

PENDLESIDE HOSPICE

England & Wales · Charity number 700993

Details

Other names	HOSPICE CARE FOR BURNLEY AND PENDLE, PENDLESIDE, PENDLESIDE HOSPICE
Status	Registered
Legal form	Charitable company
Company number	02280991
Registered	1988-12-19
Register	View on the Charity Commission register

Contact

Address
Pendleside Hospice
Pendleside
Colne Road
Burnley
BB10 2LW

Phone 07968654519

Email info@pendleside.org.uk

Website www.pendleside.org.uk

Activities

Objects: TO PROMOTE THE RELIEF OF SICKNESS IN SUCH WAYS AS THE ASSOCIATION SHALL FROM TIME TO TIME THINK FIT, AND IN PARTICULAR (BUT WITHOUT PREJUDICE TO THE GENERALITY OF SUCH OBJECTS):- BY PROVIDING OR AIDING IN THE PROVISION OF MEDICAL AND SPIRITUAL TREATMENT AND ATTENTION FOR THE RECEPTION CARE AND MAINTENANCE OF PERSONS OF EITHER SEX (WITHOUT REGARD TO RACE CREED) WHO ARE SUFFERING (AT ANY AGE) FROM ANY CHRONIC OR TERMINAL ILLNESS OR FROM ANY INFIRMITY DISABILITY OR SIDEASE WHETHER ATTRIBUTABLE TO OLD AGE OR OTHERWISE IN THEIR OWN HOMES AND BY ESTABLISHING MAINTAINING AND CONDUCTING CHARITABLE RESIDENTIAL HOMES HOSPITALS AND CLINICS IN ENGLAND FOR THE RECEPTION AND CAR OF SUCH PERSONS AND BY PROVIDING SUCH MEDICAL SOCIAL AND SPIRITUAL TREATMENT AND ATTENTION FURTHER DETAILS SEE CLAUSE 3(B)(C)(D)(E) OF MEMORANDUM AND ARTICLES OF ASSOCIATION)

Activities: We provide palliative care for the people of Burnley & Pendle (and Rossendale for inpatient facilities) suffering from cancer and other life-limiting illnesses. We also provide support for their relatives and

carers. We do this primarily with our 10 bed inpatient unit, our day service and outpatient facility and our Hospice at Home team who look after patients in their own homes.

Classification

- **How:** Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** The General Public/mankind

Geography

- Lancashire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£5,651,214	£5,747,075	£17,229,872	116
2024-03-31	£5,102,380	£5,301,622	£13,805,773	113
2023-03-31	£5,690,634	£4,666,155	£13,354,885	107
2022-03-31	£4,793,811	£4,471,743	£12,909,824	100
2021-03-31	£5,200,281	£4,341,018	£12,396,518	96

Trustees

Name	Role	Appointed
DAVID BROWN BSc Eng	Chair	
Amanda Rumblelow		2025-12-19
Amir Saeed		2023-11-20
Andrew Stephenson		2025-12-19
Benjamin Luke Duckworth		2025-12-19
Christine Husbands		2025-12-19
Elinor Green		2023-11-20
Giles Scott Williams		2018-02-23
Gillian Oakley		2021-06-02
Helen Binns		2022-08-03
Jane Lily Daunt		2024-12-01
Jaydee Davis		2021-06-02
Martin Schofield		2023-11-20
Mary Angela Brown		2018-02-23

PENDLESIDE HOSPICE

England & Wales - Charity number 700993

Accounts

Company Registration No. 02280991 (England and Wales)

Charity Registration No.700993

PENDLESIDE HOSPICE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025

PM+M Solutions for Business LLP
Chartered Accountants
New Century House
Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

PENDLESIDE HOSPICE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	David Brown Angela Brown Jaydee Davis Gillian Oakley Helen Binns Jane Daunt Elinor Green Amir Saeed Martin Schofield Giles Williams Mark Irlam David Walker Mike Steel	(Appointed 1 December 2024) (Resigned 27/10/2025) (Resigned 20/06/2025) (Resigned 13/06/2025) (Resigned 10/02/2025)
Chief executive officer	Helen McVey	
Secretary	Helen Binns	
Charity number	700993	
Company number	02280991	
Registered office	Pendleside Hospice Colne Road Reedley Burnley Lancashire BB10 2LW	
Auditor	PM+M Solutions for Business LLP New Century House Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB	
Investment advisors	James Brearley & Sons 7 South Preston Office Village Cuerden Way Bamber Bridge Preston PR5 6BL Close Brothers Asset Management 7th Floor 80 Mosley Street St Peter's Square Manchester M2 3FX	

PENDLESIDE HOSPICE

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PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2025

The trustees present their annual report and financial statements for the year ended 31 March 2025.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Companies Act 2006 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 (FRS 102)" (effective 1 January 2019).

The twelve-month period ending 31st March 2025 continued in a similar vein as the previous four challenging years. We remained affected by the ongoing cost of living crisis, with persistently high inflation driving up our general operating costs. Additionally, further increases in the National Living Wage, along with significant pay rises across both the public and private sectors, necessitated an uplift in our salary budget to remain legally compliant and competitive in the job market. All of this occurred while our NHS grant funding increased by only 0.6%, meaning we had to rely more than ever on charitable income to support patient care.

The Hospice at the same time saw an increase in demand for its services over the last year, and despite the challenges detailed above has been able to step up in supporting this demand. Overall, caring for more service users than in the previous year, across our inpatient, hospice at home, health and wellbeing, outpatient, hospice at home and family support services. Similarly, the number of contacts that each patient has had with the Hospice has also continued to grow, meaning besides supporting more people we are also offering more intensive support to the people we look after.

Alongside this we have continued to embed and develop the new initiatives started the previous year, such as the ongoing enhancements to our hospice at home and health and wellbeing services and the development of services for people with dementia and frailty which have proven to be very well received with excellent feedback from people who have accessed the services.

This has all been made possible, and further enhanced, through the dedicated care and support provided by our clinical, ancillary, administrative, fundraising and retail employees and volunteers. The team continuing to work proactively and innovatively in order to face the challenges being experienced. We simply could not have achieved this without the teams from across the Hospice pulling together as one with positivity and determination to meet the needs of the people in our local community who need our support.

Chairman's Report

As we've maintained and developed our services, we've continued to work more collaboratively with other hospices across Lancashire, the NHS, fellow charities, and social and domiciliary care providers. These strengthened partnerships enabling us to share our expertise in palliative and end-of-life care, while also ensuring a responsive and cohesive service for patients living with advancing, long-term, and life-limiting illnesses, as well as their families and carers.

In particular, we've continued to provide increased support to people living with dementia, an area recognised as critically important for the future, with dementia now one of the leading causes of death in the UK.

We've also extended our reach to individuals who are less likely to access hospice services, including those living with frailty, people experiencing homelessness, those who are socially vulnerable, and members of minority ethnic groups.

Alongside maintaining and developing our clinical services, we've continued to focus on income generation and fundraising to ensure the long-term sustainability of our service funding.

Our retail operation continued to grow and flourish, thanks to the dedication of our team, the unwavering support of volunteers, the loyalty of customers who return time and again, and the generosity of the community in donating preloved goods. We built on the success of the previous year, achieving record retail income and Gift Aid across our nine shops and eBay store.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Fundraising and donations also achieved a record year, supported by the continued success of our annual events such as the Pendle Pub Walk and Pendleside Does Strictly. The sustained level of supporter donations is both encouraging and humbling.

Our Meals on Wheels service, which began in late 2020, also achieved record income, serving around twenty-two thousand meals over the year. As well as supporting isolated and vulnerable people in the community, the service generating a surplus that helps fund patient care.

2024/25 took us to the endpoint for implementation of our organisational strategy 2021 - 2025, which set out our priorities for this period and we are pleased to report that we met the majority of our objectives, including being awarded "Outstanding", following our most recent Care Quality Commission inspection; an accolade to the hard work and dedication of the whole of Team Pendleside and we rightly remain proud of this achievement.

Looking forward, during 2024/25 we undertook a full review of our strategy prioritising our aims, objectives and goals for the next 5 years, culminating in the launch of our new 5 year organisational strategy in April 2025, which clearly sets out our aims and objectives for the future.

At the same time, we recognise that we are continuing to navigate a period of uncertainty and constant change. The future remains unclear due to persistently high inflation, NHS funding that is not keeping pace with rising costs, and a significant expected increase in demand for our services. Ultimately, this makes planning extremely challenging. We recognise that we will need to keep our strategy under constant review and be ready to adapt where required.

All of the above highlights just how vital the support from our local community is. We simply could not continue to operate as we do without it. We have been more fortunate than ever to receive this backing, especially with the financial uncertainty affecting our supporters as much as it has impacted the Hospice. We deeply value the ongoing contribution our community makes to both the present and future of Pendleside Hospice.

Objectives and activities

The objectives of the charity are to promote the relief of sickness by providing or aiding in the provision of medical, social and spiritual treatment and attention for persons who are suffering from any chronic or terminal illness.

Activities

The main activities undertaken are:

- Inpatients
- Hospice at Home and Community Services
- Health Wellbeing and Rehabilitation Services including Outpatients
- Family Support Service (including pre and post bereavement support and spiritual care)
- Complementary Therapy and Psychological Support
- Meals on Wheels

As mentioned Pendleside continues to work towards its new five year strategy which sets out the vision, mission, values and aims for the next five years: -

Mission:

Pendleside exists to enhance the quality of life for people living in our community with advancing long term and life limiting illnesses, through to end of life and in bereavement.

Vision:

Every adult with advancing long term and life limiting illnesses, and those most important to them, within our community, will receive timely and equitable access to high quality services, delivered by appropriately trained staff and volunteers.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Our values underpin everything that we do:

- Care:**
We ensure a professional standard of high quality care provision, delivered with kindness, dignity and respect.
- Compassion:**
We ensure that a compassionate and a non-judgemental approach remains central to the delivery of our services.
- Support:**
We ensure that each individual person is listened to, their individual needs respected and contribution valued.

Our overall aims:

Proud to Be Pendleside

To ensure our people identify Pendleside Hospice as a good place to work/volunteer and we are the health care organisation of choice to work/volunteer for.

Community collaboration

To have strong presence throughout our community, leading and championing improvements in end of life care, and mobilising community engagement and support.

Care delivery

To provide high quality person centred care, ensuring people have the "right care, at the right time, in the right place".

Governance

To meet our regulatory requirements and manage risks effectively.

Sustainability

To ensure our Hospice is sustainable for the future.

Our care is free of charge to those we serve.

The policy of the Trustees is to generate sufficient Incoming Resources as to (a) provide adequate income to cover the anticipated increase in operating costs of the charity and (b) build sufficient reserves as to cover future growth and capital investment. In addition, the Trustees need to be very aware of and allow for possible variations in funding streams from major donors such as the NHS.

The grant income previously received from the NHS remained an important source of funding for our services. However, despite a 0.6% increase in our NHS grant, its contribution in real terms decreasing as the uplift failed to keep abreast of overall inflation, consequently covering only approximately 19% of the Hospice's operating costs. This is significantly lower than the national average, where NHS funding typically accounts for around 35% of Hospice income across the UK.

It was disappointing to receive only a small increase in our NHS grant funding, especially in light of the significant inflationary pressures affecting both our general operating costs and wage expenses. These increases being driven by high inflation nationally and globally, alongside rises in the living wage and pay across both the public and private sectors. To remain legally compliant and competitive in the local job market, Pendleside has had to adjust and respond accordingly.

At the same time, demand for our services continues to grow, and the Hospice remains a vital contributor to the local health and social care system.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Income from Pendleside's dedicated supporters remained excellent and once again grew compared to the previous year. This growth was largely driven by new fundraising initiatives, continued development of our charity retail operations, and a significant contribution from gifts in wills and legacies.

- Our traditional events, which includes the Pendle Pub Walk and Light up a Life celebrations, did particularly well, with great support whilst, at the same time, raising a significant amount of funding.

