £ | £ | £ |
| **Donations and legacies:** | | | |
| Donations and gifts | 241,872 | - | 241,872 |
| Legacies | 423,763 | - | 423,763 |
| **Charitable activities:** | | | |
| Integrated Care Board | 1,601,292 | - | 1,601,292 |
| Other grants | 56,823 | 19,525 | 76,348 |
| Catering and other income | 108,868 | - | 108,868 |
| **Other trading activities:** | | | |
| Goods for resale | 17,973 | - | 17,973 |
| Fundraising events | 435,702 | - | 435,702 |
| Lottery | 353,282 | - | 353,282 |
| Shop | 275,518 | - | 275,518 |
| **Investments** | 162,552 | - | 162,552 |
| | **3,677,645** | **19,525** | **3,697,170** |

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# Notes to the Financial Statements (continued)

## 3 Expenditure

| | Direct costs | Support costs | 2025 |
|---|---|---|---|
| | £ | £ | £ |
| **Expenditure on raising funds:** | | | |
| Goods for resale | **8,765** | **1,638** | **10,403** |
| Fundraising events | **452,525** | **39,312** | **491,837** |
| Lottery | **167,121** | **22,932** | **190,053** |
| Shop | **304,234** | **-** | **304,234** |
| Investment management costs | **23,003** | **-** | **23,003** |
| | | | |
| | **955,648** | **63,882** | **1,019,530** |
| **Expenditure on charitable activities:** | | | |
| Hospice (note 5) | **2,990,036** | **591,320** | **3,581,356** |
| | | | |
| | **3,945,684** | **655,202** | **4,600,886** |

| | Direct costs | Support costs | 2024 |
|---|---|---|---|
| | £ | £ | £ |
| **Expenditure on raising funds:** | | | |
| Goods for resale | 11,326 | 1,339 | 12,665 |
| Fundraising events | 284,114 | 32,140 | 316,254 |
| Lottery | 96,636 | 18,749 | 115,385 |
| Shop | 247,352 | - | 247,352 |
| Investment management costs | 34,264 | - | 34,264 |
| | | | |
| | 673,692 | 52,228 | 725,920 |
| **Expenditure on charitable activities:** | | | |
| Hospice (note 5) | 3,240,318 | 483,443 | 3,723,761 |
| | | | |
| | 3,914,010 | 535,671 | 4,449,681 |

All expenditure on raising funds was unrestricted in the current and previous year.

## 4 Support costs

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Salaries | **531,599** | 427,375 |
| Motor and travel | **515** | 55 |
| Printing and stationery | **7,269** | 11,094 |
| Postage | **14,775** | 17,399 |
| Telephone | **25,954** | 24,388 |
| Computer support | **58,649** | 42,579 |
| Other staff costs | **8,458** | 8,039 |
| Sundry expenses | **7,983** | 4,742 |
| | **655,202** | 535,671 |

## 5 Expenditure on charitable activities – Hospice

| | Hospice and specialised palliative care services | |
|---|---|---|
| | 2025 | 2024 |
| | £ | £ |
| Salaries | **2,676,799** | 2,612,138 |
| Training and recruitment | **79,696** | 40,871 |
| Property costs | **138,067** | 143,353 |
| Provision of care services | **176,473** | 185,554 |
| Repairs and maintenance | **79,715** | 87,018 |
| Motor and travel | **8,467** | 9,557 |
| Sundry | **42,038** | 36,618 |
| Depreciation | **91,616** | 92,777 |
| Irrecoverable VAT | **8,304** | 9,039 |
| Governance costs (note 6) | **32,131** | 23,929 |
| Support costs allocated | **590,665** | 482,907 |
| | | |
| | **3,923,971** | 3,723,761 |
| | | |
| Exceptional item (see below) | **(342,615)** | - |
| | **3,581,356** | 3,723,761 |

The exceptional item arose due to a change in accounting estimate in relation to accrued expenditure.

Expenditure on charitable activities was £3,581,356 (2024: £3,723,761) of which £3,520,638 was unrestricted (2024: £3,718,522), £40,202 was designated (2024: £nil), and £20,516 was restricted (2024: £5,239).

# Notes to the Financial Statements (continued)

## 6 Governance costs

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| Audit | **13,250** | 11,750 |
| Trustees' liability insurance | **1,200** | 423 |
| Legal and professional fees | **17,026** | 11,220 |
| Support costs allocated | 655 | 536 |
| | | |
| | **32,131** | 23,929 |

## 7 Net income

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| **Stated after charging:** | | |
| Depreciation | **101,091** | 100,511 |
| Operating leases | **77,670** | 61,979 |
| Audit fee – charity and consolidated accounts | **9,955** | 9,050 |
| Audit fee – subsidiary | **3,295** | 2,700 |
| | | |

## 8 Analysis of staff costs, Trustee remuneration and expenses, and cost of key management personnel

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| **Payroll costs were:** | | |
| Wages and salaries | **3,061,703** | 2,819,342 |
| Social security costs | **275,388** | 250,054 |
| Pension costs | **228,983** | 216,823 |
| | | |
| | **3,566,074** | 3,286,219 |

The number of employees whose remuneration for the year exceeded £60,000 was:

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| £60,000 to £69,999 | **2** | 1 |
| £70,000 to £79,999 | **2** | 1 |
| £90,000 to £99,999 | **1** | 1 |

Of the employees whose remuneration exceeded £60,000, there are four employees (2024: one) accruing benefits under defined benefit pension schemes.

The Trustees were not paid or received any other benefits from employment with the charity or its subsidiary in the year (2024: £nil) neither were they reimbursed expenses during the year (2024: £nil). No charity Trustee received payment for professional or other services supplied to the charity (2024: £nil). Trustees made donations to the charity totalling £2,375 (2024: £1,688).

The key management personnel of the group comprise the key staff identified in the Trustees' Annual Report. The total employee benefits of the key management personnel of the group were £342,003 (2024: £332,597).

## 9 Staff numbers

The average monthly head count was 116 staff (2024: 125 staff), being 82 (2024: 94) care staff, 18 (2024: 15) fundraising staff, and 16 (2024: 16) administration staff.

## 10 Related party transactions

There were no related party transactions during the current or prior year, apart from any disclosed above relating to the Trustees.

## 11 Pension commitments

The charity participates in a multi-employer defined benefit scheme, operated through the National Health Service. The assets of the scheme are held separately by the National Health Service Superannuation Scheme. Contributions to the scheme are charged to the statement of financial activities as these are incurred. This pension scheme does not have a real pension fund but, as a statutory scheme, benefits are fully guaranteed by the Government. Contributions from both members and employers are paid to the Exchequer, which meet the cost of increasing benefits each year by the rate of inflation. This extra cost is not met by contributions from scheme members and employers. As a result of the nature of the pension scheme, there are no separately identifiable assets and liabilities which can be identified as relating to The East Lancashire Hospice. Therefore, as permitted by FRS102, the scheme has been accounted for as a defined contribution scheme.

The charity also operates a stakeholder defined contribution scheme.

The total contributions made during the year represent contributions to the funds of £228,983 (2024: £216,823). At the year end the charity had outstanding contributions of £37,078 (2024: £24,876).

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# Notes to the Financial Statements (continued)

## 12 Tangible fixed assets

| | Short Leasehold Building Improvements | Fixtures, Fittings, Equipment & Motor vehicles | Charity Total | Subsidiary Fixtures, Fittings, Equipment & Motor vehicles | Group Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **Cost** | | | | | |
| At 1 April 2024 | 4,221,719 | 619,010 | 4,840,729 | 69,971 | 4,910,700 |
| Additions | - | 91,347 | 91,347 | 8,855 | 100,202 |
| Disposals | - | - | - | - | - |
| | | | | | |
| **At 31 March 2025** | **4,221,719** | **710,357** | **4,932,076** | **78,826** | **5,010,902** |
| | | | | | |
| **Depreciation** | | | | | |
| At 1 April 2024 | 2,855,555 | 544,494 | 3,400,049 | 48,537 | 3,448,586 |
| Charge for the year | 57,922 | 33,694 | 91,616 | 9,475 | 101,091 |
| Eliminated on disposals | - | - | - | - | - |
| | | | | | |
| **At 31 March 2025** | **2,913,477** | **578,188** | **3,491,665** | **58,012** | **3,549,677** |
| | - | - | - | - | - |
| | | | | | |
| **Net book value** | | | | | |
| | | | | | |
| **At 31 March 2025** | **1,308,242** | **132,169** | **1,440,411** | **20,814** | **1,461,225** |
| | - | - | - | - | - |
| | | | | | |
| At 31 March 2024 | 1,366,164 | 74,516 | 1,440,680 | 21,434 | 1,462,114 |
| | - | - | - | - | - |

All tangible fixed assets relate to unrestricted funds in both 2025 and 2024.

At the year-end there were capital commitments of £nil (2024: £16,971).

## 13 Fixed asset investments

| | Group | | Charity | |
|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 |
| | £ | £ | £ | £ |
| | | | | |
| Investments in subsidiary companies | - | - | 100 | 100 |
| **Other investments** | **13,544,717** | 13,079,353 | **13,544,717** | 13,079,353 |
| | | | | |
| | **13,544,717** | 13,079,353 | **13,544,817** | 13,079,453 |

Total group fixed asset investments includes a total of £508,443 (2024: £nil) relating to designated funds and £nil (2024: £nil) relating to restricted funds.

### Investments in subsidiary companies

The charity owns the whole of the issued share capital of The East Lancashire Hospice Shops Limited (company number 04660703), which is incorporated in England and Wales. The subsidiary is used for non-primary purpose trading, namely the sale of donated goods through several shops. All activities have been consolidated on a line-by-line basis.

In the opinion of the Trustees, the investment in the charity's subsidiary undertaking is worth at least the amount at which it is stated in the balance sheet of £100. A summary of the results for the trading company as show below:

| | 2025 | 2024 |
|---|---|---|
| | £ | £ |
| | | |
| Turnover - shop sales | **326,403** | 275,518 |
| Cost of sales | **(17,003)** | (18,498) |
| | | |
| **Gross profit** | **309,400** | 257,020 |
| | | |
| Administrative expenses | **(287,231)** | (228,854) |
| Other operating income | **-** | - |
| | | |
| **Profit / (loss) for the year** | **22,169** | 28,166 |
| | | |
| Amounts gift aided to charity | **(26,822)** | - |
| | | |
| **Retained profit / (loss) for the year** | **(4,653)** | 28,166 |
| | | |
| **Retained earnings brought forward** | **8,178** | (19,988) |

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# Notes to the Financial Statements (continued)

## 13 Fixed asset investments (continued)

| | | |
|---|---|---|
| **Retained earnings carried forward** | **3,525** | 8,178 |
| | | |
| The aggregate of the assets, liabilities and funds of The East Lancashire Hospice Shops Limited was: | | |
| Fixed assets | **20,814** | 21,434 |
| Current assets | **79,311** | 52,725 |
| Current liabilities | **(96,500)** | (65,881) |
| **Funds** | **3,625** | 8,278 |

### Other investments

| | Group and charity | |
|---|---|---|
| | **2025** | **2024** |
| | **£** | **£** |
| **Market value** | | |
| As at 1 April 2024 | **13,079,353** | 11,715,144 |
| Additions | **2,425,817** | 1,576,656 |
| Disposals | **(3,624,766)** | (1,513,598) |
| Movement in cash deposits held as investments | **1,977,053** | 3,373 |
| Change in market value | **(312,740)** | 1,297,778 |
| **As at 31 March 2025** | **13,544,717** | 13,079,353 |

Listed investments are represented by:

| | Group and Charity | |
|---|---|---|
| | **2025** | **2024** |
| | **£** | **£** |
| Fixed interest | **-** | 684,868 |
| Equities | **-** | 2,099,004 |
| Alternatives | **-** | 359,711 |
| Property | **-** | 37,248 |
| Investment trust and unit trust | **11,468,882** | 9,799,740 |
| Cash | **2,075,835** | 98,782 |
| | **13,544,717** | 13,079,353 |

## 14 Debtors

| | Group | | Charity | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| | **£** | **£** | **£** | **£** |
| Trade debtors | **16,730** | 9,182 | **16,730** | 9,182 |
| Prepayments and accrued income | **242,911** | 157,699 | **205,201** | 140,980 |
| Amounts owed by group undertakings | **-** | - | **90,236** | 59,579 |
| VAT recoverable | **82,390** | 75,554 | **79,481** | 71,693 |
| | | | | |
| | **342,031** | 242,435 | **391,648** | 281,434 |

All debtors relate to unrestricted funds in both 2025 and 2024.

## 15 Creditors: amounts falling due within one year

| | Group | | Charity | |
|---|---|---|---|---|
| | **2025** | **2024** | **2025** | **2024** |
| | **£** | **£** | **£** | **£** |
| Lottery payments in advance | **46,395** | 43,953 | **46,395** | 43,953 |
| Accruals and deferred income | **377,731** | 626,393 | **371,652** | 620,528 |
| Trade creditors | **77,502** | 123,122 | **77,317** | 122,685 |
| Other taxes and social security | **61,484** | 54,035 | **61,484** | 54,035 |
| | | | | |
| | **563,112** | 847,503 | **556,848** | 841,201 |

All creditors relate to unrestricted funds in both 2025 and 2024.

Docusign Envelope ID: 04146401-AC22-4172-BF39-20A56776BC41

# Notes to the Financial Statements (continued)

## 16 Funds

### Restricted funds

| | Brought forward at 31 March 2024 | Income | Expenditure | Gains, losses and transfers | Carried forward at 31 March 2025 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Support & Wellbeing | 464 | - | (90) | - | **374** |
| Co-op Community Fund | 1,024 | - | - | - | **1,024** |
| Recliner Appeal | 15,916 | 3,010 | (18,926) | - | **-** |
| Bathing Service | - | 1,000 | (1,000) | - | **-** |
| CAST Donation | - | 500 | (500) | - | **-** |
| Hospice UK capital funding | - | 85,513 | - | (85,513) | **-** |
| | 17,404 | 90,023 | (20,516) | (85,513) | **1,398** |

**Purpose of the restricted funds:**

The Support & Wellbeing Fund is a patient donation for patient activities. This had not been fully spent at the year end.

The Co-op Local Community Fund was funding received for the choir. This had not been spent at the year end.

The Recliner Appeal Fund are public donations received for recliner chairs and overbed tables to be used in each room on IPU. The funds were fully spent in the year.

The Bathing Service Fund was a donation from the family of a patient for ongoing costs to deliver the bathing service. The funds were fully spent in the year.

The CAST Donation Fund was donation from the family of a former staff member to deliver CAST (Creative and Support Therapies). The funds were fully spent in the year.

The Hospice UK capital funding was allocated through Hospice UK from the Department of Health and Social Care. The amount has been fully spent in the year on capital items, and therefore a transfer has been made to unrestricted funds.

### Unrestricted funds

| | Brought forward at 31 March 2024 | Income | Expenditure | Gains, losses and transfers | Carried forward at 31 March 2025 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Unrestricted fund | 15,259,655 | 3,953,843 | (4,235,934) | (218,372) | **14,759,192** |
| Non-charitable trading | 8,178 | 299,581 | (304,234) | - | **3,525** |
| | 15,267,833 | 4,253,424 | (4,540,168) | (218,372) | **14,762,717** |

### Designated funds

| | Brought forward at 31 March 2024 | Income | Expenditure | Gains, losses and transfers | Carried forward at 31 March 2025 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| IT investment fund | 250,000 | - | (32,646) | - | **217,354** |
| Retail expansion fund | 175,000 | - | (4,163) | (8,855) | **161,982** |
| Brand project fund | 50,000 | - | - | - | **50,000** |
| New website fund | 30,000 | - | - | - | **30,000** |
| Maintenance plan | 52,500 | - | (3,393) | - | **49,107** |
| | 557,500 | - | (40,202) | (8,855) | **508,443** |

**Purpose of the designated funds:**

Designated funds are set aside by the Trustees out of unrestricted general funds for specific purposes or projects. The trustees have set aside amounts as follows:

- IT investment fund – this is for a 3-year investment in IT including the first year of digital transformation
- Retail expansion fund – this is to expand from 5 to 15 shops including the costs of setting up the new shops
- Brand project fund – this is for a brand redesign including the roll-out
- New website fund – this is for the redesign of the website
- Maintenance plan – this is for maintenance works including some specific items of planned expenditure.

Docusign Envelope ID: 04146401-AC22-4172-BF39-20A56776BC41

# Notes to the Financial Statements (continued)

## 16 Funds – prior year

### Restricted funds

| | Brought forward at 31 March 2023 | Income | Expenditure | Gains, losses and transfers | Carried forward at 31 March 2024 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Support & Wellbeing | 464 | - | - | - | **464** |
| Co-op Community Fund | 1,024 | - | - | - | **1,024** |
| IPU facilities | 1,630 | - | (1,630) | - | **-** |
| Recliner Appeal | - | 15,916 | - | - | **15,916** |
| Christmas Event Fund | - | 1,000 | (1,000) | - | **-** |
| Musical Instruments Fund | - | 2,109 | (2,109) | - | **-** |
| Wellbeing Event | - | 500 | (500) | - | **-** |
| | 3,118 | 19,525 | (5,239) | - | **17,404** |

### Unrestricted funds

| | Brought forward at 31 March 2023 | Income | Expenditure | Gains, losses and transfers | Carried forward at 31 March 2024 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Unrestricted fund | 15,314,340 | 3,402,127 | (4,197,090) | 740,278 | **15,259,655** |
| Non-charitable trading | (19,988) | 275,518 | (247,352) | - | **8,178** |
| | 15,294,352 | 3,677,645 | (4,444,442) | 740,278 | **15,267,833** |

### Designated funds

| | Brought forward at 31 March 2023 | Income | Expenditure | Gains, losses and transfers | Carried forward at 31 March 2024 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| IT investment fund | - | - | - | 250,000 | **250,000** |
| Retail expansion fund | - | - | - | 175,000 | **175,000** |
| Brand project fund | - | - | - | 50,000 | **50,000** |
| New website fund | - | - | - | 30,000 | **30,000** |
| Maintenance plan | - | - | - | 52,500 | **52,500** |
| | - | - | - | 557,500 | **557,500** |

## 17 Operating lease commitments

At 31 March 2025 the group had future minimum lease payments under non-cancellable operating leases as set out below:

| | Land and buildings | |
|---|---|---|
| | 2025 | 2024 |
| | £ | £ |
| Amounts due within one year | **76,040** | 34,671 |
| Amounts due between one and five years | **103,116** | 86,239 |
| Amounts due after five years | **-** | - |
| | **179,156** | 120,910 |

Docusign Envelope ID: 04146401-AC22-4172-BF39-20A56776BC41

# Notes to the Financial Statements (continued)

## 18 Analysis of net assets by fund

### a) Current year

| Group | General Unrestricted Funds | Designated Funds | Restricted Funds | Balance at 31 March 2025 |
|---|---|---|---|---|
| | | | | |
| Tangible fixed assets | **1,461,225** | **-** | **-** | **1,461,225** |
| Investments | **13,036,274** | **508,443** | **-** | **13,544,717** |
| Current assets | **828,330** | **-** | **1,398** | **829,728** |
| Creditors falling due within one year | **(563,112)** | **-** | **-** | **(563,112)** |
| | | | | |
| | **14,762,717** | **508,443** | **1,398** | **15,272,558** |

| Company | General Unrestricted Funds | Designated Funds | Restricted Funds | Balance at 31 March 2025 |
|---|---|---|---|---|
| | | | | |
| Tangible fixed assets | **1,440,411** | **-** | **-** | **1,440,411** |
| Investments | **13,036,374** | **508,443** | **-** | **13,544,817** |
| Current assets | **839,255** | **-** | **1,398** | **840,653** |
| Creditors falling due within one year | **(556,848)** | **-** | **-** | **(556,848)** |
| | | | | |
| | **14,759,192** | **508,443** | **1,398** | **15,269,033** |



## 18 Analysis of net assets by fund (continued)

### a) Prior year

| Group | General Unrestricted Funds | Designated Funds | Restricted Funds | Balance at 31 March 2024 |
|---|---|---|---|---|
| | | | | |
| Tangible fixed assets | 1,462,114 | - | - | 1,462,114 |
| Investments | 13,079,353 | - | - | 13,079,353 |
| Current assets | 1,573,869 | 557,500 | 17,404 | 2,148,773 |
| Creditors falling due within one year | (847,503) | - | - | (847,503) |
| | | | | |
| | 15,267,833 | 557,500 | 17,404 | 15,842,737 |

| Company | General Unrestricted Funds | Designated Funds | Restricted Funds | Balance at 31 March 2024 |
|---|---|---|---|---|
| | | | | |
| Tangible fixed assets | 1,440,680 | - | - | 1,440,680 |
| Investments | 13,079,453 | - | - | 13,079,453 |
| Current assets | 1,580,723 | 557,500 | 17,404 | 2,155,627 |
| Creditors falling due within one year | (841,201) | - | - | (841,201) |
| | | | | |
| | 15,259,655 | 557,500 | 17,404 | 15,834,559 |

Docusign Envelope ID: 04146401-AC22-4172-BF39-20A56776BC41

# Administrative Information

## Board of Trustees

**Mr F G Parr** – Chairman of the Board

**Mr R J Sutlieff** – Vice Chair and Chair of the Corporate Governance Committee (CGC)

**Mr S Almond** – Member of CGC and member of Income Generation and Marketing subcommittee

**Mr P Hinnigan** – Chair of Finance Governance Committee (FGC)

**Mr T Kennedy** - Member of FGC

**Mr I Hajefi** – Member of FGC

**Mrs L Robinson** – Chair of Clinical Governance Committee (CLGC) and member of People and Culture subcommittee

**Mr D McDonaugh** – Member of CLGC

**Mrs G M Leacy** – Member of Income Generation subcommittee

**Mr Y Jan Virmani** – Member of Non-Clinical Audit and H&S subcommittee

**Mr I M Willock** - Retired January 2025

## Key Management (as at 31st March 2025)

**Miss H Barrett** – Chief Executive and Secretary to the Board

**Dr K Hogarth** – Medical Director

**Mrs C Evans** – Clinical Services Director and Registered Manager

**Mrs N Hanna** – Income Generation and Marketing Director

Registered charity number: 1075653

Company number: 3755216

Tax exemption number: XR 32869

Registered office: The East Lancashire Hospice, Park Lee Road, Blackburn, BB2 3NY, telephone 01254 965830, info@eastlancshospice.org.uk

Auditors MHA - Richard House, 9 Winckley Square, Preston, PO1 3HP

Docusign Envelope ID: 04146401-AC22-4172-BF39-20A56776BC41

# East Lancashire Hospice

Park Lee Road
Blackburn
BB2 3NY

**01254 965830**

**info@eastlancshospice.org.uk**

**www.eastlancshospice.org.uk**

Registered Charity No. 1075653
Company Registration No. 3755216

East Lancashire Hospice

**THE EAST LANCASHIRE HOSPICE**

England & Wales - Charity number 1075653

# Accounts

East Lancashire Hospice 40

# Trustees Annual Report & Accounts

## 2023/2024













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40 years of making the most of life
1984 - 2024

# Welcome

It is with great delight that we present the Trustees Annual Report and Accounts for the year ended 31st March 2024.

We finished the year on a surplus of £545,267 despite the financial challenges we faced – this was mainly due to an increase in legacy donations (for which we are always grateful) and the gains we earned on our investments.

Our focus during this year remained the continuous improvement and delivery of all our services to provide holistic, wrap around care for patients, and to support their families and people close to them.

Whether or not these are specialist palliative care services delivered on the Inpatient Unit, specialist and supportive care provided in the community, or the creative and support therapies we provide in CaST, primarily at the hospice.

Our education provision has also continued to grow again, increasingly with a specific focus on the development of our people which has included enhancing clinical skills, non-medical prescribing, advanced care planning, and spiritual care.

We saw an increase in the demand for all our services and continued to develop our outreach with homeless and vulnerable communities – strengthening relationships locally with charities like Motor Neurone Disease Association, Parkinson's UK, Age UK, Maundy Relief, T.H.O.M.A.S, and Healthwatch.

Our patients and their carers continued to provide us with excellent feedback about all our services. We developed plans to ensure their voices are heard when we are looking at service development and reviewing existing provisions.

In the first year of our new strategy, we have made progress against our strategic priorities – particularly focussing on the health, wellbeing, development and support of our staff and volunteers.

We developed the role of Head of Wellbeing, Support and Development and launched a package of initiatives and staff awards from our monthly Shine a Light Award (for anyone deserving peer recognition) to establishing a 12 month programme of educational support.

All our services are provided free of charge and despite challenging external factors we finished the year in a relatively healthy financial position – thanks to ongoing partial funding from the NHS and strong support from our community and supporters who provide over 55% of our income - which as a charity we rely on. Thank you.

And finally, our thanks go to our staff and volunteers who make us the outstanding hospice we are. Thanks too to our Board of Trustees for their support, guidance and commitment. Special thanks to trustee and company secretary Rachel Pallister who retired after 40 years of service. We hope you find this report interesting and useful.



**Hilary Barrett**
Chief Executive



**Graham Parr**
Chairman of the Board

# Mission, Vision & Values

**Our Mission**

To support and care for patients with a life limiting illness, in Blackburn, Darwen, Hyndburn and the Ribble Valley and those important to them. To provide care that puts the individual's health and wellbeing at the centre of everything we do.

**Our Vision**

To enable people to make the most of life by focusing on what is important to them and helping them achieve the things that matter most.

**Our Values**

We commit to:

Care | Listen | Respect | Work Together

**Our Aims**

**To Thrive** - we will increase our resilience in all that we do

**To Reach** - we will increase the number of people we care for in the community and raise awareness of what we do

**To Innovate** - we will offer new services and constantly seek to develop new ways of delivering those services to meet the needs of our patients, their friends and families

In order to achieve these three aims we have set out four key priorities to help us get there:

**Priority 1 - People** - We will invest in and support our staff and volunteers to be the best they can be

**Priority 2 - Care** - We will continue to innovate and develop our services to meet the needs of our diverse community

**Priority 3 - Digital Optimisation** - We will ensure that our IT infrastructure and systems are robust, and support our ambitious strategy by providing digital solutions to the delivery and reach of our services

**Priority 4 - Sustainability** - We will manage our charity efficiently and effectively to ensure long term sustainability

# Strategic Report

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ending 31 March 2024, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published in October 2019.

**What we do**

The Trustees believe that the charity provides a public benefit as its principal activity and complies with the Charities Act and guidance published by the Charity Commission.

Our principal activity (as defined in our Memorandum and Articles of Association) is to enhance the quality of life for individuals with a life limiting illness.

The aim is to provide specialist, supportive and end of life care to any adult in the communities we serve (ie Blackburn with Darwen, the Ribble Valley and Hyndburn).

We do this without discrimination, free of charge and in the place of their choice. We offer support to them, their relatives, carers and friends.

Referrals are accepted from a variety of Health Care Professionals and patients can self-refer to many of our services with places offered according to need.

Our care is provided in various settings including:

- **In the hospice** (Inpatients, Specialist and Supportive Community Outpatients as well as a variety of wellbeing and support services and therapeutic services)
- **In patient's own homes** (Clinical Nurse Specialists and Hospice@Home)

In more detail, the settings referred to above include:

- **A ten – bedded Inpatient Unit** (IPU) where specialist palliative and end of life care is delivered by a multidisciplinary team
- **A community team** which consists of Clinical Nurse Specialists (who work with General Practitioners and other Health Care Professionals). It also consists of a multiskilled Hospice@Home team who support the provision of palliative and end of life care in people's own homes
- **Single Point of Access** for Night Support to maximise the opportunity for responsive intervention that supports the person achieving a preferred place of care, whilst also aiming to prevent avoidable admissions

- **Support and Wellbeing services consisting of:**
  - Creative and Supportive therapies
  - Family Support including Counselling and Bereavement support
  - Complementary therapies
  - Palliative Care physiotherapy

- **Outpatient clinics** In addition to face-to-face consultations at the hospice, we have continued to offer our support and wellbeing services either in the hospice or virtually (where appropriate) to meet the needs of our patients

We work collaboratively with other Health Care Providers and have continued to host clinics for example, for people with Motor Neurone Disease in addition to hosting palliative care consultant-led outpatient clinics.

We also provide specialist, generalist and end of life palliative care education within our hospice and to the wider community.

Our philosophy of care is that we care for the whole person be that physically, socially, emotionally and spiritually. Our services support people with a life limiting illness from the first days of uncertainty through to the last days of life and death. Beyond that, we continue to support the family through bereavement.

The need for high quality palliative care continued to grow as we saw more complex needs, later presentation and more patients with multiple co-morbidities, not just a single diagnosis such as cancer. Our multidisciplinary teams ensure we can address this.

"Thank you to all at the Hospice at Home team for looking after our dad and grandad. The support you all gave our family at that difficult time, your time and care and a listening ear has been very much appreciated. Thanks again for all the fantastic work you do."

- Patient's Family

# The Year in Focus

## Priority 1 - People

'We will invest in and support our staff and volunteers to be the best they can be.'

- We appointed a Head of Wellbeing, Support and Development which reflects our commitment to drive resilience and wellbeing throughout the organisation. Her role has already shown a significant impact on our staff and what we do
- We successfully delivered our first Wellbeing Week, offering a range of activities and workshops focused on mental health, physical well-being, and stress management. Over 80 staff and volunteers participated, significantly boosting morale and engagement. Overall we have supported half of our staff throughout the year across various wellbeing initiatives
- A quarterly Wellbeing Newsletter was launched to ensure staff have the right information and signposting to support their ongoing physical and mental wellbeing. We have also recruited several staff to become Wellbeing Champions and Mental Health First Aiders to provide additional support across the hospice
- Our new Corporate Induction program was launched to ensure that all new staff and volunteers receive a comprehensive induction to East Lancashire Hospice, who we are and what we do. This new induction process has increased consistency and insight when introducing new staff to the hospice
- We developed a 12 month training plan for our staff (which included some mandatory training)
- We developed a resilience supervision program and started its implementation. This initiative aims to provide enhanced support to our staff, promoting well-being and resilience in their demanding roles. This training has been introduced in a response to need following staff consultation. Hospice UK have provided the training to 9 of our staff who will deliver this
- We invested in external upskilling through partnerships with organisations such as Corndel, enhancing our team's capabilities
- Additionally, our annual training plan, including Dedici coaching, has provided targeted development opportunities for our staff
- A comprehensive review of our pay and benefits structure was conducted to ensure competitiveness and fairness. This review has led to adjustments aimed at improving staff satisfaction and retention
- Our annual staff survey garnered valuable feedback, highlighting areas of strength and opportunities for improvement. Action plans are being developed to address key concerns raised by staff members
- We conducted our first standalone volunteer survey, which provided insights into the volunteer experience and identified areas for enhancing volunteer support and engagement
- Four new trustees have been appointed, bringing fresh perspectives and expertise to our board
- We have made strategic changes to our governance committees to improve oversight and effectiveness, ensuring we meet our strategic objectives efficiently

# The Year in Focus

## Priority 2 - Care

'We will continue to innovate and develop our services to meet the needs of our diverse community.'

- We introduced a Registered Nurse position into the Hospice@Home team to strengthen our ability to respond to community needs and demands. Her support in upskilling the team has already enhanced the quality of care provided
- We have developed the opportunity for career progression of our support staff with the introduction of new roles including Senior Health Care Assistant and Physiotherapy Assistant
- We have continued our engagement with marginalised and hard-to-reach groups, including ongoing outreach through our relationship with Church on the Street and drop-in sessions with Motor Neurone Disease Association and Parkinson's UK
- The relaunch of bereavement support groups has helped to reduce our waiting lists, with full implementation and additional resources planned for 2024/25. This revised method of delivering bereavement support has been well received and gives us new and innovative ways to provide this support to our community
- Our therapeutic bathing service continues to develop and grow, we have identified needs for additional resources to meet increasing demand and recruited staff to increase delivery of the service to those who need it
- A dedicated group has been established to focus on the nutrition and hydration of our patients, working closely with our chef and Café Retreat to improve our service offerings
- We have expanded our educational initiatives, delivering training sessions and workshops to both staff and the community, enhancing knowledge and skills in critical areas
- The e-prescribing initiative, planned in 2023/24, is set to be implemented in 2024/25, streamlining our prescribing processes and improving patient care

# The Year in Focus

## Priority 3 - Digital Optimisation

'We will ensure that our IT infrastructure and systems are robust, and support our ambitious strategy by providing digital solutions to the delivery and reach of our services.'

- Our formal IT strategy has continued to develop. We have made significant strides in improving our digital infrastructure and processes. Further development of this plan will happen in 24/25
- We appointed Convene as our external IT provider and expert to enhance our digital capability and document management, improving efficiency and collaboration
- Training for Microsoft 365 happened in readiness for the migration and move to the new platform in 24/25. This will further enhance our staff's digital capabilities and productivity. Ongoing training is planned for 24/25
- We have standardised our data management practices to align with LSCHT (Lancashire and South Cumbria Hospices Together), Hospice UK and ICB (Integrated Care Board) standards, ensuring robust information governance and data security. In 24/25 we will be starting a data project which will see us overhaul what data we capture, how we use it and how we report on it

"To all the nursing staff, and all volunteers and all other staff. Many thanks for the wonderful and compassionate care you gave."

-Patient's Family

# The Year in Focus

## Priority 4 - Sustainability

'We will manage our charity efficiently and effectively to ensure long term sustainability.'

- We have strengthened our governance framework, with supporting sub-committees to enhance oversight and decision-making processes. These committees are chaired by trustees to ensure we continue to be scrutinised and challenged in all that we do
- A new Head of Retail was appointed this year, focusing on increasing voluntary income, the size of our shop portfolio and improving our overall retail infrastructure. This is part of our longer-term retail strategy to grow our income and presence in the community
- A thorough review of our investment plan has been conducted by an impartial external provider, to ensure our financial resources and investment policy is aligned with our strategic goals
- We successfully launched a restricted funding appeal to replace the reclining chairs on our Inpatient Unit, our community was very generous and liked funding something tangible for the hospice
- Our income has shown positive trends, reflecting the success of our fundraising and operational strategies
- Voluntary income showed an increase of 41% this year which is in excess of our goal of a 25% increase by 2026



# Our Year in Numbers



**2,256 patients cared for overall**



**13 Days (average length of stay) on IPU**



**10 Beds on IPU**



**77,000 items sold in our shops**



**350 pies sold**



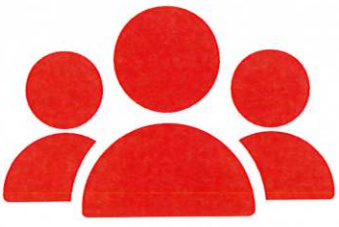
**4,054 people made a donation to the hospice**



**7,013 contacts with patients in the community**



**906 referrals made to our support & wellbeing services**



**42 new members of staff**

# Patient Stories

Colin Taylor was diagnosed with lung cancer and attended our Creative and Support Therapy service. Although Colin only attended the sessions for a few months, he saw the benefits and looked forward to attending the Thursday morning singing group.

## Colin's Story

Colin regularly attended our Creative and Support Therapy Service and the Hospice Singers group, which was set up to support patient's wellbeing.

As a keen drummer, Colin once supported the American Drifters at a concert held during the Vietnam War, whilst there as a solider, and so was able to bring along his talents and incredible stories to share with other patients attending the group.

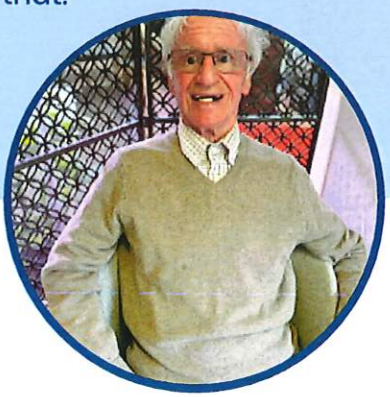
Creative and Support Therapy is a valuable service offered to our patients, it enables people to meet others who are going through the same or similar journey.

The service offers a wide variety of activities for the patients to enjoy, including; art, quizzes, pottery, gardening, sewing and of course singing. The patients who attend see great benefits from coming and feel supported not only by the wider hospice, but each other as well. The service is there to focus on patient wellbeing and how we can support each individual in 'making the most of life'.

The singing group, which takes place on a Thursday morning is held by Faye Bailey, a singing teacher. Faye understands the benefits singing has on someone's wellbeing, but also the benefits the breathing techniques she teaches has on some of the patients dealing with chest pain and shortness of breath.

Colin was one of those patients who saw a difference, **"I've only been coming to the singing group for a few months and because of my lung cancer, I struggle with my chest and breathing. After I've been to the sessions, my chest and breathing is improving and I really enjoy coming along."**

Colin had terminal lung cancer and died at the beginning of 2024. He was referred to the hospice by his GP and like many people, Colin was scared to attend, he thought the hospice was where you went to die, but after just one day, he soon realised it was much more than that.



