

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**

# THE EAST LANCASHIRE HOSPICE

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# THE EAST LANCASHIRE HOSPICE

## REFERENCE AND ADMINISTRATIVE INFORMATION

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### Trustees

Mr F G Parr (Chairman)  
Mr T Kennedy (Vice Chairman)  
Mrs A R Pallister (Secretary)  
Mr R J Sutlieff  
Mr Y Jan Virmani  
Mrs G M Leacy  
Mr I M Willock  
Mr D McDonough  
Ms L Robinson (appointed 20 June 2023)  
Mr I Hafeji (appointed 20 June 2023)  
Mr S Almond (appointed 20 June 2023)  
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 Park Lee Road Blackburn BB2 3NY
	Tel: 01254 287000
	<a href="http://www.eastlancshospice.org.uk">www.eastlancshospice.org.uk</a>

### Auditor

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

# **THE EAST LANCASHIRE HOSPICE**

## **TRUSTEES' ANNUAL REPORT**

### **FOR THE YEAR ENDED 31 MARCH 2023**

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This is our 38<sup>th</sup> year operating as East Lancashire Hospice and is our 15<sup>th</sup> 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.

**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**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.

**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**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.

**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**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.

**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**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.



**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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***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.

**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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***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 data 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.

**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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***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.

**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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***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.

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.

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**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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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.

**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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*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).

**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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*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 1<sup>st</sup> 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.

**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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***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



**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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***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.

**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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***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.

**THE EAST LANCASHIRE HOSPICE**  
**TRUSTEES' ANNUAL REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**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**

**THE EAST LANCASHIRE HOSPICE**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**  
**OF THE EAST LANCASHIRE HOSPICE**

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**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.

**THE EAST LANCASHIRE HOSPICE**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**  
**OF THE EAST LANCASHIRE HOSPICE (CONTINUED)**

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**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.

**THE EAST LANCASHIRE HOSPICE**  
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS**  
**OF THE EAST LANCASHIRE HOSPICE (CONTINUED)**

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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](http://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  
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# 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 £
<b>Income from</b>					
<b><i>Donations and legacies:</i></b>					
Donations and gifts		288,720	-	288,720	301,205
Legacies		182,775	-	182,775	304,495
<b><i>Charitable activities:</i></b>					
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
<b><i>Other trading activities:</i></b>					
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
<b><i>Investments</i></b>		102,991	-	102,991	64,182
<b><i>Other income</i></b>		-	-	-	398,809
<b>Total income</b>	<b>2</b>	<b>3,477,077</b>	<b>10,000</b>	<b>3,487,077</b>	<b>3,820,164</b>
<b>Expenditure on</b>					
Raising funds	3	717,001	-	717,001	750,183
Charitable activities	5	3,289,749	8,455	3,298,204	2,862,019
<b>Total expenditure</b>		<b>4,006,750</b>	<b>8,455</b>	<b>4,015,205</b>	<b>3,612,202</b>
<b>Net income/(expenditure) before other gains and losses</b>		<b>(529,673)</b>	<b>1,545</b>	<b>(528,128)</b>	<b>207,962</b>
Gain/(loss) on investments		(387,685)	-	(387,685)	876,646
<b>Net income/(expenditure) for the year</b>	<b>7</b>	<b>(917,358)</b>	<b>1,545</b>	<b>(915,813)</b>	<b>1,084,608</b>
Transfers between funds		-	-	-	-
<b>Net movement in funds</b>		<b>(917,358)</b>	<b>1,545</b>	<b>(915,813)</b>	<b>1,084,608</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		16,211,710	1,573	16,213,283	15,128,675
<b>Total funds carried forward</b>		<b>15,294,352</b>	<b>3,118</b>	<b>15,297,470</b>	<b>16,213,283</b>


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**

		Unrestricted funds	Restricted funds	Total funds 2023	Total funds 2022
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	12	1,524,331	-	1,524,331	1,611,114
Investments	13	11,715,144	-	11,715,144	12,057,567
		<u>13,239,475</u>	<u>-</u>	<u>13,239,475</u>	<u>13,668,681</u>
<b>Current assets</b>					
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
		<u>2,838,703</u>	<u>3,118</u>	<u>2,841,821</u>	<u>3,373,044</u>
<b>Creditors:</b> amounts falling due within one year	15	(783,826)	-	(783,826)	(828,442)
<b>Net current assets</b>		<u>2,054,877</u>	<u>3,118</u>	<u>2,057,995</u>	<u>2,544,602</u>
<b>Net assets</b>		<u>15,294,352</u>	<u>3,118</u>	<u>15,297,470</u>	<u>16,213,283</u>
<b>Represented by:</b>					
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