We successfully held several new fundraising events, including the Mountain Bike Challenge, Sunrise to Sunset and Saturday Day Fever. Returning favourites such as Pendleside Does Strictly and The Great Pendleside Trek were also very well received and strongly supported by our community, raising significant funds to support the work of the Hospice.

It was also very encouraging to once again collaborate with local businesses through our Corporate Challenge event. Businesses across Burnley and Pendle came together to raise an incredible £230,512 in support of the Hospice's work.

- Our retail operation is now in its second year of being managed under a new trading account, introduced as part of our risk management strategy.

Our retail operation performed well, raising vital funds for patient care at Pendleside. We continued to strengthen relationships with other local retailers, who generously donated new goods for sale in our shops. It's encouraging to see our retail outlets performing so well, once again generating more income than the previous year and overall generating the highest level of retail income in the Hospice's history. We also achieved a record year for retail Gift Aid across our nine shops and our eBay store.

In addition to our main shops, the Hospice's eBay store, donation centre, and reception shops once again performed well, collectively generating income of £81,424.

- Also sitting in our trade account, Pendleside Meals on Wheels service, originally set up during the COVID pandemic as a pilot to support frail and housebound individuals, whether or not they are known to the Hospice, has now been fully embedded into our service provision and continues to grow.

This is the only service for which Pendleside charges a fee, and as such, it not only delivers vital support to local people but also generates an annual contribution of approximately £21,000 towards patient care at the Hospice.

- Lottery income was reduced for the fourth consecutive year, down by 3%. However, with expenditure lower than in previous years, the overall surplus decreased by only 2%. This decline is believed to be due to increased competition from other charity lotteries operating in the area, as well as the ongoing impact of the cost-of-living crisis.

As lottery income remains an important and regular funding stream for the Hospice, plans are in place for the forthcoming year to revitalise the lottery through a new campaign and the reintroduction of lottery canvassing.

- Alongside all of the above, and more crucially than ever, given that NHS funding for the Hospice remains almost static, community support continues to be outstanding. Many individuals, groups and businesses across Burnley and Pendle have undertaken their own fundraising initiatives to raise money. The importance of this area of income for the Hospice cannot be overstated or undervalued.

As always, the Board wishes to express its full appreciation for this outstanding level of public support, without which the Charity would not be able to continue its operations.

The objectives for 2025/26 are to maintain all existing Hospice services while continuing to develop and enhance them wherever possible, within the limits of financial and other available resources.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

All service developments and enhancements during the year were driven by the Charity's understanding of its community and service users' needs, informed by both national and local guidance. Where appropriate, these improvements were implemented in partnership with statutory services and other independent organisations.

Our "Pendleside Together" group, made up of service users, patients, and stakeholders continues to be hugely influential in evaluating service effectiveness, identifying and supporting service improvements, and contributing to the overall development of our services.

Volunteers

The Trustees recognise the tremendous contribution made by Pendleside's volunteers, whose efforts support and complement the work of the Charity's employees. Pendleside Hospice simply could not function without them.

Currently, over 400 volunteers are involved across all Hospice services, including clinical care, charity shops, reception, administration, fundraising, counselling, driving, gardening, and our Friends of Pendleside group, which supports ad hoc events throughout the year.

This number is in line with last year, although we continue to face challenges in recruiting new volunteers to fill vacant roles, particularly within our retail operation. Nevertheless, our retail team still benefits from nearly 200 volunteers working across all our shops.

We also wish to acknowledge the high level of commitment from our Trustee team, all themselves volunteers who play a vital role in the overall running of the Hospice.

Our 'Volunteer Representative Group', now in its third year, continues to grow and embed itself within the organisation. With representatives from all departments, it ensures that volunteers have a meaningful voice and can influence the development of volunteering across all areas of the Hospice.

It is important to note that the financial statements exclude the value of voluntary help, as this is extremely difficult to quantify.

Public Benefit Statement

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when setting the Charity's aims and objectives and in planning future activities and setting policy for the year.

The Charity's primary objectives continue to be the promotion and provision of specialist palliative and end-of-life care of the highest quality for the people of Burnley and Pendle with advancing, long-term, and life-limiting illnesses.

This care is delivered in partnership with statutory services and other independent organisations.

The aim is to enhance the quality of life for each individual accessing its services, as well as for their families, friends, and carers. All care is provided free of charge to individuals aged seventeen and over. Inpatient care is also extended to patients from the Rossendale area.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Achievements and performance

Summary of main achievements

As already detailed, in 2024/25 our main achievements have been the continuation and maintenance of our existing service provision, while also developing and enhancing our services to meet the needs of people living with advancing, long-term and life-limiting illnesses in our community.

In particular, we have focused on responding to the needs of patients with both cancer and non-cancer diagnoses, as well as those living with advancing long term illness with multiple comorbidities, along with their families and carers. This has required us to support individuals with increasingly complex needs and to ensure the delivery of responsive, safe and effective care.

In addition there are have been several achievements across each of our clinical services, including: -

Through a positive collaboration with East Lancashire Hospitals Trust, we were delighted to appoint Dr Louise Hilton, to the new role of Medial Director, a role that will enable us to continue to develop and enhance our clinical care delivery at Pendleside.

Over 93% of patients were supported to achieve their preferred place of care as they approached the end of their life. A large proportion of these patients being cared for in their own home by our hospice at home and community team members.

The continued development of services for people with dementia, including embedding the Admiral Nurse service commenced the previous year, funded directly by the Hospice but working in collaboration with the charity, Dementia UK. This enabled the development of an overarching dementia strategy to run alongside our organisational strategy which supports the enhancement of care for people living with dementia across our Hospice services.

The allocation of short-term funding from Lancashire and South Cumbria Integrated care board to deliver a care programme working collaboratively with other Pennine Hospices, aimed at keeping people out of Hospital unless required and supporting appropriate discharge through :-

- Working with the homeless and those in our community who are socially vulnerable, in collaboration with other service providers and charities
- Provision of end-of-life education to care homes and domiciliary care agencies, sharing best practice knowledge and guidance
- Supporting patients and their families and carers with advance care planning
- Raising awareness of Hospice services

The above work meaning that we are now caring for some of the most vulnerable people living within our local community, their families and carers.

We have developed our ability to use clinical data captured to influence our care delivery and support service development. This has allowed us to develop key performance indicators for care delivery and measure our performance against these.

Feedback from service users during the year was overwhelmingly positive, with all who responded to our service user survey stating they would recommend Pendleside services to others in similar circumstances

Likewise, our staff survey was also very positive. Of those who responded:-

- 94% stated they enjoy the work they do
- 96% felt they could make a difference
- 95% believed in the aims of the Charity
- 98% are proud to work for Pendleside

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

We were also delighted to be recognised both regionally and nationally for our work, winning the Pendle Business Award in the Not-for-Profit category for our support of the local community, and being invited to present at the Hospice UK annual conference for our collaborative project work with other hospices, charities, and the NHS to enhance end-of-life care.

Overall 2,304 (2,286 the previous year) service user's accessed services and had a contact, either by telephone, face to face appointment or were an inpatient. The breakdown of this us as follows:-

- 1,447 (1,472 previous year) patients
- 738 (689 previous year) family members/carers pre and post bereavement
- 119 (125 previous year) children received bereavement support

This was a similar number to the previous year.

The breakdown of service delivery is detailed below:

- Inpatient services cared for 165 patients, 16 more patients than the previous year. Bed occupancy was 85% almost the same as last year (86%) and higher than the national average. Similarly, 70% of patients received end of life care and 28% were discharged home or to a care home.
- 489 service users attended the Health Wellbeing and Rehabilitation Service, slightly higher than the 444 previous year. In total, this accounted to a total of 7,500 face to face contacts, 500 more than the previous year.
- The number of patients on the outpatient caseload increased to 847, compared to 742 the previous year. A total of 2,278 contacts were made, 80% more than the previous year. However, it is recognised that in the twelve months the outpatient team improved their reporting and hence this may be the reason for some of the increase.
- 779 patients accessed community services, 9% more than the previous year, with a total of 9,680 contacts (324 more than the previous year)
- 857 carers, 738 adult carers and 119 children, accessed pre and post bereavement services.

All the above achievements highlight the Hospice's ongoing effectiveness in helping to supporting people living in the local area with advancing long term and life limiting illness, their families and carers.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Financial review

In the financial year ended 31st March 2025, the Charity recorded a deficit of £117,624, a significant decrease from the surplus of £450,888 recorded in 2023/24, however still significantly better than the budgeted deficit predicted of £698,577.

Total funds at year-end stood at £17,229,872. More detail on income, expenditure, and the financial position can be found on pages 19 to 23 of the financial statements.

On 24th April 2025, land and buildings were revalued at £6,148,750, resulting in an unrealised gain of £3,541,723. This revaluation contributed significantly to the year-on-year increase in total funds.

Income from general fundraising, including supporter donations, fundraising activities and various events, reached record levels of approximately £1.244 million.

With good planning by our Income Generation team, we were able to run a full programme of fundraising activities. However, challenges remained, as the ongoing cost-of-living crisis and high inflation continued to impact both income levels and operational expenditure.

The Hospice received a similar level of bequests from supporters' wills compared to the previous year. Gifts in wills making a significant contribution towards patient care at Pendleside and this year we joined the national Hospice legacy campaign led by Hospice UK.

Pendleside Trading Ltd, our trading subsidiary established in April 2021, now reports on both the community Meals on Wheels service and the charity retail operations, contributing £345,113 during the year.

Similarly, our charity retail operations achieved a new high income of over £868,656. This is a very encouraging performance, and there are plans to further invest in retail activities over the coming years.

The NHS continues to support the Hospice through an annual grant. However, there have been no meaningful increases to the amount received, and inflation has further eroded its impact on the Charity's annual expenditure. Service level agreements with Lancashire and South Cumbria Integrated Care Board for a 'fast track' night sit service and delivery of an urgent and emergency care project, to help prevent avoidable hospital admissions for people at end of life, boosted our NHS-related income, but this comes with significant associated costs, meaning no surplus funds are generated from these areas of activity.

With interest rates remaining relatively high throughout 2024/25, we were able to generate acceptable returns from our cash reserves, benefiting from deposit terms around the 4.7% mark. While dividends from our listed investment portfolios remained modest, a downturn in global markets, driven by changes to international tariffs, led to a decline of approximately £22,000 in the total valuations of our three managed funds held by Pendleside, prior to management fees, during the financial year.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

In terms of expenditure, staff pay and food costs continued to rise compared to previous years. Overall, total expenditure increased by just over 8% from 2023/24 to 2024/25. With staff costs making up the majority of our operational expenses, maintaining competitive pay rates adds a significant amount to each year's running costs.

With regard to the new financial year starting on 1 April 2025, a 4.5% increase in our annual NHS grant was insufficient to keep pace with rising costs driven by inflation, uplift in the national living wage, increased national insurance contributions and ultimately staff pay increases to keep competitive in the job market, enabling the Hospice to effectively recruit and retain staff.

The NHS funding contribution subsequently fell to 19%, down from 22% in 2023/24, and is projected to decline further to 17% in 2025/26. This is significantly lower than the national average, where NHS funding typically accounts for around 35% of Hospice income across the UK.

The annual budget for 2025/26 projects an operational deficit of approximately £826,000. This includes very challenging income targets, meaning the generosity and support of our community will be crucial to achieving even this target. Without substantial and unexpected income streams, most likely from legacies left to the Charity, it seems unlikely we can avoid a second successive annual deficit. Fortunately, prudent financial management means the Hospice's reserves will be available to offset this shortfall, consequently the Hospice has budgeted reserves to manage the deficit.

The Pendleside management team and all our staff continually strive to control as much of our outgoing expenditure as possible. However, some overheads are unavoidable and cannot be influenced or reduced by the Hospice. The cost of utilities is largely driven by national and global factors, as are insurance premiums. External subscriptions and statutory fees are also, for the most part, beyond our control.