# Financial Review

## Income

The Statement of Financial Activities for the year is set out on page 30. A summary of the financial results and the work of the Charity is detailed below:

The group's results show a net operational deficit (before investment gains) of £752,511 for the year following a deficit of £528,128 in the year to 31 March 2023.

Total income is up by £210,093 (6%) and expenditure has also increased by £434,476 (11%) which is the main reason for the increased deficit.

Inflation and increasing salary costs account for the majority of resources expended as the hospice continues to invest in its people, including additional funds invested in staff training and development.

The Charity's total net surplus for the year, including investment gains, is £545,267 after a total deficit of £915,813 last year.

More detail relating to income and expenditure is provided below.

**Income**

This year has seen us consolidate our income streams, invest where we have seen success and develop new ways of raising voluntary income.

We are working in a challenging financial climate but our community is continuing to show their commitment to supporting the hospice as best they can and in any way they can, for which we are so grateful.

This year our voluntary income has grown but there is more to do. Below we have commented in more detail how we have raised income for the hospice.

**Events**

We saw a great response to our events this year and had the biggest turnout for our annual Pub Walk, over 700 people walked the route and raised £23,000 for the hospice.

The event was sponsored by Intack Self Drive, a local company that supports the hospice in many ways.

We also reintroduced the Morecambe Bay Walk back into our events calendar which was very successful and 250 people safely crossed the bay for us.

A new event was introduced this year, the Firewalk, and was a huge success with £11,000 raised and a great evening in the hospice gardens.

## Lottery

Our weekly lottery raises significant income for the hospice and this year we have invested to grow this income stream with the appointment of an external canvassing company Engage and Connect.

Engage and Connect are signing up new lottery players by attending different venues out in the community, from supermarkets to local festivals and events. So far this is going well for us and we are recruiting more people to play the lottery. If you see us out and about, please come and say hello.

To facilitate our lottery we work with two professional fundraising organisations Sterling Lotteries and Engage and Connect.

## Individual Giving

This year we have sent out two cash appeals to our supporters, one highlighting the work we do on IPU and how that impacted one family in particular, and one focussing on replacing our reclining chairs.

We also sent out our annual Sunflower and Light up a Life appeals, asking our community to make a donation in memory of a loved one, both of these appeals culminated in two lovely events where our community came together in reflection and remembrance.

We are also thankful to all the supporters who have set up a regular donation throughout the year, providing the hospice with long term, sustainable income.

## Gifts in Wills

Legacy giving continues to provide us with a valuable, regular and sustainable income stream. We have worked hard this year to strengthen our work and investment in this area, in order to grow over the next 3 years and as part of our Income Generation strategy.

In 23/24 we received £423,763 from 6 legators. As part of our investment, we appointed a legacy specialist to work with us on our legacy administration and marketing so that we can tell more people how their gift will impact the hospice and more practically, how they can go about leaving a gift in their Will to East Lancashire Hospice.

## Corporate

We had a successful Corporate Challenge in 23/24 with 21 local businesses across our community taking part and collectively raising £60,000. The challenge was once again sponsored by Nybble.co.uk who also entered a team.

We introduced our new Corporate Giving scheme – Enterprise Heroes, whereby smaller businesses can support the hospice by donating £365 a year (£1 a day).

The Cardboard Box Company have continued to support the hospice and as well as sponsoring the annual ball, they continue to donate gifts in kind and their staff volunteer at our CaST Christmas party. We would like to thank all the businesses that support us in many ways.

## Community

The annual Gravy Wrestling event saw its biggest year with over 500 people joining us on the day, this event has become a much loved and important community event.

We have seen challenge events becoming more popular and individuals taking on harder activities to raise money for the hospice. We had a supporter climb Everest Base Camp in March, and a regular community supporter Dave Clarke take on another gruelling challenge, which he has been doing since 2016 and has raised over £21,000.

The Star Wars Fan Fun Day which is held every May for the hospice was once again a huge success raising over £5,000.

## Café Retreat

Our hospice café continues to be popular with our community and this year income has grown by £7,235 (7%) thanks to more people coming and enjoying our lovely breakfast and lunch menu.

The 'Life of Pie' takeaway service has also generated record sales this year.

## Retail

The income from the Charity's trading subsidiary is slightly up by £7,397, with increased trading from some shops as well as a new pop-up shop being opened in Oswaldtwistle Mills at the start of the financial year.

Additional funds are being invested in retail for future years as the Board feels that there remains an opportunity to expand the retail operation to further support our charitable activities.

## Investments

These are another key income stream for us. They fall into 2 categories:

- Interest earned on cash we hold in deposit accounts more than doubled as bank interest rates increased. In 2023/24 we earned £68,616 (Last year £30,330)
- Gains on investments in our 2 portfolios. Gains were £1,297,778 this year compared to a loss of £387,685 last year. Funds within these portfolios can be accessed within 1 week should we need them for cashflow purposes. The investment portfolios remain under the management of two professional investment advisors

## Grant Funding

We received a grant from the Integrated Care Board (which has replaced the CCG structure) – this grant covers about a third of our running costs so we need to raise almost £3m to break even.

The hospice is part of a collaborative for Lancashire and South Cumbria (Lancashire and South Cumbria Hospices Together LSCHT) which liaises with the ICB with one voice.

Whilst the future of funding is uncertain, we remain positive about our working relationship with the ICB despite not having had an increase to our grant for 2 years although costs and needs have both increased.

"The hospice enabled me to take a step back from being my mum's carer and allowed me to be there for my mum as her daughter. And I am so grateful for that and giving me the opportunity to spend those last few precious days with her."

-Patient's Family

# Financial Review

## Expenditure

Total expenditure for 23/24 increased by £434,476 (11%) and 10.8% of this is related to the delivery of our charitable activities which is to provide specialist, supportive and therapeutic care to patients and their families.

The rest of our expenditure can be attributed to the costs generated through fundraising and marketing. These increases were anticipated, and costs remained under budget for the year.

### Charitable Activities

Staffing remains our single largest cost. Staffing costs were up on last year mainly because of an increase in staff salaries of 3% from April 1st 2023.

We also paid a bonus in two instalments of £500 each in recognition of the hard work and loyalty of our staff, and as a contribution towards the cost of living crisis.

We benchmark against the pay awards of the NHS and try to ensure that our total benefits package is attractive.

NHS England once again continued to fund the NHS pension costs following the 2016 actuarial valuation. The increase (from 14.3% to 20.68% employer contribution) would otherwise have been potentially £85K which the hospice would have had to pay.

It is not yet clear when employers will be expected to take this cost on directly.

One of our priorities as defined in our 3 year strategy is to optimise our technology usage. 2023/24 saw the beginning of that investment as we started to upgrade our equipment, and planned for our migration to M365. (We invested £100k in 23/24.)

Costs continue to be carefully monitored to ensure value for money and responsible allocation of resources, overall spending for the year was considerably below budget.

Much of this was as a result of lower than planned staff costs, largely as a result of unfilled vacancies. It is increasingly difficult to fill clinical roles because of a general shortage of trained personnel in the labour market and we are continuing to focus on ways to resolve the shortfall whilst not impacting on the services offered to the community.

### Raising Funds

Expenditure on raising funds are those costs incurred in attracting voluntary income through fundraising and events, the hospice lottery and the costs incurred in retail trading activities. There is more detail about how we fundraise in "Key Risks and Uncertainties" on page 18.

## Reserves Policy

Throughout this year the hospice reserves policy, which is to keep a minimum of 24 months running costs (now 18 months) was observed. The Board of Trustees review the reserves policy annually. The Finance Governance Committee reviews and monitors the performance of our reserves quarterly and reports to the Board.

Reserves and investment reviews encompass all income and expenditure streams, the need to match variable income with fixed commitments and longer term plans to support a sustainable future. When deficits occur, we rely on our reserves to enable us to continue to provide hospice services for our patients and their families.

To strengthen our governance, The Board of Trustees agreed to an independent review of our investment policy and the performance of our investment managers. This independent review will be repeated every 3 years.

A prudent approach is taken by the Board of Trustees towards reserves. It is based on our accounts as they currently stand along with a potentially unstable future financial position.

Total reserves as at 31 March 2024 were £15,842,737 (2024: £15,297,470), of which £15,825,333 is unrestricted funds and £17,404 is restricted funds. After the deduction from total funds of restricted funds, designated funds and tangible fixed assets the total reserves are £13,805,719. This reserves value currently represents no more than 30 months of budgeted expenditure, which meets the reserves policy.

Some unrestricted general funds from the reserves have been designated for the following projects:

- £250,000 I.T. Investment Fund – this is a 3-year investment in I.T. which is part of our Digital Transformation Strategy
- £175,000 Retail Expansion Fund – these funds have been allocated to expand from 5 to 15 shops over the next 5 years, this is part of our Invest to Grow Strategy
- £52,500 Maintenance Plan - this is to enable some significant upgrades and maintenance works to be carried out in 2024/25 and it includes some specific items of planned expenditure, for example, additional automatic doors for patients use
- £50,000 Brand Project Fund – this is for a brand redesign to be carried out in 2024/25 including roll-out costs
- £30,000 New Website Fund – this is for the redesign of our hospice website

Any surplus to the minimum reserves policy, will be used to safeguard future financial sustainability and to finance short and long term development plans.

Development plans for the upcoming years include:

- Regularly reviewing and investing in our services to ensure they meet the needs of patients
- Replacing on an ongoing basis patient equipment and enhancing patient facilities
- Investing in digital technology and equipment
- Continuing to invest in our gardens and outdoor space for patients, their families and carers, staff, volunteers and our supporters
- Regular investment in support and educational development for staff and volunteers to ensure we are the best we can be
- Regular investment to upgrade the hospice environment for patients, visitors, staff and volunteers

**Investment Objectives & Returns**

The responsibility for investment matters has been delegated by the Board of Trustees to the Finance Governance Committee (FGC). Out of the four new trustees who joined the hospice this year, two of them sit on the FGC with one being Chair. The Committee seeks to achieve maximum returns on the capital within the charity than offered by deposit accounts, and our investments act both as a diversified income stream and reserves. The investment portfolio increased in value by £1,297,778 during the year (funds decreased by £387,685 in 2023). This increase arose as a result of continued global economic changes and geopolitical events.

The Committee's general strategy, in terms of cash deposits, is to look to invest all funds over and above those required for operational purposes on term deposits, spreading the risk across financial institutions. Quarterly meetings provide an opportunity to review the funds and their performance. Returns on cash deposits generated £68,616 (2023: £30,330).

We retain two firms of Investment Managers who are always available to advise the Finance Governance Committee directly on investment strategy. These managers have total control over discretionary funds of investments and cash to be managed within guidelines agreed with the Committee. The Investment Managers provide the Committee with a quarterly asset allocation statement. This is submitted along with summaries to highlight the performance of the portfolio, relative to agreed industry recognised benchmarks. The portfolio will primarily be benchmarked against CPI +4%p.a. net of fees over rolling 5-year periods.

The fund/investment manager may also set a composite benchmark representing the Strategic Asset Allocation of the Portfolio and an appropriate peer group benchmark such as ARC steady Growth. A full review including an external audit took place this year and based on our revised Investment Strategy a full external 3rd party review is required, at least once every 3 years going forward and the next one is scheduled to take place in 2026.

In the event of the Investment Manager's insolvency, assets would remain in trust with the nominee company and would therefore not be impacted by the insolvency.

# Key Risks & Uncertainties

Every quarter the Board reviews the major risks facing the hospice.
Each governance committee is responsible for its own risks. All risks which could be catastrophic for the hospice (but unlikely to happen) as well as all risks with a score of 12 and above are discussed by the Board every quarter.

The key risks and uncertainties which the Board considered in 2023/24 were:

- Recruitment and retention of staff across the hospice
- The loss of key people – which supported the need for robust succession planning which was started in 2023
- The inability to meet needs (because of vacancies and stretched resources)
- The failure to embrace digitalisation opportunities and to equip a flexible workforce with the tools to be more productive
- The uncertainty about financial support from the ICB and the reliance on growing voluntary income

During the year plans were agreed to mitigate these risks with the knowledge that some risks would just have to be accepted as ongoing. These risks are continually monitored.

Other risks and uncertainties include;

**Income Generation**

We remain conscious of the impact that Covid-19 had and continues to have on household income due to the current economic climate. We know that there will be even more pressures on the donor pound in future periods. All our income generation is managed internally by our Income Generation team who are responsible for all volunteers who support our fundraising and retailing. We continue to work hard to ensure our supporters data is secure as well as developing our systems to ensure that our supporters can choose how they would like to be contacted and with what types of communication. We are also aware that we have increasing competition as more and more charities compete for the same pots of money.

**Data Protection and Confidentiality**

These are vital to our organisation, and we are fully aware of the reputational risks posed by 'social media' such as 'Facebook' and 'LinkedIn'.

**Approach to Fundraising**

We are committed to practising the highest standards and we take care to ensure all our fundraising activities reflect the hospice values. We are registered with the Fundraising Regulator and as such monitor ourselves against their recognised standards ensuring that all our fundraising activity complies with the Fundraising Regulators Code of Fundraising Standards.

## Fundraising Complaints

Once again we did not receive any complaints about our fundraising activities during the year. We strive to always act ethically and responsibly, using best practice when communicating with our supporters, and we strictly adhere to General Data Protection Regulations (GDPR) processes in relation to data usage.

## How We Protect Vulnerable People and Members of the Public:

All our supporters are treated as individuals, and we have policies and systems in place for ensuring that vulnerable people are recognised and treated accordingly.

- We adhere to the Fundraising Regulator's Code of Practice and the Fundraising Promise
- We promptly action any requests for removal from our database
- We never sell or pass on the data of any of our donors and supporters to any third parties under any circumstances
- We only work with professional fundraising agencies who can demonstrate a proven track record of best practice in the sector and compliance with the Fundraising Regulator

## How we work with and oversee any commercial participators / professional fundraisers:

This is fully covered within our policies which are supported by a standard operating procedure which includes a formal agreement that is monitored within our Governance Framework.

## Conforming to Fundraising Regulations

Compliance is managed by our Income Generation and Marketing Director and is governed through our Risk Management Governance Committee. This ensures that fundraising activity is fully compliant with legislation and regulations, and we have internal policies which reflect these.

We have a risk management policy so as to minimise or as far as it is reasonably practicable eliminate any risks to patients, staff or volunteers, supporters and members of the public in relation to our fundraising activity.

Staff identify and assess risks and put necessary preventable controls in place.

# Plans for Future Sustainability

'2023/24 was year one of our 3 year strategy which takes us to March 2026.'

Our priorities describe the plans we have for future sustainability. We review and update them annually.

We identified 4 priorities:

- **People –** we will invest in and support our staff and volunteers to be the best they can be
- **Care –** we will continue to innovate and develop our services to meet the needs of our diverse community
- **Digital optimisation –** we will ensure that our IT infrastructure and systems are robust and provide digital solutions to the delivery and reach of our services
- **Sustainability –** we will manage our charity efficiently and effectively to ensure long term sustainability

We tracked our performance against these priorities throughout the year (see pages 5-8) and scoped out our green initiatives for further development in 2024/25.



# Statement of Trustee Responsibilities

The Trustees (who are also directors of The East Lancashire 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).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity 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 (FRS102)
- Make judgements and estimates that are reasonable and prudent
- State whether applicable UK accounting standards have been followed
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity 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.

# Structure, Governance & Management

## Governing Document

The charity is a charitable company limited by guarantee and not having share capital is exempt from the requirement to use the word "limited" as part of its name.

It is governed by a memorandum and articles of association and was incorporated on 20th April 1999, to take over from 1st July 1999, the activities of the East Lancashire Hospice Fund, an unincorporated association which was originally founded in 1981.

The charity was entered in the Central Register of Charities with effect from 24th May 1999 and accepted by HM Revenue and Customs as a charity for tax purposes.

## Recruitment and Appointment of Trustees

On 31st March 2024, the Board of East Lancashire Hospice was made up of 11 trustees who are all registered volunteers. One trustee retired in October 2023 after nearly 41 years of service to the hospice.

Recruitment is undertaken via a formal, inclusive process and positions are advertised in a targeted way to meet the skill mix and diversity needs of the Board.

Potential candidates are invited to apply by CV, and a formal process takes place including an interview with a panel of trustees and the CEO.

Trustees are appointed for a term of three years and may be re-elected after this period for a further three years.

Trustee induction consists of an induction pack which incorporates key information on the charity and the responsibilities of being a trustee. The induction process provides opportunities to meet Heads of Department and staff and volunteers to gain a greater understanding of the hospice.

Trustees are also supported to attend appropriate external training events that will assist them in their role. They also undertake mandatory training.

## Organisational

The Board of Trustees have continued to meet on a monthly basis to direct and manage the governance of the hospice. The trustees have ultimate responsibility for setting the strategic direction of the hospice and their role is to ensure that the hospice is financially viable, well run and that it meets the needs for which it was set up.

A CEO is appointed by the Board to manage the daily operations of the hospice supported by a Senior Leadership Team. They all have predetermined levels of authority. Matters such as policy, strategy and budgets are prepared for consideration and approval by the trustees who then also monitor the implementation of these plans.

Heads of Department are responsible to the appropriate Senior Leadership Directors, who are responsible to the CEO who is in turn responsible to the Board of Trustees.

In 2023/24 we changed our governance structure. We reduced the number of governance committees from 4 to 3. Each governance committee is chaired by a Trustee who reports already to the Board. Each governance committee is responsible for monitoring its own risks.

The change continues to be embedded.

The governance committees are:

- Clinical Governance Committee - CLGC
- Finance Governance Committee - FGC
- Corporate Governance Committee - CGC

They are supported by 2 sub-committees:

- People and Culture reporting to CGC
- Income Generation and Marketing reporting to FGC

The membership of each committee consists of trustees, Senior Leadership Directors and Heads of Department who have been selected for their particular skills, experience and knowledge.

We recruited and appointed 4 new Trustees. They were formally voted on to the Board at our Annual General Meeting in October 2023.

**Related parties and Cooperation with Other Organisations**

We continue to work collaboratively with our partners at the ICB, across the system and at Place – all to improve the services, experience and flow of what we do for our patients.

We have continued to work with partners in the community. As reported earlier we joined a collaborative called Lancashire and South Cumbria Hospices Together at the outset of Covid 19 and the collaborative has continued to flourish – it gives greater strength to the collective voices of 10 hospices in our region and ensures that we are always represented and that we are part of system development. We are also members of Hospice UK which is a national membership body for the sector.

Key members of staff continue to be involved in local, regional and national networks which support the sharing of best practices, benchmarking and mutual support in the everchanging and challenging landscape of hospice care.

## Pay Policy for Staff

All our Trustees are volunteers and give their time freely. They received no remuneration in the year and nor have they claimed any expenses.

The Trustees continue to consider the CEO and the Senior Leadership team to be the key management in the hospice, in charge of directing, controlling, running and operating the charity on a day to day basis.

All staff are remunerated according to the responsibilities of their job description (JD). JDs are reviewed annually as part of the Personal Development Review process – which every member of the team is part of.

All staff including the CEO and SLT receive the same cost of living pay increase and other benefits of employment which are agreed annually by the Board of Trustees.

In 2023/24 after consultation with staff and the formation of Task and Finish Groups, we refreshed and improved our benefits and wellbeing package.

Our benefits package can be viewed here *www.eastlancshospice.org.uk/work-for-us-employee-benefits.*

## Our Staff and Volunteers

The hospice is committed to equal opportunities in everything it does. Our values (care, listen, respect and work together) are central to all we do. This continues to mean that we seek to ensure that anyone who comes into contact with us is treated fairly, appropriately, and with respect and dignity.

Our staff and volunteers are important to us. Every single one of them played a vital role in helping patients, families, the public and each other throughout the year. Without them, we couldn't do what we do. In 2023/24 our volunteer army gifted the equivalent of £420,000.

In 2024 we began to scope out the framework for a volunteer recruitment and retention strategy – to be consulted on internally and launched in 2025.

We continued to be proactive in gaining feedback from our staff and volunteers. We re-designed the annual staff survey and provided our volunteers with their own survey which was more appropriate to their needs. We saw an improvement in staff and volunteers who took the survey and continue to use their feedback to improve our services and operations.

Our quarterly Tea n Toast event is a testament to how this can work in practice – the agendas might be drawn from an issue raised in the staff survey as well as being a mechanism for building trust and good communication. Our Board of Trustees often attend these sessions as well.

## Auditor

Following the merger of MHA Moore and Smalley with MHA, the charitable company's independent auditor has now become MHA.

The auditor, MHA, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

This report, which incorporates the Strategic Report, was approved by the board of Trustees on 15 October 2024 and signed on its behalf.

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**Mr F G Parr - Chair of Trustees**

# Independent Auditor's Report

## Opinion

We have audited the financial statements of The East Lancashire Hospice (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2024, which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Cash Flow Statement and notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2024, and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Companies Act 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 group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

**Other information**

The 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 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 inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- The information given in the trustees' 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
- The strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- Adequate 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
- The parent charitable company's financial statements are not in agreement with the accounting records and returns
- Certain disclosures of directors' remuneration specified by law are not made
- 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, 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 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

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations
- Enquires with management about any known or suspected instances of fraud
- Review of minutes of board meetings
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls
- Review of legal and professional expenditure to identify any evidence of ongoing litigation or enquiries
- Review of the systems for recording income, and testing of a sample of income transactions throughout the year to check they have been recorded in the accounts and in the correct period

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: *www.frc.org.uk/auditorsresponsibilities.* This description forms part of our auditor's report.

**Use of report**

This report is made solely to the charitable company's members, as a body, in accordance with the Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

J Steer

**Jack Steer BA(Hons) ACA**
Senior Statutory Auditor

For and on behalf of MHA, Statutory Auditor
Preston, United Kingdom

24 October 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313).

# Financial Statements

## The East Lancashire Hospice

Consolidated Statement of Financial Activities (Including Income & Expenditure Account)

**For the Year Ended 31 March 2024**

| | Note | Unrestricted funds £ | Designated funds £ | Restricted funds £ | Total funds 2024 £ | Total funds 2023 £ |
|---|---|---|---|---|---|---|
| **Income from Donations and legacies:** | | | | | | |
| Donations and gifts | | 241,872 | - | - | 241,872 | 288,720 |
| Legacies | | 423,763 | - | - | 423,763 | 182,775 |
| **Charitable activities:** | | | | | | |
| Clinical Commissioning Groups/ Integrated Care Board | | 1,601,292 | - | - | 1,601,292 | 1,601,292 |
| Other grants | | 56,823 | - | 19,525 | 76,348 | 130,324 |
| Catering and other income | | 108,868 | - | - | 108,868 | 101,633 |
| **Other trading activities:** | | | | | | |
| Goods for resale | | 17,973 | - | - | 17,973 | 20,731 |
| Fundraising events | | 435,702 | - | - | 435,702 | 391,409 |
| Lottery | | 353,282 | - | - | 353,282 | 399,081 |
| Shop | | 275,518 | - | - | 275,518 | 268,121 |
| **Investments** | | 162,552 | - | - | 162,552 | 102,991 |
| **Total income** | 2 | 3,677,645 | - | 19,525 | 3,697,170 | 3,487,077 |
| **Expenditure on** | | | | | | |
| Raising funds | 3 | 725,920 | - | - | 725,920 | 717,001 |
| Charitable activities | 5 | 3,718,522 | - | 5,239 | 3,723,761 | 3,298,204 |
| **Total expenditure** | | 4,444,442 | - | 5,239 | 4,449,681 | 4,015,205 |
| **Net income/(expenditure) before other gains and losses** | | (766,797) | - | 14,286 | (752,511) | (528,128) |
| Gain/(loss) on investments | | 1,297,778 | - | - | 1,297,778 | (387,685) |
| **Net income/(expenditure) for the year** | 7 | 530,981 | - | 14,286 | 545,267 | (915,813) |
| Transfers between funds | 16 | (557,500) | 557,500 | - | - | - |
| **Net movement in funds** | | (26,519) | 557,500 | 14,286 | 545,267 | (915,813) |
| **Reconciliation of funds:** | | | | | | |
| Total funds brought forward | | 15,294,352 | - | 3,118 | 15,297,470 | 16,213,283 |
| **Total funds carried forward** | | 15,267,833 | 557,500 | 17,404 | 15,842,737 | 15,297,470 |

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The result for the year for Companies Act purposes comprises the net income for the year net of unrealised profits and losses on investments and was a deficit of £752,511 (2023: £528,128). The notes on pages 34 to 50 form part of these financial statements.

## The East Lancashire Hospice

Consolidated Balance Sheet

**As at 31 March 2024**

| | Note | Unrestricted funds £ | Designated funds £ | Restricted funds £ | Total funds 2024 £ | Total funds 2023 £ |
|---|---|---|---|---|---|---|
| **Fixed assets** | | | | | | |
| Tangible fixed assets | 12 | 1,462,114 | - | - | 1,462,114 | 1,524,331 |
| Investments | 13 | 13,079,353 | - | - | 13,079,353 | 11,715,144 |
| | | 14,541,467 | - | - | 14,541,467 | 13,239,475 |
| **Current assets** | | | | | | |
| Stock | | 6,025 | - | - | 6,025 | 7,063 |
| Debtors | 14 | 242,435 | - | - | 242,435 | 207,157 |
| Cash on bank deposit | | 344,307 | - | - | 344,307 | 321,760 |
| Cash at bank and in hand | | 981,102 | 557,500 | 17,404 | 1,556,006 | 2,305,841 |
| | | 1,573,869 | 557,500 | 17,404 | 2,148,773 | 2,841,821 |
| **Creditors:** amounts falling due within one year | 15 | (847,503) | - | - | (847,503) | (783,826) |
| **Net current assets** | | 726,366 | 557,500 | 17,404 | 1,301,270 | 2,057,995 |
| **Net assets** | | 15,267,833 | 557,500 | 17,404 | 15,842,737 | 15,297,470 |
| **Represented by:** | | | | | | |
| Total funds | 16 | 15,267,833 | 557,500 | 17,404 | 15,842,737 | 15,297,470 |

These financial statements were approved by the Trustees on 15 OCTOBER 2024 and signed on their behalf by:

**Mr F G Parr - Chair of Trustees**

**Mr P Hinnigan - Trustee**

## The East Lancashire Hospice

Charity Balance Sheet

**As at 31 March 2024**

| | Note | Unrestricted funds £ | Designated funds £ | Restricted funds £ | Total funds 2024 £ | Total funds 2023 £ |
|---|---|---|---|---|---|---|
| **Fixed assets** | | | | | | |
| Tangible fixed assets | 12 | 1,440,680 | - | - | 1,440,680 | 1,497,263 |
| Investments | 13 | 13,079,453 | - | - | 13,079,453 | 11,715,244 |
| | | 14,520,133 | - | - | 14,520,133 | 13,212,507 |
| **Current assets** | | | | | | |
| Stock | | 5,250 | - | - | 5,250 | 5,250 |
| Debtors | 14 | 281,434 | - | - | 281,434 | 258,479 |
| Cash on bank deposit | | 344,307 | - | - | 344,307 | 305,680 |
| Cash at bank and in hand | | 949,732 | 557,500 | 17,404 | 1,524,636 | 2,305,841 |
| | | 1,580,723 | 557,500 | 17,404 | 2,155,627 | 2,875,250 |
| **Creditors:** amounts falling due within one year | 15 | (841,201) | - | - | (841,201) | (770,299) |
| **Net current assets** | | 739,522 | 557,500 | 17,404 | 1,314,426 | 2,104,951 |
| **Net assets** | | 15,259,655 | 557,500 | 17,404 | 15,834,559 | 15,317,458 |
| **Represented by:** | | | | | | |
| Total funds | | 15,259,655 | 557,500 | 17,404 | 15,834,559 | 15,317,458 |

As permitted by s408 Companies Act 2006, the charitable company has not presented its own statement of financial activities and related notes. The charitable company's surplus for the year was £517,101 (2023: deficit of £923,855).

These financial statements were approved by the Trustees on 15 October 2024 and signed on their behalf by:

**Mr F G Parr - Chair of Trustees**

**Mr P Hinnigan - Trustee**

**Company registration number 03755216 (England and Wales)**

## The East Lancashire Hospice

Consolidated Cash Flow Statement

**For the Year Ended 31 March 2024**

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| **Net income/(expenditure) for the year** | **545,267** | (915,813) |
| *Adjustments for:* | | |
| Investment income | **(162,552)** | (102,991) |
| (Gain)/loss on investments | **(1,297,778)** | 387,685 |
| Depreciation | **100,511** | 116,208 |
| Profit on disposal of fixed assets | **-** | (1,200) |
| (Increase)/decrease in stock | **1,038** | 6,346 |
| (Increase)/decrease in debtors | **(35,278)** | 198,767 |
| Increase/(decrease) in creditors | **63,677** | (44,616) |
| **Net cash (used in) / provided by operating activities** | **(785,115)** | (355,614) |
| **Cash flows from investing activities:** | | |
| Investment income | **162,552** | 102,991 |
| Purchase of tangible fixed assets | **(38,294)** | (29,425) |
| Receipts from sales of fixed assets | **-** | 1,200 |
| Purchase of investments | **(1,576,656)** | (1,072,817) |
| Proceeds from sale of investments | **1,513,598** | 948,679 |
| Movement in cash held as investments | **(3,373)** | 78,876 |
| **Net cash (used in) / provided by investing activities** | **57,827** | 29,504 |
| **Change in cash and cash equivalents in the year** | **(727,288)** | (326,110) |
| Cash and cash equivalents at the beginning of the year | **2,627,601** | 2,953,711 |
| **Cash and cash equivalents at the end of the year** | **1,900,313** | 2,627,601 |
| **Analysis of cash and cash equivalents** | | |
| Cash in hand | **3,188** | 1,660 |
| Cash at bank | **1,897,125** | 2,625,941 |
| | **1,900,313** | 2,627,601 |

Total group cash and cash equivalents includes a total of £557,500 (2023: £nil) relating to designated funds and £17,404 (2023: £3,118) relating to restricted funds.

# Notes to the Financial Statements

## 1 Accounting policies

### Company information

The charity constitutes a limited company, limited by guarantee as defined by the Companies Act 2006, incorporated in England and Wales. The registered office is as stated on page 50. The members of the company are the Trustees named on page 50. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

### Basis of preparation

The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The East Lancashire Hospice meets the definition of a public benefit entity under FRS 102.

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The charity has availed itself of Paragraph 4(1) of Schedule 1 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006. The parent company's result for the year for Companies Act purposes was a surplus of £517,101 (2023: deficit of £923,855).

### Going concern

The trustees are required to assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation of the accounts. At the date of approving these accounts, the trustees have a reasonable expectation that the charity has sufficient cash resources to enable it to meet its liabilities as they fall due for at least 12 months from the date of approval. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

## Fund accounting

General funds are unrestricted funds, which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds are set aside by the Trustees out of unrestricted general funds for specific purposes or projects. Restricted funds are those to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the accounts.

## Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

Income received in advance of an event or provision of other specific provision of other specified service it is deferred until the criteria for income recognition are met.

Trading income is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes where applicable. Income from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Lottery income is accounted for when received, to the extent that the company has a right to consideration arising from the performance of its contractual arrangements.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**Donated services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), no amounts are included in the financial statements for services donated by volunteers.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs 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 the resources.

Detailed analyses of the expenditure, including irrecoverable VAT where applicable, are provided in the notes to the accounts.

**Tangible fixed assets**

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected economic lives as follows:

- Short leasehold building improvements - over the period of the lease
- Fixtures, fittings and equipment - over 5 years

**Investments**

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

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

**Stock**

Stock is included at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed, on the basis that it is considered impractical to measure the fair value of goods donated for resale, and the costs of valuation outweigh the benefit to users of the accounts and the charity of this information.

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Creditors**

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

**Operating leases**

Rentals applicable to operating leases are charged to the SOFA on a straight line basis over the term of the lease.

**Pensions**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the SOFA.The company also contributes to a multi-employer defined benefit scheme. As the proportion of the fund attributable to The East Lancashire Hospice cannot be calculated this scheme has been treated as if it was a defined contribution scheme.

**Taxation**

The company is a registered charity and therefore exempt from taxation.

**Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**Judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Trustees do not believe that there are any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

**For the Year Ended 31 March 2024**

| 2 Income | Unrestricted funds | Restricted funds | 2024 |
|---|---|---|---|
| | £ | £ | £ |
| **Donations and legacies:** | | | |
| Donations and gifts | 241,872 | - | 241,872 |
| Legacies | 423,763 | - | 423,763 |
| **Charitable activities:** | | | |
| Clinical Commissioning Groups | 1,601,292 | - | 1,601,292 |
| Other grants | 56,823 | 19,525 | 76,348 |
| Catering and other income | 108,868 | - | 108,868 |
| **Other trading activities:** | | | |
| Goods for resale | 17,973 | - | 17,973 |
| Fundraising events | 435,702 | - | 435,702 |
| Lottery | 353,282 | - | 353,282 |
| Shop | 275,518 | - | 275,518 |
| **Investments** | 162,552 | - | 162,552 |
| | 3,677,645 | 19,525 | 3,697,170 |

| | Unrestricted funds | Restricted funds | 2023 |
|---|---|---|---|
| | £ | £ | £ |
| **Donations and legacies:** | | | |
| Donations and gifts | 288,720 | - | 288,720 |
| Legacies | 182,775 | - | 182,775 |
| **Charitable activities:** | | | |
| Clinical Commissioning Groups | 1,601,292 | - | 1,601,292 |
| Other grants | 120,324 | 10,000 | 130,324 |
| Catering and other income | 108,633 | - | 101,633 |
| **Other trading activities:** | | | |
| Goods for resale | 20,731 | - | 20,731 |
| Fundraising events | 391,409 | - | 391,409 |
| Lottery | 399,081 | - | 399,081 |
| Shop | 268,121 | - | 268,121 |
| **Investments** | 102,991 | - | 102,991 |
| | 3,477,077 | 10,000 | 3,487,077 |

**For the Year Ended 31 March 2024**

**3 Expenditure**

| | Direct costs | Support costs (note 4) | 2024 |
|---|---|---|---|
| | £ | £ | £ |
| **Expenditure on raising funds:** | | | |
| Goods for resale | 11,326 | 1,339 | 12,665 |
| Fundraising events | 284,114 | 32,140 | 316,254 |
| Lottery | 96,636 | 18,749 | 115,385 |
| Shop | 247,352 | - | 247,352 |
| Investment management costs | 34,264 | - | 34,264 |
| | 673,692 | 52,228 | 725,920 |
| **Expenditure on charitable activities:** | | | |
| Hospice (note 5) | 3,240,318 | 483,443 | 3,723,761 |
| | 3,914,010 | 535,671 | 4,449,681 |

| | Direct costs | Support costs (note 4) | 2023 |
|---|---|---|---|
| | £ | £ | £ |
| **Expenditure on raising funds:** | | | |
| Goods for resale | 6,992 | 1,211 | 8,203 |
| Fundraising events | 281,519 | 29,068 | 310,587 |
| Lottery | 94,053 | 16,958 | 111,011 |
| Shop | 260,079 | - | 260,079 |
| Investment management costs | 27,121 | - | 27,121 |
| | 669,764 | 47,237 | 717,001 |
| **Expenditure on charitable activities:** | | | |
| Hospice (note 5) | 2,860,967 | 437,237 | 3,298,204 |
| | 3,530,731 | 484,474 | 4,015,205 |

All expenditure on raising funds was unrestricted in the current and previous year.

## 4 Support costs

| | 2024 £ | 2023 £ |
|---|---|---|
| Salaries | **427,375** | 418,136 |
| Motor and travel | **55** | 386 |
| Printing and stationery | **11,094** | 9,187 |
| Postage | **17,399** | 13,204 |
| Telephone | **24,388** | 18,999 |
| Computer support | **42,579** | 26,828 |
| Other staff costs | **8,039** | (3,048) |
| Sundry expenses | **4,742** | 782 |
| | **535,671** | 484,474 |

## 5 Expenditure on charitable activities - Hospice

| | Hospice and specialised palliative care services | |
|---|---|---|
| | 2024 £ | 2023 £ |
| Salaries | **2,612,138** | 2,313,277 |
| Training & recruitment | **40,871** | 43,137 |
| Property costs | **143,353** | 91,670 |
| Provision of care services | **185,554** | 131,539 |
| Repairs & maintenance | **87,018** | 79,457 |
| Motor & travel | **9,557** | 10,996 |
| Sundry | **36,618** | 38,690 |
| Decpreciation | **92,777** | 108,508 |
| Irrecoverable VAT | **9,039** | 8,566 |
| Governance costs (note 6) | **23,929** | 35,611 |
| Support costs allocated | **482,907** | 436,753 |
| | **3,723,761** | 3,298,204 |

Expenditure on charitable activities was £3,723,761 (2023: £3,298,204) of which £3,718,522 was unrestricted (2023: £3,289,749) and £5,239 was restricted (2023: £8,455).