  
 Mrs A R Pallister – Trustee



# THE EAST LANCASHIRE HOSPICE

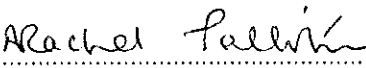
## BALANCE SHEET

AS AT 31 MARCH 2023

		Unrestricted funds	Restricted funds	Total funds 2023	Total funds 2022
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible fixed assets	12	1,497,263	-	1,497,263	1,576,346
Investments	13	11,715,244	-	11,715,244	12,057,667
		<u>13,212,507</u>	<u>-</u>	<u>13,212,507</u>	<u>13,634,013</u>
<b>Current assets</b>					
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
		<u>2,872,132</u>	<u>3,118</u>	<u>2,875,250</u>	<u>3,403,810</u>
<b>Creditors:</b> amounts falling due within one year	15	(770,299)	-	(770,299)	(796,510)
<b>Net current assets</b>		<u>2,101,833</u>	<u>3,118</u>	<u>2,104,951</u>	<u>2,607,300</u>
<b>Net assets</b>		<u>15,314,340</u>	<u>3,118</u>	<u>15,317,458</u>	<u>16,241,313</u>
<b>Represented by:</b>					
Total funds		<u>15,314,340</u>	<u>3,118</u>	<u>15,317,458</u>	<u>16,241,313</u>

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
<i>Adjustments for:</i>		
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
<b>Net cash (used in) / provided by operating activities</b>	<b>(355,614)</b>	<b>361,522</b>
<b>Cash flows from investing activities:</b>		
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)
<b>Net cash (used in) / provided by investing activities</b>	<b>29,504</b>	<b>(1,553,716)</b>
<b>Change in cash and cash equivalents in the year</b>	<b>(326,110)</b>	<b>(1,192,194)</b>
Cash and cash equivalents at the beginning of the year	2,953,711	4,145,905
<b>Cash and cash equivalents at the end of the year</b>	<b>2,627,601</b>	<b>2,953,711</b>
<b>Analysis of cash and cash equivalents</b>		
Cash in hand	1,660	2,090
Cash at bank	2,625,941	2,951,621
	<b>2,627,601</b>	<b>2,953,711</b>

Total group cash and cash equivalents includes a total of £3,118 (2022: £1,573) relating to restricted funds.

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**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.

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**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 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.

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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**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.

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

---

**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.

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**2 Income**

	Unrestricted funds £	Restricted funds £	2023 £
<b>Donations and legacies:</b>			
Donations and gifts	288,720	-	288,720
Legacies	182,775	-	182,775
<b>Charitable activities:</b>			
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
<b>Other trading activities:</b>			
Goods for resale	20,731	-	20,731
Fundraising events	391,409	-	391,409
Lottery	399,081	-	399,081
Shop	268,121	-	268,121
<b>Investments</b>	102,991	-	102,991
<b>Other income (see below)</b>	-	-	-
	<b>3,477,077</b>	<b>10,000</b>	<b>3,487,077</b>

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.

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**2 Income (continued)**

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<b>2022 £</b>
<b>Donations and legacies:</b>			
<i>Donations and gifts</i>	301,205	-	301,205
<i>Legacies</i>	304,495	-	304,495
<b>Charitable activities:</b>			
<i>Clinical Commissioning Groups</i>	1,132,885	-	1,132,885
<i>Other grants</i>	490,877	750	491,627
<i>Catering and other income</i>	79,599	-	79,599
<b>Other trading activities:</b>			
<i>Goods for resale</i>	18,738	-	18,738
<i>Fundraising events</i>	391,153	-	391,153
<i>Lottery</i>	409,431	-	409,431
<i>Shop</i>	228,040	-	228,040
<b>Investments</b>	64,182	-	64,182
<b>Other income</b>	59,731	339,078	398,809
	<u>3,480,336</u>	<u>339,828</u>	<u>3,820,164</u>

**3 Expenditure**

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



**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**3 Expenditure (continued)**

	<i>Direct costs</i>	<i>Support costs (note 4)</i>	<i>2022</i>
	£	£	£
<i><b>Expenditure on raising funds:</b></i>			
<i>Goods for resale</i>	5,555	1,257	6,812
<i>Fundraising events</i>	291,377	30,164	321,541
<i>Lottery</i>	96,378	17,596	113,974
<i>Shop</i>	278,205	-	278,205
<i>Investment management costs</i>	29,651	-	29,651
	<u>701,166</u>	<u>49,017</u>	<u>750,183</u>
<i><b>Expenditure on charitable activities:</b></i>			
<i>Hospice (note 5)</i>	<u>2,408,292</u>	<u>453,727</u>	<u>2,862,019</u>
	<u>3,109,458</u>	<u>502,744</u>	<u>3,612,202</u>

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

**4 Support costs**

	<i>2023</i>	<i>2022</i>
	£	£
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	<u>782</u>	<u>996</u>
	<u>484,474</u>	<u>502,744</u>

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**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
	<u>3,298,204</u>	<u>2,862,019</u>

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
	<u>35,611</u>	<u>23,681</u>

**7 Net income**

	2023	2022
	£	£
<i>Stated after charging:</i>		
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
	<u></u>	<u></u>

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

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

	2023 £	2022 £
<b>Payroll costs were</b>		
Wages and salaries	2,565,000	2,286,981
Social security costs	228,774	199,730
Pension costs	204,028	196,617
	<u>2,997,802</u>	<u>2,683,328</u>

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.