As costs rise, our efforts to generate the income needed to maintain financial stability must become greater and more innovative each year.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Investment Policy

The Charity may undertake any investment that the Board of Trustees deems appropriate, as permitted by our Memorandum and Articles of Association, which is regularly reviewed. The most suitable policy for investing the majority of our funds is considered to be a diversified portfolio of stocks, shares, unit trusts, and deposit accounts.

In addition, the Charity has recently invested in property. In autumn 2023, we secured new shop premises that included first-floor offices, and in 2024, the Hospice received a house through a legacy, which has generated rental income since October 2024. As a result, the Charity now owns two shops that we occupy, along with four flats, two houses and office space, all of which, except for the occupied shops, generate rental income.

The Finance and Resources subgroup reviews our investments each month and considers the continued use of third-party investment managers, who provide balanced portfolios aimed at generating quarterly income as well as long-term capital growth, to be wholly appropriate for the Charity. These fund managers have delegated responsibility to manage investments with the expectation of maximising returns. During the year, we added a new third-party investment to further diversify our portfolio and reduce risk.

All investments are quoted on the stock exchange and are subject to market fluctuations. The intention is that their design and composition will enable growth over the long term; therefore, performance should be assessed over several years rather than a single period.

Global financial and geopolitical factors can cause significant fluctuations in valuations. Ongoing events such as energy crises, conflicts (e.g. Ukraine and Gaza), the threat of US-led economic recessions, and changes in US trade policy and tariffs can all have detrimental impacts on investment values. We aim to ensure that the risk profile adopted for our investments remains appropriate and responsible at all times.

Principal Funding Sources

There have been no changes to our primary funding sources, which continue to include supporter donations and fundraising activities by individuals, groups and organisations. Additional income streams comprise legacy bequests, charity retail income, fundraising events, a prize lottery scheme, the Meals on Wheels service and investment income. We also received an annual NHS support grant and income from other contracted services. The total incoming resources for the year amounted to £5,651,214.

Reserves Policy

A 'Summary of Funds' is shown in Note 25 to the accounts.

As at 31st March 2025, our total reserves amounted to £17,229,872 of which £215,664 was held in restricted funds.

Our accumulated reserves enable the Charity to plan for the medium-term future with confidence and security. The Board of Trustees ensures these reserves are invested prudently, safeguarding the Hospice's ability to deliver the highest quality services to our community. We recognise that maintaining vigilance, innovating and where possible growing, our income is crucial to our future.

Our mission is to expand and strengthen existing services while exploring new initiatives that will benefit those in need within the Burnley and Pendle boroughs.

Our reserves policy remains unchanged. As before, general funds are maintained at a level that enables the Charity to continue providing services during periods of unexpected difficulty, such as a significant downturn in income.

The 2024/25 accounts closed with a deficit of £117,624, which, while still a shortfall, is significantly better than the budgeted deficit of £698,577. This deficit was covered through an allocation of reserves.

Ongoing rising costs, particularly staff salaries, which have increased to support effective recruitment and retention, combined with the unpredictability of several income streams, have resulted in a budgeted deficit of £825,000 for the 2025/26 financial year.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

As at 31 March 2025, our total reserves include a designated fund of £7,792,861. This comprises £2,792,861 for the book value of our fixed assets. The Trustees have again reviewed the level of general funds at year-end and agreed to maintain the designation of a further £5 million (detailed below) to support the Charity's priorities. This aligns with our organisational strategy and the Hospice's future service development plans.

These funds are designated towards service lines, staff training and development, and the general upgrade and refurbishment of the Hospice building and grounds to ensure that the site is fit for the future; with both an energy project to replace the Hospice heating system and upgrade of the Hospice building planned over the next two-three years. This decision also reflects the challenges of managing budget deficits, anticipated increases in demand for our services, and the need to respond to the complex needs of those accessing Hospice care.

As we began the new financial year in April 2025, and after accounting for restricted and designated funds, the Charity held £5,094,527 in general 'unrestricted' funds. Financial forecasting leads the Trustees to conclude that this level of funds, after maintaining designated allocations, remains fully justified. It is considered sufficient to provide the Hospice with financial sustainability for several years, even in the event of substantial operational deficits.

The last few years have highlighted significant uncertainty, but the Board is reassured that current projections indicate our reserves are adequate to maintain existing service levels in the short- medium term. These reserves provide peace of mind to the Board of Trustees, the Senior Management Team and the entire workforce of Pendleside Hospice.

Structure, governance and management

The Charity is governed by a Board of Trustees, which holds overall responsibility for all aspects of its work. The Board continues to delegate the day-to-day management of the Hospice and its various activities to a Senior Management Team. This team includes the Chief Executive, Clinical Services Manager, Finance and Business Manager, Head of Income Generation and our newly appointed Medical Director, who joined in the autumn of 2024.

The Charity is constituted as a company limited by guarantee (No. 02280991) and its Articles of Association state that one third of the Directors shall retire at each Annual General Meeting. The Company is registered as a charity (No. 700993) with the Charity Commission. The majority of its staff operate from its own purpose-built buildings, known as Pendleside Hospice, located on Colne Road, Reedley in Burnley. The Executive Committee appoints the Chairperson from time to time.

New Trustees are appointed from time to time, usually to address a specific gap in the Board's skill mix. Recruitment is carried out by advertising vacancies on the Hospice website, via social media, or in the local press. In some cases, a direct approach may be made to individuals with the skills required for the role. All applicants undergo a rigorous recruitment process followed by a six-month probationary period before their appointment is confirmed.

During the year, we welcomed Jane Daunt, who was appointed on 1st December 2024. After the year-end, we received resignations from Mark Steel, David Walker, Mark Irlam and Giles Williams. Recruitment for the vacant positions is underway, with the aim of making appointments before the next Annual General Meeting.

The Board of Trustees meets quarterly and has delegated authority to four specific subcommittees: Clinical Governance, Finance and Resources, Income Generation and People (covering employees and volunteers). Each subcommittee operates under formal terms of reference and meets regularly, reporting back to the Board at its quarterly meetings. Every Trustee plays an active role in at least one subcommittee, working alongside the relevant senior and operational managers.

After their appointment, new Trustees undergo comprehensive training on their legal obligations under Charity and Company law, as well as the content of our Memorandum and Articles of Association. They are also introduced to the committee and decision-making processes, our strategic business plan and the Charity's recent financial performance. In addition, they meet key managers, employees, service users and fellow Trustees.

Finally, both new and existing Trustees are encouraged to attend appropriate training events and relevant external meetings, particularly where these support them in fulfilling their role within Pendleside.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

The Charity employed an average of 150 staff across the organisation during 2024/25, equivalent to 116 whole-time equivalent (WTE) roles. In addition, three staff work under a practising privileges agreement, and the Hospice maintains a bank of healthcare professionals and support staff.

The Remuneration Committee, comprising nominated Trustees and the Senior Management Team, meets annually to determine staff pay and remuneration. In setting pay levels, the Committee considers current and projected inflation rates, general salary trends, public and private sector pay scales, the National Living Wage and benchmarking data from other hospices and similar organisations.

The Board of Trustees is collectively responsible for the Charity's wellbeing within a framework of prudent and effective controls that enable risk to be assessed and managed. The Board must also ensure that the Charity's aims and objectives are upheld, and Trustees are required to understand Pendleside Hospice's obligations to all stakeholders, as well as to the local community and the statutory services that help finance its operations.

The Trustees continue to assess and record clinical and business risks, implementing systems to mitigate them. Identified risks are addressed through procedures governing the authorisation of transactions and projects, as well as measures to ensure consistent quality across all operational areas. These procedures are reviewed periodically to ensure they remain effective and aligned with the Charity's needs. Responsibility for managing and implementing these procedures is delegated to the operational management team, which is also tasked with identifying and evaluating risks, reporting any failings, and taking corrective action where necessary.

Risks are reviewed through several mechanisms. All aspects of the Charity's service provision are governed by policies and procedures that comply with the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014, under regulation and inspection by the Care Quality Commission. These policies are reviewed internally at least every three years, with some reviewed annually or more frequently if legislation or best practice guidance changes. Actions to correct or improve practice are identified and implemented under the direction of the Charity's Quality Assurance Group to mitigate identified risks. Additional risks may also be highlighted for corrective action during regulatory inspections.

Managing the risk posed by ongoing cost-of-living pressures remains a priority, particularly in relation to expenditure and remuneration. Staff costs have risen significantly over the past few years, and the Remuneration Committee continues to take a balanced approach to pay, recruitment and retention in response to these pressures. We also remain cautious when purchasing support services, utilities and other areas of expenditure to mitigate costs wherever possible.

The Hospice maintains and regularly reviews a dedicated policy for the reporting and management of adverse events, including serious incidents. All such incidents, both clinical and non-clinical, are recorded and reported to the appropriate Trustee subcommittee, as well as to senior and operational managers. A summary of all adverse incidents is presented to the Board quarterly. Operational management is responsible for identifying and implementing corrective actions arising from these incidents, as appropriate.

The Charity takes a proactive approach to assessing specific risks in accordance with its risk management policy and procedures. While many of these risks relate to general health and safety and the wellbeing of our service users, others are of a financial nature. To address these, the Trustees engage external auditors to review areas such as internal financial controls, payroll processing, and lottery administration.

The Hospice is registered with the Fundraising Regulator, and one of its objectives is to comply with the voluntary regulation scheme and the Code of Fundraising Practice. Compliance is overseen by the Income Generation Subcommittee, which identifies, agrees upon, and monitors actions to maintain and improve fundraising standards. This includes ensuring that fundraising practices protect individuals from unreasonable intrusion into their privacy, persistent approaches, or undue pressure to donate.

No complaints were received regarding fundraising practice in the twelve-month reporting period.

Each member's liability under their guarantee to the Company is limited to a contribution of no more than one pound, if required, in the event of the Company being wound up.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Funds held as custodian trustee

There are no funds held as custodian.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Statement of trustees' responsibilities

The trustees, who are also the directors of Pendleside Hospice for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Auditor

In accordance with the company's articles, a resolution proposing that PM+M Solutions for Business LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.

David Brown

Trustee

Dated: 17 November 2025

Helen Binns

Trustee

Dated: 17 November 2025

PENDLESIDE HOSPICE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENDLESIDE HOSPICE

Opinion

We have audited the financial statements of Pendleside Hospice (the 'Charity') for the year ended 31 March 2025 which comprise the Consolidated statement of financial activities, the Consolidated and Charity balance sheets, the Consolidated statement of cash flows 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable group's affairs as at 31 March 2025 and of its 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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 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 annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

PENDLESIDE HOSPICE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PENDLESIDE HOSPICE

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the Charity for the purpose 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 Charity'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

PENDLESIDE HOSPICE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PENDLESIDE HOSPICE

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Charity's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Charity's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
 - the matters discussed among the audit engagement team including significant component audit teams and involving relevant specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of commercial income, posting of unusual journals and complex transactions; and manipulating the Charity's performance profit measures and other key performance indicators to meet remuneration targets and externally communicated targets. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act, Charities Act, employment law, health and safety regulations, pensions legislation and tax legislation.