## 6 Governance costs

| | 2024 £ | 2023 £ |
|---|---|---|
| Audit | **11,750** | 10,250 |
| Trustees' liability insurance | **423** | 423 |
| Legal and professional fees | **11,220** | 24,454 |
| Support costs allocated | **536** | 484 |
| | **23,929** | 35,611 |

## 7 Net income

| | 2024 £ | 2023 £ |
|---|---|---|
| Stated after charging: | | |
| Depreciation | **100,511** | 116,208 |
| Operating leases | **61,979** | 58,022 |
| Audit fee charity and consolidated accounts | **9,050** | 7,900 |
| Audit fee - subsidiary | **2,700** | 2,350 |

## 8 Analysis of staff costs, Trustee remuneration and expenses, and cost of key management personnel

| **Payroll costs were** | 2024 £ | 2023 £ |
|---|---|---|
| Wages and salaries | **2,819,342** | 2,565,000 |
| Social security costs | **250,054** | 228,774 |
| Pension costs | **216,823** | 204,028 |
| | **3,286,219** | 2,997,802 |

**The number of employees whose remuneration for the year exceeded £60,000 was:**

| | 2024 £ | 2023 £ |
|---|---|---|
| £60,000 to £69,999 | 1 | 1 |
| £70,000 to £79,999 | 1 | - |
| £90,000 to £99,999 | 1 | 1 |

Of the employees whose remuneration exceeded £60,000, there is one employee (2023: one) accruing benefits under defined benefit pension schemes.

The Trustees were not paid or received any other benefits from employment with the charity or its subsidiary in the year (2023: £nil) neither were they reimbursed expenses during the year (2023: £nil). No charity Trustee received payment for professional or other services supplied to the charity (2023: £nil). Trustees made donations to the charity totalling £1,688 (2023: £60).

The key management personnel of the group comprise the key staff identified in the Trustees' Annual Report. The total employee benefits of the key management personnel of the group were £332,597 (2023: £309,475).

## 9 Staff numbers

The average monthly head count was 125 staff (2023: 118 staff), being 94 (2023: 84) care staff, 15 (2023: 17) fundraising staff, and 16 (2023: 17) administration staff.

## 10 Related party transactions

There were no related party transactions during the current or prior year, apart from any disclosed above relating to the Trustees.

## 11 Pension commitments

The charity participates in a multi-employer defined benefit scheme, operated through the National Health Service. The assets of the scheme are held separately by the National Health Service Superannuation Scheme. Contributions to the scheme are charged to the statement of financial activities as these are incurred. This pension scheme does not have a real pension fund but, as a statutory scheme, benefits are fully guaranteed by the Government. Contributions from both members and employers are paid to the Exchequer, which meet the cost of increasing benefits each year by the rate of inflation. This extra cost is not met by contributions from scheme members and employers. As a result of the nature of the pension scheme, there are no separately identifiable assets and liabilities which can be identified as relating to The East Lancashire Hospice. Therefore, as permitted by FRS102, the scheme has been accounted for as a defined contribution scheme.

The charity also operates a stakeholder defined contribution scheme.

The total contributions made during the year represent contributions to the funds of £216,823 (2023: £204,028). At the year end the charity had outstanding contributions of £24,876 (2023: £28,244).

## 12 Tangible fixed assets

| | Short Leasehold Building Improvements | Fixtures, Fittings, Equipment & Motor vehicles | Charity Total | Subsidiary Fixtures, Fittings, Equipment & Motor vehicles | Group Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **Cost** | | | | | |
| At 1 April 2023 | 4,221,719 | 582,816 | 4,804,535 | 67,871 | 4,872,406 |
| Additions | - | 36,194 | 36,194 | 2,100 | 38,294 |
| Disposals | - | - | - | - | - |
| **At 31 March 2024** | **4,221,719** | **619,010** | **4,840,729** | **69,971** | **4,910,700** |
| **Depreciation** | | | | | |
| At 1 April 2023 | 2,796,112 | 511,160 | 3,307,272 | 40,803 | 3,348,075 |
| Charge for the year | 59,443 | 33,334 | 92,777 | 7,734 | 100,511 |
| Eliminated on disposals | - | - | - | - | - |
| **At 31 March 2024** | **2,855,555** | **544,494** | **3,400,049** | **48,537** | **3,448,586** |
| **Net book value** | | | | | |
| **At 31 March 2024** | **1,366,164** | **74,516** | **1,440,680** | **21,434** | **1,462,114** |
| At 31 March 2023 | 1,425,607 | 71,656 | 1,497,263 | 27,068 | 1,524,331 |

All tangible fixed assets relate to unrestricted funds in both 2024 and 2023.
At the year end there were capital commitments of £16,971 (2023: £20,981).

## 13 Fixed asset investments

| | Group | | Charity | |
|---|---|---|---|---|
| | **2024** | **2023** | **2024** | **2023** |
| | **£** | **£** | **£** | **£** |
| Investments in subsidiary companies | **-** | - | **100** | 100 |
| Other investments | **13,079,353** | 11,715,144 | **13,079,353** | 11,715,144 |
| | **13,079,353** | 11,715,144 | **13,079,453** | 11,715,244 |

All fixed asset investments relate to unrestricted funds in both 2024 and 2023.

**Investments in subsidiary companies**

The charity owns the whole of the issued share capital of The East Lancashire Hospice Shops Limited (company number 04660703), which is incorporated in England and Wales. The subsidiary is used for non-primary purpose trading, namely the sale of donated goods through several shops. All activities have been consolidated on a line by line basis.

In the opinion of the Trustees, the investment in the charity's subsidiary undertaking is worth at least the amount at which it is stated in the balance sheet of £100. A summary of the results for the trading company as show below:

| | **2024** | **2023** |
|---|---|---|
| | **£** | **£** |
| Turnover - shop sales | **275,518** | 268,121 |
| Cost of sales | **(18,498)** | (21,742) |
| **Gross profit** | **257,020** | 246,379 |
| Administrative expenses | **(228,854)** | (238,337) |
| Other operating income | **-** | - |
| **Profit/(loss) for the year** | **28,166** | 8,042 |
| Amounts gift aided to charity | **-** | - |
| **Retained profit/(loss) for the year** | **28,166** | 8,042 |
| **Retained earnings brought forward** | **(19,988)** | (28,030) |
| **Retained earnings carried forward** | **8,178** | (19,988) |

The aggregate of the assets, liabilities and funds of The East Lancashire Hospice Shops Limited was:

| | | |
|---|---|---|
| Fixed assets | **21,434** | 27,068 |
| Current assets | **52,725** | 50,423 |
| Current liabilities | **(65,881)** | (97,379) |
| **Funds** | **8,278** | (19,888) |

## 13 Fixed asset investments (continued)

**Other investments**

| **Group and charity** | **2024** £ | **2023** £ |
|---|---|---|
| Market value | | |
| As at 1 April 2023 | **11,715,144** | 12,057,567 |
| Additions | **1,576,656** | 1,072,817 |
| Disposals | **(1,513,598)** | (948,679) |
| Movement in cash deposits held as investments | **3,373** | (78,876) |
| Change in market value | **1,297,778** | (387,685) |
| **As at 31 March 2024** | **13,079,353** | 11,715,144 |

Listed investments are represented by:

| | **Group and Charity 2024** £ | **2023** £ |
|---|---|---|
| Fixed interest | **684,868** | 702,262 |
| Equities | **2,099,004** | 1,615,938 |
| Alternatives | **359,711** | 482,280 |
| Property | **37,248** | 75,718 |
| Investment trust and unit trust | **9,799,740** | 8,743,545 |
| Cash | **98,782** | 95,401 |
| | **13,079,353** | 11,715,144 |

## 14 Debtors

| | **Group 2024** £ | **2023** £ | **Charity 2024** £ | **2023** £ |
|---|---|---|---|---|
| Trade debtors | **9,182** | 76,411 | **9,182** | 76,411 |
| Prepayments and accrued income | **157,699** | 75,223 | **140,980** | 45,578 |
| Amounts owed by group undertakings | **-** | - | **59,579** | 83,852 |
| VAT recoverable | **75,554** | 55,523 | **71,693** | 52,638 |
| | **242,435** | 207,157 | **281,434** | 258,479 |

All debtors relate to unrestricted funds in both 2024 and 2023.

## 15 Creditors: amounts falling due within one year

| | Group 2024 £ | 2023 £ | Charity 2024 £ | 2023 £ |
|---|---|---|---|---|
| Lottery payments in advance | **43,953** | 46,722 | **43,953** | 46,722 |
| Accruals and deferred income | **626,393** | 602,464 | **620,528** | 596,653 |
| Trade creditors | **123,122** | 81,401 | **122,685** | 73,685 |
| Other taxes and social security | **54,035** | 53,239 | **54,035** | 53,239 |
| | **847,503** | 783,826 | **841,201** | 770,299 |

All creditors relate to unrestricted funds in both 2024 and 2023.

## 16 Funds

### Restricted funds

| | Brought forward at 31 March 2023 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Carried forward at 31 March 2024 £ |
|---|---|---|---|---|---|
| Support & Wellbeing Fund | 464 | - | - | - | **464** |
| Co-op Community Fund | 1,024 | - | - | - | **1,024** |
| IPU facilities | 1,630 | - | (1,630) | - | **-** |
| Recliner Appeal | - | 15,916 | - | - | **15,916** |
| Christmas Event Fund | - | 1,000 | (1,000) | - | **-** |
| Musical Instruments Fund | - | 2,109 | (2,109) | - | **-** |
| Wellbeing Fund | - | 500 | (500) | - | **-** |
| | 3,118 | 19,525 | (5,239) | - | **17,404** |

**Purpose of the restricted funds:**

The Support & Wellbeing Fund is a patient donation for patient activities. This had not been spent at the year end.

The Co-op Local Community Fund was funding received for the choir. This had not been spent at the year end.

The IPU facilities fund was a donation from The Fort Foundation to be used towards new facilities within the Inpatient Unit. This was spent during the year.

The Recliner Appeal Fund are public donations received for recliner chairs and overbed tables to be used in each room on IPU. Funds had not been spent at the 31 March 2024, but the items had been ordered. They were delivered in May 2024, therefore funds have been fully spent after the year end.

The Christmas Event Fund relates to donations received from Cardboard Box Company for Hospice staff and Creative and Support Therapies patients, and was fully spent in the year.

The Musical Instruments Fund was donated by a donor.

## 16 Funds (continued)

### Purpose of the restricted funds (continued)

The Wellbeing Event Fund relates to a donation received from Senator International, and was spent on events throughout Wellbeing Week.

### Unrestricted funds

| | Brought forward at 31 March 2023 | Income | Expenditure | Gains, losses and transfers | Carried forward at 31 March 2024 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Unrestricted fund | 15,314,340 | 3,402,127 | (4,197,090) | 740,278 | **15,259,655** |
| Non-charitable trading | (19,988) | 275,518 | (247,352) | - | **8,178** |
| | 15,294,352 | 3,677,645 | (4,444,442) | 740,278 | **15,267,833** |

### Designated funds

| | Brought forward at 31 March 2023 | Income | Expenditure | Gains losses and transfers | Carried forward at 31 March 2024 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| IT investment fund | - | - | - | 250,000 | **250,000** |
| Retail expansion fund | - | - | - | 175,000 | **175,000** |
| Brand project fund | - | - | - | 52,500 | **52,500** |
| New website fund | - | - | - | 50,000 | **50,000** |
| 2024/25 maintenance plan | - | - | - | 30,000 | **30,000** |
| | - | - | - | 557,500 | **557,500** |

### Purpose of the designated funds:

Designated funds are set aside by the Trustees out of unrestricted general funds for specific purposes or projects. A transfer of £557,500 has been made from unrestricted funds to designated funds to reflect that the Trustees have set aside amounts as at 31 March 2024 as follows:

- IT investment fund - this is for a 3-year investment in IT including the first year of digital transformation
- Retail expansion fund - this is to expand from 5 to 15 shops including the costs of setting up the new shops
- Brand project fund - this is for a brand redesign including the roll-out
- New website fund - this is for the redesign of the website
- 2024/25 maintenance plan - this is for maintenance works in 2024/25 including some specific items of planned expenditure

## 16 Funds - prior year

### Restricted funds

| | Brought forward at 31 March 2022 | Income | Expenditure | Gains, losses and transfers | Carried forward at 31 March 2023 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Support & Wellbeing | 464 | - | - | - | **464** |
| Co-op Community Fund | 1,109 | - | (85) | - | **1,024** |
| IPU facilities | - | 10,000 | (8,370) | - | **1,630** |
| | 1,573 | 10,000 | (8,455) | - | **3,118** |

### Unrestricted funds

| | Brought forward at 31 March 2022 | Income | Expenditure | Gains, losses and transfers | Carried forward at 31 March 2023 |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| Unrestricted fund | 16,239,740 | 3,208,956 | (3,746,671) | (387,685) | **15,314,340** |
| Non-charitable trading | (28,030) | 268,121 | (260,079) | - | **(19,988)** |
| | 16,211,710 | 3,477,077 | (4,006,750) | (387,685) | **15,294,352** |

## 17 Operating lease commitments

At 31 March 2024 the group had future minimum lease payments under non-cancellable operating leases as set out below:

| | Land and buildings 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Amounts due within one year | **34,671** | 50,379 |
| Amounts due between one and five years | **86,239** | 116,911 |
| Amounts due after five years | **-** | 3,999 |
| | **120,910** | 171,289 |

## 18 Analysis of net assets by fund

### a) Current year

| Group | General Unrestricted Funds | Designated Funds | Restricted Funds | Balance at 31 March 2024 |
|---|---|---|---|---|
| Tangible fixed assets | 1,462,114 | - | - | 1,462,114 |
| Investments | 13,079,353 | - | - | 13,079,353 |
| Current assets | 1,573,869 | 557,500 | 17,404 | 2,148,773 |
| Creditors falling due within one year | (847,503) | - | - | (847,503) |
| | 15,267,833 | 557,500 | 17,404 | 15,842,737 |

| Company | General Unrestricted Funds | Designated Funds | Restricted Funds | Balance at 31 March 2024 |
|---|---|---|---|---|
| Tangible fixed assets | 1,440,680 | - | - | 1,440,680 |
| Investments | 13,079,453 | - | - | 13,079,453 |
| Current assets | 1,580,723 | 557,500 | 17,404 | 2,155,627 |
| Creditors falling due within one year | (841,201) | - | - | (841,201) |
| | 15,259,655 | 557,500 | 17,404 | 15,834,559 |

### b) Prior year

| Group | General Unrestricted Funds | Designated Funds | Restricted Funds | Balance at 31 March 2024 |
|---|---|---|---|---|
| Tangible fixed assets | 1,524,331 | - | - | 1,524,331 |
| Investments | 11,715,144 | - | - | 11,715,144 |
| Current assets | 2,838,703 | - | 3,118 | 2,841,821 |
| Creditors falling due within one year | (783,826) | - | - | (783,826) |
| | 15,294,352 | | 3,118 | 15,297,470 |

| Company | General Unrestricted Funds | Designated Funds | Restricted Funds | Balance at 31 March 2024 |
|---|---|---|---|---|
| Tangible fixed assets | 1,497,263 | - | - | 1,497,263 |
| Investments | 11,715,244 | - | - | 11,715,244 |
| Current assets | 2,872,132 | - | 3,118 | 2,875,250 |
| Creditors falling due within one year | (770,299) | - | - | (770,299) |
| | 15,314,340 | - | 3,118 | 15,317,458 |

# Administrative Information

**Trustees**

Mr F G Parr - Chairman of the Board

Mr R J Sutlieff - Vice Chair and Chair of Corporate Governance Committee
(appointed as Vice Chair October 2023)

Mrs R A Pallister - Secretary
(resigned and retired October 2023)

Mr T Kennedy - Vice Chair
(resigned as Vice Chair October 2023, remained a Trustee)

Mr Y Jan Virmani

Mrs G M Leacy

Mr I M Willock

Mr D McDonough

Mrs L Robinson - Chair of Clinical Governance Committee
(formally voted onto Board October 2023)

Mr I Hafeji
(formally voted onto Board October 2023)

Mr P Hinnigan - Chair of Finance Governance Committee
(formally voted onto Board October 2023)

Mr S Almond
(formally voted onto Board October 2023)

**Key management (at 31st March 2024):**

Chief Executive and Secretary to Board - Miss H Barrett

Medical Director - Dr K Hogarth

Clinical Services Director - Mrs C Evans

Income Generation and Marketing Director - Mrs N Hanna

Registered charity number 1075653

Company number 3755216

Tax exemption number XR 32869

Registered office number:

The East Lancashire Hospice
Park Lee Road
Blackburn
BB2 3NY
Tel: 01254 965830
info@eastlancshospice.org.uk

Auditor:

MHA
Chartered Accountants
& Statutory Auditor
Richard House
Winckley Square
Preston
PR1 3HP

mha

**THE EAST LANCASHIRE HOSPICE**

England & Wales - Charity number 1075653

# Accounts

Company Registration No: 03755216

Charity No: 1075653

# THE EAST LANCASHIRE HOSPICE

(A registered charity and company limited by guarantee)

Annual Report of the Trustees
and Financial Statements

For The Year Ended
31 March 2023

mha
MOORE & SMALLEY

# THE EAST LANCASHIRE HOSPICE

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# THE EAST LANCASHIRE HOSPICE

## REFERENCE AND ADMINISTRATIVE INFORMATION

| | |
|---|---|
| **Trustees** | Mr F G Parr (Chairman)<br>Mr T Kennedy (Vice Chairman)<br>Mrs A R Pallister (Secretary)<br>Mr R J Sutlieff<br>Mr Y Jan Virmani<br>Mrs G M Leacy<br>Mr I M Willock<br>Mr D McDonough<br>Ms L Robinson (appointed 20 June 2023)<br>Mr I Hafeji (appointed 20 June 2023)<br>Mr S Almond (appointed 20 June 2023)<br>Mr P Hinnigan (appointed 20 June 2023) |
| ***Key Management Personnel (at 31 March 2023):*** | |
| **Chief Executive** | Miss H Barrett (appointed 16 May 2022) |
| **Medical Director** | Dr K Hogarth |
| **Clinical Services Director** | Mrs C Evans |
| **Income Generation Director** | Mrs N Hanna (appointed 19 September 2022) |
| **Company Number** | 3755216 |
| **Registered charity number** | 1075653 |
| **Tax exemption number** | XR 32869 |
| **Registered office** | The East Lancashire Hospice<br>Park Lee Road<br>Blackburn<br>BB2 3NY<br><br>Tel: 01254 287000<br><br>www.eastlancshospice.org.uk |
| **Auditor** | MHA Moore and Smalley<br>Chartered Accountants &<br>Statutory Auditor<br>Richard House<br>Winckley Square<br>Preston<br>PR1 3HP |

This is our 38th year operating as East Lancashire Hospice and is our 15th year of being an independent charity.

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ending 31 March 2023, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published in October 2019.

### Structure, Governance and Management

### Governing Document

The charity is a charitable company limited by guarantee and not having a share capital is exempt from the requirement to use the word 'limited' as part of its name. It is governed by a memorandum and articles of association and was incorporated on 20 April 1999 to take over, from 1 July 1999, the activities of The East Lancashire Hospice Fund, an unincorporated association which was originally founded in 1981.

The charity was entered in the Central Register of Charities with effect from 24 May 1999 and accepted by HM Revenue & Customs as a charity for tax purposes.

### Recruitment and Appointment of Trustees

At 31 March 2023 the Board of East Lancashire Hospice was made up of 8 trustees who are all registered volunteers. Recruitment is undertaken via a formal, inclusive process and positions are advertised in a targeted way in order to reach a specialist audience to maximise the securing of appropriate skills and diversity mix.

Potential candidates are invited to apply by a CV, and a formal process takes place including interview with a panel of Trustees and the CEO. Trustees are appointed for a period of three years and may be re-elected after this period for a further three.

Trustee induction consists of an induction pack, this incorporates key information on the charity, and the responsibilities of being a Trustee. The induction process provides opportunities to meet staff and Heads of Department in order to gain a greater understanding of the hospice. Trustees are also supported to attend appropriate external training events that will assist them with their role. They also undertake organisational mandatory training as appropriate to their role.

### Organisational

It is fair to say that Covid-19 still affected us within the hospice and in the community during the year. However the changes to the way we deliver our services (brought on by Covid-19) have remained with us and truly begun a lasting change (for the benefit of our patients and the support we provide to the NHS and other providers). We know that as we slowly return to "normal" there will be changes and consequences we are yet to fully realise – but we are positive about that and embrace the challenge.

At the same time the structure of Clinical Commissioning groups changed to Integrated Care Boards (ICBs) to transform our ways of working to a system wide, collaborative process which will ultimately benefit and simplify access to healthcare for the local population. This change is still in progress.

Whilst we have felt that everything around us has changed some things have remained constant. East Lancashire Hospice has continued to provide vital care and support to people living with a terminal illness and bereavement in Blackburn, Darwen, Hyndburn and the Ribble Valley. We have continued to do this 365 days a year over 24 hours 7 days a week as we have always done.

Supporting patients in their homes continues to be a priority for us – we continue to innovate how and what we do listening to the feedback of patients, their families and carers. This provision in the community continues to grow in importance.

At the same time our IPU continues to form an important part of our service for those patients who need it. The most noticeable change we have seen here is the later presentation of patients with more complex needs.

**Organisational (continued)**

Over the year we have worked on a new 3 year strategy, part of which looks at service provision and innovation – where we not only work to "return to normal" but plan for service extension and respond to market trends with new services as well as enhancing existing ones.

Such vision and rapid delivery of new and changed services has taken bravery, decisiveness and real commitment by all our staff in all of the parts of the hospice and we would want to publicly acknowledge and applaud all our staff and volunteers who continue to make things happen. Without the support services we have our clinical teams would not be able to do the work they do so thank you all.

The Board of Trustees have continued to meet on a monthly basis to direct and manage the governance of the hospice. The Trustees have ultimate responsibility for setting the strategic direction of the hospice and their role is to ensure that the hospice is financially viable, well run and that it meets the needs for which it was set up. A CEO is appointed by the board to operationally manage the hospice supported by a Senior Leadership Team with predetermined levels of authority. Matters such as policy, strategy and budgets are prepared for consideration and approval by the trustees who monitor the implementation of these plans.

Heads of Department are responsible to the appropriate Senior Leadership Directors, who are responsible to the CEO who is in turn responsible to the Board of Trustees.

We continued to have four governance committees covering all aspects of the organisation:

- Clinical Governance Committee
- Finance Governance Committee
- Risk Governance Committee
- Corporate Governance Committee

Our governance arrangements are being reviewed to make sure they reflect the needs of the hospice. The membership consists of elected members of the Board of Trustees, Senior Leadership Team, and Heads of Department who have been selected for their particular skills, experience and knowledge. Committees meet at least once per quarter and report into the Corporate Governance Committee which in turn reports into the main board meeting on a quarterly basis.

The Senior Leadership Team, Head of Finance and Head of Quality and Governance present quarterly comprehensive written reports to the Board of Trustees. The report covers key risk issues which are inclusive of all aspects of governance providing both qualitative and quantitative data.

This year because of structural flux at the ICB we have met once to discuss quality and performance as detailed in the SLT quarterly board report referred to. These reports are automatically submitted to the ICB Quality and Performance team after our Board has approved them. Any ad hoc queries are dealt with if and as they arise.

**Related Parties and Cooperation with Other Organisations**

The benefits of working collaboratively with other partners has become embedded in the way we work. We have continued to work to maintain strong relationships and partnerships with local organisations and our local community for the benefit of our patients and families. We believe that the hospice belongs to our community and that we exist in order to be able to provide a service which really makes a difference to the quality of the lives of patients and their families. We believe that this collaborative, joined up way of working, helps us to make that positive difference.

One of the key challenges this year has been to support our NHS colleagues to reduce the pressures they face particularly in Winter and in particular to work to keep as many people out of hospital and at home – which, when it's appropriate, we know is where patients often prefer to be.

Key members of staff continued to be involved in local, regional and national network groups, which supported the sharing of best practice, bench marking and mutual support in last year's ever-changing landscape.

We continue to have integrated working arrangements which has helped and supported patients and their families by enabling them to receive the right care at the right time and in the right place.

### Pay Policy for Staff

All Trustees give their time freely and Trustees received no remuneration in the year and nor have they received any payment for expenses throughout the year.

The Trustees consider the Senior Leadership Team to be the key management personnel of the charity, in charge of directing, controlling, running and operating the charity on a day-to-day basis.

All employed staff are remunerated according to the responsibilities of their job description. Job descriptions are reviewed on an annual basis as part of the Personal Development Review (PDR) process.

Benchmarks are used nationally, regionally and locally.

All staff including the CEO and Senior Leadership Team receive the same annual cost of living pay increases and other benefits of employment that are agreed annually by the Board of Trustees.

During 2022, after consultation with staff, we agreed to review the pay and benefits for all staff and formed a Task and Finish group to carry out this broad review. The various sub groups have met as frequently as needed since their inception in January 2023 and the feedback is due in September 2023. We recognise that pay is just one element of the benefits package.

### Public Benefit Statement

The Trustees have complied with the Charities Act to have due regard to the public benefit guidance published by the Charity Commission. The Trustees believe that the charity provides a public benefit as its principal activity is to enhance the quality of life for individuals with a life limiting illness. The aim being to provide specialist, supportive and end of life palliative care to any adult in the communities we serve, without discrimination, in the place of their choice, and to offer support to them, their relatives, carers and friends. This is provided in various settings including: 1) in the hospice (Inpatients, Specialist and Supportive Community outpatients and a huge variety of support and wellbeing services) and 2) In patients own homes (Specialist Clinical Nurses and Hospice at Home). We also provide specialist, generalist and end of life palliative care education within the organisation and to the wider community.

### Our Staff and Volunteers

The hospice is committed to an equal opportunities approach in everything it does. This means that we seek to ensure that anyone connected to us, from patients and families through to donors, supporters, volunteers and staff are treated fairly, appropriately and with dignity and respect. From our day-to-day operational management to our strategic decision-making, we consider how we work may affect different groups and actively eliminate or reduce negative impact and discrimination.

All our staff from all departments of the organisation have had to work flexibly and creatively adapting to new and different ways of working which we intend to continue. Every single one of our staff and volunteers played a vital role in helping patients, families and each other throughout this year.

Over the year we have welcomed more volunteers back as well as welcoming new faces. Volunteers are a truly special group of people who we rely on across the hospice and out in retail. We thank them for their ongoing support and look forward to growing their numbers which fell after the pandemic. We will be developing a strategy to lay down a roadmap for how we will do this and the role that our volunteers can play as the hospice changes.

We continue to be proactive in gaining feedback from our staff and volunteers and we completed a staff survey which will be repeated annually. We also ask our external stakeholders for their views as we constantly strive to engage with as wide a range of people as possible in all aspects of the hospice, to enable us to develop in a way which builds our organisation's learning, understanding, trust and responsiveness.

We have quarterly Tea N Toast sessions for regular staff updates and feedback that will enable us to understand how staff are feeling about their work, their support and environment and further develop the culture of engagement and collaboration that makes such a difference to our team and ultimately the services we provide.

### Our Staff and Volunteers (continued)

The results of the consultations we started in 2022 all fed into the development of our new 3 year strategy and informed one of our strategic priorities which is about staff wellbeing, support and development in its broadest sense.

### Objectives and Activities

The principal objectives of the charity as set out in the Memorandum and Articles of Association are to provide specialist, supportive and end of life care for adults who are suffering from a life limiting illness to the communities we serve in Blackburn, Darwen, Hyndburn and the Ribble Valley.

We also aim to collaborate and form partnerships with other providers of palliative care, different faith groups, cultural communities as well as diverse organisations that support patients and their families living with a life limiting illness and make our specialist resources available to them.

Quality of care for patients and their families is at the heart of what we do at East Lancashire Hospice and our charitable activities are focused on offering free care and support to patients and their families from the moment they are informed that their illness is incurable regardless of diagnosis. Referrals are accepted from a variety of health care professionals and patients can self-refer to many of our services with places allocated according to need.

The activities supporting these objectives are -

- **A ten-bedded Inpatient Unit** where specialist palliative care is delivered by a multi-disciplinary team
- **A community team**, which consists of Clinical Nurse Specialists who work with General Practitioners and other Health Care Professionals, and a Hospice at Home team who support the provision of palliative and end of life care in people's own homes.
- **Support and Wellbeing Services** consisting of
    - Creative and Supportive Therapy
    - Counselling and Bereavement Support
    - Family Support
    - Complementary Therapies
    - Physiotherapy
- **Outpatient clinics**
    - In addition to face to face consultations at the hospice, our support and wellbeing services are provided in our clinic facilities or via phone/video calls to meet the individual needs of our patients
    - We work in collaboration with the motor neurone specialist team to host outpatient clinics for those affected by the disease in addition to hosting palliative care consultant outpatient clinics

Our services help support people with a life limiting illness from the first days of uncertainty through to the last days of life, death and bereavement.

These services are offered irrespective of background or belief and we are committed to offer care based on need not diagnosis. We recognise the increasing need for high quality palliative care for people living with multiple conditions not just a single diagnosis such as cancer.

We have a multi-disciplinary team covering all aspects of the work we do. Our philosophy of care is that we care for the whole person, and their family, friends and carers. The wishes of each patient and their family are carefully assessed with relevant members of the multidisciplinary team so that they can be supported in the way they want, be it physically, socially, emotionally, psychologically and /or spiritually. We respect each patient's priorities and strive to enable them to achieve their personal goals.

**Objectives and Activities (continued)**

Our clinical teams are supported by a range of support services including facilities, domestic, catering, administration, finance and volunteers, which all play a key role in ensuring that patients and their families have the best possible care.

The Care Quality Commission has a record of our activities and monitors us through information supplied directly to them in the statutory notifications we make, in writing about events and changes to service.

The Care Quality Commission (CQC) inspects the hospice and their report is posted on the commissions' website and can be accessed via a link on our website. There is a programme of planned reviews, which take place on unannounced visits. On our last inspection we were classed as Outstanding in Caring, Effective and Responsive and received an overall rating of Outstanding for the organisation.

The CQC is in the process of changing its assessment framework and we now have regular monitoring calls with them to satisfy them with our compliance, quality and safety.

We have a comprehensive annual audit programme, to ensure compliance with legislation and best practice covering all aspects of the organisation including clinical and non-clinical activities. These are implemented and monitored through our Governance structure to provide the Trustees with assurances that we are compliant with our legal and statutory obligations.

The hospice continues to play a part in the wider healthcare agenda through Palliative Care Locality Groups within East Lancashire and through the wider Network groups within Lancashire and South Cumbria. Together with other hospices in the region we are a part of Lancashire and South Cumbria Hospices Together Partnership (LSCHT) which is another way of making sure hospice end of life and palliative care voices are heard.

**Strategic report**

***Achievements and Performance***

- We are proud to continue to have a CQC rating of outstanding and despite this reassuring result we continue to review and act upon feedback as well as reviewing the effectiveness and efficiencies of what we do.

- We have continued to support our patients to make the most of life through a flexible approach to meeting need and ensuring a focus on the things that matter to our patients and those close to them. This has included patient led-activities and groups in our Creative and Support Therapy Department and individualised 'weddings' and 'date nights' for patients admitted to our Inpatient Unit.

- The launch of our bathing service has proved to be very successful and much appreciated by those on our caseloads who are no longer able to independently access bathing's therapeutic benefits. This has provided a baseline for further development of the service to be continued.

- In the latter part of the year an emphasis on extending our reach within the communities we serve has resulted in significant engagement with providers of those who do not generally access hospice services including for example Maundy Relief, HMLOs and T.H.O.M.A.S.

- Engagement with these groups and Healthwatch has significantly increased opportunities to raise awareness of hospice services including those provided outside of the hospice walls and that our services are available to those with a non-cancer diagnosis for example dementia.

- Following the restrictive Covid-19 period we have reintroduced our much valued Complementary Therapy Service with the team working to extend the range of provision for those who can benefit from therapeutic interventions.

- We continue to have an honest and open relationship with our Integrated Care Board with a joint desire to enable everyone to access good end of life care provision.

*Achievements and Performance (continued)*

- Throughout the system changes we worked closely and collaboratively with the team at the ICB to ensure future services are designed to meet the needs of the local population.

- We are pleased to report that the trial we implemented last year for a single point of access to enable responsive support for those in our community has been successful and extended (we worked collaboratively with lead commissioners, partner agencies including Marie Curie, domiciliary agencies, district nursing services and the continuing health care team).

- We worked with our commissioners and 2 neighbouring hospices to provide system wide support to alleviate Winter Pressures particularly in our hospitals – though an important aspect of this work was the education of other providers.

- The Winter Pressures project was the first system wide project in the new healthcare structure. It marked a new approach to collaboration and consistency of delivery.

- The need for a focus on staff support and wellbeing has become increasingly evident. The impact on resilience and burnout cannot be underestimated. Our people are our most important asset and we have created a role for a Head of Wellbeing, Support and Development initially focussed on staff needs but with the intention of extending the support to our volunteers.

- We also recognised the need to keep developing our clinical skills and to offer career development pathways so we have invested in a Clinical Practice Development Facilitator.

- This year we began to develop our next three year strategy which came into effect from April 2023. A key part of that strategy was to protect our future financial sustainability starting from the point of considerable external change coupled with growing demand for our services and the determination to build on what we do and be fit for the future.

- From our extensive stakeholder engagement coupled with market intelligence and feedback from our own staff, we are focussing in the next three years on sustainability (financial and environmental), our people, our care service development and our digital optimisation. There will be more detail in the 2023/24 accounts and copies of the strategy are available on request.

- We have successfully navigated the new healthcare world so far and are represented on key committees and groups both regionally and locally. The hospice remains part of the Lancashire South Cumbria Hospices Together (LSCHT) collaborative which adds to the regional sector's voice and the impact we all make.

- Mindful of the privacy and dignity of our patients and following extensive refurbishment of our Café Retreat, we decided to erect some retractable screens to create privacy as patients head to our In Patient Unit. This was completed this year and we have added some signage to help visitors.

- We continued to support our NHS colleagues stepping up our services to support caring for patients in the community to support avoidable admissions to hospitals. We also provided thorough support with in-reach assessment to facilitate timely transfer from the acute hospital setting to hospice care. We were thanked by the local hospital for our responsiveness in December 2022.

- We invested significantly in our team both in how to build resilience and deal with stress as well as upskilling both professionally and personally. We agreed to work with CVS to deliver a European funded training programme for all staff which includes leadership, mentoring and coaching as well as basic project management skills. The training content was agreed in 2022/23 and is being delivered in 2023/24.

- We nominated one of our volunteers for a Community Award and won.

- We also won 2 awards with University of Central Lancs (UCLAN) for our approach to medical student placements.

*Achievements and Performance (continued)*

- As part of our approach to person centred care we always go the extra mile to try to accommodate patient's wishes. This year we celebrated a wedding at the hospice and created a special dinner date for two in Café Retreat.

- Excellent management of infection control continued despite the severity of the pandemic subsiding. An internal working group has been formed to specifically deal with infection control issues and maintain best practice chaired by the Infection Control Lead.

- We maintained the telephone Absence Line introduced at the start of the pandemic though it is being reviewed at the moment. All staff felt safe as clear rules were stated at the outset of the pandemic. The rules became "guidance" and our staff moved to risk assessing situations and not relying on externally set rules. This caused some confusion initially and was burdensome for many. However our team rose to the challenge and ensured that we were always safe for our patients, their families and our visitors.

- One of the learnings from the pandemic was the need to be flexible about how and where we work. This flexibility is something we will retain. In addition we reviewed our digital and IT needs to make sure we are fit for purpose and we can maximise efficiency.

- In line with our strategy we identified the need to create a new role in IT services to help us. The role was recruited to in June 2023.

- We mapped out the move to M365 and went out to tender for a managed service provider (MSP) which was a success. The MSP has been working alongside us to move our email and files to M365. This project is on our Risk Register and will stay there whilst the project is live.

- We successfully moved to electronic care records on the IPU and with our medical team. This further enhances patient safety with us. But it also allows the sharing of records across the region – giving real-time date to other healthcare providers using the EMIS electronic patient record.

- We started the successful migration of our HR records and training to an electronic system called Blue Stream.

- We successfully started the migration of incident reporting to Vantage – storing Quality Development Reports and Audits on the same system so that we can easily map performance and identify trends.

- The introduction of new systems and ways of working throughout the year marks a significant achievement especially coming out of the demands of the pandemic.

- We also transitioned our management team, ELH had been under the leadership of the outgoing CEO for over 20 years. 2022/23 saw the arrival of a new CEO and Income Generation Director but despite the change internally and externally ELH has continued to deliver its services and develop new ways of working as detailed in its 3 year strategy 2023 – 2026. This smooth transition was underpinned by strong clinical and medical leadership and the commitment of the staff and volunteers at the hospice to succeed for the patients.