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**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
	£	£	£	£	£
<b>Cost</b>					
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)
<b>At 31 March 2023</b>	<b>4,221,719</b>	<b>582,816</b>	<b>4,804,535</b>	<b>67,871</b>	<b>4,872,406</b>
<b>Depreciation</b>					
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)
<b>At 31 March 2023</b>	<b>2,796,112</b>	<b>511,160</b>	<b>3,307,272</b>	<b>40,803</b>	<b>3,348,075</b>
<b>Net book value</b>					
<b>At 31 March 2023</b>	<b>1,425,607</b>	<b>71,656</b>	<b>1,497,263</b>	<b>27,068</b>	<b>1,524,331</b>
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).

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**13 Fixed asset investments**

	<b>Group 2023 £</b>	<b>2022 £</b>	<b>Charity 2023 £</b>	<b>2022 £</b>
Investments in subsidiary companies	-	-	100	100
Other investments	<u>11,715,144</u>	<u>12,057,567</u>	<u>11,715,144</u>	<u>12,057,567</u>
	<u>11,715,144</u>	<u>12,057,567</u>	<u>11,715,244</u>	<u>12,057,667</u>

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:

	<b>2023 £</b>	<b>2022 £</b>
Turnover - shop sales	268,121	228,040
Cost of sales	<u>(21,742)</u>	<u>(24,757)</u>
<b>Gross profit</b>	<b>246,379</b>	<b>203,283</b>
Administrative expenses	(238,337)	(253,448)
Other operating income	<u>-</u>	<u>59,731</u>
<b>Profit / (loss) for the year</b>	<b>8,042</b>	<b>9,566</b>
Amounts gift aided to charity	<u>-</u>	<u>-</u>
<b>Retained profit / (loss) for the year</b>	<b>8,042</b>	<b>9,566</b>
<b>Retained earnings brought forward</b>	<b><u>(28,030)</u></b>	<b><u>(37,596)</u></b>
<b>Retained earnings carried forward</b>	<b><u>(19,988)</u></b>	<b><u>(28,030)</u></b>
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	<u>(97,379)</u>	<u>(150,145)</u>
<b>Funds</b>	<b><u>(19,888)</u></b>	<b><u>(27,930)</u></b>

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**13 Fixed asset investments (continued)**

**Other investments**

<b>Group and charity</b>	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<i>Market value</i>		
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
<b>As at 31 March 2023</b>	<b>11,715,144</b>	<b>12,057,567</b>

Listed investments are represented by:

	<b>Group and Charity</b>	
	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
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
	<b>11,715,144</b>	<b>12,057,567</b>

**14 Debtors**

	<b>Group</b>	<b>2022</b>	<b>Charity</b>	<b>2022</b>
	<b>2023</b>		<b>2023</b>	
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
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
	<b>207,157</b>	<b>405,924</b>	<b>258,479</b>	<b>455,129</b>

All debtors relate to unrestricted funds in both 2023 and 2022.

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**15 Creditors: amounts falling due within one year**

	<b>Group 2023 £</b>	<b>2022 £</b>	<b>Charity 2023 £</b>	<b>2022 £</b>
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
	<b>783,826</b>	<b>828,442</b>	<b>770,299</b>	<b>796,510</b>

All creditors relate to unrestricted funds in both 2023 and 2022.

**16 Funds**

**Restricted funds**

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

**Unrestricted funds**

	<b>Brought forward at 31 March 2022 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains, losses and transfers £</b>	<b>Carried forward at 31 March 2023 £</b>
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)
	<b>16,211,710</b>	<b>3,477,077</b>	<b>(4,006,750)</b>	<b>(387,685)</b>	<b>15,294,352</b>

**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.

**THE EAST LANCASHIRE HOSPICE**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2023**

**16 Funds – prior year**

**Restricted funds**

	<i>Brought forward at 31 March 2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains, losses and transfers</i>	<i>Carried forward at 31 March 2022</i>
	£	£	£	£	£
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)	-	-
	<u>5,957</u>	<u>339,828</u>	<u>(344,212)</u>	<u>-</u>	<u>1,573</u>

**Unrestricted funds**

	<i>Brought forward at 31 March 2021</i>	<i>Income</i>	<i>Expenditure</i>	<i>Gains, losses and transfers</i>	<i>Carried forward at 31 March 2022</i>
	£	£	£	£	£
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)
	<u>15,122,718</u>	<u>3,480,336</u>	<u>(3,267,990)</u>	<u>876,646</u>	<u>16,211,710</u>

**17 Operating lease commitments**

At 31 March 2023 the group had future minimum lease payments under non-cancellable operating leases as set out below:

	<b>Land and buildings</b>	
	<b>2023</b>	<b>2022</b>
	£	£
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	-
	<u>171,289</u>	<u>44,542</u>