PENDLESIDE HOSPICE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PENDLESIDE HOSPICE

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the identified risks of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Ceri Dixon BSc (Hons) FCA (Senior Statutory Auditor)

For and on behalf of PM+M Solutions for Business LLP, Statutory Auditor

Chartered Accountants

New Century House

Greenbank Technology Park

Challenge Way

Blackburn

Lancashire

BB1 5QB

19 November 2025

PENDLESIDE HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

		Unrestricted funds 2025 £	Restricted funds 2025 £	Total 2025 £	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	1,741,426	-	1,741,426	1,608,749	-	1,608,749
Charitable activities	4	1,383,435	102,921	1,486,356	1,140,086	17,996	1,158,082
Other trading activities	5	972,733	-	972,733	959,478	-	959,478
Investments	6	424,636	-	424,636	439,243	-	439,243
Turnover of trading subsidiary	7	1,026,063		1,026,063	936,828		936,828
Total income		5,548,293	102,921	5,651,214	5,084,384	17,996	5,102,380
<u>Expenditure on:</u>							
Raising funds	9	543,883	-	543,883	519,193	-	519,193
Trading cost of subsidiary	10	674,340	-	674,340	634,411	-	634,411
Charitable activities	10	4,528,852	-	4,528,852	4,127,899	20,119	4,148,018
Total expenditure		5,747,075	-	5,747,075	5,281,503	20,119	5,301,622
Net gains/(losses) on investments		(21,763)	-	(21,763)	650,130	-	650,130
Net (outgoing)/incoming resources before transfers		(220,545)	102,921	(117,624)	453,011	2,123	450,888
Net (outgoing)/incoming resources		(220,545)	102,921	(117,624)	453,011	2,123	450,888
Other recognised gains and losses							
Revaluation of tangible fixed assets		3,541,723	-	3,541,723	-	-	-
Net movement in funds		3,321,178	102,921	3,424,099	453,011	2,123	450,888
Fund balances at 1 April 2024		13,693,030	112,743	13,805,773	13,240,019	114,866	13,354,885
Fund balances at 31 March 2025		17,014,208	215,664	17,229,872	13,693,030	112,743	13,805,773

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

PENDLESIDE HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

PENDLESIDE HOSPICE

GROUP BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Tangible assets	17	6,334,584		2,748,912	
Investments	18	10,797,615		11,081,745	
		<u>17,132,199</u>		<u>13,830,657</u>	
Current assets					
Stocks	19	2,500		2,500	
Debtors	20	290,315		221,258	
Cash at bank and in hand		380,002		252,433	
		<u>672,817</u>		<u>476,191</u>	
Creditors: amounts falling due within one year	21	<u>(575,144)</u>		<u>(501,075)</u>	
Net current assets/(liabilities)		<u>97,673</u>		<u>(24,884)</u>	
Total assets less current liabilities		<u>17,229,872</u>		<u>13,805,773</u>	
Income funds					
Restricted funds	23	215,664		112,743	
<u>Unrestricted funds</u>					
Designated funds		7,792,861		7,748,912	
General unrestricted funds		5,094,527		5,359,021	
Revaluation reserve		4,126,820		585,097	
		<u>17,014,208</u>		<u>13,693,030</u>	
		<u>17,229,872</u>		<u>13,805,773</u>	

The financial statements were approved by the Trustees on 17 November 2025

David Brown
Trustee

Helen Binns
Trustee

Company registration number 02280991

PENDLESIDE HOSPICE

CHARITY BALANCE SHEET

AS AT 31 MARCH 2025

	Notes	2025		2024	
		£	£	£	£
Fixed assets					
Tangible assets	17	6,334,584		2,748,912	
Investments	18	10,797,715		11,081,845	
		<u>17,132,299</u>		<u>13,830,757</u>	
Current assets					
Stocks	19	2,500		2,500	
Debtors	20	296,774		221,629	
Cash at bank and in hand		369,843		245,387	
		<u>669,117</u>		<u>469,516</u>	
Creditors: amounts falling due within one year	21	<u>(571,544)</u>		<u>(494,500)</u>	
Net current assets/(liabilities)		<u>97,573</u>		<u>(24,984)</u>	
Total assets less current liabilities		<u>17,229,872</u>		<u>13,805,773</u>	
Income funds					
Restricted funds	23	215,664		112,743	
<u>Unrestricted funds</u>					
Designated funds		7,792,861		7,748,912	
General unrestricted funds		5,094,527		5,359,021	
Revaluation reserve		4,126,820		585,097	
		<u>17,014,208</u>		<u>13,693,030</u>	
		<u>17,229,872</u>		<u>13,805,773</u>	

The financial statements were approved by the Trustees on 17 November 2025

David Brown
Trustee

Helen Binns
Trustee

Company registration number 02280991

The consolidated accounts of the Group include the financial statements of the charity and its subsidiary undertaking for the year ended 31 March 2025. A separate Statement of Financial Activities for the charity has not been presented because the subsidiary has taken advantage of exemption by section 408 of the Companies Act 2006. The deficit of the charity for the year ended 31 March 2025 was £117,624 (2024: Surplus £450,888).

PENDLESIDE HOSPICE

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	£	2024 £	£
Cash flows from operating activities					
Cash absorbed by operations	31		(84,816)		(178,987)
Investing activities					
Purchase of tangible fixed assets		(165,562)		(459,162)	
Proceeds from disposal of tangible fixed assets		15,871		-	
Purchase of investments		(12,720,586)		(2,028,242)	
Proceeds from disposal of investments		12,658,026		2,220,703	
Investment income received		424,636		439,243	
Net cash generated from investing activities			212,385		172,542
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			127,569		(6,445)
Cash and cash equivalents at beginning of year			252,433		258,878
Cash and cash equivalents at end of year			380,002		252,433

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Charity information

Pendleside Hospice is a private company limited by guarantee incorporated in England and Wales. The registered office is Pendleside Hospice, Colne Road, Reedley, Burnley, Lancashire, BB10 2LW.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's Commission, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Basis of consolidation

The consolidated accounts of the Group include the financial statements of the charity and its subsidiary undertaking for the year ended 31 March 2025. A separate Statement of Financial Activities for the charity has not been presented because the subsidiary has taken advantage of the exemption by section 408 of the Companies Act 2006.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.5 Incoming resources

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.6 Resources expended

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the company and compliances with constitutional and statutory requirements. Cost of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% straight line
Fixtures and fittings	20% straight line
Computers	25% straight line
Motor vehicles	25% straight line

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the Charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.15 Deferred Incoming resources

Lottery income is deferred on the basis of the period to which subscriptions relate.

2 Critical accounting estimates and judgements

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 main area of judgement that has a risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in relation to the valuation of fixed assets and investments.

3 Group donations and legacies

	Unrestricted funds	Restricted funds	Total 2025	Total 2024
	£	£	£	£
Donations	1,078,532	-	1,078,532	954,445
Legacies receivable	632,894	-	632,894	639,304
Other	30,000	-	30,000	15,000
	<u>1,741,426</u>	<u>-</u>	<u>1,741,426</u>	<u>1,608,749</u>
For the year ended 31 March 2024	<u>1,608,749</u>	<u>-</u>	<u>-</u>	<u>1,608,749</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

4 Group charitable activities

	2025 £	2024 £
Operation of Hospice	<u>1,486,356</u>	<u>1,158,082</u>
<u>Analysis by fund</u>		
Unrestricted funds	1,383,435	1,140,086
Restricted funds	<u>102,921</u>	<u>17,996</u>
	<u>1,486,356</u>	<u>1,158,082</u>

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Fundraising events	469,280	-	469,280	473,397
Other income - Shop Sales and Gift Aid	82,225	-	82,225	80,010
Hospice lottery	367,497	-	367,497	377,527
Other fundraising activities	<u>53,731</u>	-	<u>53,731</u>	28,544
Fundraising income	<u>972,733</u>	-	<u>972,733</u>	<u>959,478</u>
For the year ended 31 March 2024	<u>959,478</u>	-	<u>-</u>	<u>959,478</u>

6 Investment Income

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Rental income	62,025	-	62,025	45,936
Income from listed investments	178,899	-	178,899	178,110
Interest receivable	<u>183,712</u>	-	<u>183,712</u>	215,197
	<u>424,636</u>	-	<u>424,636</u>	<u>439,243</u>
For the year ended 31 March 2024	<u>439,243</u>	-	<u>-</u>	<u>439,243</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

7 Other income

	Unrestricted funds general 2025 £	Unrestricted funds general 2024 £
Other income	6,610	-
Turnover of Trading Subsidiary	1,019,453	936,828
	1,026,063	936,828

8 Gift Aid payment by trading subsidiary

The wholly owned trading subsidiary Pendleside Trading Ltd is incorporated in the United Kingdom and pays all of its profits to the charity by gift aid. Pendleside Trading Ltd operates Meals on Wheels in the community as well as Charity Shops. The charity owns the entire share capital. A summary of the trading results for the year ended 31 March 2025 is:

	Total 2025 £	Total 2024 £
Turnover	1,019,453	936,828
Operating costs	(674,340)	(634,411)
Trading profit	345,113	302,417
Gift aid payment to charity	345,113	302,417
Retained in subsidiary	-	-
Represented by:		
Restricted income funds	-	-
Unrestricted income funds	-	-
The assets and liabilities of the subsidiary were:		
Current assets	81,789	23,685
Current liabilities	(81,689)	(23,585)
Total net assets	100	100
Aggregate share capital and reserves	100	100

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

9 Raising funds

	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Fundraising and publicity				
Christmas cards and merchandising products	5,362	-	5,362	12,482
Publicity and brochures	34,350	-	34,350	33,900
Events expenditure	97,763	-	97,763	110,471
Bank charges	6,208	-	6,208	11,841
Telephone costs	6,861	-	6,861	6,382
Insurance costs	16,981	-	16,981	15,446
Voluntary income staff costs	228,268	-	228,268	186,923
	<u>395,793</u>	<u>-</u>	<u>395,793</u>	<u>377,445</u>
Trading costs				
Prize money and commission	70,955	-	70,955	73,362
General expenses	18,276	-	18,276	14,591
Incidental expenses	11,322	-	11,322	8,970
Staff costs	24,157	-	24,157	29,172
Depreciation and impairment	23,380	-	23,380	15,653
	<u>148,090</u>	<u>-</u>	<u>148,090</u>	<u>141,748</u>
	<u>543,883</u>	<u>-</u>	<u>543,883</u>	<u>519,193</u>
For the year ended 31 March 2024				
Cost of raising funds	377,445	-	-	377,445
Fundraising trading costs	141,748	-	-	141,748
	<u>519,193</u>	<u>-</u>	<u>-</u>	<u>519,193</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

10 Group charitable activities

	2025 £	2024 £
Staff costs	3,692,080	3,382,397
Depreciation and impairment	96,790	100,458
Profit/Loss on sale of fixed assets	(1,200)	(17,500)
Water	12,570	12,460
Gas and electricity	62,766	79,604
Repairs and maintenance	97,405	130,640
Charitable expenditure heading 5	187	-
Recruitment	5,734	1,976
Travel expenses	43,758	38,294
Training	37,421	24,052
Healthcare	17,375	26,584
Uniforms	11,917	7,559
Telephone costs	6,862	6,383
Insurance	16,982	15,447
Medical supplies and bought in services	216,197	119,243
Cleaning costs	11,014	19,287
Office costs, stationery, postage and IT	48,221	52,412
Registration fees and subs	24,474	18,315
Incidental expenses	1,446	1,577
Irrecoverable VAT	5,119	6,706
Catering costs	58,574	66,756
Patient transport costs	16,843	11,567
Bank charges	10,471	6,262
	<u>4,498,620</u>	<u>4,119,834</u>
Share of governance costs (see note 12)	30,232	28,184
	<u>4,528,852</u>	<u>4,148,018</u>
Analysis by fund		
Unrestricted funds	4,528,852	4,127,899
Restricted funds	-	20,119
	<u>4,528,852</u>	<u>4,148,018</u>

11 Trade of subsidiary

In the year to 31 March 2025 the operating costs of the trading subsidiary amounting to £674,340 (2024: £634,411) comprised wholly of unrestricted expenditure.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

12 Support costs

	Support costs £	Governance costs £	2025 £	2024 £
Audit fees	-	8,000	8,000	8,000
Accountancy	-	2,995	2,995	4,000
Legal and professional	-	19,237	19,237	16,184
	-	30,232	30,232	28,184
Analysed between Charitable activities	-	30,232	30,232	28,184

13 Net movement in funds

	2025 £	2024 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	8,000	8,000
Fees payable to the company's auditor for other services provided	2,995	4,000
Depreciation of owned tangible fixed assets	121,523	122,613

14 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year, neither were they reimbursed expenses during the year. No charity trustee received payment for professional or other services supplied to the charity.

The total donations received from the trustees in the year was £1,602 (2024: £407).