- We have collaborated and developed a new three year plan for Income Generation that builds on our existing success, but looks to implement a more diversified and sustainable income base.

- We have recruited a Corporate Fundraiser to develop and grow the support we receive from businesses in the community. This has been a shining example of fundraising success over the past few years which has been recognised with dedicated resource.

*Reserves Policy and Going Concern*

The hospice reserves policy is to maintain a minimum of 24 months running costs. The Board of Trustees review the reserves policy of the charity annually. The Finance Governance Committee monitors and reviews reserves reporting to board on a quarterly basis.

Reserves and investments are reviewed each quarter in light of the major challenges facing the organisation in terms of rising costs, patient expectations, and the challenges that we continue to face as a consequence of the cost of living crisis. Reserves and investment reviews encompass all income and expenditure streams, the need to match variable income with fixed commitments and longer-term plans for a sustainable future. When deficits occur, we rely on our reserves to enable us to continue to provide hospice services for our patients and their families.

A prudent approach is taken by the Board of Trustees which is based on our accounts as they currently stand along with a potential unstable future financial position. Total funds have significantly dropped in real terms with inflation averaging 10% over the past year and due to receiving no uplift in our grant funding since 2021, this provides us with minimal security in terms of long-term financial planning. The general policy remains one of a cautious approach in the event of a drop in grant funding and/or voluntary income.

Total reserves as at 31 March 2023 were £15,297,470 (2022: £16,213,283), of which £15,294,352 is unrestricted funds and £3,118 is restricted funds. After the deduction from total funds of restricted funds, designated funds and tangible fixed assets the total reserves are £13,770,021. This reserves value currently represents no more than 33 months of budgeted expenditure, which meets the reserves policy. Any unrestricted general funds, surplus to the minimum reserves policy, will be used to safeguard future financial sustainability and to finance short and long term development plans, some of which will require significant levels of funding.

Developments planned for the upcoming years include the following:

- Regularly review community services to meet the changing needs of patients
- Replacements to patient equipment and enhancements to patients facilities
- Investment to maximise the use of digital technology
- Further improve our gardens and outdoor space for patients, their families and carers, staff and our supporters
- Continue to invest in people and educating our staff and volunteers to ensure we are fit for purpose
- Continue to upgrade the hospice environment for patients and their relatives, our workforce and visitors.

In 2022/23 the hospice continued to ensure sufficient available funds were available to deliver a quality service focussed on sustainability. Service provision has not been affected during 2022/23 as the hospice remains in a healthy position financially, our reserves provide a buffer for uninterrupted services whilst ensuring the hospice remains a going concern. Service provision will be maintained and the increasing costs of providing all of our hospice services will be closely monitored throughout 2023/24.

*Investment Policy*

The Memorandum and Articles of Association of the East Lancashire Hospice hold no restrictions relating to investments.

The primary objective of the investment policy is to provide financial security and stability for the hospice. The investment approach also recognises that the hospice is exposed to the risk of a sharp fall in its income due to the variability of legacy income and donations and the uncertainty of future funds from the government. To reflect this position the hospice continues to invest in a varied portfolio.

The investments portfolio is monitored and managed on behalf of the Board of Trustees by the Finance Governance Committee which reports quarterly to the board. All investment proposals and movements are reported to the Board of Trustees for their approval, in order that the Trustees can discharge their responsibilities in accordance with Section 4 of the Trustee Act 2000.

The hospice aims to generate growth and maximise returns within the parameters of the risk profile. A combination of investments considered to be low risk (up to 80%) and medium risk (up to 20%).

The Trustees employ the services of 2 Investment Management companies to manage the day to day operations of the investment funds, both of which are under a Discretionary Client Agreement. The Investment Managers have full discretion to operate within the limits of a strategy agreed with and regularly reviewed by the Board of Trustees.

Investments are closely monitored by our investment managers, the Finance Governance Committee is kept well informed and receives quarterly valuations of portfolios and the hospice has a dedicated points of contact for any questions.

CCLA Investment Management Limited was appointed in 2015/16 and holding discretionary management of 72% of capital invested, their investment portfolios are operated within a low to medium risk profile on behalf of the hospice. Their purpose is to help clients maximise their impact on society by harnessing the power of investment markets. They concentrate on working with charities, religious and public sector organisations (CCLA stands for Churches, Charities and Local Authorities).

Close Brothers, also appointed in 2015/16 and holding discretionary management of 28% of capital invested, they also operate within a low to medium risk profile. Investment markets have remained challenging through the first half of 2022 following the global financial impact of the war in Ukraine.

Investments performance was reasonable throughout 2022/23 considering the turbulence the stock markets experienced in March 2022. Investments are being closely monitored by our investment managers, the Finance Governance Committee is kept well informed and receives quarterly valuations of portfolios and the hospice has dedicated points of contact for any questions.

In the event of the Investment Manager's insolvency, assets would remain in trust with the nominee company and would not be impacted by the insolvency.

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*Financial review*

The Statement of Financial Activities is set out on page 21, and a summary of financial results is given below. Overall the groups' funds are down this year, a net loss of £528K was made (2021/22: surplus of £208K). Including unrealised gains on investments the total net income for the year is in deficit by £915,813 (2021/22: total net income was in surplus by £1,084,608). This was mainly due to investment reducing in value by £387,685 compared to £876,646 investment gains as at 31 March 2022. Total income, excluding unrealised gains on investments, has decreased overall this year by £333K and this is mainly due to claiming funds last year from NHS England along with an insurance claim for business interruption during the period of the second lockdown.

We are most grateful to all those that donate to the hospice and those who wish East Lancashire Hospice to benefit from their life savings by leaving a legacy to us in their will. The hospice highly depends on the goodwill of our local communities to ensure sufficient funding is available for patient services to operate. In addition to our public donors and corporate supporters, hospice staff and volunteers frequently offer their time, treasure and talents to help plan and organise fundraising events and to promote hospice services.

**Income from Donations and Legacies**

Voluntary donations remains under threat due to the challenges imposed by the unprecedented economic uncertainty as well as the increasing number of charities, both local and national, all competing for the same 'donor pound'. We did however receive a very generous donation for £10K from a local company who continues to support the hospice, this income covered the cost of running all hospice services for one day.

Legacies normally average around £300K per annum which is what we budget for, however actual legacies received this year are £117K below budget. We do however have a pipeline of legacies valued at over £200K which are due to be received in future periods. There continues to be a delay with grants of probate which affects how quickly a legacy is received.

**Grant Funding**

Clinical Commissioning Group (CCG) funding historically equated to approximately 1/3rd of overall running costs, therefore the hospice needs to raise c. £2 million to break even. This year our grant funding included some non-recurrent funding to support our local hospital with winter bed pressures. We were very fortunate to receive a one-off grant for £10K this year which came with a restriction, these funds were received following the care received on our In Patient Unit (IPU) and the restriction was for facilities within IPU, we were able to purchase some new beds for our patients using these funds, £1.6K of which we will carry forward to use in 2023/24.

The planned restructuring of East Lancashire CCG and Blackburn with Darwen CCG into the NHS Lancashire and South Cumbria Integrated Care Board (ICB) in April 2022 was delayed until July 2022 and we envisaged that relationships would change, however this has not yet happened and we have maintained relationships with our 2 commissioners from the CCG's. The Trustees are very grateful for the support provided by the ICB and look forward to a positive working relationship. Future grant funding in the longer-term still remains uncertain and we haven't received an uplift in grant funding since 2021, this is partly the reason why we are holding onto reserves, as well as holding investments aiming to generate additional income for future years.

**Income Generation**

This year has been all about the continued growth and diversification of income streams with a move to a more positive position than previous years have shown. Our community has been incredibly generous once again and combined with the hard work of the Income Generation team we have sustained previous levels of income with important work being done to enable future growth. We are pleased to have benefitted from a bounce back in the support we receive from our community, from schools to groups and associations. There is definitely an increased sense of people coming together to support the hospice.

We are pleased to say that this year our fundraising income has remained relatively static despite uncertain economic times for many. We aren't yet back to pre-pandemic levels of fundraising income but we are positive that growth will be achieved as we move forward and implement the new Income Generation plan.

*Financial review (continued)*

The team has worked hard this year to produce a 3 year plan that aims to develop and grow our income generation activities in a sustainable and innovative way. There is a real need to be agile in what we do and be responsive to new opportunities as they present themselves. This year we have invested in a new role within the fundraising team, Corporate Fundraiser. We have seen this income stream organically grow over the past few years and now have a dedicated resource to drive this forward and work to our strengths. The 3 year plan also sets out a number of additional posts in the team to drive growth. There has also been significant investment to upskill the fundraising team to ensure the right levels of knowledge and skills exist to deliver future plans.

In person events have continued to grow and this year we saw record levels of people attend our annual pub walk, over 500 people walked through the Ribble Valley to raise money for us.

Lottery income has continued to decline as recruitment levels haven't been as high as hoped, canvassing didn't resume as quickly as planned but this is being resolved and a new canvassing campaign will be underway next year. Our thanks go to our thousands of loyal, regular lottery players in our communities, as all of these profits help us to provide hospice services.

Café Retreat has flourished this year with an increase in income and continues to provide delicious and nutritious food to our patients, their friends, families and the wider community. We have returned to a full service in the café where anyone can come and enjoy the food and atmosphere. External catering has also grown in popularity and is building a very good reputation in the community.

Our shops have continued to thrive and this year we are starting to settle back in to a more normal pattern of retail and how our community interacts and supports our shops. It is a slow build however and with the cost of living crisis significantly affecting households and those who support us, there is a need to be cautious about levels of footfall and donations to our shops. Our shops have continued to be community hubs for us and a visible presence of East Lancashire Hospice on the high street.

There really isn't enough space here for us to write about all of our wonderful supporters as there are so many. Our sincere thanks go out to **everyone** who has contributed their time, treasure and talents to East Lancashire Hospice in the past, also to those that continue to support the hospice now and in the future. We wouldn't still be here delivering all of our services if it wasn't for the amazing work that others commit to in order to support our hospice and patients / families.

**Investments**

Investments income is higher this year by £39K (£102,991 in 2022/23 compared to £64,182 in 2021/22) which is mainly due to utilising the best interest rates available for cash held on deposit accounts. The remainder of our investment income is accumulating within our 2 investment portfolios, this is to maximise growth and to generate income for the future. Funds within these portfolios are accessible within 1 week should we need to draw some funds for cash flow purposes.

Overall, gains on investments have decreased significantly. Investments have decreased in value by £387,685 (2021/22: gains on investments were valued at £876,646).

*Financial review (continued)*

**Expenditure**

Total expenditure for this financial year increased by just over £400K and 82% of this year's costs related to charitable activities providing specialist and supportive care to patients and their families; the remainder was mainly used to generate income through fundraising and marketing. Staffing is our single largest cost and the majority of this year's increase relates to an increase in staff salaries, this was made up of a 3% pay rise from 1st April along with £800 bonus to each employee in recognition for their hard work and loyalty whilst maintaining parity of pay with NHS employed colleagues. We remain grateful to NHS England as they have continued to fund the increase in NHS pension's costs following the 2016 actuarial valuation (effective 2019). This increase in employers contributions from 14.3% to 20.68% would otherwise have been an additional cost of over £75K to the hospice and it is not yet clear when employers will be expected to take on this cost directly.

Other key variances include an increase of £14K in staff training and education costs totalling £25K for the year as we continue to invest in people and further develop our workforce. In some areas we have seen cost increases of almost 20% which is way above the average cost of inflation for the year, therefore with no uplift in our grant funding since 2021 and our costs constantly increasing is the main reason that we have resulted in a deficit position this financial year.

Part of our long term commitment to improve efficiency focuses on the need to have the right technology and optimise its use. To this end we are in the process of finalising and future proofing our IT needs, which will incur some cost and we know that operational costs to maintain quality services will continue to increase in future years. In order for us to ensure that we deliver high standards of care and support to our patients and their families, one of our main strategic objectives over the next few years is to concentrate on new or alternative ways of generating income through refocusing on and investing in fundraising, the hospice lottery and our retail outlets.

*Plans for Future Periods*

We began to develop a new three year strategy in 2022 to be finalised and launched in 2023/24. This development made us focus on some of the structural changes we had seen happening in the way we deliver services for our community and focus on how to embed those changes, it made us focus on how our staff work and the flexibility we need to continue to be successful in what we do. Collaboration with other providers and the approach to integrated, system wide working for the benefit of our patients is a key area that we will concentrate on going into the future. Our new strategy is built on the solid foundations of what we have achieved so far.

Over the last year we have seen the desire for patients to be cared for at home and the need to support our NHS colleagues to keep patients out of hospital wherever possible. Although we have seen a return to higher occupancy levels on our IPU, we will look at how to develop our community services (both specialist and our general support) and assess how we use our IPU.

We will continue to work alongside the Integrated Care Board and contribute to the development of the Place based strategies which will bring health and care plans to a local level. We have always believed that our hospice belongs to the community and look forward to working in the new structure (which is still in development).

Our vision continues to be to help everyone who comes into contact with the hospice to make the most of life. We do this by committing to care, listen, respect and work together to support people to live well until they die and support those affected by death. Our vision has not changed although the way we deliver our services might well do for the ultimate benefit of our patients and their families and carers.

This past year has shown again what an incredible team we have. The team is creative and insightful – generating ideas on opportunities that lie ahead and we will incorporate that into our planning. We will continue to challenge ourselves both as people and as an organisation to ensure we are flexible and adaptable playing a key part in keeping our communities safe, cared for and supported in the best way we can.

Our overarching aim remains the same to reach and support more people within our community whilst ensuring we remain financially viable both now and in the future.

Our priorities for the year ahead will be:

- Maintain East Lancashire Hospice's rating of Outstanding by safely delivering quality care to patients' families and carers an appropriate range and quality of integrated services, which are structured to provide accessible responsive and achievable holistic centred care.

- We will do this by building on our strategies for capturing the very creative, day to day excellence in practice and provision that our patients experience and that differentiate outstanding from good.

- Continue to work in partnership and collaboration with other providers to achieve a shared vision to enable the best outcomes for patients and their families within our communities focusing on providing the right care in the right place at the right time.

- We will work closely with the Lancashire and South Cumbria Hospices Together Partnership (LSCHT) to achieve greater consistency in hospice provision across our region and be better able to articulate/evidence where difference is required. This collaborative is another example of reacting to Covid-19 and realising that sharing best practice and working together was more powerful than individual hospices operating in isolation.

- We will implement the IT strategy to ensure we are fit for purpose, maximising efficiency in our systems and enabling us to quickly evidence effectiveness are fit for purpose:

    - Complete transition to electronic patient records
    - Explore benefits to the hospice of tools available to maximise understanding of workforce planning and ranges in demand and dependency in clinical departments
    - Scope out e - prescribing

*Plans for Future Periods (continued)*

- Deliver care and support through an integrated staff and volunteer workforce of empowered people which includes investing in our staff and offering quality and flexible opportunities for volunteers.
- Review education and training provision for staff and volunteers and rebuild opportunities for the provision of education and support for external partners.
- Embed the new role of Head of Wellbeing, Support and Development identifying organisational priorities and ensuring understanding of role across departments.
- Retain and build upon maintaining a visible profile of being well known, respected and valued whilst continuing to develop new and sustainable relationships with key partners.
- Develop and/or re-design existing community and support services to ensure we are fit for purpose working with key stakeholders to ensure appropriateness of any proposed new service developments. In light of the structural external changes.
- There is a drive for some consistency in provision (e.g. Hospice at Home) across providers / the footprint but if Blackburn with Darwen becomes a separate 'Place' we may see a return to the days where very different things were required by different authorities. We will flex accordingly but support equality of access & provision.
- Continue to be financially robust and prudent in all that we do to ensure that we use all our resources as efficiently as possible to achieve the greatest impact for patients and their families.
- Continue with our programme of refurbishment to ensure our patients have seamless care in a comfortable and therapeutic environment.
- Implement sustainable income generation initiatives to work within our changed environment/ community.

*Principal Risks and Uncertainties*

An organisational risk register is monitored by the Governance framework.

The Board of Trustees acknowledge their responsibility in identifying major risks to which the hospice may be exposed and there is a formal process of risk management throughout the organisation. The Trustees have examined the major strategic and business risks that the charity faces, and confirm systems are established to enable regular reports to be produced so that the reasonable steps can be taken to minimise risks.

Ensuring compliance with information governance and data protection remains high on our agenda and is incorporated into our 2023-2026 strategic objectives action plan.

Finance

Good co-operation continues to exist with our commissioners who support the grant funding of the hospice. The most significant risk to financial sustainability of the hospice is the potential for a reduction in income combined with increasing costs. Therefore our reserves are planned to cover the maximum foreseeable reduction in income over a period of 24 months.

*Principal Risks and Uncertainties (continued)*

**Income Generation**

We remain conscious of the impact that Covid-19 had and continues to have on household income due to the current economic climate. We know that there will be even more pressures on the donor pound in future periods. All our income generation is managed internally by our Income Generation team who are responsible for all volunteers who support our fundraising and retailing.

We continue to work hard to ensure our supporters data is secure as well as developing our systems to ensure that our supporters can choose how they would like to be contacted and with what types of communication. We are also aware that we have increasing competition as more and more charities compete for the same pots of money.

**Data Protection and Confidentiality**

These are vital to our organisation and we are fully aware of the reputational risks posed by 'social media' such as 'Facebook' and 'Twitter'.

*Approach to Fundraising*

We are committed to practicing the highest standards and we take care to ensure all our fundraising activities reflect the hospice values. We are registered with the Fundraising Regulator and as such monitor ourselves against their recognised standards ensuring that all our fundraising activity complies with the Fundraising Regulators Code of Fundraising Standards.

**Fundraising Complaints**

Once again we did not receive any complaints about our fundraising activities during the year. We strive to always act ethically and responsibly, using best practice when communicating with our supporters, and we strictly adhere to General Data Protection Regulations (GDPR) processes in relation to data usage.

**How We Protect Vulnerable People and Members of the Public**

All our supporters are treated as individuals and we have policies and systems in place for ensuring that vulnerable people are recognised and treated accordingly.

- We adhere to the Fundraising Regulator's Code of Practice and the Fundraising Promise
- We promptly action any requests for removal from our database.
- We never sell or pass on the data of any of our donors and supporters to any third parties under any circumstances
- We only work with professional fundraising agencies who can demonstrate a proven track record of best practice in the sector and compliance with the Fundraising Regulator.

**How we work with and oversee any commercial participators / professional fundraisers**

This is fully covered within our policies which are supported by a standard operating procedure which includes a formal agreement that is monitored within our Governance Framework.

**Conformation to Fundraising Regulations**

Compliance is managed by our Income Generation and Marketing Director, and is governed through our Risk Management Governance Committee. This ensures that fundraising activity is fully compliant with legislation and regulations and we have internal policies which reflect these.

We have a risk management policy so as to minimise or as far as it is reasonably practicable eliminate any risks to patients, staff or volunteers, supporters and members of the public in relation to our fundraising activity.

Staff identify and assess risks and put necessary preventable controls in place.

**Statement of Trustees' responsibilities**

The Trustees (who are also directors of The East Lancashire 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, which 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 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in 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.

**Auditor**

A resolution proposing that MHA Moore and Smalley be re-appointed as auditor of the charity will be put to the Annual General Meeting.

This report, which incorporates the Strategic Report, was approved by the board of Trustees on 17/10/23 and signed on its behalf



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**Mr F G Parr – Chairman**

## Opinion

We have audited the financial statements of The East Lancashire Hospice (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2023, which comprise Group Statement of Financial Activities, Company Statement of Financial Activities, Group Balance Sheet, Company Balance Sheet, Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2023, and of group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 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 group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Other information

The 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 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 inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

**Other information (continued)**

We have nothing to report in this regard.

**Opinion 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' 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 requires us to report to you if, in our opinion:

- adequate 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.

**Respective responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements 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 the Companies Act 2006 and report in accordance with this Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations;
- Enquires with management about any known or suspected instances of fraud;
- Review of minutes of board meetings;
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls;
- Review of legal and professional expenditure to identify any evidence of ongoing litigation or enquiries;
- Review of the systems for recording income, and testing of a sample of income transactions throughout the year to check they have been recorded in the accounts and in the correct period.

Because of the field in which the client operates we identified that employment law, health and safety legislation, Care Quality Commission (CQC) compliance, and compliance with the UK Companies Act are the areas most likely to have a material impact on the financial statements.

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**Use of report**

This report is made solely to the charitable company's members, as a body, in accordance with the Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....

**Christine Wilson (Senior Statutory Auditor)**
**For and on behalf of MHA Moore and Smalley**
**Chartered Accountants**
**Statutory Auditor**

Richard House
9 Winckley Square
Preston
PR1 3HP

Date: 21/11/2023

## THE EAST LANCASHIRE HOSPICE

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)

### FOR THE YEAR ENDED 31 MARCH 2023

| | Note | Unrestricted funds £ | Restricted funds £ | Total funds 2023 £ | Total funds 2022 £ |
|---|---|---|---|---|---|
| **Income from** | | | | | |
| ***Donations and legacies:*** | | | | | |
| Donations and gifts | | 288,720 | - | 288,720 | 301,205 |
| Legacies | | 182,775 | - | 182,775 | 304,495 |
| ***Charitable activities:*** | | | | | |
| Clinical Commissioning Groups / Integrated Care Board | | 1,132,885 | - | 1,132,885 | 1,132,885 |
| Other grants | | 588,731 | 10,000 | 598,731 | 491,627 |
| Catering and other income | | 101,633 | - | 101,633 | 79,599 |
| ***Other trading activities:*** | | | | | |
| Goods for resale | | 20,731 | - | 20,731 | 18,738 |
| Fundraising events | | 391,409 | - | 391,409 | 391,153 |
| Lottery | | 399,081 | - | 399,081 | 409,431 |
| Shop | | 268,121 | - | 268,121 | 228,040 |
| ***Investments*** | | 102,991 | - | 102,991 | 64,182 |
| ***Other income*** | | - | - | - | 398,809 |
| **Total income** | 2 | 3,477,077 | 10,000 | 3,487,077 | 3,820,164 |
| **Expenditure on** | | | | | |
| Raising funds | 3 | 717,001 | - | 717,001 | 750,183 |
| Charitable activities | 5 | 3,289,749 | 8,455 | 3,298,204 | 2,862,019 |
| **Total expenditure** | | 4,006,750 | 8,455 | 4,015,205 | 3,612,202 |
| **Net income/(expenditure) before other gains and losses** | | (529,673) | 1,545 | (528,128) | 207,962 |
| Gain/(loss) on investments | | (387,685) | - | (387,685) | 876,646 |
| **Net income/(expenditure) for the year** | 7 | (917,358) | 1,545 | (915,813) | 1,084,608 |
| Transfers between funds | | - | - | - | - |
| **Net movement in funds** | | (917,358) | 1,545 | (915,813) | 1,084,608 |
| **Reconciliation of funds:** | | | | | |
| Total funds brought forward | | 16,211,710 | 1,573 | 16,213,283 | 15,128,675 |
| **Total funds carried forward** | | 15,294,352 | 3,118 | 15,297,470 | 16,213,283 |

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The result for the year for Companies Act purposes comprises the net income for the year net of unrealised profits and losses on investments and was a deficit of £528,128 (2022: surplus of £207,962).

## THE EAST LANCASHIRE HOSPICE

### CONSOLIDATED BALANCE SHEET

### AS AT 31 MARCH 2023

| | Note | Unrestricted funds £ | Restricted funds £ | Total funds 2023 £ | Total funds 2022 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible fixed assets | 12 | 1,524,331 | - | 1,524,331 | 1,611,114 |
| Investments | 13 | 11,715,144 | - | 11,715,144 | 12,057,567 |
| | | 13,239,475 | - | 13,239,475 | 13,668,681 |
| **Current assets** | | | | | |
| Stock | | 7,063 | - | 7,063 | 13,409 |
| Debtors | 14 | 207,157 | - | 207,157 | 405,924 |
| Cash on bank deposit | | 2,305,841 | - | 2,305,841 | 2,309,078 |
| Cash at bank and in hand | | 318,642 | 3,118 | 321,760 | 644,633 |
| | | 2,838,703 | 3,118 | 2,841,821 | 3,373,044 |
| **Creditors:** amounts falling due within one year | 15 | (783,826) | - | (783,826) | (828,442) |
| **Net current assets** | | 2,054,877 | 3,118 | 2,057,995 | 2,544,602 |
| **Net assets** | | 15,294,352 | 3,118 | 15,297,470 | 16,213,283 |
| **Represented by:** | | | | | |
| Total funds | 16 | 15,294,352 | 3,118 | 15,297,470 | 16,213,283 |

These financial statements were approved by the Trustees on 17/10/2023 and signed on their behalf by:

.....
**Mr F G Parr - Chairman**

Rachel Pallister
.....
**Mrs A R Pallister – Trustee**

## THE EAST LANCASHIRE HOSPICE

### BALANCE SHEET

### AS AT 31 MARCH 2023

| | Note | Unrestricted funds £ | Restricted funds £ | Total funds 2023 £ | Total funds 2022 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible fixed assets | 12 | 1,497,263 | - | 1,497,263 | 1,576,346 |
| Investments | 13 | 11,715,244 | - | 11,715,244 | 12,057,667 |
| | | 13,212,507 | - | 13,212,507 | 13,634,013 |
| **Current assets** | | | | | |
| Stock | | 5,250 | - | 5,250 | 5,250 |
| Debtors | 14 | 258,479 | - | 258,479 | 455,129 |
| Cash on bank deposit | | 2,305,841 | - | 2,305,841 | 2,309,078 |
| Cash at bank and in hand | | 302,562 | 3,118 | 305,680 | 634,353 |
| | | 2,872,132 | 3,118 | 2,875,250 | 3,403,810 |
| **Creditors**: amounts falling due within one year | 15 | (770,299) | - | (770,299) | (796,510) |
| **Net current assets** | | 2,101,833 | 3,118 | 2,104,951 | 2,607,300 |
| **Net assets** | | 15,314,340 | 3,118 | 15,317,458 | 16,241,313 |
| **Represented by:** | | | | | |
| Total funds | | 15,314,340 | 3,118 | 15,317,458 | 16,241,313 |

These financial statements were approved by the Trustees on 17/10/2023 and signed on their behalf by:

**Mr F G Parr - Chairman**

**Mrs A R Pallister – Trustee**

Company Registration Number: 03755216

## THE EAST LANCASHIRE HOSPICE

### CONSOLIDATED CASH FLOW STATEMENT

### FOR THE YEAR ENDED 31 MARCH 2023

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Net income/(expenditure) for the year | **(915,813)** | 1,084,608 |
| *Adjustments for:* | | |
| Investment income | **(102,991)** | (64,182) |
| (Gain)/loss on investments | **387,685** | (876,646) |
| Depreciation | **116,208** | 120,767 |
| Profit on disposal of fixed assets | **(1,200)** | - |
| (Increase)/decrease in stock | **6,346** | (9,223) |
| (Increase)/decrease in debtors | **198,767** | 62,234 |
| Increase/(decrease) in creditors | **(44,616)** | 43,964 |
| **Net cash (used in) / provided by operating activities** | **(355,614)** | 361,522 |
| **Cash flows from investing activities:** | | |
| Investment income | **102,991** | 64,182 |
| Purchase of tangible fixed assets | **(29,425)** | (86,330) |
| Receipts from sales of fixed assets | **1,200** | - |
| Purchase of investments | **(1,072,817)** | (1,945,656) |
| Proceeds from sale of investments | **948,679** | 500,097 |
| Movement in cash held as investments | **78,876** | (86,009) |
| **Net cash (used in) / provided by investing activities** | **29,504** | (1,553,716) |
| **Change in cash and cash equivalents in the year** | **(326,110)** | (1,192,194) |
| Cash and cash equivalents at the beginning of the year | **2,953,711** | 4,145,905 |
| **Cash and cash equivalents at the end of the year** | **2,627,601** | 2,953,711 |
| **Analysis of cash and cash equivalents** | | |
| Cash in hand | **1,660** | 2,090 |
| Cash at bank | **2,625,941** | 2,951,621 |
| | **2,627,601** | 2,953,711 |

Total group cash and cash equivalents includes a total of £3,118 (2022: £1,573) relating to restricted funds.

## 1 Accounting policies

### Basis of preparation

The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The East Lancashire Hospice meets the definition of a public benefit entity under FRS 102.

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The charity has availed itself of Paragraph 4(1) of Schedule 1 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006. The parent company's result for the year for Companies Act purposes was a deficit of £923,855 (2022: surplus of £1,075,042).

### Going concern

The trustees are required to assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation of the accounts. At the date of approving these accounts, the trustees have a reasonable expectation that the charity has sufficient cash resources to enable it to meet its liabilities as they fall due for at least 12 months from the date of approval. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

### Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

### Fund accounting

General funds are unrestricted funds, which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds are set aside by the Trustees out of unrestricted general funds for specific purposes or projects. Restricted funds are those to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the accounts.

1 **Accounting policies (continued)**

**Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

Income received in advance of an event or provision of other specific provision of other specified service it is deferred until the criteria for income recognition are met.

Trading income is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes where applicable. Income from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Lottery income is accounted for when received, to the extent that the company has a right to consideration arising from the performance of its contractual arrangements.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**Donated services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), no amounts are included in the financial statements for services donated by volunteers.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs 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 the resources.

1 Accounting policies (continued)

**Expenditure (continued)**

Detailed analyses of the expenditure, including irrecoverable VAT where applicable, are provided in the notes to the accounts.

**Tangible fixed assets**

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected economic lives as follows:

- Short leasehold building improvements - over the period of the lease
- Fixtures, fittings and equipment - over 5 years

**Investments**

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

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

**Stock**

Stock is included at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed, on the basis that it is considered impractical to measure the fair value of goods donated for resale, and the costs of valuation outweigh the benefit to users of the accounts and the charity of this information.

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Creditors**

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1 Accounting policies (continued)

**Operating leases**

Rentals applicable to operating leases are charged to the SOFA on a straight line basis over the term of the lease.

**Pensions**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the SOFA. The company also contributes to a multi-employer defined benefit scheme. As the proportion of the fund attributable to The East Lancashire Hospice cannot be calculated this scheme has been treated as if it was a defined contribution scheme.

**Taxation**

The company is a registered charity and therefore exempt from taxation.

**Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**Judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Trustees do not believe that there are any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

## 2 Income

| | Unrestricted funds £ | Restricted funds £ | 2023 £ |
|---|---|---|---|
| **Donations and legacies:** | | | |
| Donations and gifts | 288,720 | - | 288,720 |
| Legacies | 182,775 | - | 182,775 |
| **Charitable activities:** | | | |
| Clinical Commissioning Groups | 1,132,885 | - | 1,132,885 |
| Other grants | 588,731 | 10,000 | 598,731 |
| Catering and other income | 101,633 | - | 101,633 |
| **Other trading activities:** | | | |
| Goods for resale | 20,731 | - | 20,731 |
| Fundraising events | 391,409 | - | 391,409 |
| Lottery | 399,081 | - | 399,081 |
| Shop | 268,121 | - | 268,121 |
| **Investments** | 102,991 | - | 102,991 |
| **Other income** *(see below)* | - | - | - |
| | 3,477,077 | 10,000 | 3,487,077 |

Other unrestricted income comprises £nil (2022: £4,680) Coronavirus Job Retention Scheme ('CJRS') income, £nil (2022: £33,662) insurance proceeds due to business interruption, and £nil (2022: £21,389) of retail and other grants.

Other restricted income comprises £nil (2022: £339,078) of NHSE funding.

## 2 Income (continued)

| | *Unrestricted funds* £ | *Restricted funds* £ | *2022* £ |
|---|---|---|---|
| ***Donations and legacies:*** | | | |
| *Donations and gifts* | *301,205* | - | *301,205* |
| *Legacies* | *304,495* | - | *304,495* |
| ***Charitable activities:*** | | | |
| *Clinical Commissioning Groups* | *1,132,885* | - | *1,132,885* |
| *Other grants* | *490,877* | *750* | *491,627* |
| *Catering and other income* | *79,599* | - | *79,599* |
| ***Other trading activities:*** | | | |
| *Goods for resale* | *18,738* | - | *18,738* |
| *Fundraising events* | *391,153* | - | *391,153* |
| *Lottery* | *409,431* | - | *409,431* |
| *Shop* | *228,040* | - | *228,040* |
| ***Investments*** | *64,182* | - | *64,182* |
| ***Other income*** | *59,731* | *339,078* | *398,809* |
| | *3,480,336* | *339,828* | *3,820,164* |

## 3 Expenditure

| | Direct costs £ | Support costs (note 4) £ | 2023 £ |
|---|---|---|---|
| **Expenditure on raising funds:** | | | |
| Goods for resale | **6,992** | **1,211** | **8,203** |
| Fundraising events | **281,519** | **29,068** | **310,587** |
| Lottery | **94,053** | **16,958** | **111,011** |
| Shop | **260,079** | **-** | **260,079** |
| Investment management costs | **27,121** | **-** | **27,121** |
| | **669,764** | **47,237** | **717,001** |
| **Expenditure on charitable activities:** | | | |
| Hospice (note 5) | **2,860,967** | **437,237** | **3,298,204** |
| | **3,530,731** | **484,474** | **4,015,205** |

## 3 Expenditure (continued)

| | *Direct costs* | *Support costs (note 4)* | *2022* |
|---|---|---|---|
| | £ | £ | £ |
| ***Expenditure on raising funds:*** | | | |
| *Goods for resale* | *5,555* | *1,257* | *6,812* |
| *Fundraising events* | *291,377* | *30,164* | *321,541* |
| *Lottery* | *96,378* | *17,596* | *113,974* |
| *Shop* | *278,205* | - | *278,205* |
| *Investment management costs* | *29,651* | - | *29,651* |
| | *701,166* | *49,017* | *750,183* |
| ***Expenditure on charitable activities:*** | | | |
| *Hospice (note 5)* | *2,408,292* | *453,727* | *2,862,019* |
| | *3,109,458* | *502,744* | *3,612,202* |

All expenditure on raising funds was unrestricted in the current and previous year.

## 4 Support costs

| | **2023** | 2022 |
|---|---|---|
| | **£** | £ |
| Salaries | **418,136** | 433,207 |
| Motor and travel | **386** | 70 |
| Printing and stationery | **9,187** | 11,431 |
| Postage | **13,204** | 14,398 |
| Telephone | **18,999** | 15,954 |
| Computer support | **26,828** | 24,999 |
| Other staff costs | **(3,048)** | 1,689 |
| Sundry expenses | **782** | 996 |
| | **484,474** | 502,744 |

## 5 Expenditure on charitable activities – Hospice

| | Hospice and specialised palliative care services | |
|---|---|---|
| | 2023 | 2022 |
| | £ | £ |
| Salaries | **2,313,277** | 1,908,580 |
| Training and recruitment | **43,137** | 23,162 |
| Property costs | **91,670** | 94,135 |
| Provision of care services | **131,539** | 108,000 |
| Repairs and maintenance | **79,457** | 90,686 |
| Motor and travel | **10,996** | 9,832 |
| Sundry | **38,690** | 27,188 |
| Depreciation | **108,508** | 117,038 |
| Irrecoverable VAT | **8,566** | 6,493 |
| Governance costs (note 6) | **35,611** | 23,681 |
| Support costs allocated | **436,753** | 453,224 |
| | **3,298,204** | 2,862,019 |

Expenditure on charitable activities was £3,298,204 (2022: £2,862,019) of which £3,289,749 was unrestricted (2022: £2,517,807) and £8,455 was restricted (2022: £344,212).

## 6 Governance costs

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| Audit | **10,250** | 8,650 |
| Trustees' liability insurance | **423** | 403 |
| Legal and professional fees | **24,454** | 14,125 |
| Support costs allocated | **484** | 503 |
| | **35,611** | 23,681 |

## 7 Net income

| | 2023 | 2022 |
|---|---|---|
| | £ | £ |
| *Stated after charging:* | | |
| Depreciation | **116,208** | 120,767 |
| Operating leases | **58,022** | 58,584 |
| Audit fee – charity and consolidated accounts | **7,900** | 6,650 |
| Audit fee – subsidiary | **2,350** | 2,000 |

## 8 Analysis of staff costs, Trustee remuneration and expenses, and cost of key management personnel

| Payroll costs were | 2023 £ | 2022 £ |
|---|---|---|
| Wages and salaries | **2,565,000** | 2,286,981 |
| Social security costs | **228,774** | 199,730 |
| Pension costs | **204,028** | 196,617 |
| | **2,997,802** | 2,683,328 |

The number of employees whose remuneration for the year exceeded £60,000 was:

| | 2023 £ | 2022 £ |
|---|---|---|
| £60,000 to £69,999 | 1 | - |
| £90,000 to £99,999 | 1 | 1 |
| £100,000 to £109,999 | - | 1 |

Of the employees whose remuneration exceeded £60,000, there is one employee (2022: two) accruing benefits under defined benefit pension schemes.