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

15 Employees

The average monthly number of employees during the year was:

	Group 2025 Number	Group 2024 Number	Charity 2025 Number	Charity 2024 Number
Nursing staff - inpatient	25	25	25	25
Nursing staff - day therapy	9	9	9	9
Nursing staff - hospice at home	28	27	28	27
Nursing staff - spiritual care and medical officers	6	6	6	6
Administration staff and general managers	35	33	35	33
Ancillary	13	13	13	13
Total	<u>116</u>	<u>113</u>	<u>116</u>	<u>113</u>

Employment costs	Group 2025 £	2024 £	Charity 2025 £	2024 £
Wages and salaries	3,416,815	3,081,942	3,416,815	3,081,942
Social security costs	290,615	273,168	290,615	273,168
Other pension costs	237,022	225,387	237,022	225,387
	<u>3,944,452</u>	<u>3,580,497</u>	<u>3,944,452</u>	<u>3,580,497</u>

The key management personnel of the group comprise those of the Hospice and the key management personnel of its wholly owned subsidiary Pendleside Trading Limited. The total remuneration earned by key management personnel during the year was £267,612 (2024: £251,690).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2025 Number	2024 Number
£60,001 - £70,000	4	2
£70,001 - £80,000	1	2
£90,001 - £100,000	1	-
	<u>6</u>	<u>4</u>

16 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

17 Tangible fixed assets

Group and Charity	Freehold buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 April 2024	3,471,040	530,397	152,842	137,802	4,292,081
Additions	77,920	42,961	29,681	15,000	165,562
Disposals	-	-	-	(15,871)	(15,871)
Revaluation	3,541,723	-	-	-	3,541,723
At 31 March 2025	7,090,683	573,358	182,523	136,931	7,983,495
Depreciation and impairment					
At 1 April 2024	870,504	471,564	117,912	83,189	1,543,169
Depreciation charged in the year	64,670	23,886	9,677	23,290	121,523
Eliminated in respect of disposals	-	-	-	(15,781)	(15,781)
Other changes	-	-	-	-	-
At 31 March 2025	935,174	495,450	127,589	90,698	1,648,911
Carrying amount					
At 31 March 2025	6,155,509	77,908	54,934	46,233	6,334,584
At 31 March 2024	2,600,536	58,833	34,930	54,613	2,748,912

Land and buildings were revalued at 24 April 2025 to £6,148,750 by independent valuers not connected with the Charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

At 31 March 2025, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £840,460 (2024 - £866,453).

Included in land and buildings is freehold land at valuation of £664,476 (2024 - £664,476) which is not depreciated.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

18 Fixed asset investments

Group	Listed investments	Unlisted investments	Total £
Cost or valuation			
At 1 April 2024	7,583,770	3,497,976	11,081,746
Additions	2,595,977	10,124,609	12,720,586
Valuation changes	(346,690)	-	(346,690)
Disposals	(1,608,011)	(11,050,016)	(12,658,027)
At 31 March 2025	8,225,046	2,572,569	10,797,615
Carrying amount			
At 31 March 2025	8,225,046	2,572,569	10,797,615
At 31 March 2024	7,583,670	3,497,976	11,081,646

Charity	2025 £	2024 £
Other Unlisted Investments:		
Marsden Building Society	1,068,202	1,019,764
Close Brothers	659,591	624,013
Handelsbanken	844,776	1,854,199
	2,572,569	3,497,976

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Other investments comprise:				
Investments in subsidiaries	-	-	100	100

All the listed investments are quoted on the UK Stock Exchange. Other fixed asset investments are Bank and Building Society balances.

The charity holds the whole of the issued share capital of Pendleside Trading Limited (company number: 13019012), a company registered in England and Wales. Its principal activity is that of a food retail service and charity shop sales.

19 Stocks

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Finished goods and goods for resale	2,500	2,500	2,500	2,500

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

20 Debtors

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Amounts falling due within one year:				
Trade debtors	70,402	31,532	56,264	17,117
Amount owed by parent undertaking	-	-	78,089	17,010
Other debtors	85,644	115,818	85,644	115,818
Prepayments and accrued income	134,269	73,908	76,777	71,684
	<u>290,315</u>	<u>221,258</u>	<u>296,774</u>	<u>221,629</u>

21 Creditors: amounts falling due within one year

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Trade creditors	79,180	62,698	79,180	62,698
Other creditors	229,146	218,445	229,146	215,470
Accruals and deferred income	266,818	219,932	263,218	216,332
	<u>575,144</u>	<u>501,075</u>	<u>571,544</u>	<u>494,500</u>

Deferred Income

	Group 2025 £	Charity 2024 £
Deferred income at 1 April 2024	100,530	100,530
Movement in the year	5,397	5,397
Deferred income at 31 March 2025	<u>105,927</u>	<u>105,927</u>

The deferred income balance of £105,927 (2024: £100,530) as at 31 March 2025, includes £71,084 (2024: £71,074) which relates to the lottery fund and £34,843 (2024: £29,456) which relates to customer sponsorship/events.

22 Retirement benefit schemes

Defined contribution schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £265,448 (2024: £225,387).

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

23 Restricted funds

Group and Charity

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

Balance at 1 April 2023 £	Movement in funds		Balance at 1 April 2024 £	Movement in funds		Balance at 31 March 2025 £
	Incoming resources £	Resources expended £		Incoming resources £		
114,866	17,996	(20,119)	112,743	102,921		215,664

24 Analysis of net assets between funds

Group and Charity

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2025 are represented by:				
Tangible assets	3,346,059	2,792,861	195,664	6,334,584
Investments	5,797,615	5,000,000	-	10,797,615
Current assets/(liabilities)	77,673	-	20,000	97,673
	<u>9,221,347</u>	<u>7,792,861</u>	<u>215,664</u>	<u>17,229,872</u>

	Unrestricted funds £	Designated funds £	Restricted funds £	Total £
Fund balances at 31 March 2024 are represented by:				
Tangible assets	2,656,170	2,748,912	92,742	5,497,824
Investments	3,332,833	5,000,000	-	8,332,833
Current assets/(liabilities)	(44,884)	-	20,000	(24,884)
	<u>5,944,119</u>	<u>7,748,912</u>	<u>112,742</u>	<u>13,805,773</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

25 Summary of Group Funds

Group and Charity	Movement in funds					Balance at 31 March 2025
	Balance at 1 April 2024	Incoming resources	Resources expended	Transfers	Gains and losses	
	£	£	£	£	£	£
Designated funds	7,748,912	-	-	43,949	-	7,792,861
General funds	5,359,021	5,548,293	(5,747,075)	(43,949)	(21,763)	5,094,527
Revaluation	585,097	3,541,723				4,126,820
Total unrestricted funds	13,693,030	9,090,016	(5,747,075)	-	(21,763)	17,014,208
Restricted funds	112,743	102,921	-	-	-	215,664
	13,805,773	9,192,937	(5,747,075)	-	(21,763)	17,229,872

At the year end, the restricted funds carried forward represent £20,000 (2024 - £20,000) relating to the Frank Houghton fund. The remaining funds reflect the net book value of fixed assets funded by grants.

Trustees have considered future challenges of managing a budget deficit, coping with the potential increase in demand for services and complexity of need of people accessing Hospice services, training and development needs of staff and development of the Reedley Hall site and has designated £5million of its reserves, plus the value of the charity's fixed assets towards service lines, training and development of staff and development of the Reedley Hall Site.

26 Contingent Assets

At the year end, the Charity was aware of a number of legacy donations which had been made to the Charity. However the residual legacy donation in each case cannot be measured reliably leading to uncertainty over the total level of income which will be received. In these cases no income has been accrued at the year end.

27 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2025	Group 2024	Charity 2025	Charity 2024
	£	£	£	£
Within one year	50,663	57,329	50,663	57,329
Between two and five years	168,000	171,333	168,000	171,333
In over five years	18,250	60,250	18,250	60,250
	236,913	288,912	236,913	288,912

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

28 Related party transactions

During 2022/23, Pendleside Hospice entered into a collaboration with 8 other hospices located in the Lancashire and South Cumbria region. Pendleside Hospice was nominated to hold the funds used to finance the activities of the collaborative and to pay the salaries of any staff directly employed for this initiative. The balance relating to the collaboration, which was included in the creditors figure at the year-end, was £224,086 (2024: £85,887).

29 Controlling party

The Charity is under the control of the trustees as noted in the trustees' report.

30 Analysis of changes in net funds

The Charity had no material debt during the year.

31 Cash generated from operations	2025	2024
	£	£
Surplus for the year	(117,624)	450,888
Adjustments for:		
Investment income recognised in statement of financial activities	(424,636)	(439,243)
Fair value gains and losses on investments	346,690	(642,215)
Depreciation and impairment of tangible fixed assets	105,742	122,613
Movements in working capital:		
(Increase)/decrease in debtors	(69,057)	217,727
Increase in creditors	74,069	111,243
Cash absorbed by operations	(84,816)	(178,987)

PENDLESIDE HOSPICE

England & Wales - Charity number 700993

Accounts

Company Registration No. 02280991 (England and Wales)

Charity Registration No.700993

PENDLESIDE HOSPICE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2024

PM+M Solutions for Business LLP
Chartered Accountants
New Century House
Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

PENDLESIDE HOSPICE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	David Brown David Walker Giles Williams Angela Brown Jaydee Davis Gillian Oakley Mike Steel Helen Binns Mark Irlam Amir Saeed Elinor Green Martin Schofield Roger Cornes Francesca Chapman Margaret Hynes	Appointed 20/11/2023 Appointed 20/11/2023 Appointed 20/11/2023 Resigned 21/11/2023 Resigned 03/04/2023 Resigned 09/10/2023
Chief executive officer	Helen McVey	
Secretary	Helen Binns	
Charity number	700993	
Company number	02280991	
Registered office	Pendleside Hospice Colne Road Reedley Burnley Lancashire BB10 2LW	
Auditor	PM+M Solutions for Business LLP New Century House Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB	
Investment advisors	James Brearley & Sons 7 South Preston Office Village Cuerden Way Bamber Bridge Preston PR5 6BL Close Brothers Asset Management 7th Floor 80 Mosley Street St Peter's Square Manchester M2 3FX	

PENDLESIDE HOSPICE

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PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 MARCH 2024

The trustees present their annual report and financial statements for the year ended 31 March 2024.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Companies Act 2006 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 (FRS 102)" (effective 1 January 2019).

During the financial year, Pendleside was delighted to celebrate its 35th anniversary of providing care to people in Burnley and Pendle, a great achievement and something that everybody at the Hospice is very proud of. At the same time in February 2024 the Hospice was awarded Outstanding by the Care Quality Commission, again another proud achievement.

Nevertheless, following on from the last few challenging years, the twelve month period ending 31st March 2024 continued in the same vein as we continued to experience the impact of the cost of living crisis, including the significant rise in inflation resulting in increases to our general running costs and the impact of the national living wage increase, significant increases in public and private sector pay resulting in an increase in our salary budget to stay legal and competitive in the job market. All of this, whilst at the same time receiving a freeze in our NHS grant funding meaning that we had to rely more than ever on our charitable income to fund patient care.

The introduction and embedding of new initiatives, such as the ongoing development of our hospice at home and health and wellbeing services and the development of services for people with dementia, including an Admiral Nursing service have all proven to be very successful with people receiving services continuing to provide excellent feedback.

This has all been made possible, and further enhanced, through the dedicated care and support provided by our clinical, ancillary, administrative, fundraising and retail employees and volunteers. The team continuing to work proactively and innovatively in order to face the challenges being experienced. We simply could not have achieved this have without the teams from across the Hospice pulling together as one with positivity and determination to meet the needs of the people in our local community who need our support.

Chairman's Report

We are continuing to see a period of uncertainty and ever changing times, with the future remaining unclear and proving extremely difficult to plan for. Despite this, Pendleside Hospice continues to step up to support our local community by adapting and increasing the support it provides to local people. In a positive way, we have been able to support some of the most vulnerable people in our community whilst, at the same time, maintaining existing service provision and introducing new and innovative ways of delivering our care.

In maintaining and developing our services, we have continued to work more collaboratively with other Hospices in Lancashire, the NHS, other charities, as well as social and domiciliary care providers. These enhanced ways of working enable the sharing of our knowledge and experience of palliative and end of life care, whilst also ensuring a responsive, cohesive service for patients living with advancing, long term and life limiting illnesses, their families and carers.

Particularly, we have been able to provide more support to people living with dementia. This has been recognised as extremely important for the future, with dementia now being one of the leading causes of death in the UK.

We have also supported people who we have identified as being less likely to access Hospice services, including those with frailty, the homeless, those who are socially vulnerable and in minority ethnic groups. Besides focusing on the maintenance and development of our clinical services, we have, at the same time, continued to focus on income generation and fundraising in order to ensure long term sustainability of the funding for our services.

Our retail operation continues to grow and improve, and our "Rewear Revolution" campaign encourages people to both donate and shop in our retail outlets.

Fundraising was also very successful with annual events such as Pendle Pub Walk proving as popular as ever. Overall, the level of supporter donations has been very positive.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Our 'meals on wheels' service, which started in late 2020, has also seen good growth. Besides serving people who are isolated and vulnerable in the community, it also generated a surplus, which has helped in funding patient care services.

2023/24 took us a year closer to the endpoint for implementation of our current organisational strategy. This set out our priorities for the future and we are pleased to report that we have continued to make some excellent progress with the strategy, continuing with the single point of access for fast track night sits and further development of our hospice at home night sitting service.

We have met all our regulatory requirements, and were delighted to be awarded "Outstanding", following our Care Quality Commission inspection in October 2023. This is an endorsement of the hard work and dedication of the whole of Team Pendleside and we are rightly proud of this achievement.

Looking forward, we plan to review our strategy over the forthcoming year to ensure that it remains relevant. We will also look to expand on the achievements of the last twelve months in order to ensure that we continually meet all the objectives we have set ourselves.

All of the above just goes to emphasise how important the support that the Charity receives from our local community is and how we would not be able to continue to operate, as we do, without this support. We have been more fortunate than ever to have this community backing with the cost of living crisis impacting our supporters as much as it has on the Hospice. We very much value the ongoing contribution that our local community makes towards the present and the future of Pendleside Hospice.

Objectives and activities

The objectives of the charity are to promote the relief of sickness by providing or aiding in the provision of medical, social and spiritual treatment and attention for persons who are suffering from any chronic or terminal illness.

Activities

The main activities undertaken are:

- Inpatients
- Outpatients
- Health Wellbeing and Rehabilitation Services (formerly Day Services)
- Hospice at Home and community services
- Family Support Service (including pre and post bereavement support and spiritual care)

Pendleside continues to work towards its current four year strategy which sets out the vision, mission, values and aims for the next four years: -

Mission:

Pendleside exists to enhance the quality of life for people living in our community with advancing long term and life limiting illnesses, through to end of life and in bereavement.

Vision:

Every adult with advancing long term and life limiting illnesses and those most important to them within our community will receive timely and equitable access to high quality services, delivered by appropriately trained staff and volunteers.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Our values underpin everything that we do:

- 1 Care:
We ensure a professional standard of high quality care provision delivered with kindness, dignity and respect.
- 2 Compassion:
We ensure that a compassionate and a non-judgemental approach remains central to the delivery of our services.
- 3 Support:
We ensure that people are listened to, their contribution valued and that necessary support is provided according to each individual need.

Our overall aims:

Proud to Be Pendleside

Our people identify Pendleside as a good place to work/volunteer and we are the health care organisation of choice to work/volunteer for.

Community collaboration

To build a compassionate community involving, influencing and working in partnership with all stakeholders to enhance palliative and end of life care.

Care delivery

To reach out to as many people as possible who need our care.

Governance

The Hospice meets its regulatory requirements and manages risk effectively.

Sustainability

Services are sustainable in the changing external environment.

Our care is free of charge to those we serve.

The policy of the Trustees is to generate sufficient Incoming Resources as to (a) provide adequate income to cover the anticipated increase in operating costs of the charity and (b) build sufficient reserves as to cover future growth and capital investment. In addition, the Trustees need to be very aware of and allow for possible variations in funding streams from major donors such as the NHS.

The grant income previously received from the NHS continued to be an important source of income in maintaining our services, funding however decreasing to approximately 22% of the Hospice operating costs due to a freeze in our NHS grant. The contribution significantly lower than the, than the 30% average contribution, provided nationally to Hospices across the UK.

It was disappointing to receive no increase in our NHS grant funding despite the significant increase in inflationary costs experienced in both our general running costs and wage costs as a result of the impact of high inflation both nationally and globally and the living wage increase and increases in public and private sector pay, for Pendleside to stay legal and competitive in the job market locally; whilst at the same time the demand on our services continuing to grow and the Hospice continuing to provide significant support to the health and social care system locally.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Income from Pendleside's hard working supporters, remained excellent and grew in comparison to the previous year. This was, in large, due to the reinstatement of community fundraising initiatives following the removal of Covid restrictions, which allowed supporters to, once again, organise their own events, and for Pendleside's own major events' program to be fully reinstated, alongside other new events, which were introduced during the year.

- Our traditional events, which includes the Pendle Pub Walk and Light up a Life celebrations, did particularly well, with great support whilst, at the same time, raising a substantial amount of funding.

We also successfully held several new Fundraising events in celebration of our 35th anniversary including Memories on the Lake, which replaced our previous Sunflower event, Pendleside Does Strictly, The Great Pendleside Trek and Pumpkin Trail all of which were very well received and supported by our community and raised significant funds to support the work of the Hospice.

It was also very positive to work, once again, with local businesses in the local area, and to bring back our Corporate Challenge event, which had to be put on hold due to the Covid pandemic. Businesses in the Burnley and Pendle areas together raised over £167,926.74 to support the work of the Hospice.

- Our retail operation was this year moved into our new trading account as part of our risk strategy.

Following a challenging few years for our retail operation, a positive action plan and a new campaign for our 35th anniversary "Rewear Revolution" (the campaign aiming to raise awareness of the benefits of shopping for preloved items and, in doing so, raising vital funds for patient care at Pendleside), it was encouraging to see the shops doing well and once again raising the highest level of retail income in the history of the Hospice.

We continued to build on links with other local retailers, who continued to donate new goods for selling in our shops.

In addition, the Hospice eBay shop once again did well raising £77,400 with plans to grow this income further over the forthcoming year.

- Our meals on wheels service set up in Covid, as a pilot, to support people who are frail and housebound whether or not they are known to the Hospice, has now been fully embedded in our service provision and continues to grow. This is the only service charged for by Pendleside and consequently as well as delivering a service to local people it makes a small contribution to funding patient care.
- Lottery income was reduced for the third year running, down significantly by 6%, however with expenditure less than in previous years overall the surplus was down by only 5%. This is thought to be due to the increase in competition with other Charity lotteries operating in the area but also the impact of the cost of living crisis.

With lottery income being an important income stream as it provides regular income to the Hospice, plans are in place for the forthcoming year to revitalise the lottery with a new campaign and to commence lottery canvassing again.

- Along with all of the above, and more crucially than ever as the Hospice sees its NHS funding remaining static, our community support remains excellent with many individuals, groups and businesses across Burnley and Pendle undertaking their own fundraising initiatives to raise money. The importance of this area of income for the Hospice cannot be understated nor undervalued.

As always, the Board wishes to express its full appreciation for this outstanding level of public support, without which the Charity would not be able to continue its operations.

The objectives for 2024/25 are to continue to maintain all existing Hospice services, whilst developing and enhancing them, wherever possible, within financial and other resource constraints.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

All service developments and enhancements during the year were driven by the Charity's understanding of its community and service users' needs, along with national and local guidance and, where appropriate, these were implemented in partnership with the statutory services and other independent organisations.

Our "Pendleside Together" group of service users, patients and stakeholders continues to be hugely influential in analysing service effectiveness, recognising and helping to deliver service improvements and assisting in the overall development of services.

Volunteers

The Trustees recognise the huge amount of work put in by the Hospice's volunteers, which support and complement the work of the Charity's employees. Pendleside Hospice simply could not function without its volunteers, and there are, currently, over 400 volunteers working across all Hospice services, including the clinical services, Charity shops, reception, administration, fundraising, gardening counselling, driving, gardening and our Friends of Pendleside (who support the Hospice with ad hoc events throughout the year). This is slightly less than last year as we struggle to recruit new volunteers into roles that become vacant, particularly within our retail operation. Nevertheless our Hospice retail operation has nearly 200 volunteers working across all our shops.

As well as all this, we cannot forget to mention the high level of commitment from our trustee team who contribute to the overall running of the Hospice.

Our 'volunteer representative group' set up last year, continues to grow and embed with representative from all departments across the Hospice, ensuring that all our volunteers feel able to influence the role of volunteering across all areas of the Hospice.

It is important to mention that the financial statements exclude the value of voluntary help, as this is extremely difficult to quantify.

Public Benefit Statement

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when setting the Charity's aims and objectives and in planning future activities and setting policy for the year.

The Charity's prime objectives continue to be the promotion and provision of specialist palliative and end of life care, of the highest quality, for the people of Burnley and Pendle with advancing, long term and life limiting illnesses and to do so in partnership with statutory services and other independent organisations. Its aim is to promote the quality of life for each individual accessing its services as well as that of their families, friends and carers. This care is provided free of charge to all people of seventeen years and over. Inpatient care is also provided for patients from the Rossendale area.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Achievements and performance

Summary of main achievements

As already detailed, in 2023/24, our main achievements have been the continuation and maintenance of our existing service provision whilst continuing to develop and enhance our services and respond to the needs of people living with advancing, long term and life limiting illnesses in our community, including those affected by the aftermath of the pandemic and cost of living crisis. In particular, responding to the needs of patients with either a cancer or non-cancer diagnosis and those with multiple comorbidities, along with their families and carers. This has meant responding to people with more complex needs and ensuring that we provide responsive, safe and effective care.

Whilst there were many achievements throughout the year, a particular success was overall across the organisation receiving an outstanding rating from the Care Quality Commission.

In addition there are have been several achievements within each of our clinical services, including: -

Inpatients introducing an electronic prescribing system which supports the safe prescribing, administration, ordering and monitoring of medicines.

The continued development of the hospice at home night sitting service and single point of access for fast track care

The continued development of services for people with dementia, including appointing a specialist Admiral Nurse, funded by the Hospice working in collaboration with the charity, Dementia UK.

Developing services for people underrepresented in our community using a compassionate community approach. Including: -

- Continuation of work with a homeless Charity to support socially vulnerable or homeless people who had palliative and end of life care needs
- Promotion of services to people from minority ethnic groups, ensuring that the services we provide are fit for purpose
- Promotion of services to people with frailty, again ensuring that the services we provide meet the needs who are frail and approaching the end of their life.

The above work meaning that we are now caring for some of the most vulnerable people living within our local community, their families and carers.

Our Health, Wellbeing and Rehabilitation service (formerly known as Day Services), continuing to grow from strength to strength, by caring for more patients than the previous year, increasing its support to carers through introduction of various carers groups and the development peer support groups for people who don't necessarily need the support of the Hospice but benefit from meeting people in a similar situation as themselves, facilitated by the Hospice.

Feedback from service users during the year was overwhelmingly positive, with all who responded to our service user survey stating they would recommend Pendleside services to others in similar circumstances

Likewise, our staff survey was also very positive. Of those who responded:-

- 98% stated they enjoy the work they do
- 97% felt they could make a difference
- 97% believed in the aims of the Charity
- 96% are proud to work for Pendleside

We were also delighted to be awarded two national awards from Hospice UK conference, for Team of the Year and Inclusivity Champion as well as being shortlisted in the prestigious Lancashire Red Rose Business Awards in the employer of the year and the health and wellbeing categories.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Overall 2286 (1,744 the previous year) service user's accessed services and had a contact, either by telephone, face to face appointment or were an inpatient. The number reported appear significantly higher than the previous year and whilst we recognise that we have increased the care provided we have also upgraded how we capture information. The breakdown of this us as follows:-

- 1,472 (1,079 previous year) patients
- 689 (589 previous year) family members/carers pre and post bereavement
- 125 (76 previous year) children received bereavement support

This was a similar number to the previous year but, as mentioned earlier, the number of contacts per service user increased significantly.