## 8 Analysis of staff costs, Trustee remuneration and expenses, and cost of key management personnel (continued)

The Trustees were not paid or received any other benefits from employment with the charity or its subsidiary in the year (2022: £nil) neither were they reimbursed expenses during the year (2022: £nil). No charity Trustee received payment for professional or other services supplied to the charity (2022: £nil). Trustees made donations to the charity totalling £60 (2022: £433).

The key management personnel of the group comprise the key staff identified in the Trustees' Annual Report. The total employee benefits of the key management personnel of the group were £309,475 (2022: £351,157).

## 9 Staff numbers

The average monthly head count was 118 staff (2022: 109 staff), being 84 (2022: 77) care staff, 17 (2022: 19) fundraising staff, and 17 (2022: 13) administration staff.

## 10 Related party transactions

There were no related party transactions during the current or prior year, apart from any disclosed above relating to the Trustees.

## 11 Pension commitments

The charity participates in a multi-employer defined benefit scheme, operated through the National Health Service. The assets of the scheme are held separately by the National Health Service Superannuation Scheme. Contributions to the scheme are charged to the statement of financial activities as these are incurred. This pension scheme does not have a real pension fund but, as a statutory scheme, benefits are fully guaranteed by the Government. Contributions from both members and employers are paid to the Exchequer, which meet the cost of increasing benefits each year by the rate of inflation. This extra cost is not met by contributions from scheme members and employers. As a result of the nature of the pension scheme, there are no separately identifiable assets and liabilities which can be identified as relating to The East Lancashire Hospice. Therefore, as permitted by FRS102, the scheme has been accounted for as a defined contribution scheme.

The charity also operates a stakeholder defined contribution scheme.

The total contributions made during the year represent contributions to the funds of £204,028 (2022: £196,617). At the year end the charity had outstanding contributions of £28,244 (2022: £41,936).

## 12 Tangible fixed assets

| | Short Leasehold Building Improve-ments | Fixtures, Fittings, Equipment & Motor vehicles | Charity Total | Subsidiary Fixtures, Fittings, Equipment & Motor vehicles | Group Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **Cost** | | | | | |
| At 1 April 2022 | 4,221,719 | 553,391 | 4,775,110 | 80,761 | 4,855,871 |
| Additions | - | 29,425 | 29,425 | - | 29,425 |
| Disposals | - | - | - | (12,890) | (12,890) |
| **At 31 March 2023** | **4,221,719** | **582,816** | **4,804,535** | **67,871** | **4,872,406** |
| **Depreciation** | | | | | |
| At 1 April 2022 | 2,732,545 | 466,219 | 3,198,764 | 45,993 | 3,244,757 |
| Charge for the year | 63,567 | 44,941 | 108,508 | 7,700 | 116,208 |
| Eliminated on disposals | - | - | - | (12,890) | (12,890) |
| **At 31 March 2023** | **2,796,112** | **511,160** | **3,307,272** | **40,803** | **3,348,075** |
| **Net book value** | | | | | |
| **At 31 March 2023** | **1,425,607** | **71,656** | **1,497,263** | **27,068** | **1,524,331** |
| At 31 March 2022 | 1,489,174 | 87,172 | 1,576,346 | 34,768 | 1,611,114 |

All tangible fixed assets relate to unrestricted funds in both 2023 and 2022.

At the year end there were capital commitments of £20,981 (2022: £30,000).

## 13 Fixed asset investments

| | Group 2023 £ | 2022 £ | Charity 2023 £ | 2022 £ |
|---|---|---|---|---|
| Investments in subsidiary companies | - | - | 100 | 100 |
| Other investments | 11,715,144 | 12,057,567 | 11,715,144 | 12,057,567 |
| | 11,715,144 | 12,057,567 | 11,715,244 | 12,057,667 |

All fixed asset investments relate to unrestricted funds in both 2023 and 2022.

### Investments in subsidiary companies

The charity owns the whole of the issued share capital of The East Lancashire Hospice Shops Limited (company number 04660703), which is incorporated in England and Wales. The subsidiary is used for non-primary purpose trading, namely the sale of donated goods through several shops. All activities have been consolidated on a line by line basis.

In the opinion of the Trustees, the investment in the charity's subsidiary undertaking is worth at least the amount at which it is stated in the balance sheet of £100. A summary of the results for the trading company as show below:

| | 2023 £ | 2022 £ |
|---|---|---|
| Turnover - shop sales | 268,121 | 228,040 |
| Cost of sales | (21,742) | (24,757) |
| **Gross profit** | 246,379 | 203,283 |
| Administrative expenses | (238,337) | (253,448) |
| Other operating income | - | 59,731 |
| **Profit / (loss) for the year** | 8,042 | 9,566 |
| Amounts gift aided to charity | - | - |
| **Retained profit / (loss) for the year** | 8,042 | 9,566 |
| **Retained earnings brought forward** | (28,030) | (37,596) |
| **Retained earnings carried forward** | (19,988) | (28,030) |

The aggregate of the assets, liabilities and funds of The East Lancashire Hospice Shops Limited was:

| | | |
|---|---|---|
| Fixed assets | 27,068 | 34,768 |
| Current assets | 50,423 | 87,447 |
| Current liabilities | (97,379) | (150,145) |
| **Funds** | (19,888) | (27,930) |

## 13 Fixed asset investments (continued)

### Other investments

| Group and charity | 2023 £ | 2022 £ |
|---|---|---|
| *Market value* | | |
| As at 1 April 2022 | **12,057,567** | 9,649,353 |
| Additions | **1,072,817** | 1,945,656 |
| Disposals | **(948,679)** | (500,097) |
| Movement in cash deposits held as investments | **(78,876)** | 86,009 |
| Change in market value | **(387,685)** | 876,646 |
| **As at 31 March 2023** | **11,715,144** | 12,057,567 |

Listed investments are represented by:

| | Group and Charity 2023 £ | 2022 £ |
|---|---|---|
| Fixed interest | **702,262** | 647,611 |
| Equities | **1,615,938** | 1,740,805 |
| Alternatives | **482,280** | 548,663 |
| Property | **75,718** | 115,720 |
| Investment trust and unit trust | **8,743,545** | 8,830,491 |
| Cash | **95,401** | 174,277 |
| | **11,715,144** | 12,057,567 |

## 14 Debtors

| | Group 2023 £ | 2022 £ | Charity 2023 £ | 2022 £ |
|---|---|---|---|---|
| Trade debtors | **76,411** | 70,424 | **76,411** | 69,823 |
| Prepayments and accrued income | **75,223** | 284,025 | **45,578** | 221,429 |
| Amounts owed by group undertakings | **-** | - | **83,852** | 118,213 |
| VAT recoverable | **55,523** | 51,475 | **52,638** | 45,664 |
| | **207,157** | 405,924 | **258,479** | 455,129 |

All debtors relate to unrestricted funds in both 2023 and 2022.

## 15 Creditors: amounts falling due within one year

| | Group 2023 £ | 2022 £ | Charity 2023 £ | 2022 £ |
|---|---|---|---|---|
| Lottery payments in advance | **46,722** | 47,793 | **46,722** | 47,793 |
| Accruals and deferred income | **602,464** | 632,060 | **596,653** | 627,293 |
| Trade creditors | **81,401** | 101,758 | **73,685** | 74,593 |
| Other taxes and social security | **53,239** | 46,831 | **53,239** | 46,831 |
| | **783,826** | 828,442 | **770,299** | 796,510 |

All creditors relate to unrestricted funds in both 2023 and 2022.

## 16 Funds

### Restricted funds

| | Brought forward at 31 March 2022 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Carried forward at 31 March 2023 £ |
|---|---|---|---|---|---|
| Support & Wellbeing | 464 | - | - | - | **464** |
| Co-op Community Fund | 1,109 | - | (85) | - | **1,024** |
| IPU facilities | - | 10,000 | (8,370) | - | **1,630** |
| | 1,573 | 10,000 | (8,455) | - | **3,118** |

### Unrestricted funds

| | Brought forward at 31 March 2022 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Carried forward at 31 March 2023 £ |
|---|---|---|---|---|---|
| Unrestricted fund | 16,239,740 | 3,208,956 | (3,746,671) | (387,685) | **15,314,340** |
| Non-charitable trading | (28,030) | 268,121 | (260,079) | - | **(19,988)** |
| | 16,211,710 | 3,477,077 | (4,006,750) | (387,685) | **15,294,352** |

**Purpose of the restricted funds:**

The Support & Wellbeing fund is a patient donation for patient activities.

The Co-op Local Community Fund was funding received for the choir.

The IPU facilities fund was a donation from The Fort Foundation to be used towards new facilities within the Inpatient Unit.

## 16 Funds – prior year

*Restricted funds*

| | *Brought forward at 31 March 2021* | *Income* | *Expenditure* | *Gains, losses and transfers* | *Carried forward at 31 March 2022* |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| *Day Care Unit Building* | *4,384* | *-* | *(4,384)* | *-* | *-* |
| *Support & Wellbeing* | *464* | *-* | *-* | *-* | ***464*** |
| *NHSE Funding* | *-* | *339,078* | *(339,078)* | *-* | *-* |
| *Co-op Community Fund* | *1,109* | *-* | *-* | *-* | ***1,109*** |
| *Yorkshire Building Society Charitable Foundation* | *-* | *750* | *(750)* | *-* | *-* |
| | *5,957* | *339,828* | *(344,212)* | *-* | ***1,573*** |

*Unrestricted funds*

| | *Brought forward at 31 March 2021* | *Income* | *Expenditure* | *Gains, losses and transfers* | *Carried forward at 31 March 2022* |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| *Unrestricted fund* | *15,160,314* | *3,192,565* | *(2,989,785)* | *876,646* | ***16,239,740*** |
| *Non-charitable trading* | *(37,596)* | *287,771* | *(278,205)* | *-* | ***(28,030)*** |
| | *15,122,718* | *3,480,336* | *(3,267,990)* | *876,646* | ***16,211,710*** |

## 17 Operating lease commitments

At 31 March 2023 the group had future minimum lease payments under non-cancellable operating leases as set out below:

| | Land and buildings | |
|---|---|---|
| | **2023** | **2022** |
| | **£** | £ |
| Amounts due within one year | **50,379** | 32,167 |
| Amounts due between one and five years | **116,911** | 12,375 |
| Amounts due after five years | **3,999** | - |
| | **171,289** | 44,542 |

**THE EAST LANCASHIRE HOSPICE**

England & Wales - Charity number 1075653

# Accounts

Company Registration No: 03755216

Charity No: 1075653

# THE EAST LANCASHIRE HOSPICE

**(A registered charity and company limited by guarantee)**

**Annual Report of the Trustees**
**and Financial Statements**

**For The Year Ended**
**31 March 2022**

mha
MOORE & SMALLEY

# THE EAST LANCASHIRE HOSPICE

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# THE EAST LANCASHIRE HOSPICE

## REFERENCE AND ADMINISTRATIVE INFORMATION

| | |
|---|---|
| **Trustees** | Mr F G Parr (Chairman)<br>Mr T Kennedy (Vice Chairman)<br>Mrs A R Pallister (Secretary)<br>Mr R J Sutlieff<br>Councillor Y Jan Virmani<br>Mrs G M Leacy<br>Mr I M Willock<br>Mr D McDonough |
| ***Key Management Personnel (at 31 March 2022):*** | |
| **Chief Executive Officer** | Mrs L Stevenson |
| **Medical Director** | Dr K Hogarth |
| **Clinical Services Lead** | Mrs C Evans |
| **Fundraising & Lottery Lead** | Mrs S Plunkett |
| **Company Number** | 3755216 |
| **Registered charity number** | 1075653 |
| **Tax exemption number** | XR 32869 |
| **Registered office** | The East Lancashire Hospice<br>Park Lee Road<br>Blackburn<br>BB2 3NY<br><br>Tel: 01254 287000<br>Fax: 01254 665000<br><br>www.eastlancshospice.org.uk |
| **Auditor** | MHA Moore and Smalley<br>Chartered Accountants &<br>Statutory Auditor<br>Richard House<br>Winckley Square<br>Preston<br>PR1 3HP |

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ending 31 March 2022, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published in October 2019.

**Structure, Governance and Management**

**Governing Document**

The charity is a charitable company limited by guarantee and not having a share capital is exempt from the requirement to use the word 'limited' as part of its name. It is governed by a memorandum and articles of association and was incorporated on 20 April 1999 to take over, from 1 July 1999, the activities of The East Lancashire Hospice Fund, an unincorporated association which was originally founded in 1981.

The charity was entered in the Central Register of Charities with effect from 24 May 1999 and accepted by HM Revenue & Customs as a charity for tax purposes.

**Recruitment and Appointment of Trustees**

The Board of East Lancashire Hospice is made up of 8 trustees who are all registered volunteers. Recruitment is undertaken via a formal, inclusive process and positions are advertised in a targeted way in order to reach a specialist audience to maximise the securing of appropriate skills and diversity mix.

Potential candidates are invited to apply by a CV, and a formal process takes place including interview with a panel of Trustees. Trustees are appointed for a period of three years and may be re-elected after this period for a further three.

Trustee induction consists of an induction pack, this incorporates key information on the charity, and the responsibilities of being a Trustee. The induction process provides opportunities to meet staff and Heads of Service in order to gain a greater understanding of the hospice. Trustees are also supported to attend appropriate external training events that will assist them with their role. They also undertake organisational mandatory training as appropriate to their role.

**Organisational**

We continued to be affected by the Covid-19 pandemic both within our community and inpatient settings, bringing difficulties and challenges and at times sadness for far too many. We had already changed our ways of working and living and continued to do so throughout the year. We know that as we slowly return to "normal" there will be changes and consequences we are yet to fully realise – but we are positive about that.

Whilst we have felt that everything around us has changed some things have remained constant. East Lancashire Hospice has continued to provide vital care and support to people living with a terminal illness and bereavement in Blackburn, Darwen, Hyndburn and the Ribble Valley. We have continued to do this 365days a year over 24hrs 7 days a week as we have always done.

However it has changed as the communities we serve are constantly facing new and different demands due to the pandemic, sometimes on a daily basis. In this context we have looked at ourselves as an organisation to ensure we have been flexible and adaptable to enable us to meet these different demands.

Our priority has been to keep as many services open and accessible as possible for those people who need us, as well as developing new service models according to the needs of the communities we serve whilst supporting our NHS colleagues.

Such vision and rapid delivery of new and changed services has taken bravery, decisiveness and real commitment by all our staff and we would want to publicly acknowledge and applaud all our staff who continue to give to make things happen.

**Organisational (continued)**

We have had to adopt new methods to ensure we continue to have a robust framework for governance which has meant that the majority of the governance arrangements have taken place by Zoom, but in essence their terms of reference and purpose have remained the same with the addition of the added demands, responsibilities and challenges that the pandemic brought us.

The Board of Trustees have continued to meet on a monthly basis to direct and manage the governance of the hospice. The Trustees have ultimate responsibility for setting the strategic direction of the hospice and their role is to ensure that the hospice is financially viable, well run and that it meets the needs for which it was set up. A CEO is appointed by the board to operationally manage the hospice supported by a Senior Leadership Team with predetermined levels of authority. Matters such as policy, strategy and budgets are prepared for consideration and approval by the trustees who monitor the implementation of these plans.

Departmental Leads are responsible to the appropriate Heads of Service, who are responsible to the CEO who is in turn responsible to the Board of Trustees.

We continued to have four governance committees covering all aspects of the organisation although risk and clinical combined over the past year to more effectively deal with the challenges of the pandemic:

- Clinical Governance Committee
- Finance Governance Committee
- Risk Governance Committee
- Corporate Governance Committee

Each committee worked to its original terms of reference each taking on the additional governance responsibilities associated with the pandemic. The membership consists of elected members of the Board of Trustees, Senior Leadership Team, and Heads of Service who have been selected for their particular skills, experience and knowledge. Committees meet at least once per quarter and report into the Corporate Governance Committee which in turn reports into the main board meeting on a quarterly basis.

The Senior Leadership Team, Head of Finance and Head of Quality and Governance present quarterly comprehensive written reports to the Board of Trustees. The report covers key risk issues which are inclusive of all aspects of governance providing both qualitative and quantitative data. To support the management and Governance during the pandemic additional briefing/ situational reports have been presented to the Board of Trustees on a monthly basis.

To support our governance arrangements during the pandemic we worked with our partner organisations across East Lancashire having daily situational update meetings.

We meet quarterly with our Clinical Commissioning Group where the content of the Board report forms the basis of discussion and review.

**Related Parties and Cooperation with Other Organisations**

One of the positive learnings we have taken forward from the pandemic this year is the importance of working with others. The hospice has continued to work to maintain strong relationships and partnerships with local organisations and our local community and it is these key partnerships and relationships that have helped us to meet the many challenges we have faced throughout the pandemic. We believe that the hospice belongs to our community and that we exist in order to be able to provide a service which really makes a difference to the quality of the lives of patients and their families which has been even more important during this past year as many of our patients have faced isolation along with disruption to their normal support and care systems.

Throughout the last year we have worked on a daily basis with local key providers both in hospital and the community the aim being to keep palliative and end of life patients at home and out of hospital, often changing our services at short notice to meet with the constant changes in demand. Working collectively to improve what we could offer ensuring patients and their families were at the centre of what we did.

Key members of staff continued to be involved in local, regional and national network groups, which supported the sharing of best practice, bench marking and mutual support in last year's ever-changing landscape.

**Related Parties and Cooperation with Other Organisations (continued)**

We continue to have integrated working arrangements which has helped and supported patients and their families by enabling them to receive the right care at the right time and in the right place.

**Pay Policy for Staff**

All Trustees give their time freely and Trustees received no remuneration in the year and nor have they received any payment for expenses throughout the year.

The Trustees consider the Senior Leadership Team to be the key management personnel of the charity, in charge of directing, controlling, running and operating the charity on a day-to-day basis.

All employed staff are remunerated according to the responsibilities of their job description. Job descriptions are reviewed on an annual basis as part of the Personal Development Review (PDR) process.

Benchmarks are used nationally, regionally and locally.

All staff including the CEO and Senior Leadership Team receive the same annual cost of living pay increases and other benefits of employment that are agreed annually by the Board of Trustees.

**Public Benefit Statement**

The Trustees have complied with the Charities Act to have due regard to the public benefit guidance published by the Charity Commission. The Trustees believe that the charity provides a public benefit as its principal activity is to enhance the quality of life for individuals with a life limiting illness. The aim being to provide specialist, supportive and end of life palliative care to any adult in the communities we serve, without discrimination, in the place of their choice, and to offer support to them, their relatives, carers and friends. This is provided in various settings including, in the hospice (Inpatients, Specialist and Supportive outpatients and a huge variety of support and wellbeing services) In patients own homes (Specialist Clinical Nurses and Hospice at Home). We also provide specialist, generalist and end of life palliative care education within the organisation and to the wider community. Over the past year these activities and services have been adapted to ensure they are delivered in a Covid safe environment working to national and local guidelines.

**Our Staff and Volunteers**

The hospice is committed to an equal opportunities approach in everything it does. This means that we seek to ensure that anyone connected to us, from patients and families through to donors, supporters, volunteers and staff are treated fairly, appropriately and with dignity and respect. From our day-to-day operational management to our strategic decision-making, we consider how we work may affect different groups and actively eliminate or reduce negative impact and discrimination.

All our staff from all departments of the organisation have had to work flexibly and creatively adapting to new and different ways of working and in some cases taking on new roles and responsibilities as we strove to ensure everyone received the care they needed. Every single one of our staff played a vital role in helping patients, families and each other throughout this year.

Throughout the pandemic we have been fortunate and extremely grateful to continue to be supported by a small team of highly dedicated, hardworking and skilled volunteers. Over the year we have welcomed more volunteers back as well as welcoming new faces. One thing we are sure of is that they have been greatly missed by everyone in supporting our staff and patients in the many areas of the hospice they truly are amazing people.

We continue to be proactive in gaining feedback from our staff and volunteers and we completed a staff survey pre Covid-19 which will be regularly repeated. We also ask our external stakeholders for their views as we constantly strive to engage with as wide a range of people as possible in all aspects of the hospice, to enable us to develop in a way which builds our organisation's learning, understanding, trust and responsiveness.

We are now preparing to introduce a mechanism for regular staff feedback that will enable us to understand how staff are feeling about their work, their support and environment and further develop the culture of engagement and collaboration that makes such a difference to our team and ultimately the services we provide.

**Objectives and Activities**

The principal objectives of the charity as set out in the Memorandum and Articles of Association are to provide specialist, supportive and end of life care for adults who are suffering from a life limiting illness to the communities we serve in Blackburn, Darwen, Hyndburn and the Ribble Valley.

We also aim to collaborate and form partnerships with other providers of palliative care, different faith groups, cultural communities as well as diverse organisations that support patients and their families living with a life limiting illness and make our specialist resources available to them.

Quality of care for patients and their families is at the heart of what we do at East Lancashire Hospice and our charitable activities are focused on offering free care and support to patients and their families from the moment they are informed that their illness is incurable regardless of diagnosis. Referrals are accepted from a variety of health care professionals and patients can self-refer too many of our services with places allocated according to need.

The activities supporting these objectives are -

- A ten-bedded Inpatient Unit where specialist palliative care is delivered by a multi-disciplinary team
- A community team, which consists of Clinical Nurse Specialists who work with General Practitioners and other Health Care Professionals, and a Hospice at Home team who support the provision of palliative and end of life care in people's own homes.
- Support and Wellbeing Services consisting of
    - Creative and Supportive Therapy
    - Counselling
    - Family Support
    - Complementary Therapies
    - Physiotherapy
    - Outpatients

Our services help support people with a life limiting illness from the first days of uncertainty through to the last days of life, death and bereavement.

These services are offered irrespective of background or belief and we are committed to offer care based on need not diagnosis. We recognise the increasing need for high quality palliative care for people living with multiple conditions not just a single diagnosis such as cancer.

We have a multi-disciplinary team covering all aspects of the work we do. Our philosophy of care is that we care for the whole person, and their family friends and carers. The wishes of each patient and their family are carefully assessed with relevant members of the multidisciplinary team so that they can be supported in the way they want, be it physically, socially, emotionally, psychologically and /or spiritually. We respect each patient's priorities and strive to enable them to achieve their personal goals.

Our clinical teams are supported by a range of support services including facilities, domestic, catering, administration, finance and volunteers all play a key role in ensuring that patients and their families have the best possible care.

The Care Quality Commission has a record of our activities and monitors us through information supplied directly to them in the statutory notifications we make, in writing about events and changes to service.

The Care Quality Commission (CQC) inspects the hospice and their report is posted on the commissions' website and can be accessed via a link on our website. There is a programme of planned reviews, which take place on unannounced visits. On our last inspection we were classed as Outstanding in Caring, Effective and Responsive and received an overall rating of Outstanding for the organisation.

The CQC also had to adapt its methodology during Covid-19 and we now have regular monitoring calls with them to satisfy them with our compliance, quality and safety.

**Objectives and Activities (continued)**

We have a comprehensive annual audit programme, to ensure compliance with legislation and best practice covering all aspects of the organisation including clinical and non-clinical activities. These are implemented and monitored through our Governance structure to provide the Trustees with assurances that we are compliant with our legal and statutory obligations.

The hospice continues to play a part in the wider healthcare agenda through Palliative Care Locality Groups within East Lancashire and through the wider Network groups within Lancashire and South Cumbria. Together with other hospices in the region we are a part of Lancashire and South Cumbria Hospices Together Partnership (LSCHT) which is another way of making sure hospice end of life and palliative care voices are heard.

**Strategic report**

***Achievements and Performance***

- We are proud to continue to have a CQC rating of outstanding and despite this reassuring result we continue to review and act upon feedback as well as reviewing the effectiveness and efficiencies of what we do.
- Despite the many challenges that the pandemic has brought to us we have continued to operate our services to the people of Blackburn, Darwen, Hyndburn and the Ribble Valley. In order to achieve this we have had to in many ways adjust the way we work and deliver our services throughout the organisation, however one thing that has remained unchanged is that we have continued to care and support people living with a terminal illness. We did this by looking into ourselves as people and as an organisation to ensure that we were able to do what we do best give excellent care and support to those who need us at the right time, in the right place, by the right people.
- The Covid-19 pandemic has brought about very many new ways of working, collaborations with key partners and very thought-provoking decisions about the way we engage and deliver services. There is much to be said for the creativity and responsiveness that has unfolded within our teams in very difficult times.
- We continue to have an honest and open relationship with our 2 local CCGs (although the structure is changing in 2022) with a joint desire to enable everyone to access good end of life care provision.
- We have worked closely with them to ensure future services are designed to meet the needs of the local population.
- During the last year we implemented plans for a single point of access to enable responsive support for those in our community working collaboratively with lead commissioners, partner agencies including Marie Curie, domiciliary agencies, district nursing services and the continuing health care team. We have been instrumental in maximising the use of all available night support capacity and strengthening the quality of information shared with key partners for the benefit of those in our care. The coordination and administrative work that underpins this success cannot be underestimated and is testament to the creativity and commitment of all involved. As this project is a pilot evaluation is ongoing and commissioning intentions are to be confirmed.
- We continued to work with our Pandemic Plan which was designed to support the hospice through the changes we envisaged we would face in delivering services and ensuring our sustainability. It primarily focused on risk management and how we would protect patients, staff and volunteers to provide safe services in the wake of the pandemic.

*Achievements and Performance (continued)*

- The impact of the pandemic has been extensive and prolonged with the significant challenge of unplanned Covid related absence that has truly evidenced the commitment and responsiveness of our hospice staff in maintaining service provision. The need for a focus on staff support and wellbeing has become increasingly evident with the easing of restrictions and plans for a return to a "new normal" very much welcomed. No-one however underestimates the challenge we face in achieving this.

- Whilst the focus during this time was adapting services to meet changing demands, we also considered our future financial sustainability, the scale of the challenge and consideration of the future. We re-assessed our fundraising strategy adapting and changing the ways we generated income making a new survival plan for the year whilst acknowledging the future changes needed as the pandemic continues to an effect within the public arena and the way we live and work.

- The hospice continues to play a role in the wider healthcare agenda through Palliative Care locality groups in the Lancashire and Cumbria Clinical Commissioning Group areas engaging with local commissioners around the sustainability and transformation plan. As mentioned the hospice became part of the LSCHT collaborative to the regions sectors voice and the impact we all make.

- Restrictions eased during the latter part of the year and engagement with commissioners and key stakeholders focused on preparation for the easing of restrictions and restoration planning. We started the progression toward a return to 'normal' while learning from all aspects of our experience during the pandemic and the opportunities and challenges that came with it. The pathway out of the pandemic has perhaps been more challenging than entering into it; as responsibility changing from government set directives and legal requirements to individual and social responsibility has at times been both daunting and confusing for all concerned.

- We continued with our premises modernisation programme although if somewhat at a slower pace which has enhanced the environment and facilities for patient's, relatives, staff and volunteers.

- Work in the gardens and grounds has been intensified with the return of volunteers. Improvement work in reception was completed in readiness for the reopening of the space and the return of our many valued volunteers.

- Mindful of the privacy and dignity of our patients and following extensive refurbishment of our Café Retreat, we decided to erect some retractable screens to create privacy as patients head to our In Patient Unit. There has been a slight delay in their installation because of Covid-19.

- Our teams throughout hospice services have demonstrated increasing flexibility this year as we have continued to adapt to the changing needs and preferences of the patients and families who use our services; as restrictions have eased the level of anxiety amongst some of our service users has increased meaning contacts have been tailored to the very individual needs we are seeing amongst people on our caseloads.

- We continued to support our NHS colleagues stepping up our services to support caring for patients in the community to support unavoidable admissions to hospitals. We also provided thorough support with in-reach assessment to facilitate timely transfer from the acute hospital setting to hospice care.

- Responsive Intervention has supported hospital discharge for those patients awaiting packages of care facilitated by Hospice at Home in order to free up hospital beds sooner where this has been appropriate.

- We have continued to meet patient need through continuous review of both demand on services and staff capacity so that responsive support is available 24 hours a day and 7 days a week. This has meant flexibility as circumstances changed to deliver out-reach from Inpatient Unit into community as well as the deployment of staff to the Inpatient Unit.

***Achievements and Performance (continued)***

- Excellent management of infection control was noted and commended by local authority Infection Prevention & Control (IPC) team on a review visit. The value of the introduction of PPE lead was evident as the pandemic progressed; the lead provided consistency across the hospice and in engaging with external partners on IPC lead issues/supplies.

- The year has been very challenging for IPU staff who had to deal with a change of approach to visiting arrangements after being used to 24/7 access. This proved to be a continuous challenge even after restrictions eased and autonomy of practitioners and individual assessment of patient need was emphasised. There was a fear of getting it wrong or doing different things for different people. However, the IPU remained accessible all year round and patients were able to receive visitors as well as being supported to "see" them digitally.

- Staff working at the hospice throughout the pandemic and those returning predominantly reported feeling very safe here due to the measures in place although returners found it a very different environment compared to the one they left. There has been a great commitment by all concerned to ensure the hospice returned to the bustling community it was pre-Covid.

- Early introduction (at the start of pandemic) of a telephone absence line and maintenance of this during the last year has enabled 24/7 reporting, early support for staff and timely external reporting and guidance to ensure timely advice and thus limit the spread of infection.

- In keeping with increased demand for night support, rosters and work allocation systems were reviewed to enable responsive intervention for those most in need in our communities and Inpatient Unit.

- We continued to develop new models of staff engagement and support at all levels throughout the organisation to support the changes and challenges this brought to staff and their families.

- Some of the different methods of staff support have included virtual meetings and, over time when it has been safe to do so, more face to face meetings. Flexibility has been available from direct line managers in recognition of personal and professional challenges faced by staff and their families. Access to hospice funded healthcare, health and wellbeing activities and helplines have been promoted. Those unfortunate to have experienced Covid-19 themselves have been directly supported by line managers and contact maintained during their absence.

- Introduction during the pandemic of 'Covid and a Cuppa' as a means of virtual support/sharing and learning for anyone working in care/health affected in any way by Covid-19. This activity was led by our Counsellors.

- Engaged with staff via a survey to build an understanding of the effect that the pandemic had. The survey was completed and a working group was established to review findings, though the effectiveness of the group was affected by attendance/availability because of Covid-19. Headlines were shared; however the impact of Covid-19 became increasingly more apparent and the survey will be relaunched during 2022. The key themes are discussed during 1:1 s and the more conversational approach to PDRs introduced this year.

- Introduction of 'Click and Connect' as a virtual forum facilitated by representatives from each department as a support mechanism for Volunteers. This proved very popular with some volunteers.

- Heads of Service led contact with their own volunteers during pandemic and planned the gradual reintroduction back into services – some sooner than others but the whole process was collaborative and personalised.

- Feedback was sought from patients accessing Support and Wellbeing to inform plans prior to restrictions being eased (and during that time) to gain awareness of their needs and preferences, hopes and fears. Programmes/events and activities were then planned around feedback where feasible.

***Achievements and Performance (continued)***

- We sought feedback from staff groups to gain their views of how, despite the pandemic, we had still made progress towards our strategic plans perhaps in very different/creative ways. The good response we received meant we could compile a summary report for year end and boost staff as they were able to see their achievements.

- The intensity of one to one and small group support provided throughout the year despite lockdown and restrictions in place was provided by line managers plus additional peer support. This was positively received by staff and volunteers.

- Reviewed our Income Generation strategy redesigning our retail and community fundraising services, focussing on marketing and social media and innovating how we asked our community for support by focussing more on the impact of our services.

***Reserves Policy and Going Concern***

The Board of Trustees review the reserves policy of the charity annually. Finance Governance Committee monitors and reviews reserves reporting to board on a quarterly basis.

Reserves and investment reviews encompass all income and expenditure streams, the need to match variable income with fixed commitments and longer-term plans for a sustainable future. When deficits occur, we rely on our reserves to enable us to continue to provide hospice services for our patients and their families.

The prudent approach, taken by the Board of Trustees, takes into consideration the current potential unstable position, in that grants received may significantly drop and offer no security in terms of long-term financial planning. The general policy remains one of a cautious approach in the event of a drop in CCG grant funding and/or voluntary income.

Developments are planned for the upcoming years and include the following:

- Review of community services to meet the changing needs of patients
- Improving the garden and outdoor space for patients and their families
- Replacements to patient equipment and enhancements to patients facilities
- Continue to invest in educating our staff and volunteers to ensure we are fit for purpose
- Continue to upgrade the hospice environment for patients and their relatives, carers and visitors.

Investments are being closely monitored by our investment managers, the Finance Governance Committee is kept well informed and receives quarterly valuations of portfolios and the hospice has a dedicated points of contact for any questions.

In the event of the Investment Manager's insolvency, assets would remain in trust with the nominee company and would not be impacted by the insolvency.

The primary objective of the investment policy is to provide financial security and stability for the hospice. The investment approach also recognises that the hospice is exposed to the risk of a sharp fall in its income due to the variability of legacy income and donations and the uncertainty of future funds from the government. To reflect this position the hospice continues to invest in a varied portfolio.

In 2021/22 the hospice continued to ensure sufficient available funds were available to deliver a quality service focussed on sustainability. The hospice remains in a healthy position financially, our reserves provide a buffer for uninterrupted services whilst ensuring the hospice remains a going concern. The hospice reserves policy is that it should maintain a minimum of 24 months running costs.

***Reserves Policy and Going Concern (continued)***

Total reserves as at 31 March 2022 were £16,213,283, of which £16,211,710 is unrestricted funds and £1,573 is restricted funds. After the deduction from total funds of restricted funds, designated funds and tangible fixed assets the total reserves are £14,600,596. This reserves value currently represents no more than 42 months of budgeted expenditure, which meets the reserves policy. Any unrestricted general funds, surplus to the minimum reserves policy, will be used to safeguard future financial sustainability and to finance short and long term development plans, some of which will require significant levels of funding.

Reserves and investments are reviewed each quarter in light of the major challenges facing the organisation in terms of rising costs, patient expectations, and the challenges that we faced as a consequence of the pandemic.

Ensuring compliance with information governance and data protection remains high on our agenda and is incorporated into our 2020-2023 strategic objectives action plan.

An organisational risk register is monitored by the Governance framework.

***Investment Policy***

The Memorandum and Articles of Association of the East Lancashire Hospice hold no restrictions relating to investments.

The investments portfolio is monitored and managed on behalf of the Board of Trustees by the Finance Governance Committee which reports quarterly to the board. All investment proposals and movements are reported to the Board of Trustees for their approval, in order that the Trustees can discharge their responsibilities in accordance with Section 4 of the Trustee Act 2000.

The hospice aims to generate growth and maximise returns within the parameters of the risk profile. A combination of investments considered to be low risk (up to 80%) and medium risk (up to 20%).

The Trustees also employ the services of 2 Investment Management companies to manage the day to day operations of the investment funds, both of which are under a Discretionary Client Agreement. The Investment Managers have full discretion to operate within the limits of a strategy agreed with and regularly reviewed by the Board of Trustees.

CCLA Investment Management Limited was appointed in 2015/16 and holding discretionary management of 20% of the overall investment portfolio within a medium risk profile (this 20% being the Ethical Funds held with CCLA). Their purpose is to help clients maximise their impact on society by harnessing the power of investment markets. They concentrate on working with charities, religious and public sector organisations (CCLA stands for Churches, Charities and Local Authorities). Investments held with CCLA performed extremely well throughout 2021/22 considering the turbulence the stock markets experienced in March 2022. The CCLA investment portfolio decreased in value in March following the global financial impact of the war in Ukraine, the impact on supply chains of continuing lockdowns in China and the high levels of inflation. Since then markets have seen a continued decline due to the continuing pressures and the capital values are down by approximately 10% for quarter one in 2022/23.

Close Brothers, also appointed in 2015/16 and holding discretionary management of 20% of the overall investment portfolio, operate within a medium risk profile. Investments performed extremely well through the period from April 2021 to the end of the calendar year but markets encountered severe turbulence in the first quarter of 2022. Returns for the year as a whole remained positive. Investment markets have remained challenging through the first half of 2022 following the global financial impact of the war in Ukraine.

Investments are being closely monitored by our investment managers, the Finance Governance Committee is kept well informed and receives quarterly valuations of portfolios and the hospice has a dedicated points of contact for any questions.

In the event of the Investment Manager's insolvency, assets would remain in trust with the nominee company and would not be impacted by the insolvency.

***Investment Policy (continued)***

The primary objective of the investment policy is to provide financial security and stability for the hospice. The investment approach also recognises that the hospice is exposed to the risk of a sharp fall in its income due to the variability of legacy income and donations and the uncertainty of funds from the NHS (Government). To reflect this position the hospice continues to invest in a varied portfolio.