The breakdown of service delivery is detailed below:

- Inpatient services cared for 149 patients, slightly less than the previous year. This appears to be due to the average length of stay for patients being higher than average and also due to changes in medical provision, two of our long term doctors retiring and their being a period where new doctors were recruited and inducted, meaning that we did not have the medical capability we had the previous year whilst we went through this process. Bed occupancy was 86% the same as last year. Similarly 73% of patients received end of life care and 27% were discharged home or to a care home.
- 444 service users attended the Health Wellbeing and Rehabilitation Service, with a total of 7,000 face to face contacts, compared to 6,363 contacts the previous year.
- The number of patients on the outpatient caseload increased to 742 patients. A total of 1,245 contacts were made similar to the previous year.
- 714 patients accessed community services, slightly higher than the previous year, with a total of 9,356 contacts a significant increase on the 7,824 the previous year.
- 814 carers, 689 adult carers and 125 children, accessed pre and post bereavement services.

All the above achievements highlight the Hospice's ongoing effectiveness in helping to supporting people living in the local area with advancing long term and life limiting illness, their families and carers.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Financial review

In the financial year ended 31st March 2024, the Charity generated a surplus of £450,888, which was a marginal improvement on the surplus of £445,061 during 2022/23. Total funds at the year-end came to £13,693,030. More detailed on the income, expenditure and the financial position is shown, on pages 16 to 18 of the financial statements.

With Covid no longer a serious threat or hindrance, we were able to run, for a second consecutive year, with a full program of fundraising activities. However, there were many challenges still to overcome, as the effects of the 'cost of living crisis' and high levels of inflation continued to have an effect on both income levels and operational expenditure. In 2022/23, the Hospice received a record level of bequests made in supporters' wills, which made a huge difference to the financial outcome for the year. In the year ended 31st March 2024 this was not repeated being around 60% down on the previous year. The turnaround for the year came in the enhanced values of the Charity's listed investments.

Our trading subsidiary company, Pendleside Trading Ltd, which commenced operating in April 2021, now reports on our community Meals on Wheels service and the charity retail side of our operations.

Income from general fundraising – supporter donations and activities plus various events – achieved record levels of approximately £1.165m.

Similarly, our Charity retail operations hit a new record of over £897,000. This is a very encouraging performance and suggests that further investment in retail activities should be a focus for Pendleside.

Whilst 'gifts in wills' income was at just over £1.5m in 2022/23, the latest year was just short of £640,000. This further highlights the unpredictability of this form of income and, whilst strategies are in formation to grow this in the future, the timing of incoming funds from this source will always be out of our control.

The NHS continues to provide support to the Hospice through an annual grant. However, there have been no increases of any substance to the sum received meaning that inflation has further eroded its effect on the Charity's annual expenditure. A service level agreement, for a 'fast track' night sit service, has lifted our NHS-based income but this comes with a large level of cost meaning that there are no surplus funds generated for this area of activity.

With interest rates remaining, relatively high during 2023/24, we have been able to generate acceptable levels of return from our cash reserves due to the availability of deposit terms around the 5% mark. Whilst dividends from our listed investment portfolios remain very modest the recovery of global markets led to the total valuations of the two managed funds held by Pendleside to appreciate by around £815,000, prior to management fees, during the financial year.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

In terms of expenditure, staff pay, food costs and utilities were substantially up on previous years. The increase on our total expenditure from 2022/23 to 2023/24 was just over 13%. With staff cost making up the majority of our operational costs, the need to maintain competitive pay rates adds a significant sum to each year's running costs.

With regard to the new financial year that commenced on 1st April 2024, an increase of 0.6% in our annual NHS grant offers little to help the Hospice with the significant cost increases it faces or has already started to incur. A pay award to staff, effective from April, more than wiped out the whole annual increase (below £6,000) on the NHS grant and the annual budget for 2024/25 has projected an operational deficit of approximately £700,000. This includes very challenging income targets that means the generosity and support of our community will be crucial to even meeting this target. Without any substantial and unexpected income streams, which, in reality, are only likely to come from legacies left to the Charity, it would seem very unlikely that we can avoid our first significant annual deficit. Fortunately, fiscal prudence means that the reserves of the Hospice will be available to use against this short-term deficit.

The Pendleside management team and all our staff continually strive to control as much as we possibly can in relation to our outgoing expenditure. However, some overheads are unavoidable and cannot be influenced or reduced by the Hospice. The cost of utilities (electricity, gas and water) are often decided on by national and global factors, as are insurance premiums. External subscriptions and statutory fees are, largely, uncontrollable. The pressures exerted by the job markets all impact on the costs involved in employing the numbers of staff we need to employ to provide our services. National NHS staff pay agreements will always make it a challenge to be competitive in recruiting and retaining staff, as will increases to the National Living Wage rate. As costs increase, our efforts to generate the income needed to maintain a status quo outcome at the end of each year need to be greater and more innovative.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Investment Policy

The Charity may undertake any investment that the Board of Trustees see fit. This is given in our 'Memorandum and Articles of Association', and is constantly reviewed. It is considered that the most appropriate policy for investing the majority of its funds is a varied portfolio of stocks, shares, unit trusts and deposit accounts. The Charity has also invested in additional property during the year. In the autumn of 2023, we secured new shop premises, which included first floor offices. This means that the charity now owns two shops, four flats, one house and the office space. Rental income is received from these properties and one more house, left to the Hospice in a legacy, has, since the turn of the financial year, been added to the asset register with a view to obtaining rental income and asset appreciation.

The Finance and Resources subgroup look at our investments each month and consider that the ongoing utilisation of third party investment managers, to provide balanced portfolios that aim to produce quarterly income as well as capital growth are wholly appropriate for the Charity. The managers of these funds have delegated responsibility to manage them with an expectation to maximise returns.

These investments are all quoted on the stock exchange and are subject to fluctuations in the markets. The intention is that their designed and composition will enable growth over a longer term. Hence, it is crucial that their performance is judged over a number of years rather than just one single period.

Global financial and geopolitical influences do cause significant fluctuations in investment valuations and we must be wary of events such as energy crises, conflicts (e.g. Ukraine and Gaza) and threats of US-led economic recessions having detrimental impacts on the values of our investments. We aim to ensure that the risk profile adopted with our investments is appropriate and responsible, at all times.

Principal Funding Sources

There have been no changes to our primary funding sources. These remain as supporter donations and fundraising activities, by individuals, groups and organisations, plus legacy bequests, Charity retail income, fundraising events and activities, a prize lottery scheme, Meals on Wheels service and investment income. Alongside this is the annual NHS support grant and other contracted services. The total of our Incoming Resources for the year amounted to £5,102,380.

Reserves Policy

A 'Summary of Funds' is shown in Note 26 to the accounts.

As at 31st March 2024, our total reserves amounted to £13,805,773 of which £112,743 was held in restricted funds.

Our accumulated reserves enable the Charity to plan for the medium term future with a significant level of confidence and security. The Board of Trustees constantly look to ensure that the reserves held are invested in a prudent and wise manner. The intention is to make sure the Hospice is capable of providing its community with the best possible services. It is recognised that maintaining our vigilance and efforts to financially sustain and, where possible, grow our income is crucial to the future. It is our mission to expand and sustain existing services whilst looking to provide new ones that would benefit those in need of them within the Burnley and Pendle boroughs.

Our reserves policy is to remain unchanged. As previously, general funds are to be maintained at a level that will enable the Charity to continue the provision of its services during a period of unexpected difficulty. This could be, for example, a significant downturn in our overall income levels. The 2023/24 annual accounts show a surplus of £450,888, which is after taking into account investment gains of around £815,000, excluding management fees. The previous year had a surplus of £445,061 but with significant reductions in the values of our investments (over £579,000). It was only a record level of legacy income, at £1,511,272, that prevented the Hospice from recording a deficit for the year. Rising costs, particularly with staff salaries, increased in order to ensure effective recruitment and retention of staff, alongside the unpredictability of several income streams, have resulted in a budgeted deficit for the financial year 2024/25.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Within our total reserves figure, as at 31st March 2024, is a designated fund amount of £7,748,912. This includes £2,748,912 for the book value of our fixed assets. Once again, the Trustees have considered the level of general funds at the end of the financial year and, with a view to supporting some of the priorities of the Charity, the Board has agreed an increase to the designation of these funds. This aligns our priorities with the overarching organisational strategy and with the Hospice's future development of its services.

It was in 2018 that the Trustees made the decision to designate the sum of £2million of its reserves towards service lines, staff training and staff development, as well as the potential development of the former Reedley Hall site, which is adjacent to the current Hospice buildings. Consideration of the challenges arising in the management of budget deficits, alongside expected increases in the demand for our services, and having to review how we respond to the complex needs of people needing access to the Hospice's services contributed to this decision previously. However, with significant increases in inflation, since this was agreed, plus an ageing building and exploratory works to upgrade the existing building and develop the Reedley Hall site, it was identified that the amount designated was insufficient to meet what it was intended for. With work undertaken to consider the requirement to upgrade and refurbish the Hospice building over forthcoming years alongside the development of the Reedley Hall site and a significant increase in salaries since 20218, in order to stay competitive in the job market, it was agreed to designate a further £3million of reserves to support this.

As we started the new financial year, in April 2024, after accounting for these restricted and designated funds, the Charity now has the sum of £5,359,021 in our general 'unrestricted' funds. Financial forecasting leads the Trustees to consider that the magnitude of these funds, after increasing the amount held in designated funds, remains wholly justified and it is felt that the sum will be sufficient to provide the Hospice with financial sustainability of the Hospice for several years, even given a run of substantial operational annual deficits. The last few years have shown that there is much future uncertainty. The Board feels reassured that the financial projections made show that our reserves are sufficient to maintain our current level of services, in the medium term. They offer peace of mind to both the Board of Trustees, the Senior Management Team and the entire workforce of Pendleside Hospice.

Structure, governance and management

The Charity is governed by a Board of Trustees, which takes overall responsibility for all element of its work. They continue to delegate the day to day management of the Hospice and its various activities to a Senior Management team that includes the Chief Executive, Clinical Services Manager, Finance and Business Manager and Head of Income Generation. A Medical Director has been appointed and is due to join the team in the autumn of 2024.

The Charity is constituted as a company limited by guarantee (No 02280991) and its Articles of Association provide that one third of Directors shall retire at each Annual General Meeting. The Company is registered as a charity (No. 700993) with the Charity Commission and the majority of its staff operate from its own purpose built buildings, known as Pendleside Hospice based at Colne Road, Reedley in Burnley. The Executive Committee appoints the Chairperson, from time to time.

New Trustees are sought from time to time, usually to fill a perceived gap in the skill mix of the current Board. This is done by advertising a vacancy on the Hospice website, via social media or in the local press or by a direct approach to people who may have the right skills to fulfil the role of Trustees. All potential Trustees, on application, then receive a rigorous recruitment process and six month probationary period, prior to their appointment being confirmed. One Trustee stepped down from their role of Trustee and the Similarly, new Trustees are sought from time to time, usually to fill an identified gap in the skill mix of the current Board. This recruitment is carried out by advertising vacancies on the Hospice's website, via social media or in the local press. In addition, a direct approach can be made to people who are deemed to have the right skills to fulfil the role of Trustees. On application, all potential Trustees receive a rigorous recruitment process as well as a six month probationary period, prior to their appointment being confirmed. Plans to recruit into vacant roles exist and are being implemented. Treasurer, Roger Cornes, stepped down from his role as treasurer with the intention to retire fully from the role as Trustee at the next Annual General Meeting. Helen Binns, already an existing Trustee, took over the role of Treasurer. Plans were made to recruit into vacant roles, which have been carried forward to the following year.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

The Board of Trustees look to meet every quarter and have delegated authority to four specific subcommittees. These are clinical governance, finance and resources, income generation and people (i.e. employees and volunteers). These management subgroups all have formal terms of reference, and meet regularly. They report to the Board at the quarterly executive meeting. Every Trustee takes an active role, alongside the relevant senior and relevant operational managers, in, at least, one of these subcommittees.