***Financial review***

This is our 37th year operating as East Lancashire Hospice and is our 14th year of being an independent charity. Overall the hospice and shops income is down this year, generating a net surplus of £207,962 (2020/21: surplus of £611,442). Including unrealised gains on investments the total net income for the year is £1,084,608 (2020/21: total net income was £2,445,246). This was mainly due to investment gains being valued at £1,833,804 on 31st March 2021, compared to £876,646 investment gains as at 31st March 2022. Total income, excluding unrealised gains on investments, has decreased overall this year by £234,788. This is mainly due to claiming funds last year from NHS England and the government furlough funding in 2020/21; had we not received some additional funding from the government this year the 2021/22 year-end would have resulted in a deficit before investment gains.

We are most grateful to all those that donate to the hospice and those who wish East Lancashire Hospice to benefit from their life savings by leaving a legacy to us in their will. The hospice highly depends on the goodwill of local communities to ensure sufficient funding is available for patient services to operate. In addition to our public donors and corporate supporters, hospice staff and volunteers frequently offer their time, treasure and talents to help plan and organise fundraising events and to promote hospice services.

**Voluntary Income**

Voluntary income remains under threat due to the potential of another recession as well as the increasing number of charities, both local and national, all competing for the same 'donor pound'. Our 2020-23 strategy is focused on our own income generation activities, in addition to supporting our local communities and putting our patients at the centre of all that we do.

Donations are down by £8.7K and the £301,205 includes £86K of donations representing the proceeds from the sale of donated goods within the Trading company on which Gift Aid has been claimed (in 2020/21: the £309,886 included £12K and in 2019/20 it was £101K). Legacy income is on par with budget this year.

**Grant Funding**

Clinical Commissioning Group (CCG) funding normally equates to approximately 1/3rd of overall running costs, so the hospice needs to raise over £2 million to break even. The Trustees are very grateful for the support currently provided by the 2 CCGs and they recognise the excellent working relationship that exists between the organisations. Future grant funding in the longer-term still remains uncertain, which is partly the reason why we are holding onto reserves, as well as holding investments aiming to generate additional income for future years.

**Investments note**

Investments income is slightly higher this year, only by £202 (£64,182 in 2021/22 compared to £63,980 in 2020/21). Overall, gains on investments have significantly decreased. Gains on investments are valued at £876,646 (2020/21: gains on investments were valued at £1,833,804).

**Income Generation**

To enable us to continue to provide our excellent specialist. supportive and end of life care our income generation team have had to work especially hard this year to deal with the enormous challenges that the pandemic brought with it in terms of working with our communities to generate the income we needed.

Last year income from fundraising was significantly down due to the cancellation of events and drop in community and corporate fundraising, therefore it is pleasing to report that following the lifting of the majority of the restrictions, fundraising income has increased in 2021/22 from £314K last year to £391K this year. This however does not represent a 'normal' year, as prior to the Covid-19 pandemic fundraising income was £572K therefore over £180K down when compared to a pre-pandemic year.

***Financial review (continued)***

The Income Generation Team quickly adapted to face these challenges head on showing a commitment and determination to generate the income that was needed to make sure our patients received the care they needed.

We have continued to engage with our supporters both through our printed newsletters and on social media providing the opportunity for face to face engagement when it has been safe and digital engagement. Likewise, we have seen our customers slowly returning to our shops and we have worked hard to make sure our on line shopping experience is as good as it can be. We know how important it is to reach people within their own homes and to provide channels for their support.

We were pleased to support one of our youngest fundraisers "Young Frank Waddington" as he raised over £625 for the hospice as a thank you for the care his grandfather received here. Young Frank took donations in return for meals at his local pub.

We also ran a campaign which had a patient story at its heart to explain the difference our care makes not only for the patient but for close family and carers. The campaign was called "The Covid Pandemic Impact Appeal" and also highlighted a new approach for us to fundraising and story-telling.

Our new restaurant, Café Retreat, (that had only just opened to the public), had to close its doors when Covid-19 hit but used this time to set up a successful external catering service and developed innovative services including "Click and Collect Fish Friday" and many others. Ensuring a high social media presence throughout has been paramount to keeping it in the forefront of our customers' minds.

Staff were welcomed back to Café Retreat part way through the year but our service to the Inpatient Unit was continuous throughout the year.

With all our shops having to close during the pandemic the Board of Trustees made a decision to redesign our retail services. This has been a huge change that has been necessary to ensure that retail remains a profitable source of income for the hospice. Our traditional hospice shop remains a thriving part of the community in Darwen supported by a warehouse operation which has evolved over the year to sell furniture and other ranges. Our boutique style offering under the Daisy's brand continues to do well.

Our Ecommerce service has expanded and this has been the biggest area of growth in retail for the whole sector during the lockdown period and has changed the consumers shopping habits.

Being adaptable and reacting quickly to change has been the key over the last 2 years and we are now looking to the future to ensure our community can still support us through whichever method they choose, be it a lottery member, a customer in our Cafe or shops, make a donation or fundraise in a way they are able to do so, we are extremely grateful and dependant on their ongoing support.

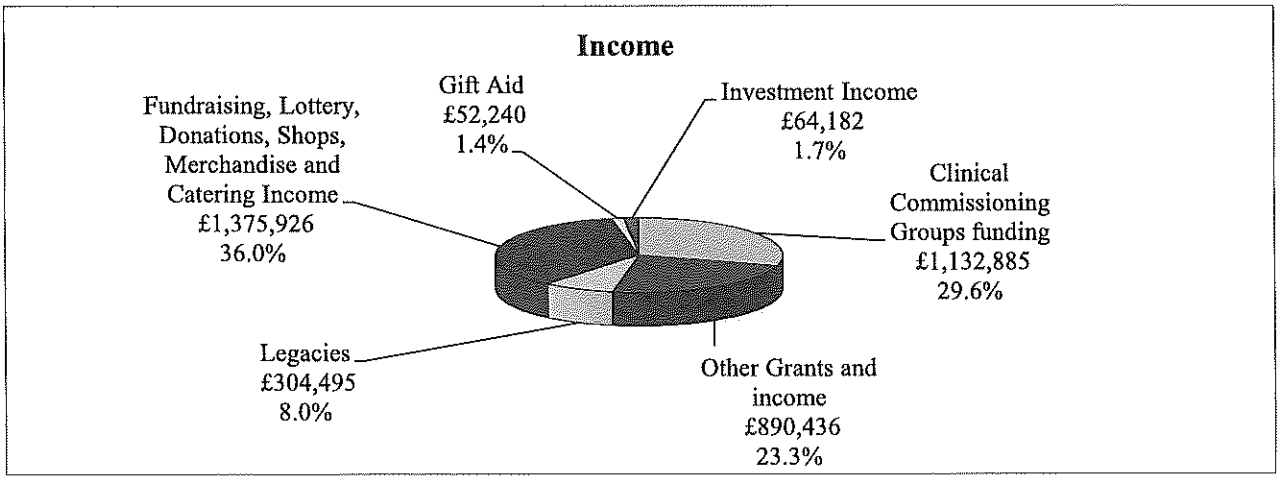
Lottery income has reduced by £20K when compared to last year. Recruitment to lottery membership via our door to door and in-store canvassers had to remain paused due to the national and local restrictions because of the pandemic, this has contributed to a reduction in lottery members. Canvassing resumed towards the end of the financial year 2021/22 and next year's budget aims to bring lottery members back up to where they were prior to Covid-19 by the end of March 2023.

On average, 75% of the money raised by the weekly lottery is profit, that's over twice the amount of some other lotteries, and means that this year almost £280K has gone directly to helping to care for patients with life limiting illnesses. Of the remaining 25%, this is made up of draw prizes in the main, also regulation and promotion, investing in our lottery to ensure we have a sustainable income for years to come.

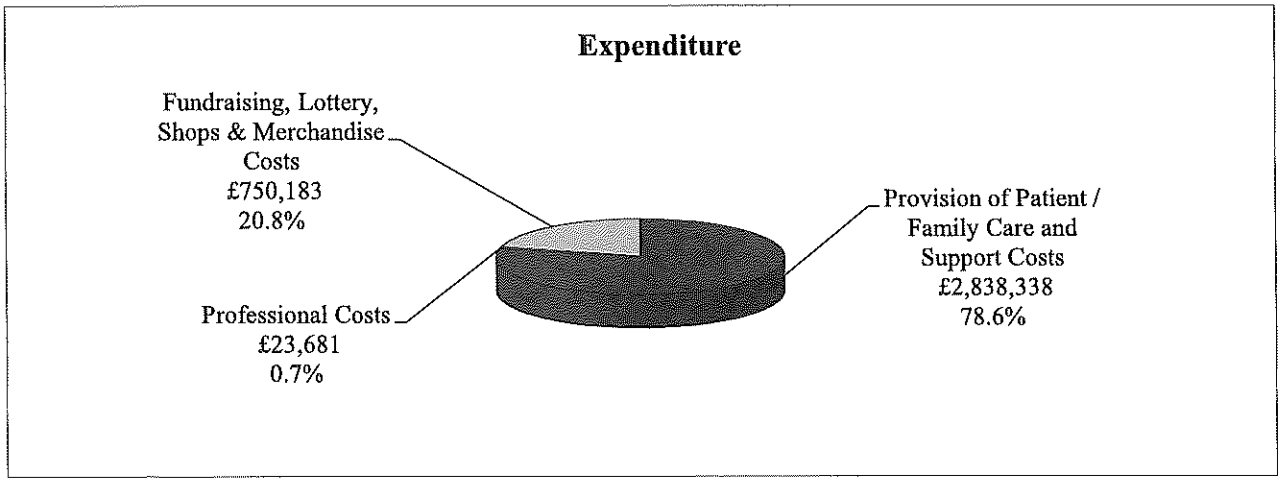
Our thanks go to our thousands of loyal, regular lottery players in our communities, as all of these profits help us to provide hospice services.

***Financial review (continued)***

Our sincere thanks go out to everyone who has contributed their time, treasure and talents to East Lancashire Hospice in the past, also to those that continue to support the hospice now and in the future.




Income for the financial year ended 31 March 2022 totalled £3,820,164 and the graph above shows percentages for each income stream.




Total expenditure for the year ended 31 March 2022 totalled £3,612,202, and the graph above provides details of the major breakdowns.

Total expenditure for this financial year increased by £168,692, almost 80% of this year's costs related to charitable activities providing specialist and supportive care to patients and their families; the remaining was mainly used to generate income through fundraising and marketing. We envisage that costs to maintain quality services will continue to increase in future years. In order for us to ensure that we deliver high standards of care and support to our patients and their families, one of the main strategic objectives over the coming years is to concentrate on new or alternative ways of generating income through refocusing on and investing in fundraising, the hospice lottery and our retail outlets.

***Plans for Future Periods***

We continue to work to implement our strategic aims, but obviously the changes we needed to make in order for us to effectively deal with the pandemic have quite rightly taken priority. However we are optimistic that along with the challenges that the pandemic has brought us there have been opportunities to learn to work in different ways. We have form greater sustainable relationships with other providers and with the community both in the way we provide services and how we fundraise and this will feed into our strategy as we begin to refocus on our objectives for the coming year.

Over the last year we have been working hard to come out of Covid-19 and be responsive to the changes it has made to the ways in which we deliver services; reach out into the community more; support our patients, their families, our staff and volunteers.

Now, we need to start to develop the next part of our strategy, taking account of structural changes at a local and regional level i.e. the establishment of NHS Lancashire and South Cumbria Integrated Care Board (which has replaced the Clinical Commissioning Groups) and the development of Place Based Partnerships – the new structures put the patient at the centre to provide an integrated and seamless experience which is very much the ethos of the East Lancashire Hospice. We will work hard (though there will be some uncertainty) to make sure the new system and this change is effective for all our patients.

Our vision continues to be to help everyone who comes into contact with the hospice to make the most of life. We do this by committing to care, listen, respect and work together to support people to live well until they die and support those affected by death. Our vision has not changed although due to the impact of Covid-19 the way we deliver services in the future potentially will.

This past year has shown again what an incredible team we have. The team is creative and insightful – generating ideas on opportunities that lie ahead and we will incorporate that into our planning. We will continue to challenge ourselves both as people and as an organisation to ensure we are flexible and adaptable playing a key part in keeping our communities safe, cared for and supported in the best way we can.

Our overarching aim remains the same to reach and support more people within our community whilst ensuring we remain financially viable both now and in the future.

Our priorities for the year ahead will be:-

- Maintain East Lancashire Hospice's rating of Outstanding by safely delivering quality care to patients families and carers an appropriate range and quality of integrated services, which are structured to provide accessible responsive and achievable holistic centred care.

- We will do this by building on our strategies for capturing the very creative, day to day excellence in practice and provision that our patients experience and that differentiate outstanding from good.

- Continue to work in partnership and collaboration with other providers to achieve a shared vision to enable the best outcomes for patients and their families within our communities focusing on providing the right care in the right place at the right time.

- We will work closely with the Lancashire and South Cumbria Hospices Together Partnership (LSCHT) to achieve greater consistency in hospice provision across our region and be better able to articulate/evidence where difference is required. This collaborative is another example of reacting to Covid-19 and realising that sharing best practice and working together was more powerful than individual hospices operating in isolation. We started meeting weekly when lockdown first hit but now meet monthly.

- We will implement the IT strategy to ensure we are fit for purpose, maximising efficiency in our systems and enabling us to quickly evidence effectiveness are fit for purpose:

    - Complete transition to electronic patient records
    - Explore benefits to the hospice of tools available to maximise understanding of workforce planning and ranges in demand and dependency in clinical departments

***Plans for Future Periods (continued)***

- Deliver care and support through an integrated staff and volunteer workforce of empowered people which includes investing in our staff and offering quality and flexible opportunities for volunteers.

- Review education and training provision for staff and volunteers and rebuild opportunities for the provision of education and support for external partners.

- Introduce and embed the new role of Head of Wellbeing, Support and Development identifying organisational priorities and ensuring understanding of role across departments.

- Retain and build upon maintaining a visible profile of being well known, respected and valued whilst continuing to develop new and sustainable relationships with key partners.

- Develop and/or re-design existing community and support services to ensure we are fit for purpose working with key stakeholders to ensure appropriateness of any proposed new service developments. In light of the structural external changes (the introduction of Integrated Care Boards and Place Based Partnerships) there has been some delays but we have already held some scoping meetings internally and allocated a CNS to develop the concept of community beds, but there have also been delays to this work because of Covid-19 pressures and planned/unplanned absence.

- There is a drive for some consistency in provision (e.g. Hospice at Home) across providers / the footprint but if Blackburn with Darwen becomes a separate 'Place' we may see a return to the days where very different things were required by different authorities. We will flex accordingly but support equality of access & provision.

- Continue to be financially robust and prudent in all that we do to ensure that we use all our resources as efficiently as possible to achieve the greatest impact for patients and their families.

- Continue with our programme of refurbishment to ensure our patients have seamless care in a comfortable and therapeutic environment.

- Implement sustainable income generation initiatives to work within our changed environment/ community.

***Principal Risks and Uncertainties***

The Board of Trustees acknowledge their responsibility in identifying major risks to which the hospice may be exposed and there is a formal process of risk management throughout the organisation The Trustees have examined the major strategic and business risks that the charity faces, and confirm systems are established to enable regular reports to be produced so that the reasonable steps can be taken to minimise risks.

Finance:
Good co-operation continues to exist with our two Clinical Commissioning Groups who support the grant funding of the hospice. The most significant risk to financial sustainability of the hospice is the potential for a rapid deterioration in income, followed immediately with a corresponding reduction in income. Therefore our reserves are planned to cover the maximum foreseeable reduction in income over a period of 24 months.

Income Generation:
We are always conscious of minimising the costs of our fundraising and retailing activities to ensure we are making the best use of the generous donations we receive. We are conscious of the impact Covid-19 has had and continues to have on household income and in the future we know will be are even more pressures on the donor pound. We work to ensure that we can report back to our donors on the results and impacts that their donations have on patients and their families.

All our income generation is managed internally by our Income Generation team who are responsible for all volunteers who support our fundraising and retailing.

***Principal Risks and Uncertainties (continued)***

We continue to work hard to ensure our supporters data is secure as well as developing our systems to ensure that our supporters can choose how they would like to be contacted and with what types of communication. We are also aware that we have increasing competition as more and more charities compete for the same pots of money.

Retail sales within the high street shops remain uncertain and this will be closely monitored as our shops re-open.

Data Protection and Confidentiality: these are vital to our organisation and we are fully aware of the reputational risks posed by 'social media' such as 'Facebook' and 'Twitter'.

**Approach to Fundraising**

We are committed to practicing the highest standards and we take care to ensure all our fundraising activities reflect the hospice values. We are registered with the Fundraising Regulator and as such monitor ourselves against their recognised standards ensuring that all our fundraising activity complies with the Fundraising Regulators Code of Fundraising Standards.

**How we work with and oversee any commercial participators/professional fundraisers**

This is fully covered within our policies which are supported by a standard operating procedure which includes a formal agreement that is monitored within our Governance Framework.

**Conformation to Regulations Standards**

Compliance is managed by our Fundraising and Lottery Manager, and is governed through our Risk Management Governance Committee. This ensures that fundraising activity is fully compliant with legislation and regulations and we have internal policies which reflect these.

We have a risk management policy so as to minimise or as far as it is reasonably practicable eliminate any risks to patients, staff or volunteers, supporters and members of the public in relation to our fundraising activity.

Staff identify and assess risks and put necessary preventable controls in place.

**Fundraising Complaints**

No fundraising complaints have been received.

**How We Protect Vulnerable People and Members of the Public**

All our supporters are treated as individuals and we have policies and systems in place for ensuring that vulnerable people are recognised and treated accordingly.

- We adhere to the Fundraising Regulator's Code of Practice and the Fundraising Promise
- We promptly action any requests for removal from our mailing list and databases
- We never sell or pass on the data of any of our donors and supporters to any third parties under any circumstances
- We only work with professional fundraising agencies who can demonstrate a track record of best practice in the sector and compliance with the Fundraising Regulator

**Statement of Trustees' responsibilities**

The Trustees (who are also directors of The East Lancashire 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, which 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 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

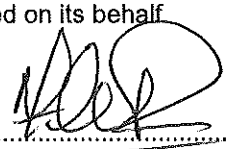
The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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.

**Auditor**

A resolution proposing that MHA Moore and Smalley be re-appointed as auditor of the charity will be put to the Annual General Meeting.

This report, which incorporates the Strategic Report, was approved by the board of Trustees on 18/10/2022 and signed on its behalf.



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**Mr F G Parr - Chairman**

## Opinion

We have audited the financial statements of The East Lancashire Hospice (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2022, which comprise Group Statement of Financial Activities, Company Statement of Financial Activities, Group Balance Sheet, Company Balance Sheet, Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2022, and of group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 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 group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Other information

The 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 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 inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

**Other information (continued)**

We have nothing to report in this regard.

**Opinion 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' 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 requires us to report to you if, in our opinion:

- adequate 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.

**Respective responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements 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 the Companies Act 2006 and report in accordance with this Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations;
- Enquires with management about any known or suspected instances of fraud;
- Review of minutes of board meetings;
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls;
- Review of legal and professional expenditure to identify any evidence of ongoing litigation or enquiries.

Because of the field in which the client operates we identified that employment law, health and safety legislation, Care Quality Commission (CQC) compliance, and compliance with the UK Companies Act are the areas most likely to have a material impact on the financial statements.

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**Use of report**

This report is made solely to the charitable company's members, as a body, in accordance with the Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....

**Christine Wilson (Senior Statutory Auditor)**
**For and on behalf of MHA Moore and Smalley**
**Chartered Accountants**
**Statutory Auditor**

Richard House
9 Winckley Square
Preston
PR1 3HP

Date: 06/11/2022

## THE EAST LANCASHIRE HOSPICE

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)

### FOR THE YEAR ENDED 31 MARCH 2022

| | Note | Unrestricted funds £ | Restricted funds £ | Total funds 2022 £ | Total funds 2021 £ |
|---|---|---|---|---|---|
| **Income from** | | | | | |
| ***Donations and legacies:*** | | | | | |
| Donations and gifts | | **301,205** | **-** | **301,205** | 309,886 |
| Legacies | | **304,495** | **-** | **304,495** | 187,317 |
| ***Charitable activities:*** | | | | | |
| Clinical Commissioning Groups | | **1,132,885** | **-** | **1,132,885** | 1,120,662 |
| Other grants | | **490,877** | **750** | **491,627** | 510,321 |
| Catering and other income | | **79,599** | **-** | **79,599** | 42,895 |
| ***Other trading activities:*** | | | | | |
| Goods for resale | | **18,738** | **-** | **18,738** | 12,938 |
| Fundraising events | | **391,153** | **-** | **391,153** | 314,314 |
| Lottery | | **409,431** | **-** | **409,431** | 429,292 |
| Shop | | **228,040** | **-** | **228,040** | 33,911 |
| ***Investments*** | | **64,182** | **-** | **64,182** | 63,980 |
| ***Other income*** | | **59,731** | **339,078** | **398,809** | 1,029,436 |
| **Total income** | **2** | **3,480,336** | **339,828** | **3,820,164** | 4,054,952 |
| **Expenditure on** | | | | | |
| Raising funds | **3** | **750,183** | **-** | **750,183** | 647,488 |
| Charitable activities | **5** | **2,517,807** | **344,212** | **2,862,019** | 2,796,022 |
| **Total expenditure** | | **3,267,990** | **344,212** | **3,612,202** | 3,443,510 |
| **Net income before other gains and losses** | | **212,346** | **(4,384)** | **207,962** | 611,442 |
| Gain/(loss) on investments | | **876,646** | **-** | **876,646** | 1,833,804 |
| **Net income for the year** | **7** | **1,088,992** | **(4,384)** | **1,084,608** | 2,445,246 |
| Transfers between funds | | **-** | **-** | **-** | - |
| **Net movement in funds** | | **1,088,992** | **(4,384)** | **1,084,608** | 2,445,246 |
| **Reconciliation of funds:** | | | | | |
| Total funds brought forward | | **15,122,718** | **5,957** | **15,128,675** | 12,683,429 |
| **Total funds carried forward** | | **16,211,710** | **1,573** | **16,213,283** | 15,128,675 |

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The surplus for the year for Companies Act purposes comprises the net incoming resources for the year net of unrealised profits and losses on investments and was £207,962 (2021: £611,442).

# THE EAST LANCASHIRE HOSPICE

## CONSOLIDATED BALANCE SHEET

## AS AT 31 MARCH 2022

| | Note | Unrestricted funds £ | Restricted funds £ | Total funds 2022 £ | Total funds 2021 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible fixed assets | 12 | **1,611,114** | **-** | **1,611,114** | 1,645,551 |
| Investments | 13 | **12,057,567** | **-** | **12,057,567** | 9,649,353 |
| | | **13,668,681** | **-** | **13,668,681** | 11,294,904 |
| **Current assets** | | | | | |
| Stock | | **13,409** | **-** | **13,409** | 4,186 |
| Debtors | 14 | **405,924** | **-** | **405,924** | 468,158 |
| Cash on bank deposit | | **2,309,078** | **-** | **2,309,078** | 3,946,043 |
| Cash at bank and in hand | | **643,060** | **1,573** | **644,633** | 199,862 |
| | | **3,371,471** | **1,573** | **3,373,044** | 4,618,249 |
| **Creditors:** amounts falling due within one year | 15 | **(828,442)** | **-** | **(828,442)** | (784,478) |
| **Net current assets** | | **2,543,029** | **1,573** | **2,544,602** | 3,833,771 |
| **Net assets** | | **16,211,710** | **1,573** | **16,213,283** | 15,128,675 |
| **Represented by:** | | | | | |
| Total funds | 16 | **16,211,710** | **1,573** | **16,213,283** | 15,128,675 |

These financial statements were approved by the Trustees on 18th October 2022 and signed on their behalf by:

.....
**Mr F G Parr - Chairman**

.....
**Mrs A R Pallister – Trustee**

## THE EAST LANCASHIRE HOSPICE

### BALANCE SHEET

### AS AT 31 MARCH 2022

| | Note | Unrestricted funds £ | Restricted funds £ | Total funds 2022 £ | Total funds 2021 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible fixed assets | 12 | **1,576,346** | **-** | **1,576,346** | 1,645,551 |
| Investments | 13 | **12,057,667** | **-** | **12,057,667** | 9,649,453 |
| | | **13,634,013** | **-** | **13,634,013** | 11,295,004 |
| **Current assets** | | | | | |
| Stock | | **5,250** | **-** | **5,250** | 3,000 |
| Debtors | 14 | **455,129** | **-** | **455,129** | 485,255 |
| Cash on bank deposit | | **2,309,078** | **-** | **2,309,078** | 3,946,043 |
| Cash at bank and in hand | | **632,780** | **1,573** | **634,353** | 192,376 |
| | | **3,402,237** | **1,573** | **3,403,810** | 4,626,674 |
| **Creditors**: amounts falling due within one year | 15 | **(796,510)** | **-** | **(796,510)** | (755,407) |
| **Net current assets** | | **2,605,727** | **1,573** | **2,607,300** | 3,871,267 |
| **Net assets** | | **16,239,740** | **1,573** | **16,241,313** | 15,166,271 |
| **Represented by:** | | | | | |
| Total funds | | **16,239,740** | **1,573** | **16,241,313** | 15,166,271 |

These financial statements were approved by the Trustees on 18th October 2022 and signed on their behalf by:

.....
**Mr F G Parr - Chairman**

A Rachel Pallister
.....
**Mrs A R Pallister – Trustee**

Company Registration Number: 03755216

# THE EAST LANCASHIRE HOSPICE

## CONSOLIDATED CASH FLOW STATEMENT

## FOR THE YEAR ENDED 31 MARCH 2022

| | 2022 | 2021 |
|---|---|---|
| | £ | £ |
| Net income for the year | **1,084,608** | 2,445,246 |
| *Adjustments for:* | | |
| Investment income | **(64,182)** | (63,980) |
| Gain on investments | **(876,646)** | (1,833,804) |
| Depreciation | **120,767** | 118,670 |
| Profit on disposal of fixed assets | **-** | (4,350) |
| Increase in stock | **(9,223)** | - |
| Decrease in debtors | **62,234** | 222,024 |
| Increase in creditors | **43,964** | 18,500 |
| **Net cash provided by operating activities** | **361,522** | 902,306 |
| **Cash flows from investing activities:** | | |
| Investment income | **64,182** | 63,980 |
| Purchase of tangible fixed assets | **(86,330)** | (13,544) |
| Receipts from sales of fixed assets | **-** | 4,350 |
| Purchase of investments | **(1,945,656)** | (521,528) |
| Proceeds from sale of investments | **500,097** | 254,364 |
| Movement in cash held as investments | **(86,009)** | 231,551 |
| **Net cash (used in) / provided by investing activities** | **(1,553,716)** | 19,173 |
| **Change in cash and cash equivalents in the year** | **(1,192,194)** | 921,479 |
| Cash and cash equivalents at the beginning of the year | **4,145,905** | 3,224,426 |
| **Cash and cash equivalents at the end of the year** | **2,953,711** | 4,145,905 |
| **Analysis of cash and cash equivalents** | | |
| Cash in hand | **2,090** | 1,149 |
| Cash at bank | **2,951,621** | 4,144,756 |
| | **2,953,711** | 4,145,905 |

Total group cash and cash equivalents includes a total of £1,573 (2021: £1,573) relating to restricted funds.

## 1 Accounting policies

### Basis of preparation

The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The East Lancashire Hospice meets the definition of a public benefit entity under FRS 102.

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The charity has availed itself of Paragraph 4(1) of Schedule 1 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006. The parent company's surplus for the year for Companies Act purposes was £1,075,042 (2021: £2,487,889).

### Going concern

The trustees are required to assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation of the accounts. The ongoing impact of Covid-19 is not considered by the trustees to be likely to create material uncertainties in relation to going concern. The trustees and management have put plans in place to manage the situation and monitor reserves levels. At the date of approving these accounts, the trustees have a reasonable expectation that the charity will be able to manage the situation and that it has sufficient cash resources to enable it to meet its liabilities as they fall due for at least 12 months from the date of approval. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

### Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

### Fund accounting

General funds are unrestricted funds, which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds are set aside by the Trustees out of unrestricted general funds for specific purposes or projects. Restricted funds are those to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the accounts.

1 **Accounting policies (continued)**

**Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

Income received in advance of an event or provision of other specific provision of other specified service it is deferred until the criteria for income recognition are met.

Trading income is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes where applicable. Income from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Lottery income is accounted for when received, to the extent that the company has a right to consideration arising from the performance of its contractual arrangements.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**Donated services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), no amounts are included in the financial statements for services donated by volunteers.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs 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 the resources.

1 **Accounting policies (continued)**

**Expenditure (continued)**

Detailed analyses of the expenditure, including irrecoverable VAT where applicable, are provided in the notes to the accounts.

**Tangible fixed assets**

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected economic lives as follows:

- Short leasehold building improvements - over the period of the lease
- Fixtures, fittings and equipment - over 5 years

**Investments**

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

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

**Stock**

Stock is included at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed, on the basis that it is considered impractical to measure the fair value of goods donated for resale, and the costs of valuation outweigh the benefit to users of the accounts and the charity of this information.

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Creditors**

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1 **Accounting policies (continued)**

**Operating leases**

Rentals applicable to operating leases are charged to the SOFA on a straight line basis over the term of the lease.

**Pensions**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the SOFA. The company also contributes to a multi-employer defined benefit scheme. As the proportion of the fund attributable to The East Lancashire Hospice cannot be calculated this scheme has been treated as if it was a defined contribution scheme.

**Taxation**

The company is a registered charity and therefore exempt from taxation.

**Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**Judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Trustees do not believe that there are any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

## 2 Income

| | Unrestricted funds £ | Restricted funds £ | 2022 £ |
|---|---|---|---|
| **Donations and legacies:** | | | |
| Donations and gifts | **301,205** | **-** | **301,205** |
| Legacies | **304,495** | **-** | **304,495** |
| **Charitable activities:** | | | |
| Clinical Commissioning Groups | **1,132,885** | **-** | **1,132,885** |
| Other grants | **490,877** | **750** | **491,627** |
| Catering and other income | **79,599** | **-** | **79,599** |
| **Other trading activities:** | | | |
| Goods for resale | **18,738** | **-** | **18,738** |
| Fundraising events | **391,153** | **-** | **391,153** |
| Lottery | **409,431** | **-** | **409,431** |
| Shop | **228,040** | **-** | **228,040** |
| **Investments** | **64,182** | **-** | **64,182** |
| **Other income** *(see below)* | **59,731** | **339,078** | **398,809** |
| | **3,480,336** | **339,828** | **3,820,164** |

Other unrestricted income comprises £4,680 (2021: £228,439) Coronavirus Job Retention Scheme ('CJRS') income, £33,662 (2021: £89,580) insurance proceeds due to business interruption, and £21,389 (2021: £18,004) of retail and other grants.

Other restricted income comprises £339,078 (2021: £693,413) of NHSE funding.

## 2 Income (continued)

| | *Unrestricted funds* £ | *Restricted funds* £ | *2021* £ |
|---|---|---|---|
| ***Donations and legacies:*** | | | |
| *Donations and gifts* | *309,886* | *-* | *309,886* |
| *Legacies* | *187,317* | *-* | *187,317* |
| ***Charitable activities:*** | | | |
| *Clinical Commissioning Groups* | *1,120,662* | *-* | *1,120,662* |
| *Other grants* | *509,212* | *1,109* | *510,321* |
| *Catering and other income* | *42,895* | *-* | *42,895* |
| ***Other trading activities:*** | | | |
| *Goods for resale* | *12,938* | *-* | *12,938* |
| *Fundraising events* | *314,314* | *-* | *314,314* |
| *Lottery* | *429,292* | *-* | *429,292* |
| *Shop* | *33,911* | *-* | *33,911* |
| ***Investments*** | *63,980* | *-* | *63,980* |
| ***Other income*** *(see below)* | *336,023* | *693,413* | *1,029,436* |
| | *3,360,430* | *694,522* | *4,054,952* |

## 3 Expenditure

| | **Direct costs** £ | **Support costs (note 4)** £ | **2022** £ |
|---|---|---|---|
| **Expenditure on raising funds:** | | | |
| Goods for resale | **5,555** | **1,257** | **6,812** |
| Fundraising events | **291,377** | **30,164** | **321,541** |
| Lottery | **96,378** | **17,596** | **113,974** |
| Shop | **278,205** | **-** | **278,205** |
| Investment management costs | **29,651** | **-** | **29,651** |
| | **701,166** | **49,017** | **750,183** |
| **Expenditure on charitable activities:** | | | |
| Hospice (note 5) | **2,408,292** | **453,727** | **2,862,019** |
| | **3,109,458** | **502,744** | **3,612,202** |

## 3 Expenditure (continued)

| | *Direct costs* | *Support costs (note 4)* | *2021* |
|---|---|---|---|
| | *£* | *£* | *£* |
| ***Expenditure on raising funds:*** | | | |
| *Goods for resale* | *3,873* | *1,204* | *5,077* |
| *Fundraising events* | *219,683* | *28,907* | *248,590* |
| *Lottery* | *99,592* | *16,862* | *116,454* |
| *Shop* | *251,679* | *-* | *251,679* |
| *Investment management costs* | *25,688* | *-* | *25,688* |
| | *600,515* | *46,973* | *647,488* |
| ***Expenditure on charitable activities:*** | | | |
| *Hospice (note 5)* | *2,361,215* | *434,807* | *2,796,022* |
| | *2,961,730* | *481,780* | *3,443,510* |

All expenditure on raising funds was unrestricted in the current and previous year.

## 4 Support costs

| | **2022** | **2021** |
|---|---|---|
| | **£** | **£** |
| Salaries | **433,207** | 420,365 |
| Motor and travel | **70** | 222 |
| Printing and stationery | **11,431** | 9,474 |
| Postage | **14,398** | 7,092 |
| Telephone | **15,954** | 12,329 |
| Computer support | **24,999** | 24,486 |
| Other staff costs | **1,689** | 7,309 |
| Sundry expenses | **996** | 503 |
| | **502,744** | 481,780 |

## 5 Expenditure on charitable activities – Hospice

| | Hospice and specialised palliative care services | |
|---|---|---|
| | **2022** | **2021** |
| | **£** | **£** |
| Salaries | **1,908,580** | 1,914,510 |
| Training and recruitment | **23,162** | 8,668 |
| Property costs | **94,135** | 86,185 |
| Provision of care services | **108,000** | 85,823 |
| Repairs and maintenance | **90,686** | 88,250 |
| Motor and travel | **9,832** | 9,879 |
| Sundry | **27,188** | 25,437 |
| Depreciation | **117,038** | 118,670 |
| Irrecoverable VAT | **6,493** | 4,878 |
| Governance costs (note 6) | **23,681** | 19,397 |
| Support costs allocated | **453,224** | 434,325 |
| | **2,862,019** | 2,796,022 |

Expenditure on charitable activities was £2,862,019 (2021: £2,796,022) of which £2,517,807 was unrestricted (2021: £2,044,286) and £344,212 was restricted (2021: £751,736).

## 6 Governance costs

| | **2022** | **2021** |
|---|---|---|
| | **£** | **£** |
| Audit | **8,650** | 7,225 |
| Trustees' liability insurance | **403** | 907 |
| Legal and professional fees | **14,125** | 10,783 |
| Support costs allocated | **503** | 482 |
| | **23,681** | 19,397 |

## 7 Net income

| | **2022** | **2021** |
|---|---|---|
| | **£** | **£** |
| *Stated after charging:* | | |
| Depreciation | **120,767** | 118,670 |
| Operating leases | **58,584** | 86,995 |
| Audit fee – charity and consolidated accounts | **6,650** | 5,550 |
| Audit fee – subsidiary | **2,000** | 1,675 |

## 8 Analysis of staff costs, Trustee remuneration and expenses, and cost of key management personnel

| Payroll costs were | 2022 £ | 2021 £ |
|---|---|---|
| Wages and salaries | **2,286,981** | 2,221,772 |
| Social security costs | **199,730** | 189,764 |
| Pension costs | **196,617** | 196,488 |
| | **2,683,328** | 2,608,024 |

The number of employees whose remuneration for the year exceeded £60,000 was:

| | 2022 £ | 2021 £ |
|---|---|---|
| £90,000 to £99,999 | **1** | 2 |
| £100,000 to £109,999 | **1** | - |

Of the employees whose remuneration exceeded £60,000, there are two employees (2021: two) accruing benefits under defined benefit pension schemes.

## 8 Analysis of staff costs, Trustee remuneration and expenses, and cost of key management personnel (continued)

The Trustees were not paid or received any other benefits from employment with the charity or its subsidiary in the year (2021: £nil) neither were they reimbursed expenses during the year (2021: £nil). No charity Trustee received payment for professional or other services supplied to the charity (2021: £nil). Trustees made donations to the charity totalling £433 (2021: £465).

The key management personnel of the group comprise the key staff identified in the Trustees' Annual Report. The total employee benefits of the key management personnel of the group were £351,157 (2021: £344,476).

## 9 Staff numbers

The average monthly head count was 109 staff (2021: 97 staff), being 77 (2021: 67) care staff, 19 (2021: 17) fundraising staff, and 13 (2021: 13) administration staff.

## 10 Related party transactions

There were no related party transactions during the current or prior year, apart from any disclosed above relating to the Trustees.

## 11 Pension commitments

The charity participates in a multi-employer defined benefit scheme, operated through the National Health Service. The assets of the scheme are held separately by the National Health Service Superannuation Scheme. Contributions to the scheme are charged to the statement of financial activities as these are incurred. This pension scheme does not have a real pension fund but, as a statutory scheme, benefits are fully guaranteed by the Government. Contributions from both members and employers are paid to the Exchequer, which meet the cost of increasing benefits each year by the rate of inflation. This extra cost is not met by contributions from scheme members and employers. As a result of the nature of the pension scheme, there are no separately identifiable assets and liabilities which can be identified as relating to The East Lancashire Hospice. Therefore, as permitted by FRS102, the scheme has been accounted for as a defined contribution scheme.

The charity also operates a stakeholder defined contribution scheme.

The total contributions made during the year represent contributions to the funds of £196,617 (2021: £196,488). At the year end the charity had outstanding contributions of £41,936 (2021: £26,782).

## 12 Tangible fixed assets

| | Short Leasehold Building Improve-ments | Fixtures, Fittings, Equipment & Motor vehicles | Charity Total | Subsidiary Fixtures, Fittings, Equipment & Motor vehicles | Group Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **Cost** | | | | | |
| At 1 April 2021 | 4,218,519 | 508,758 | 4,727,277 | 42,264 | 4,769,541 |
| Additions | 3,200 | 44,633 | 47,833 | 38,497 | 86,330 |
| Disposals | - | - | - | - | - |
| **At 31 March 2022** | **4,221,719** | **553,391** | **4,775,110** | **80,761** | **4,855,871** |
| **Depreciation** | | | | | |
| At 1 April 2021 | 2,662,291 | 419,435 | 3,081,726 | 42,264 | 3,123,990 |
| Charge for the year | 70,254 | 46,784 | 117,038 | 3,729 | 120,767 |
| Eliminated on disposals | - | - | - | - | - |
| **At 31 March 2022** | **2,732,545** | **466,219** | **3,198,764** | **45,993** | **3,244,757** |
| **Net book value** | | | | | |
| **At 31 March 2022** | **1,489,174** | **87,172** | **1,576,346** | **34,768** | **1,611,114** |
| At 31 March 2021 | 1,556,228 | 89,323 | 1,645,551 | - | 1,645,551 |

Total group fixed assets include a total of £nil (2021: £4,384) relating to restricted funds.

At the year end there were capital commitments of £30,000 (2021: £nil).

## 13 Fixed asset investments

| | Group 2022 £ | 2021 £ | Charity 2022 £ | 2021 £ |
|---|---|---|---|---|
| Investments in subsidiary companies | - | - | **100** | 100 |
| Other investments | **12,057,567** | 9,649,353 | **12,057,567** | 9,649,353 |
| | **12,057,567** | 9,649,353 | **12,057,667** | 9,649,453 |

All fixed asset investments relate to unrestricted funds in both 2022 and 2021.

**Investments in subsidiary companies**

The charity owns the whole of the issued share capital of The East Lancashire Hospice Shops Limited (company number 04660703), which is incorporated in England and Wales. The subsidiary is used for non-primary purpose trading, namely the sale of donated goods through several shops. All activities have been consolidated on a line by line basis.

In the opinion of the Trustees, the investment in the charity's subsidiary undertaking is worth at least the amount at which it is stated in the balance sheet of £100. A summary of the results for the trading company as show below:

| | 2022 £ | 2021 £ |
|---|---|---|
| Turnover - shop sales | **228,040** | 33,911 |
| Cost of sales | **(24,757)** | (5,077) |
| **Gross profit** | **203,283** | 28,834 |
| Administrative expenses | **(253,448)** | (246,602) |
| Other operating income | **59,731** | 175,125 |
| **Profit / (loss) for the year** | **9,566** | (42,643) |
| Amounts gift aided to charity | **-** | - |
| **Retained profit / (loss) for the year** | **9,566** | (42,643) |
| **Retained earnings brought forward** | **(37,596)** | 5,047 |
| **Retained earnings carried forward** | **(28,030)** | (37,596) |

The aggregate of the assets, liabilities and funds of The East Lancashire Hospice Shops Limited was:

| | | |
|---|---|---|
| Fixed assets | **34,768** | - |
| Current assets | **87,447** | 121,462 |
| Current liabilities | **(150,145)** | (158,958) |
| **Funds** | **(27,930)** | (37,496) |

## 13 Fixed asset investments (continued)

### Other investments

| Group and charity | 2022 £ | 2021 £ |
|---|---|---|
| *Market value* | | |
| As at 1 April 2021 | **9,649,353** | 7,779,936 |
| Additions | **1,945,656** | 521,528 |
| Disposals | **(500,097)** | (254,364) |
| Movement in cash deposits held as investments | **86,009** | (231,551) |
| Change in market value | **876,646** | 1,833,804 |
| **As at 31 March 2022** | **12,057,567** | 9,649,353 |

Listed investments are represented by:

| | Group and Charity 2022 £ | 2021 £ |
|---|---|---|
| Fixed interest | **647,611** | 765,648 |
| Equities | **1,740,805** | 1,864,131 |
| Alternatives | **548,663** | 324,251 |
| Property | **115,720** | 79,200 |
| Investment trust and unit trust | **8,830,491** | 6,527,855 |
| Cash | **174,277** | 88,268 |
| | **12,057,567** | 9,649,353 |

## 14 Debtors

| | Group 2022 £ | 2021 £ | Charity 2022 £ | 2021 £ |
|---|---|---|---|---|
| Trade debtors | **70,424** | 43,645 | **69,823** | 38,424 |
| Prepayments and accrued income | **284,025** | 313,616 | **221,429** | 208,860 |
| Amounts owed by group undertakings | **-** | - | **118,213** | 129,887 |
| VAT recoverable | **51,475** | 110,897 | **45,664** | 108,084 |
| | **405,924** | 468,158 | **455,129** | 485,255 |

All debtors relate to unrestricted funds in both 2022 and 2021.

## 15 Creditors: amounts falling due within one year

| | Group 2022 £ | 2021 £ | Charity 2022 £ | 2021 £ |
|---|---|---|---|---|
| Lottery payments in advance | **47,793** | 45,899 | **47,793** | 45,899 |
| Accruals and deferred income | **632,060** | 611,742 | **627,293** | 592,531 |
| Trade creditors | **101,758** | 75,082 | **74,593** | 65,222 |
| Other taxes and social security | **46,831** | 51,755 | **46,831** | 51,755 |
| | **828,442** | 784,478 | **796,510** | 755,407 |

All creditors relate to unrestricted funds in both 2022 and 2021.

## 16 Funds

### Restricted funds

| | Brought forward at 31 March 2021 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Carried forward at 31 March 2022 £ |
|---|---|---|---|---|---|
| Day Care Unit Building | 4,384 | - | (4,384) | - | **-** |
| Support & Wellbeing | 464 | - | - | - | **464** |
| NHSE Funding | - | 339,078 | (339,078) | - | **-** |
| Co-op Community Fund | 1,109 | - | - | - | **1,109** |
| Yorkshire Building Society Charitable Foundation | - | 750 | (750) | - | **-** |
| | 5,957 | 339,828 | (344,212) | - | **1,573** |

### Unrestricted funds

| | Brought forward at 31 March 2021 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Carried forward at 31 March 2022 £ |
|---|---|---|---|---|---|
| Unrestricted fund | 15,160,314 | 3,192,565 | (2,989,785) | 876,646 | **16,239,740** |
| Non-charitable trading | (37,596) | 287,771 | (278,205) | - | **(28,030)** |
| | 15,122,718 | 3,480,336 | (3,267,990) | 876,646 | **16,211,710** |

## 16 Funds – prior year

***Restricted funds***

| | *Brought forward at 31 March 2020* | *Income* | *Expenditure* | *Gains, losses and transfers* | *Carried forward at 31 March 2021* |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| *Day Care Unit Building* | *51,393* | *-* | *(47,009)* | *-* | *4,384* |
| *Support & Wellbeing* | *464* | *-* | *-* | *-* | *464* |
| *ISSA Foundation* | *11,314* | *-* | *(11,314)* | *-* | *-* |
| *NHSE Funding* | *-* | *693,413* | *(693,413)* | *-* | *-* |
| *Co-op Community Fund* | *-* | *1,109* | *-* | *-* | *1,109* |
| | *63,171* | *694,522* | *(751,736)* | *-* | *5,957* |

***Unrestricted funds***

| | *Brought forward at 31 March 2020* | *Income* | *Expenditure* | *Gains, losses and transfers* | *Carried forward at 31 March 2021* |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| *Unrestricted fund* | *12,615,211* | *3,151,394* | *(2,440,095)* | *1,833,804* | *15,160,314* |
| *Non-charitable trading* | *5,047* | *209,036* | *(251,679)* | *-* | *(37,596)* |
| | *12,620,258* | *3,360,430* | *(2,691,774)* | *1,833,804* | *15,122,718* |

## 16 Funds (continued)

**Purpose of the restricted funds:**

The Day Care Unit building fund was for the building of the Day Care Unit and largely relates to grants from the Community Fund (National Lottery Charities Board) towards the capital costs. The fund has been reduced by the related depreciation charge, and the balance is now £nil at 31 March 2022.

The Support & Wellbeing fund is a patient donation for patient activities. This remains unspent at 31 March 2022.

The NHSE awarded funding to allow the hospice to make available bed capacity and community support from December 2021 to March 2022 to provide support to people with complex needs in the context of the Covid-19 situation. This funding was fully spent in the year.

The Co-op Local Community Fund was funding received for the choir. This remains unspent at 31 March 2022.

The Yorkshire Building Society Charitable Foundation Fund was funding received for the purchase of a fogging machine. This was fully spent in the year.

## 17 Operating lease commitments

At 31 March 2022 the group had future minimum lease payments under non-cancellable operating leases as set out below:

| | Land and buildings | |
|---|---|---|
| | **2022** | **2021** |
| | **£** | **£** |
| Amounts due within one year | **32,167** | 47,844 |
| Amounts due between one and five years | **12,375** | 38,875 |
| Amounts due after five years | **-** | - |
| | **44,542** | 86,719 |

**THE EAST LANCASHIRE HOSPICE**

England & Wales - Charity number 1075653

# Accounts

Company Registration No: 03755216

Charity No: 1075653

# THE EAST LANCASHIRE HOSPICE

**(A registered charity and company limited by guarantee)**

**Annual Report of the Trustees**
**and Financial Statements**

**For The Year Ended**
**31 March 2021**

mha
MOORE & SMALLEY

# THE EAST LANCASHIRE HOSPICE

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# THE EAST LANCASHIRE HOSPICE

## REFERENCE AND ADMINISTRATIVE INFORMATION

| | |
|---|---|
| **Trustees** | Mr F G Parr (Chairman)<br>Mr T Kennedy (Vice Chairman)<br>Mrs A R Pallister (Secretary)<br>Mr R J Sutlieff<br>Councillor Y Jan Virmani<br>Mrs G M Leacy<br>Mr I M Willock<br>Mr D McDonough |
| ***Key Management Personnel:*** | |
| **Chief Executive Officer** | Mrs L Stevenson |
| **Medical Director** | Dr K Hogarth |
| **Clinical Services Lead** | Mrs C Evans |
| **Fundraising & Lottery Lead** | Mrs S Plunkett |
| **Company Number** | 3755216 |
| **Registered charity number** | 1075653 |
| **Tax exemption number** | XR 32869 |
| **Registered office** | The East Lancashire Hospice<br>Park Lee Road<br>Blackburn<br>BB2 3NY<br><br>Tel: 01254 287000<br>Fax: 01254 665000<br><br>www.eastlancshospice.org.uk |
| **Auditor** | MHA Moore and Smalley<br>Chartered Accountants &<br>Statutory Auditor<br>Richard House<br>Winckley Square<br>Preston<br>PR1 3HP |

The Trustees, who are also directors of the charity for the purposes of the Companies Act, submit their annual report and the audited financial statements for the year ending 31 March 2021, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and 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 published in October 2019.

### Structure, Governance and Management

### Governing Document

The charity is a charitable company limited by guarantee and not having a share capital is exempt from the requirement to use the word 'limited' as part of its name. It is governed by a memorandum and articles of association and was incorporated on 20 April 1999 to take over, from 1 July 1999, the activities of The East Lancashire Hospice Fund, an unincorporated association which was originally founded in 1981.

The charity was entered in the Central Register of Charities with effect from 24 May 1999 and accepted by HM Revenue & Customs as a charity for tax purposes.

### Recruitment and Appointment of Trustees

The Board of East Lancashire Hospice is made up of 8 trustees who are all registered volunteers. Recruitment is undertaken via a formal, inclusive process and positions are advertised in a targeted way in order to reach a specialist audience to maximise the securing of appropriate skills and diversity mix.

Potential candidates are invited to apply by a CV, and a formal process takes place including interview with a panel of Trustees. Trustees are appointed for a period of three years and may be re-elected after this period for a further three.

Trustee induction consists of an induction pack, this incorporates key information on the charity, and the responsibilities of being a Trustee. The induction process provides opportunities to meet staff and Service Leads in order to gain a greater understanding of the hospice. Trustees are also supported to attend appropriate external training events that will assist them with their role. They also undertake organisational mandatory training as appropriate to their role.

### Organisational

Due to the Covid-19 pandemic the past year has evolved into unprecedented times for us both within our community and inpatient settings bringing difficulties and challenges and at times sadness for far too many. As a consequence we have had to adjust our entire way of working and living, the consequences of which we are yet to fully realise.

Whilst we have felt that everything around us has changed some things have remained constant. East Lancashire Hospice has continued to provide vital care and support to people living with a terminal illness and bereavement in Blackburn, Darwen, Hyndburn and the Ribble Valley. We have continued to do this 365days a year over 24hrs 7 days a week as we have always done.

However it has changed as the communities we serve are constantly facing new and different demands due to the pandemic, sometimes on a daily basis. In this context we have looked at ourselves as an organisation to ensure we have been flexible and adaptable to enable us to meet these different demands.

Our priority has been to keep as many services open and accessible as possible for those people who need us, as well as developing new service models according to the needs of the communities we serve whilst supporting our NHS colleagues.

Such vision and rapid delivery of new and changed services has taken bravery, decisiveness and real commitment by all our staff and we would want to publicly acknowledge and applaud all our staff who have given so much during this time to make things happen.

**Organisational (continued)**

We have had to adopt new methods to ensure we continue to have a robust framework for governance which has meant that the majority of the governance arrangements have taken place by Zoom, but in essence their terms of reference and purpose have remained the same with the addition of the added demands responsibilities and challenges that the pandemic brought us.

The Board of Trustees have continued to meet on a bi-monthly basis to direct and manage the governance of the hospice. The Trustees have ultimate responsibility for setting the strategic direction of the hospice and their role is to ensure that the hospice is financially viable, well run and that it meets the needs for which it was set up. A CEO is appointed by the board to operationally manage the hospice supported by a Senior Leadership Team with predetermined levels of authority. Matters such as policy, strategy and budgets are prepared for consideration and approval by the trustees who monitor the implementation of these plans.

Departmental Leads are responsible to the appropriate Service Lead, who are responsible to the CEO who is in turn responsible to the Board of Trustees.

We continued to have four governance committees covering all aspects of the organisation although risk and clinical combined over the past year to more effectively deal with the challenges of the pandemic: -

- Clinical Governance Committee
- Finance Governance Committee
- Risk Governance Committee
- Corporate Governance Committee

Each committee worked to its original terms of reference each taking on the additional governance responsibilities associated with the pandemic. The membership consists of elected members of the Board of Trustees, Senior Leadership Team, and Departmental Leads who have been selected for their particular skills, experience and knowledge. Committees meet at least once per quarter and report into the Corporate Governance Committee which in turn reports into the main board meeting on a quarterly basis.

The Senior Leadership Team, Finance Lead and Quality and Compliance Lead presents quarterly comprehensive written reports to the Board of Trustees. The report covers key risk issues which are inclusive of all aspects of governance providing both qualitative and quantitative data. To support management and Governance during the pandemic additional briefing/ situational reports have been presented to the Board of Trustees on a monthly basis.

To support our governance arrangements during the pandemic we worked with our partner organisations across East Lancashire having daily situational update meetings.

We meet quarterly with our Clinical Commissioning Group where the content of the report forms the basis of discussion and review.

**Related Parties and Cooperation with Other Organisations**

This year the importance of working with others cannot be over emphasised, and the hospice has continued to work to maintain strong relationships and partnerships with local organisations and our local community, and it is these key partnerships and relationships that has helped us to meet the many challenges we have faced throughout the pandemic. We endeavour to give a genuine sense that the hospice belongs to our community in order to be able to provide a service which really makes a difference to the quality of the lives of patients and their families, which has been crucial during this past year as many of our patients have faced isolation along with disruption to their normal support and care systems.

Throughout the last year we have worked on a daily basis with local key providers both in hospital and the community the aim being to keep palliative and end of life patients at home and out of hospital, often changing our services at short notice to meet with the constant changes in demand. Working collectively to improve what we could offer ensuring patients and their families were at the centre of what we did.

Key members of staff continued to be involved in local, regional and national network groups, which supported the sharing of best practice, bench marking and mutual support in last year's ever-changing landscape.

We continue to have integrated working arrangements which has helped and supported patients and their families by enabling them to receive the right care at the right time and in the right place.

### Pay Policy for Staff

All Trustees give their time freely and Trustees received no remuneration in the year and nor have they received any payment for expenses throughout the year.

The Trustees consider the Senior Leadership Team to be the key management personnel of the charity, in charge of directing, controlling, running and operating the charity on a day-to-day basis.

All employed staff are remunerated according to the responsibilities of their job description. Job descriptions are reviewed on an annual basis as part of the PDR process.

Benchmarks are used nationally, regionally and locally.

All staff including the CEO and Senior Leadership Team receive the same annual cost of living pay increases and other benefits of employment that are agreed annually by the Board of Trustees.

### Public Benefit Statement

The Trustees have complied with the Charities Act to have due regard to the public benefit guidance published by the Charity Commission. The Trustees believe that the charity provides a public benefit as its principal activity is to enhance the quality of life for individuals with a life limiting illness. The aim being to provide specialist, supportive and end of life palliative care to any adult in the communities we serve, without discrimination, in the place of their choice, and to offer support to them, their relatives, carers and friends. This is provided in various settings including, in the hospice (Inpatients, Specialist and Supportive outpatients and a huge variety of support and wellbeing services), and in patients' own homes (Specialist Clinical Nurses and Hospice at Home). We also provide specialist, generalist and end of life palliative care education within the organisation and to the wider community. Over the past year these activities and services have been adapted to ensure they are delivered in a Covid safe environment working to national and local guidelines.

### Our Staff and Volunteers

The hospice is committed to an equal opportunities approach in everything it does. This means that we seek to ensure that anyone connected to us, from patients and families through to donors, supporters, volunteers and staff are treated fairly, appropriately and with dignity and respect. From our day-to-day operational management to our strategic decision-making, we consider how we work may affect different groups and actively eliminate or reduce negative impact and discrimination.

All our staff from all departments of the organisation have had to work flexibly and creatively adapting to new and different ways of working and in some cases taking on new roles and responsibilities as we strove to ensure everyone received the care they needed. Every single one of our staff played a vital role in helping patients and families throughout this very difficult year.

Throughout the pandemic we have been fortunate and extremely grateful to continue to be supported by a small team of highly dedicated, hardworking and skilled volunteers and we are now putting plans in place to welcome our volunteers back in supporting us in new ways of working. One thing we are sure of is that they have been greatly missed by everyone in supporting our staff and patients in the many areas of the hospice they truly are amazing people.

We continue to be proactive in gaining feedback from our staff and volunteers and we completed a staff post Covid-19 survey with the recommendations currently being implemented We constantly strive to engage with as wide a range of people as possible in all aspects of the hospice, to enable us to develop in a way which builds our organisation's learning, understanding, trust and responsiveness.

### Objectives and Activities

The principal objectives of the charity as set out in the Memorandum and Articles of Association is to provide specialist, supportive and end of life care for adults who are suffering from a life limiting illness to the communities we serve in Blackburn, Darwen, Hyndburn and the Ribble Valley.

We also aim to collaborate and form partnerships with other providers of palliative care, different faith groups, cultural communities as well as diverse organisations that support patients and their families living with a life limiting illness and make our specialist resources available to them.

Quality of care for patients and their families is at the heart of what we do at East Lancashire Hospice and our charitable activities are focused on offering free care and support to patients and their families from the moment they are informed that their illness is incurable regardless of diagnosis. Referrals are accepted from a variety of health care professionals and patients can self-refer to many of our services with places allocated according to need.

The activities supporting these objectives are -

- A ten-bedded Inpatient Unit where specialist palliative care is delivered by a multi-disciplinary team
- A community team, which consists of Clinical Nurse Specialists who work with General Practitioners and other Health Care Professionals, and a Hospice at Home team who support the provision of palliative and end of life care in people's own homes.
- Support and Wellbeing Services consisting of
    - Creative and Supportive Therapy
    - Counselling
    - Family Support
    - Complementary Therapies
    - Physiotherapy
    - Outpatients

Our services help support people with a life limiting illness from the first days of uncertainty through to the last days of life, death and bereavement.

These services are offered irrespective of background or belief and we are committed to offer care based on need not diagnosis and we recognise the increasing need for high quality palliative care for people living with multiple conditions not just a single diagnosis such as cancer.

We have a multi-disciplinary team covering all aspects of the work we do. Our philosophy of care is that we care for the whole person, and their family friends and carers. The wishes of each patient and their family is carefully assessed with relevant members of the multidisciplinary team so that they can be supported in the way they want, be it physically, socially, emotionally, psychologically and /or spiritually. We respect each patient's priorities and strive to enable them to achieve their personal goals. Our clinical teams are supported by a range of support services including facilities, domestic, catering, administration, finance and volunteers all play a key role in ensuring that patients and their families have the best possible care.

The Care Quality Commission has a record of our activities and monitors us through information supplied directly to them in the statutory notifications we make, in writing about events and changes to service.

The Care Quality Commission inspects the hospice and their report is posted on the commissions' website. There is a programme of planned reviews, which take place on unannounced visits. On our last in inspection, we were classed as Outstanding in Caring, Effective and Responsive and received an overall rating of Outstanding for the organisation.

We have a comprehensive annual audit programme, to ensure compliance with legislation and best practice covering all aspects of the organisation including clinical and non-clinical activities. These are implemented and monitored through our Governance structure to provide the Trustees with assurances that we are compliant with our legal and statutory obligations.

The hospice continues to play a part in the wider healthcare agenda through Palliative Care Locality Groups with East Lancashire and through the wider Network groups within Lancashire and South Cumbria.

## Strategic report

### *Achievements and Performance*

We are proud to continue to have a CQC rating of outstanding and despite this reassuring result we continue to review and act upon feedback as well as reviewing the effectiveness and efficiencies of what we do.

Despite the many challenges that the pandemic has brought to us we have continued to operate our services to the people of Blackburn, Darwen, Hyndburn and the Ribble Valley. In order to achieve this, we have had to in many ways adjust the way we work and deliver our services throughout the organisation, however one thing has remained unchanged is that we have continued to care and support people living with a terminal illness. We did this by looking into ourselves as people and as an organisation to ensure that we were able to do what we do best give excellent care and support to those who need us at the right time, in the right place, by the right people.

We continue to have an honest and open relationship with our 2 local CCGs with a joint desire to enable everyone to access good end of life care provision. We have worked closely with them to ensure future services are designed to meet the needs of the local population and are currently implementing a single point of access with to improve co-ordination of care within the community.

We continued to work with our Pandemic Plan which was designed to support the hospice through the changes we envisaged we would face in delivering services and ensuring our sustainability. It primarily focused on risk management and how we would protect patients, staff and volunteers to provide safe services in the wake of the pandemic.

Whilst the focus during this time was adapting services to meet changing demands, we also considered our future financial sustainability, the scale of the challenge and consideration of the future. We re-assessed our fundraising strategy adapting and changing the ways we generated income making a new survival plan for the year whilst acknowledging the future changes needed as the pandemic continues to an effect within the public arena and the way we live and work.

- The hospice continues to play a role in the wider healthcare agenda through Palliative Care locality groups in the Lancashire and Cumbria Clinical Commissioning Group areas engaging with local commissioners around the sustainability and transformation plan.
- We have continued with our premises modernisation programme, although if somewhat at a slower pace, which has enhanced the environment and facilities for patient's relatives and staff.
- We have worked with our commissioners to implement a single point of access for patients within the community setting.
- Changed and adapted service delivery throughout hospice services to meet the changing demands of patients and their carers.
- Supported our NHS colleagues stepping up our services to support caring for patients in the community to support unavoidable admissions to hospitals.
- Reacted quickly to emerging priorities to ensure continuity of services both within the hospice and the community.
- Developed new models of care for patients which enabled care and support to be delivered safely and ably for all concerned.
- Developed new model of staff engagement and support at all levels throughout the organisation to support the changes and challenges this brought to staff and their families.
- Engaged with staff re survey to build an understanding of the cause and effect that the pandemic had.
- Invested in new ways of communication to build understanding and support.
- Reviewed our Income Generation strategy redesigning our retail and community fundraising services, focussing on marketing and social media.

***Reserves Policy and Going Concern***

The Board of Trustees review the reserves policy of the charity annually. Finance Governance Committee monitors and reviews reserves reporting to board on a quarterly basis.

Reserves and investment reviews encompass all income and expenditure streams, the need to match variable income with fixed commitments and longer-term plans for a sustainable future. When deficits occur, we rely on our reserves to enable us to continue to provide hospice services for our patients and their families.

The prudent approach, taken by the Board of Trustees, takes into consideration the current potential unstable position, in that grants received may significantly drop and offer no security in terms of long-term financial planning. The general policy remains one of a cautious approach in the event of a drop in CCG grant funding and/or voluntary income.

Developments are planned for the upcoming years and include the following: -

- Review of community services to meet the changing needs of patients;
- Improving the garden and outdoor space for patients and their families;
- Replacements to patient equipment and enhancements to patients facilities;
- Continue to invest in educating our staff and volunteers to ensure we are fit for purpose;
- Continue to upgrade the hospice environment for patients and their relatives, carers and visitors.

In 2020/21 the hospice continued to ensure sufficient available funds to deliver a quality service focussed on sustainability. The hospice remains to be in a healthy position financially, to provide a buffer for uninterrupted services whilst ensuring the hospice remains a going concern. The hospice reserves policy is that it should maintain a minimum of 24 months running costs.

Total reserves as at 31 March 2021 were £15,128,675, of which £15,122,718 is unrestricted funds and £5,957 is restricted funds. After the deduction from total funds of restricted funds, designated funds and tangible fixed assets the total reserves are £13,481,551. This reserves value currently represents no more than 44 months of budgeted expenditure, which meets the reserves policy. Any unrestricted general funds, surplus to the minimum reserves policy, will be used to safeguard future financial sustainability and to finance the short and long term development plans, some of which will require significant levels of funding.

Reserves and investments are reviewed each quarter in light of the major challenges facing the organisation in terms of rising costs, patient expectations, and challenges we faced as a consequence of the pandemic.

Ensuring compliance with information governance and data protection remains high on the agenda and is incorporated into our 2020-2023 strategic objectives action plan.

An organisational risk register is monitored by the Governance framework.

***Investment Policy***

The Memorandum and Articles of Association of the East Lancashire Hospice hold no restrictions relating to investments.

The investments portfolio is monitored and managed on behalf of the Board of Trustees by the Finance Governance Committee which reports quarterly to the board. All investment proposals and movements are reported to the Board of Trustees for their approval, in order that the Trustees can discharge their responsibilities in accordance with Section 4 of the Trustee Act 2000.

The hospice aims to generate growth and maximise returns within the parameters of the risk profile. A combination of investments considered to be low risk (up to 80%) and medium risk (up to 20%).

***Investment Policy (continued)***

The two Investment Management companies, appointed in 2015/16 and holding discretionary management of 20% of the overall investment portfolio within a medium risk profile, both performed extremely well throughout 2020 considering the turbulence the stock markets experienced in March 2020. Both investment portfolios took a rapid decline following the global financial impact of Covid-19, however soon returned to normality in the weeks following the March 2020 annual report. The Finance Governance Committee is kept well informed and receives quarterly valuations of portfolios.

The primary objective of the investment policy is to provide financial security and stability for the hospice. The investment approach also recognises that the hospice is exposed to the risk of a sharp fall in its income due to the variability of legacy income and donations and the uncertainty of funds from the NHS. To reflect this position the hospice continues to invest in a varied portfolio.

***Financial review***

This is our 36th year operating as East Lancashire Hospice and is our 13th year of being an independent charity. Overall, the hospice and shops have generated a net surplus of £2,445,246 (2019/20: total net surplus was £2,144), comprising a surplus of £2,487,889 in the hospice and a loss of £42,643 in shops. This is mainly due to investment gains of £1,833,804 in the year ended 31 March 2021. Total income, excluding unrealised gains on investments, has decreased overall this year by £327,039, and had we not received NHS England and furlough funding the 2020/21 year-end would have resulted in a deficit before investment gains of over £300K.

We are most grateful to all those that donate to the hospice and those who wish East Lancashire Hospice to benefit from their life savings by leaving a legacy to us in their will. The hospice highly depends on the goodwill of local communities to ensure sufficient funding is available for patient services to operate. In addition to our public donors and corporate supporters, hospice staff and volunteers frequently offer their time, treasure and talents to help plan and organise fundraising events and to promote hospice services.

**Voluntary Income**

Voluntary income remains under threat due to the increasing number of charities, both local and national, that are competing for the same 'donor pound'. This is why our 2020-23 strategy is focused on our own income generation activities, in addition to supporting our local communities and putting our patients at the centre of all that we do.

Donations are slightly up by £7K and the £309,886 includes £12K (2019/20: £101K) of donations representing the proceeds from the sale of donated goods within the shops on which Gift Aid has been claimed.

Legacy income is below budget and previous year's legacy income; when compared to last year the decrease of £622K is mainly due to receiving a large legacy with a value of £459K towards the end of the last financial year.

**Grant Funding**

Clinical Commissioning Group (CCG) funding equates to approximately 1/3rd of overall running costs, which means the hospice has to raise over £2m to achieve break-even. The Trustees are very grateful for the support provided by the 2 CCGs and they recognise the excellent working relationship that exists between the organisations. Future grant funding in the longer-term still remains uncertain, which is partly the reason why we are holding onto reserves, as well as holding investments to generate additional income for future years.

**Investments note**

Overall, gains on investments have significantly increased, this is mainly due to the timing of the portfolio valuations. Income generated from interest on deposit accounts this financial year is £63,980 being £30,172 less than last year (2019/20: £94,152), however gains on investments were valued at £1,833,804, being £2,293,760 more than last year (2019/20: loss of £459,956).

***Financial review (continued)***

**Income Generation**

To enable us to continue to provide our excellent specialist supportive and end of life care our income generation team have had to work especially hard this year to deal with the enormous challenges that the pandemic brought with it in terms of working with our communities to generate the income we needed.

The Income Generation Team quickly adapted to face these challenges head on showing a commitment and determination to generate the income that was needed to make sure our patients received the care they needed

With income ceasing through community and hospice events and the closure of our stores and Café Retreat, engaging with our community in different ways meant there was a need for a rapid increase in our marketing activity to look at how we reached people within their own homes and provide channels and ways to support us from their own homes.

A family member, Steve Almond, allowed us to share the emotive story of his late wife Anita's journey with a terminal illness and describe what the difference the support of the hospice made throughout the journey. This was sent to 80,000 homes throughout the hospice footprint area and has to date generated £76,000. This will help us to care and to make the most of life, as is our hospice vision, for many others like Anita.

Recruitment to lottery membership via our door to door and in store canvassers had to be paused, but as our lottery members provide a sustainable income to our cause, this will be resumed as soon as it can safely do so. Our new restaurant, Café Retreat, that had only the year previously opened to the public, and had started to build a good reputation and customer base, overnight lost income, so ensuring a high social media presence throughout has been paramount to keeping it in the forefront of our customers minds and look forward to the day we can again open our doors.

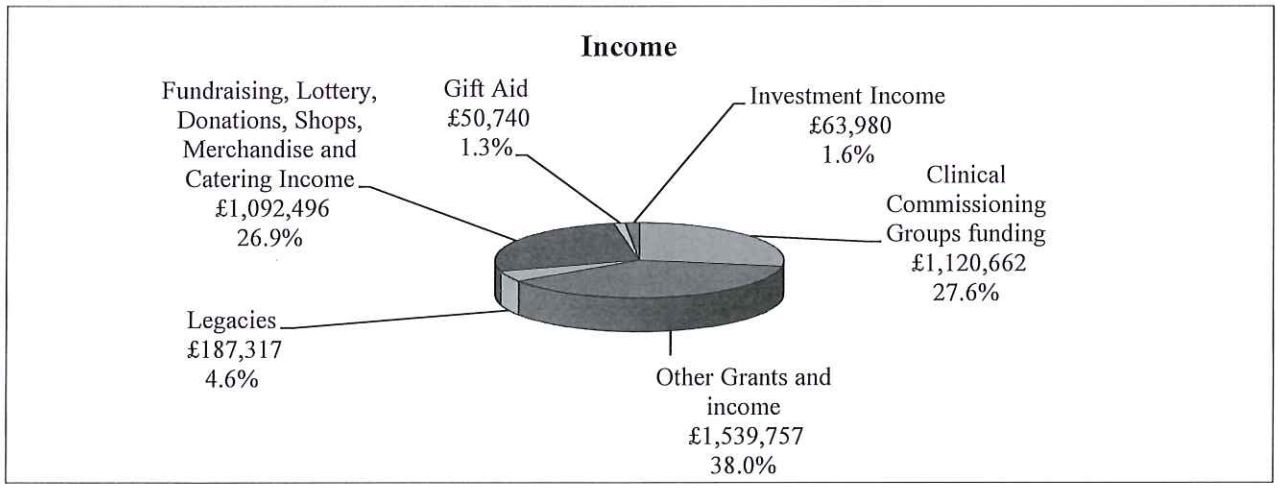
With all our shops having to close during the pandemic the Board of Trustees made a decision to redesign our retail services. This has been a huge change that has been necessary to ensure that retail remains a profitable source of income for the hospice. We have taken the very difficult decision to close three of our shops and build on the success of others in addition to opening a new 'Boutique Style' store that fits with the demographics of the area that it is situated and follows the demand for a new shopping experience from customers. We have also expanded our Ecommerce service as this has been the biggest area of growth in retail for the whole sector during the lockdown period and has changed the consumers shopping habits.

Being adaptable and reacting quickly to change has been the key over the last twelve months and we are now looking to the future to ensure our community can still support us through whichever method they choose, be it a lottery member, a customer in our Cafe or shops, make a donation or fundraise in a way they are able to do so, we are extremely grateful and dependant on their ongoing support.

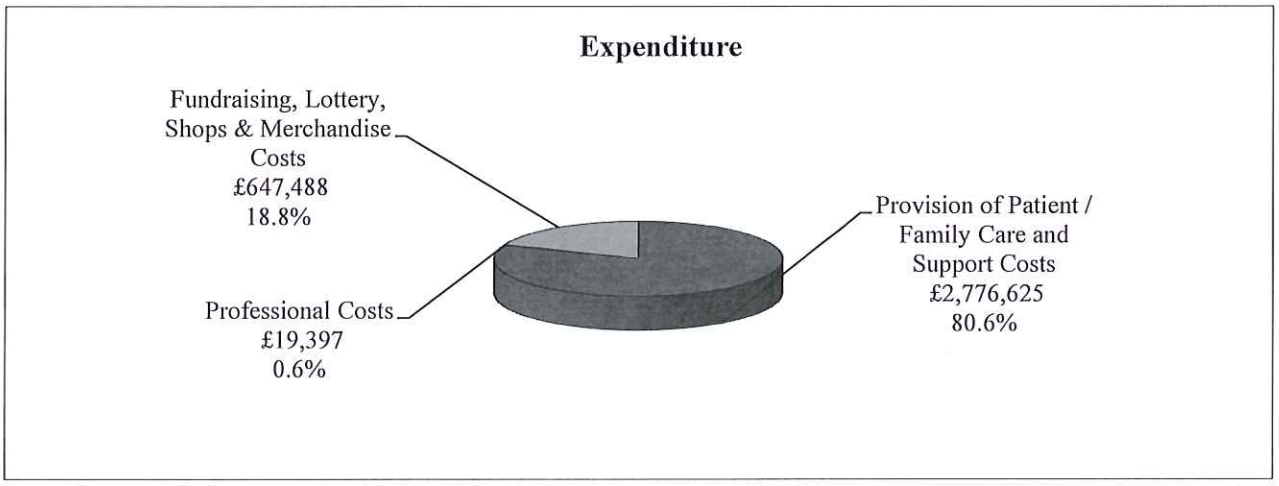
***Financial review (continued)***

More information is provided on pages 33 - 35 regarding restricted funds received.

Our sincere thanks go out to everyone who has contributed their time, treasure and talents to East Lancashire Hospice in the past, also to those that continue to support the hospice now and in the future.




Income for the financial year ended 31 March 2021 totalled £4,054,952, and the graph above shows percentages for each income stream.




Total expenditure for the year ended 31 March 2021 totalled £3,443,510, and the graph above provides details of the major breakdowns.

Total expenditure for this financial year decreased by £476,381, 81% of this year's costs related to charitable activities and the remaining 19% was used to generate income through fundraising and marketing. We envisage that costs to maintain quality services will increase in future years. In order for us to ensure that we deliver high standards of care and support to our patients and their families, one of the main strategic objectives over the next 2 years strategy is to concentrate on new or alternative ways of generating income through fundraising, the hospice lottery and our retail outlets.

### *Plans for Future Periods*

We continue to work to implement our strategic aims, but obviously the changes we needed to make in order for us to effectively deal with the pandemic have quite rightly taken priority. However we are optimistic that along with the challenges that the pandemic has brought us there has been opportunities to learn to work in different ways, form greater sustainable relationships with other providers and the community both in the way we provide services and our fundraising, and this will feed into our strategy as we begin to refocus on our objectives for the coming year.

Our vision continues to be to help everyone who comes into contact with the hospice to make the most of life. We do this by committing to care, listen, respect and work together to support people to live well until they die and support those affected by death. Our vision has not changed although due to the impact of Covid-19 the way we deliver services in the future potentially will.

This past year has shown what an incredible team we have and we will continue to challenge ourselves both as people as an organisation to ensure we are flexible and adaptable playing a key part in keeping our communities safe, cared for and supported in the best way we can.

Our overarching aim remains the same to reach and support more people within our community whilst ensuring we remain financially viable both now and in the future.

Our priorities for the year ahead will be: -

- Maintain East Lancashire Hospice's rating of Outstanding by safely delivering quality care to patients, to families and carers an appropriate range and quality of integrated services, which are structured to provide accessible responsive and achievable holistic centred care
- Work in partnership and collaboration with other providers to achieve a shared vision to enable the best outcomes for patients and their families within our communities focusing on providing the right care in the right place at the right time
- Review our IT infrastructure to enable us to be fit for purpose
- Deliver care and support through an integrated staff and volunteer workforce of empowered people which includes investing in our staff and offering quality and flexible opportunities for volunteers
- Retain and build upon maintaining a visible profile of being well known, respected and valued whilst continuing to develop new and sustainable relationships with key partners
- Develop and/or re-design existing community and support services to ensure we are fit for purpose, working with key stakeholders to ensure appropriateness of any proposed new service developments
- Continue to be financially robust and prudent in all that we do to ensure that we use all our resources as efficiently as possible to achieve the greatest impact for patients and their families
- Continue with our programme of refurbishment to ensure our patients have seamless care in a comfortable and therapeutic environment
- Implement sustainable income generation initiatives to work within our changed environment/ community

### *Principal Risks and Uncertainties*

The Board of Trustees acknowledge their responsibility in identifying major risks to which the hospice may be exposed and there is a formal process of risk management throughout the organisation. The Trustees have examined the major strategic and business risks that the charity faces, and confirm systems are established to enable regular reports to be produced so that the reasonable steps can be taken to minimise risks.

***Principal Risks and Uncertainties (continued)***

*Finance:*
Good co-operation continues to exist with our two Clinical Commissioning Groups who support the grant funding of the hospice. The most significant risk to financial sustainability of the hospice is the potential for a rapid deterioration in income, followed immediately with a corresponding reduction in income. Therefore, our reserves are planned to cover the maximum foreseeable reduction in income over a period of 24 months.

*Income Generation:*
We are always conscious of minimising the costs of our fundraising activities to ensure we are making the best use of the generous donations we receive. We also work to ensure that we can report back to our donors on the results and impacts that their donations have on patients and their families.

All our income generation is managed internally by our Income Generation team who are responsible for all volunteers who support our fundraising.

We continue to hard to ensure our supporters data as well as developing our systems to ensure that our supporters can choose how they would like to be contacted and with what types of communication. We are also aware that we have increasing competition as more and more charities compete for the same pots of money.

Retail sales within the high street shops remains uncertain and this will be closely monitored as our shops re-open.

*Data Protection and Confidentiality:*
These are vital to our organisation and we are fully aware of the reputational risks posed by 'social media' such as 'Facebook' and 'Twitter'.

**Approach to Fundraising**

We are committed to practicing the highest standards and we take care to ensure all our fundraising activities reflect the hospice values. We are registered with the Fundraising Regulator and as such monitor ourselves against their recognised standards ensuring that all our fundraising activity complies with the Fundraising Regulators Code of Fundraising Standards.

**How we work with and oversee any commercial participators/professional fundraisers**

This is fully covered within our policies which are supported by a standard operating procedure which includes a formal agreement that is monitored within our Governance Framework.

**Conformation to Regulations Standards**

Compliance is managed by our Fundraising and Lottery Manager, and is governed through our Risk Management Governance Committee. This ensures that fundraising activity is fully compliant with legislation and regulations and we have internal policies which reflect these.

We have a risk management policy so as to minimise or as far as it is reasonably practicable eliminate any risks to patients, staff or volunteers, supporters and members of the public in relation to our fundraising activity.

Staff identify and assess risks and put necessary preventative controls in place.

**Fundraising Complaints**

No fundraising complaints have been received.

**How We Protect Vulnerable People and Members of the Public**

All our supporters are treated as individuals and we have policies and systems in place for ensuring that vulnerable people are recognised and treated accordingly.

**East Lancashire Hospice Lottery**

External lottery canvassing was put on hold during 2020/21 due to national and local restrictions due to the pandemic.

On average, 78% of the money raised by the weekly lottery is profit, that's over twice the amount of some other lotteries, and means that this year over £300K has gone directly to helping to care for patients with life limiting illnesses. Of the remaining 22%, this is made up of draw prizes in the main, also promotion, regulation and investing in our lottery to ensure we have a sustainable income for years to come.

**Statement of Trustees' responsibilities**

The Trustees (who are also directors of The East Lancashire 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, which 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 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

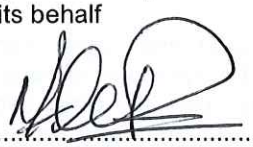
The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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.

**Auditor**

A resolution proposing that MHA Moore and Smalley be re-appointed as auditor of the charity will be put to the Annual General Meeting.

This report, which incorporates the Strategic Report, was approved by the board of Trustees on 19/10/21 and signed on its behalf



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**Mr F G Parr – Chairman**

## Opinion

We have audited the financial statements of The East Lancashire Hospice (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 March 2021, which comprise Group Statement of Financial Activities, Company Statement of Financial Activities, Group Balance Sheet, Company Balance Sheet, Group Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2021, and of group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 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 group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

## Other information

The 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 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 inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

**Other information (continued)**

We have nothing to report in this regard.

**Opinion 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' 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 requires us to report to you if, in our opinion:

- adequate 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.

**Respective responsibilities of the trustees**

As explained more fully in the trustees' responsibilities statement set out on page 13, 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 the Companies Act 2006 and report in accordance with this Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations;
- Enquires with management about any known or suspected instances of fraud;
- Review of minutes of board meetings;
- Examination of journal entries and other adjustments to test for appropriateness and identify any instances of management override of controls;
- Review of legal and professional expenditure to identify any evidence of ongoing litigation or enquiries.

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

**Use of report**

This report is made solely to the charitable company's members, as a body, in accordance with the Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members 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 and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

.....

**Christine Wilson (Senior Statutory Auditor)**
**For and on behalf of**
**MHA Moore and Smalley**
**Chartered Accountants & Statutory Auditor**

Richard House, Winckley Square, Preston, PR1 3HP

Date: 17/12/2021

## THE EAST LANCASHIRE HOSPICE

### CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME & EXPENDITURE ACCOUNT)

### FOR THE YEAR ENDED 31 MARCH 2021

| | Note | Unrestricted funds £ | Restricted funds £ | Total funds 2021 £ | Total funds 2020 £ |
|---|---|---|---|---|---|
| **Income from** | | | | | |
| ***Donations and legacies:*** | | | | | |
| Donations and gifts | | **309,886** | **-** | **309,886** | 302,725 |
| Legacies | | **187,317** | **-** | **187,317** | 809,878 |
| ***Charitable activities:*** | | | | | |
| Clinical Commissioning Groups | | **1,120,662** | **-** | **1,120,662** | 1,105,190 |
| Other grants | | **509,212** | **1,109** | **510,321** | 526,942 |
| Catering and other income | | **42,895** | **-** | **42,895** | 89,828 |
| ***Other trading activities:*** | | | | | |
| Goods for resale | | **12,938** | **-** | **12,938** | 22,156 |
| Fundraising events | | **314,314** | **-** | **314,314** | 571,762 |
| Lottery | | **429,292** | **-** | **429,292** | 442,903 |
| Shop | | **33,911** | **-** | **33,911** | 336,455 |
| ***Investments*** | | **63,980** | **-** | **63,980** | 94,152 |
| ***Other income*** | | **336,023** | **693,413** | **1,029,436** | 80,000 |
| **Total income** | **2** | **3,360,430** | **694,522** | **4,054,952** | 4,381,991 |
| **Expenditure on** | | | | | |
| Raising funds | **3** | **647,488** | **-** | **647,488** | 823,833 |
| Charitable activities | **5** | **2,044,286** | **751,736** | **2,796,022** | 3,096,058 |
| **Total expenditure** | | **2,691,774** | **751,736** | **3,443,510** | 3,919,891 |
| **Net income before other gains and losses** | | **668,656** | **(57,214)** | **611,442** | 462,100 |
| Gain/(loss) on investments | | **1,833,804** | **-** | **1,833,804** | (459,956) |
| **Net income for the year** | **7** | **2,502,460** | **(57,214)** | **2,445,246** | 2,144 |
| Transfers between funds | | **-** | **-** | **-** | - |
| **Net movement in funds** | | **2,502,460** | **(57,214)** | **2,445,246** | 2,144 |
| **Reconciliation of funds:** | | | | | |
| Total funds brought forward | | **12,620,258** | **63,171** | **12,683,429** | 12,681,285 |
| **Total funds carried forward** | | **15,122,718** | **5,957** | **15,128,675** | 12,683,429 |

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above. The surplus for the year for Companies Act purposes comprises the net incoming resources for the year net of unrealised profits and losses on investments and was £611,442 (2020: £462,100).

## THE EAST LANCASHIRE HOSPICE

### CONSOLIDATED BALANCE SHEET

### AS AT 31 MARCH 2021

| | Note | Unrestricted funds £ | Restricted funds £ | Total funds 2021 £ | Total funds 2020 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible fixed assets | 12 | **1,641,167** | **4,384** | **1,645,551** | 1,750,677 |
| Investments | 13 | **9,649,353** | **-** | **9,649,353** | 7,779,936 |
| | | **11,290,520** | **4,384** | **11,294,904** | 9,530,613 |
| **Current assets** | | | | | |
| Stock | | **4,186** | **-** | **4,186** | 4,186 |
| Debtors | 14 | **468,158** | **-** | **468,158** | 690,182 |
| Cash on bank deposit | | **3,946,043** | **-** | **3,946,043** | 3,051,042 |
| Cash at bank and in hand | | **198,289** | **1,573** | **199,862** | 173,384 |
| | | **4,616,676** | **1,573** | **4,618,249** | 3,918,794 |
| **Creditors:** amounts falling due within one year | 15 | **(784,478)** | **-** | **(784,478)** | (765,978) |
| **Net current assets** | | **3,832,198** | **1,573** | **3,833,771** | 3,152,816 |
| **Net assets** | | **15,122,718** | **5,957** | **15,128,675** | 12,683,429 |
| **Represented by:** | | | | | |
| Total funds | 16 | **15,122,718** | **5,957** | **15,128,675** | 12,683,429 |

These financial statements were approved by the Trustees on 19/10/21 and signed on their behalf by:

**Mr F G Parr - Chairman**

**Mrs A R Pallister – Trustee**

## THE EAST LANCASHIRE HOSPICE

### BALANCE SHEET

### AS AT 31 MARCH 2021

| | Note | Unrestricted funds £ | Restricted funds £ | Total funds 2021 £ | Total funds 2020 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible fixed assets | 12 | **1,641,167** | **4,384** | **1,645,551** | 1,750,677 |
| Investments | 13 | **9,649,453** | **-** | **9,649,453** | 7,780,036 |
| | | **11,290,620** | **4,384** | **11,295,004** | 9,530,713 |
| **Current assets** | | | | | |
| Stock | | **3,000** | **-** | **3,000** | 3,000 |
| Debtors | 14 | **485,255** | **-** | **485,255** | 702,831 |
| Cash on bank deposit | | **3,946,043** | **-** | **3,946,043** | 3,051,042 |
| Cash at bank and in hand | | **190,803** | **1,573** | **192,376** | 146,397 |
| | | **4,625,101** | **1,573** | **4,626,674** | 3,903,270 |
| **Creditors**: amounts falling due within one year | 15 | **(755,407)** | **-** | **(755,407)** | (755,601) |
| **Net current assets** | | **3,869,694** | **1,573** | **3,871,267** | 3,147,669 |
| **Net assets** | | **15,160,314** | **5,957** | **15,166,271** | 12,678,382 |
| **Represented by:** | | | | | |
| Total funds | | **15,160,314** | **5,957** | **15,166,271** | 12,678,382 |

These financial statements were approved by the Trustees on 19/10/21 and signed on their behalf by:

.....
**Mr F G Parr - Chairman**

Rachel Pallister
.....
**Mrs A R Pallister – Trustee**

Company Registration Number: 03755216

## THE EAST LANCASHIRE HOSPICE

### CONSOLIDATED CASH FLOW STATEMENT

### FOR THE YEAR ENDED 31 MARCH 2021

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Net income for the year | **2,445,246** | 2,144 |
| *Adjustments for:* | | |
| Investment income | **(63,980)** | (94,152) |
| (Gain) / loss on investments | **(1,833,804)** | 459,956 |
| Depreciation | **118,670** | 305,804 |
| Profit on disposal of fixed assets | **(4,350)** | (100) |
| Decrease / (increase) in debtors | **222,024** | (347,738) |
| Increase in creditors | **18,500** | 38,455 |
| **Net cash provided by operating activities** | **902,306** | 364,369 |
| **Cash flows from investing activities:** | | |
| Investment income | **63,980** | 94,152 |
| Purchase of tangible fixed assets | **(13,544)** | (91,750) |
| Receipts from sales of fixed assets | **4,350** | 600 |
| Purchase of investments | **(521,528)** | (3,678,716) |
| Proceeds from sale of investments | **254,364** | 1,361,772 |
| Movement in cash held as investments | **231,551** | (228,742) |
| **Net cash provided by / (used in) investing activities** | **19,173** | (2,542,684) |
| **Change in cash and cash equivalents in the year** | **921,479** | (2,178,315) |
| Cash and cash equivalents at the beginning of the year | **3,224,426** | 5,402,741 |
| **Cash and cash equivalents at the end of the year** | **4,145,905** | 3,224,426 |
| **Analysis of cash and cash equivalents** | | |
| Cash in hand | **1,149** | 2,764 |
| Cash at bank | **4,144,756** | 3,221,662 |
| | **4,145,905** | 3,224,426 |

Total group cash and cash equivalents includes a total of £1,573 (2020: £11,778) relating to restricted funds.

## 1 Accounting policies

### Basis of preparation

The financial statements have been prepared in accordance with 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 issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value.

The East Lancashire Hospice meets the definition of a public benefit entity under FRS 102.

The Statement of Financial Activities (SOFA) and balance sheet consolidate the financial statements of the charity and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The charity has availed itself of Paragraph 4(1) of Schedule 1 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and adapted the Companies Act formats to reflect the special nature of the charity's activities. No separate SOFA has been presented for the charity alone as permitted by Section 408 of the Companies Act 2006. The parent company's surplus for the year for Companies Act purposes was £2,487,889 (2020: £2,060).

### Going concern

The trustees are required to assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation of the accounts. The ongoing impact of Covid-19 is not considered by the trustees to be likely to create material uncertainties in relation to going concern. The trustees and management have put plans in place to manage the situation and monitor reserves levels. At the date of approving these accounts, the trustees have a reasonable expectation that the charity will be able to manage the situation and that it has sufficient cash resources to enable it to meet its liabilities as they fall due for at least 12 months from the date of approval. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

### Company status

The company is a company limited by guarantee. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £10 per member of the company.

### Fund accounting

General funds are unrestricted funds, which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes. Designated funds are set aside by the Trustees out of unrestricted general funds for specific purposes or projects. Restricted funds are those to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the accounts.

1 **Accounting policies (continued)**

**Income**

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is a treated as a contingent asset and disclosed if material.

Income received in advance of an event or provision of other specific provision of other specified service it is deferred until the criteria for income recognition are met.

Trading income is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes where applicable. Income from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Lottery income is accounted for when received, to the extent that the company has a right to consideration arising from the performance of its contractual arrangements.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the Bank.

**Donated services and facilities**

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), no amounts are included in the financial statements for services donated by volunteers.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

**Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs 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 the resources.

1 **Accounting policies (continued)**

**Expenditure (continued)**

Detailed analyses of the expenditure, including irrecoverable VAT where applicable, are provided in the notes to the accounts.

**Tangible fixed assets**

Tangible fixed assets costing more than £1,000 are capitalised and included at cost including any incidental expenses of acquisition.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost on a straight line basis over their expected economic lives as follows:

- Short leasehold building improvements - over the period of the lease
- Fixtures, fittings and equipment - over 5 years

**Investments**

Investments are initially recognised at their transaction value and subsequently measured at their market value as at the balance sheet date. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

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

**Stock**

Stock is included at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed, on the basis that it is considered impractical to measure the fair value of goods donated for resale, and the costs of valuation outweigh the benefit to users of the accounts and the charity of this information.

**Debtors**

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**Creditors**

Creditors 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 are normally recognised at their settlement amount after allowing for any trade discounts due.

**Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

1 **Accounting policies (continued)**

**Operating leases**

Rentals applicable to operating leases are charged to the SOFA on a straight line basis over the term of the lease.

**Pensions**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the SOFA. The company also contributes to a multi-employer defined benefit scheme. As the proportion of the fund attributable to The East Lancashire Hospice cannot be calculated this scheme has been treated as if it was a defined contribution scheme.

**Taxation**

The company is a registered charity and therefore exempt from taxation.

**Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

**Judgements and key sources of estimation uncertainty**

In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The Trustees do not believe that there are any estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

## 2 Income

| | Unrestricted funds £ | Restricted funds £ | 2021 £ |
|---|---|---|---|
| **Donations and legacies:** | | | |
| Donations and gifts | 309,886 | - | 309,886 |
| Legacies | 187,317 | - | 187,317 |
| **Charitable activities:** | | | |
| Clinical Commissioning Groups | 1,120,662 | - | 1,120,662 |
| Other grants | 509,212 | 1,109 | 510,321 |
| Catering and other income | 42,895 | - | 42,895 |
| **Other trading activities:** | | | |
| Goods for resale | 12,938 | - | 12,938 |
| Fundraising events | 314,314 | - | 314,314 |
| Lottery | 429,292 | - | 429,292 |
| Shop | 33,911 | - | 33,911 |
| **Investments** | 63,980 | - | 63,980 |
| **Other income** *(see below)* | 336,023 | 693,413 | 1,029,436 |
| | 3,360,430 | 694,522 | 4,054,952 |

Other unrestricted income comprises £228,439 (2020: £nil) Coronavirus Job Retention Scheme ('CJRS') income, £89,580 (2020: £nil) insurance proceeds due to business interruption, and £18,004 (2020: £80,000) of Retail Grants.

Other restricted income comprises £693,413 (2020: £nil) of NHSE funding.

## 2 Income (continued)

| | *Unrestricted funds* £ | *Restricted funds* £ | *2020* £ |
|---|---|---|---|
| ***Donations and legacies:*** | | | |
| *Donations and gifts* | *302,547* | *178* | *302,725* |
| *Legacies* | *809,878* | *-* | *809,878* |
| ***Charitable activities:*** | | | |
| *Clinical Commissioning Groups* | *1,105,190* | *-* | *1,105,190* |
| *Other grants* | *492,937* | *34,005* | *526,942* |
| *Catering and other income* | *89,828* | *-* | *89,828* |
| ***Other trading activities:*** | | | |
| *Goods for resale* | *22,156* | *-* | *22,156* |
| *Fundraising events* | *571,762* | *-* | *571,762* |
| *Lottery* | *442,903* | *-* | *442,903* |
| *Shop* | *336,455* | *-* | *336,455* |
| ***Investments*** | *94,152* | *-* | *94,152* |
| ***Other income*** | *80,000* | *-* | *80,000* |
| | *4,347,808* | *34,183* | *4,381,991* |

## 3 Expenditure

| | **Direct costs** £ | **Support costs (note 4)** £ | **2021** £ |
|---|---|---|---|
| **Expenditure on raising funds:** | | | |
| Goods for resale | **3,873** | **1,204** | **5,077** |
| Fundraising events | **219,683** | **28,907** | **248,590** |
| Lottery | **99,592** | **16,862** | **116,454** |
| Shop | **251,679** | **-** | **251,679** |
| Investment management costs | **25,688** | **-** | **25,688** |
| | **600,515** | **46,973** | **647,488** |
| **Expenditure on charitable activities:** | | | |
| Hospice (note 5) | **2,361,215** | **434,807** | **2,796,022** |
| | **2,961,730** | **481,780** | **3,443,510** |

## 3 Expenditure (continued)

| | *Direct costs* | *Support costs (note 4)* | *2020* |
|---|---|---|---|
| | £ | £ | £ |
| ***Expenditure on raising funds:*** | | | |
| *Goods for resale* | *10,221* | *1,325* | *11,546* |
| *Fundraising events* | *244,124* | *31,796* | *275,920* |
| *Lottery* | *160,818* | *18,548* | *179,366* |
| *Shop* | *331,231* | *-* | *331,231* |
| *Investment management costs* | *25,770* | *-* | *25,770* |
| | *772,164* | *51,669* | *823,833* |
| ***Expenditure on charitable activities:*** | | | |
| *Hospice (note 5)* | *2,617,791* | *478,267* | *3,096,058* |
| | *3,389,955* | *529,936* | *3,919,891* |

All expenditure on raising funds was unrestricted in the current and previous year.

## 4 Support costs

| | **2021** | **2020** |
|---|---|---|
| | £ | £ |
| Salaries | **420,365** | 464,194 |
| Motor and travel | **222** | 638 |
| Printing and stationery | **9,474** | 13,152 |
| Postage | **7,092** | 11,531 |
| Telephone | **12,329** | 10,104 |
| Computer support | **24,486** | 20,890 |
| Other staff costs | **7,309** | 8,578 |
| Sundry expenses | **503** | 849 |
| | **481,780** | 529,936 |

## 5 Expenditure on charitable activities – Hospice

| | Hospice and specialised palliative care services 2021 £ | 2020 £ |
|---|---|---|
| Salaries | **1,914,510** | 1,968,784 |
| Training and recruitment | **8,668** | 14,525 |
| Property costs | **86,185** | 81,758 |
| Provision of care services | **85,823** | 96,290 |
| Repairs and maintenance | **88,250** | 94,757 |
| Motor and travel | **9,879** | 17,665 |
| Sundry | **25,437** | 13,931 |
| Depreciation | **118,670** | 305,704 |
| Irrecoverable VAT | **4,878** | 6,702 |
| Governance costs (note 6) | **19,397** | 18,205 |
| Support costs allocated | **434,325** | 477,737 |
| | **2,796,022** | 3,096,058 |

Expenditure on charitable activities was £2,796,022 (2020: £3,096,058) of which £2,044,286 was unrestricted (2020: £2,990,566) and £751,736 was restricted (2020: £105,492).

## 6 Governance costs

| | 2021 £ | 2020 £ |
|---|---|---|
| Audit | **7,225** | 6,900 |
| Trustees' liability insurance | **907** | 907 |
| Legal and professional fees | **10,783** | 9,868 |
| Support costs allocated | **482** | 530 |
| | **19,397** | 18,205 |

## 7 Net income

| | 2021 £ | 2020 £ |
|---|---|---|
| *Stated after charging:* | | |
| Depreciation | **118,670** | 305,804 |
| Operating leases | **86,995** | 86,606 |
| Cost of stock recognised as an expense | **5,077** | 15,021 |
| Audit fee – charity and consolidated accounts | **5,550** | 5,300 |
| Audit fee – subsidiary | **1,675** | 1,600 |

## 8 Analysis of staff costs, Trustee remuneration and expenses, and cost of key management personnel

| Payroll costs were | 2021 £ | 2020 £ |
|---|---|---|
| Wages and salaries | **2,221,772** | 2,343,058 |
| Social security costs | **189,764** | 200,874 |
| Pension costs | **196,488** | 204,609 |
| | **2,608,024** | 2,748,541 |

The number of employees whose remuneration for the year exceeded £60,000 was:

| | 2021 £ | 2020 £ |
|---|---|---|
| £90,000 to £99,999 | **2** | 2 |

Of the employees whose remuneration exceeded £60,000, there are two employees (2020: two) accruing benefits under defined benefit pension schemes.

## 8 Analysis of staff costs, Trustee remuneration and expenses, and cost of key management personnel (continued)

The Trustees were not paid or received any other benefits from employment with the charity or its subsidiary in the year (2020: £nil) neither were they reimbursed expenses during the year (2020: £nil). No charity Trustee received payment for professional or other services supplied to the charity (2020: £nil). Trustees made donations to the charity totalling £465 (2020: £1,126).

The key management personnel of the group comprise the key staff identified in the Trustees' Annual Report. The total employee benefits of the key management personnel of the group were £344,476 (2020: £309,685).

## 9 Staff numbers

The average monthly head count was 97 staff (2020: 111 staff), being 67 (2020: 77) care staff, 17 (2020: 19) fundraising staff, and 13 (2020: 15) administration staff.

## 10 Related party transactions

There were no related party transactions during the current or prior year, apart from any disclosed above relating to the Trustees.

## 11 Pension commitments

The charity participates in a multi-employer defined benefit scheme, operated through the National Health Service. The assets of the scheme are held separately by the National Health Service Superannuation Scheme. Contributions to the scheme are charged to the statement of financial activities as these are incurred. This pension scheme does not have a real pension fund but, as a statutory scheme, benefits are fully guaranteed by the Government. Contributions from both members and employers are paid to the Exchequer, which meet the cost of increasing benefits each year by the rate of inflation. This extra cost is not met by contributions from scheme members and employers. As a result of the nature of the pension scheme, there are no separately identifiable assets and liabilities which can be identified as relating to The East Lancashire Hospice. Therefore, as permitted by FRS102, the scheme has been accounted for as a defined contribution scheme.

The charity also operates a stakeholder defined contribution scheme.

The total contributions made during the year represent contributions to the funds of £196,488 (2020: £204,609). At the year end the charity had outstanding contributions of £26,782 (2020: £30,861).

## 12 Tangible fixed assets

| | Short Leasehold Building Improve-ments | Fixtures, Fittings, Equipment & Motor vehicles | Charity Total | Subsidiary Fixtures, Fittings, Equipment & Motor vehicles | Group Total |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| **Cost** | | | | | |
| At 1 April 2020 | 4,212,179 | 501,554 | 4,713,733 | 120,795 | 4,834,528 |
| Additions | 6,340 | 7,204 | 13,544 | - | 13,544 |
| Disposals | - | - | - | (78,531) | (78,531) |
| **At 31 March 2021** | **4,218,519** | **508,758** | **4,727,277** | **42,264** | **4,769,541** |
| **Depreciation** | | | | | |
| At 1 April 2020 | 2,600,633 | 362,423 | 2,963,056 | 120,795 | 3,083,851 |
| Charge for the year | 61,658 | 57,012 | 118,670 | - | 118,670 |
| Eliminated on disposals | - | - | - | (78,531) | (78,531) |
| **At 31 March 2021** | **2,662,291** | **419,435** | **3,081,726** | **42,264** | **3,123,990** |
| **Net book value** | | | | | |
| **At 31 March 2021** | **1,556,228** | **89,323** | **1,645,551** | **-** | **1,645,551** |
| At 31 March 2020 | 1,611,546 | 139,131 | 1,750,677 | - | 1,750,677 |

Total group fixed assets include a total of £4,384 (2020: £51,393) relating to restricted funds.

## 13 Fixed asset investments

| | Group 2021 £ | 2020 £ | Charity 2021 £ | 2020 £ |
|---|---|---|---|---|
| Investments in subsidiary companies | - | - | **100** | 100 |
| Other investments | **9,649,353** | 7,779,936 | **9,649,353** | 7,779,936 |
| | **9,649,353** | 7,779,936 | **9,649,453** | 7,780,036 |

All fixed asset investments relate to unrestricted funds in both 2021 and 2020.

### Investments in subsidiary companies

The charity owns the whole of the issued share capital of The East Lancashire Hospice Shops Limited (company number 04660703), which is incorporated in England and Wales. The subsidiary is used for non-primary purpose trading, namely the sale of donated goods through several shops. All activities have been consolidated on a line by line basis.

In the opinion of the Trustees, the investment in the charity's subsidiary undertaking is worth at least the amount at which it is stated in the balance sheet of £100. A summary of the results for the trading company as show below:

| | 2021 £ | 2020 £ |
|---|---|---|
| Turnover - shop sales | **33,911** | 336,455 |
| Cost of sales | **(5,077)** | (15,021) |
| **Gross profit** | **28,834** | 321,434 |
| Administrative expenses | **(246,602)** | (316,210) |
| Other operating income | **175,125** | 80,000 |
| **(Loss) / profit for the year** | **(42,643)** | 85,224 |
| Amounts gift aided to charity | **-** | (85,140) |
| **Retained (loss) / profit for the year** | **(42,643)** | 84 |
| **Retained earnings brought forward** | **5,047** | 4,963 |
| **Retained earnings carried forward** | **(37,596)** | 5,047 |

The aggregate of the assets, liabilities and funds of The East Lancashire Hospice Shops Limited was:

| | | |
|---|---|---|
| Fixed assets | **-** | - |
| Current assets | **121,462** | 136,734 |
| Current liabilities | **(158,958)** | (131,587) |
| **Funds** | **(37,496)** | 5,147 |

## 13 Fixed asset investments (continued)

### Other investments

| Group and charity | 2021 £ | 2020 £ |
|---|---|---|
| *Market value* | | |
| As at 1 April 2020 | **7,779,936** | 5,694,206 |
| Additions | **521,528** | 3,678,716 |
| Disposals | **(254,364)** | (1,361,772) |
| Movement in cash deposits held as investments | **(231,551)** | 228,742 |
| Change in market value | **1,833,804** | (459,956) |
| **As at 31 March 2021** | **9,649,353** | 7,779,936 |

Listed investments are represented by:

| | Group and Charity 2021 £ | 2020 £ |
|---|---|---|
| Fixed interest | **765,648** | 583,163 |
| Equities | **1,864,131** | 1,341,505 |
| Alternatives | **324,251** | 221,444 |
| Property | **79,200** | 52,560 |
| Investment trust and unit trust | **6,527,855** | 5,261,445 |
| Cash | **88,268** | 319,819 |
| | **9,649,353** | 7,779,936 |

## 14 Debtors

| | Group 2021 £ | 2020 £ | Charity 2021 £ | 2020 £ |
|---|---|---|---|---|
| Trade debtors | **43,645** | 17,732 | **38,424** | 17,582 |
| Prepayments and accrued income | **313,616** | 601,879 | **208,860** | 497,021 |
| Amounts owed by group undertakings | **-** | - | **129,887** | 121,210 |
| VAT recoverable | **110,897** | 70,571 | **108,084** | 67,018 |
| | **468,158** | 690,182 | **485,255** | 702,831 |

All debtors relate to unrestricted funds in both 2021 and 2020.

## 15 Creditors: amounts falling due within one year

| | Group 2021 £ | 2020 £ | Charity 2021 £ | 2020 £ |
|---|---|---|---|---|
| Lottery payments in advance | **45,899** | 44,477 | **45,899** | 44,477 |
| Accruals and deferred income | **611,742** | 590,078 | **592,531** | 585,435 |
| Trade creditors | **75,082** | 82,853 | **65,222** | 77,119 |
| Other taxes and social security | **51,755** | 48,570 | **51,755** | 48,570 |
| | **784,478** | 765,978 | **755,407** | 755,601 |

All creditors relate to unrestricted funds in both 2021 and 2020.

## 16 Funds

### Restricted funds

| | Brought forward at 31 March 2020 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Carried forward at 31 March 2021 £ |
|---|---|---|---|---|---|
| Day Care Unit Building | 51,393 | - | (47,009) | - | **4,384** |
| Support & Wellbeing | 464 | - | - | - | **464** |
| ISSA Foundation | 11,314 | - | (11,314) | - | **-** |
| NHSE Funding | - | 693,413 | (693,413) | - | **-** |
| Co-op Community Fund | - | 1,109 | - | - | **1,109** |
| | 63,171 | 694,522 | (751,736) | - | **5,957** |

### Unrestricted funds

| | Brought forward at 31 March 2020 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Carried forward at 31 March 2021 £ |
|---|---|---|---|---|---|
| Unrestricted fund | 12,615,211 | 3,151,394 | (2,440,095) | 1,833,804 | **15,160,314** |
| Non-charitable trading | 5,047 | 209,036 | (251,679) | - | **(37,596)** |
| | 12,620,258 | 3,360,430 | (2,691,774) | 1,833,804 | **15,122,718** |

16 **Funds – prior year**

**Restricted funds**

| | *Brought forward at 31 March 2019* | *Income* | *Expenditure* | *Gains, losses and transfers* | *Carried forward at 31 March 2020* |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| *Day Care Unit Building* | *116,279* | - | *(64,886)* | - | ***51,393*** |
| *Six Steps Project* | *6,212* | - | *(6,212)* | - | *-* |
| *Room Refurbishment* | *727* | - | *(727)* | - | *-* |
| *Support & Wellbeing* | *464* | - | - | - | ***464*** |
| *CLEARER Communication Skills Training* | *6,009* | - | *(6,009)* | - | *-* |
| *ISSA Foundation* | *4,789* | *31,005* | *(24,480)* | - | ***11,314*** |
| *European employee engagement* | - | *3,000* | *(3,000)* | - | *-* |
| *Catering donations* | - | *178* | *(178)* | - | *-* |
| | *134,480* | *34,183* | *(105,492)* | - | ***63,171*** |

***Unrestricted funds***

| | *Brought forward at 31 March 2019* | *Income* | *Expenditure* | *Gains, losses and transfers* | *Carried forward at 31 March 2020* |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| *Unrestricted fund* | *12,541,842* | *4,016,493* | *(3,483,168)* | *(459,956)* | ***12,615,211*** |
| *Non-charitable trading* | *4,963* | *331,315* | *(331,231)* | - | ***5,047*** |
| | *12,546,805* | *4,347,808* | *(3,814,399)* | *(459,956)* | ***12,620,258*** |

## 16 Funds (continued)

**Purpose of the restricted funds:**

The Day Care Unit building fund was for the building of the Day Care Unit and largely relates to grants from the Community Fund (National Lottery Charities Board) towards the capital costs. The fund will be reduced by the related depreciation charge.

The Support & Wellbeing fund is a patient donation for patient activities. This remains unspent at 31 March 2021.

The ISSA Foundation is the charitable foundation of Euro Garages. £31,005 was received in the previous year to support a Family Therapist role throughout 2019/20. The fund was reduced by the salary costs up to 31 March 2020 and has now been fully spent on salary costs in the year to 31 March 2021.

The NHSE awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the Covid-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose. This funding was fully spent in the year.

The Co-op Local Community Fund was funding received for the choir. This remains unspent at 31 March 2021.

## 17 Operating lease commitments

At 31 March 2021 the group had future minimum lease payments under non-cancellable operating leases as set out below:

| | Land and buildings | |
|---|---|---|
| | **2021** | **2020** |
| | **£** | **£** |
| Amounts due within one year | **47,844** | 44,027 |
| Amounts due between one and five years | **38,875** | 65,335 |
| Amounts due after five years | **-** | - |
| | **86,719** | 109,362 |