After their appointment, any new Trustees are required to undergo full training on their legal obligations under Charity and Company law, as well as the content of our Memorandum and Articles of Association. In addition, they are initiated on the committee and decision-making processes, our strategic business plan and the recent financial performance of the Charity. They will meet all key managers and employees, plus service users and other Trustees. Finally, new and existing Trustees are encouraged to attend appropriate training events and relevant external meetings, especially where they are considered useful to the facilitation of the undertaking of their role within Pendleside.

The Charity had an average of 150 employees working across the organisation during 2023/24. These employees equate to 113 whole time equivalent (WTE) employees. In addition to this, we have three staff work under a practising privileges agreement and the Hospice maintains a bank of health care professionals and support staff.

A Remuneration Committee, which consists of nominated Trustees and the Senior Management Team, meets annually to determine the pay and remuneration of all staff. This Committee takes into account the current and expected rates of inflation plus general salary levels, public and private sector pay scales, the National Living Wage rate, as well as information from other Hospices and similar organisation when setting levels of remuneration.

The Board of Trustees are collectively responsible for the wellbeing of the Charity within a framework of prudent and effective controls, which enable risk to be assessed and managed. The Board must also ensure that the aims and objectives of the Charity are maintained and the Trustees are required to understand the obligations Pendleside Hospice has to all its stakeholders, as well as the local community and the statutory services that help to finance its operations.

The Trustees continue to assess and log clinical and business risks and implement systems to mitigate them. Any identified risks are mitigated by the implementation of procedures for the authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable organisation. These procedures are periodically reviewed to ensure that they still meet the needs of the Charity. The Trustees have delegated responsibility for the management and implementation of such procedures to the operational management of the Charity, including a duty to identify and evaluate risks and report failings and any corrective action arising.

Risks are reviewed in a number of different ways. All aspects of the Charity's service provision are governed by policies and procedures that are required to comply with the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014, under the regulation and inspection of the Care Quality Commission. All of these are reviewed internally, at least every three years, though some are annually or even more often, if there are changes to legislation or best practice guidance. Action is identified to correct or improve practice, thereby mitigating any identified risk, as appropriate, under the direction of the Charity's Quality Assurance Group. Other risk items may be identified for corrective action at the time of a regulatory inspection.

Of continuing importance is managing the risk caused by of ongoing, though, in recent months, slightly relieved, cost of living pressures, particularly in relation to expenditure and remuneration. Staff costs have continued to substantially increase in the last two years and the remuneration committee continue to take a balanced view of staff pay and staff recruitment/retention in order to respond appropriately to these pressures. We continue to be careful in purchasing support services, utility supplies, and other areas of expenditure with a view to mitigating these as much as possible.

The Hospice maintains and regularly reviews a dedicated policy for the "Reporting and Management of Adverse Events" including serious incidents. All such incidents, both clinical and non-clinical, are recorded and reported to an appropriate subcommittee of Trustees, as well as to senior and operational managers. A summary report of all adverse incidents is made to the Board every quarter. The operational management of the Charity is responsible for identifying and implementing corrective action arising from adverse incidents as appropriate.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

The Charity is proactive in assessing specific risks under the terms of its risk management policy and procedure. Many of these relate to general health and safety and the safety of our service users but others are of a specifically financial nature for which the Trustees commission the services of external auditors. Examples include the audit of the Charity's internal financial controls, payroll processing and lottery administration.

The Hospice is registered with the Fundraising Regulator and an objective of the Charity is to comply with the voluntary regulation scheme and the Code of Fundraising Practice. Compliance is monitored by the Income Generation Subcommittee and action is agreed, identified and monitored to maintain and improve fundraising standards; this includes ensuring practices protect people and others from unreasonable intrusion on a person's privacy and unreasonably persistent approaches or undue pressure to give in the course of fundraising for the Hospice.

No complaints were received regarding fundraising practice in the twelve-month reporting period.

The liability of each member by way of their guarantee to the Company is to contribute a sum not exceeding one pound to the assets of the Company if so required on the winding up of the Company.

Funds held as custodian trustee

There are no funds held as custodian.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2024

Statement of trustees' responsibilities

The trustees, who are also the directors of Pendleside Hospice for the purpose of company law, are responsible for preparing the Trustees' 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 Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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;
- 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; and
- 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 Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.


Auditor

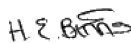
In accordance with the company's articles, a resolution proposing that PM+M Solutions for Business LLP be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report, including the strategic report, was approved by the Board of Trustees.


.....
David Brown
Trustee 31/10/2024
Dated:


.....
Helen Binns
Trustee 31/10/2024
Dated:.....

PENDLESIDE HOSPICE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENDLESIDE HOSPICE

Opinion

We have audited the financial statements of Pendleside Hospice (the 'Charity') for the year ended 31 March 2023 which comprise the Consolidated statement of financial activities, the Consolidated and Charity balance sheets, the Consolidated statement of cash flows 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable group's affairs as at 31 March 2024 and of its 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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 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 annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

PENDLESIDE HOSPICE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PENDLESIDE HOSPICE

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the Charity for the purpose 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 Charity'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

PENDLESIDE HOSPICE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PENDLESIDE HOSPICE

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered the following:

- . the nature of the industry and sector, control environment and business performance including the design of the Charity's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- . results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- . any matters we identified having obtained and reviewed the Charity's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
 - the matters discussed among the audit engagement team including significant component audit teams and involving relevant specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of commercial income, posting of unusual journals and complex transactions; and manipulating the Charity's performance profit measures and other key performance indicators to meet remuneration targets and externally communicated targets. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act, Charities Act, employment law, health and safety regulations, pensions legislation and tax legislation.

PENDLESIDE HOSPICE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF PENDLESIDE HOSPICE

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the identified risks of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.

Ceri Dixon BSc (Hons) FCA (Senior Statutory Auditor)
for and on behalf of PM+M Solutions for Business LLP

PM+M Solutions for Business LLP
.....

Chartered Accountants
Statutory Auditor

New Century House
Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

04/11/2024

PENDLESIDE HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	Unrestricted funds 2024 £	Restricted funds 2024 £	Total 2024 £	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £
<u>Income and endowments from:</u>							
Donations and legacies	3	1,608,749	-	1,608,749	2,520,829	-	2,520,829
Charitable activities	4	1,140,086	17,996	1,158,082	1,134,510	51,488	1,185,998
Other trading activities	5	959,478	-	959,478	1,602,707	-	1,602,707
Investments	6	439,243	-	439,243	276,206	-	276,206
Turnover of trading subsidiary	7	936,828		936,828	104,894		104,894
Total income		5,084,384	17,996	5,102,380	5,639,146	51,488	5,690,634
<u>Expenditure on:</u>							
Raising funds	10	519,193	-	519,193	930,138	-	930,138
Trading cost of subsidiary	9	634,411	-	634,411	89,214	-	89,214
Charitable activities	11	4,127,899	20,119	4,148,018	3,611,432	35,371	3,646,803
Total expenditure		5,281,503	20,119	5,301,622	4,630,784	35,371	4,666,155
Net gains/(losses) on investments		650,130	-	650,130	(579,418)	-	(579,418)
Net incoming/(outgoing) resources before transfers		453,011	(2,123)	450,888	428,944	16,117	445,061
Net movement in funds		453,011	(2,123)	450,888	428,944	16,117	445,061
Fund balances at 1 April 2023		13,240,019	114,866	13,354,885	12,811,075	98,749	12,909,824
Fund balances at 31 March 2024		13,693,030	112,743	13,805,773	13,240,019	114,866	13,354,885

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.


PENDLESIDE HOSPICE

GROUP BALANCE SHEET

AS AT 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	18		2,748,912		2,412,363
Investments	19		11,081,745		10,631,991
			<u>13,830,657</u>		<u>13,044,354</u>
Current assets					
Stocks	20	2,500		2,500	
Debtors	21	221,258		438,985	
Cash at bank and in hand		252,433		258,878	
			<u>476,191</u>	<u>700,363</u>	
Creditors: amounts falling due within one year	22	<u>(501,075)</u>		<u>(389,832)</u>	
Net current (liabilities)/assets			<u>(24,884)</u>		<u>310,531</u>
Total assets less current liabilities			<u>13,805,773</u>		<u>13,354,885</u>
Income funds					
Restricted funds	24		112,743		114,866
<u>Unrestricted funds</u>					
Designated funds		7,748,912		4,412,363	
General unrestricted funds		5,359,021		8,242,559	
Revaluation reserve		585,097		585,097	
			<u>13,693,030</u>		<u>13,240,019</u>
			<u>13,805,773</u>		<u>13,354,885</u>

The financial statements were approved by the Trustees on 31/10/2024



 David Brown
 Trustee



 Helen Binns
 Trustee

Company registration number 02280991


PENDLESIDE HOSPICE

CHARITY BALANCE SHEET


AS AT 31 MARCH 2024

	Notes	2024		2023	
		£	£	£	£
Fixed assets					
Tangible assets	18		2,748,912		2,412,363
Investments	19		11,081,845		10,632,091
			<u>13,830,757</u>		<u>13,044,454</u>
Current assets					
Stocks	20	2,500		2,500	
Debtors	21	221,629		440,992	
Cash at bank and in hand		245,387		254,371	
		<u>469,516</u>		<u>697,863</u>	
Creditors: amounts falling due within one year	22	<u>(494,500)</u>		<u>(387,432)</u>	
Net current (liabilities)/assets			<u>(24,984)</u>		<u>310,431</u>
Total assets less current liabilities			<u>13,805,773</u>		<u>13,354,885</u>
Income funds					
Restricted funds	24		112,743		114,866
<u>Unrestricted funds</u>					
Designated funds		7,748,912		4,412,363	
General unrestricted funds		5,359,022		8,242,559	
Revaluation reserve		585,097		585,097	
			<u>13,693,030</u>		<u>13,240,019</u>
			<u>13,805,773</u>		<u>13,354,885</u>

The financial statements were approved by the Trustees on 31/10/2024



 David Brown
 Trustee



 Helen Binns
 Trustee

Company registration number 02280991

The consolidated accounts of the Group include the financial statements of the charity and its subsidiary undertaking for the year ended 31 March 2024. A separate Statement of Financial Activities for the charity has not been presented because the subsidiary has taken advantage of exemption by section 408 of the Companies Act 2006. The surplus of the charity for the year ended 31 March 2024 was £450,888 (2023: £445,061).

PENDLESIDE HOSPICE

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	£	2023 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	32		(178,987)		1,125,692
Investing activities					
Purchase of tangible fixed assets		(459,162)		(97,188)	
Purchase of investments		(2,028,242)		(3,443,740)	
Proceeds from disposal of investments		2,220,703		2,179,669	
Investment income received		439,243		276,206	
Net cash generated from/(used in) investing activities			172,542		(1,085,053)
Net cash used in financing activities			-		-
Net (decrease)/increase in cash and cash equivalents			(6,445)		40,639
Cash and cash equivalents at beginning of year			258,878		218,239
Cash and cash equivalents at end of year			<u>252,433</u>		<u>258,878</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies

Charity information

Pendleside Hospice is a private company limited by guarantee incorporated in England and Wales. The registered office is Pendleside Hospice, Colne Road, Reedley, Burnley, Lancashire, BB10 2LW.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's Commission, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Basis of consolidation

The consolidated accounts of the Group include the financial statements of the charity and its subsidiary undertaking for the year ended 31 March 2024. A separate Statement of Financial Activities for the charity has not been presented because the subsidiary has taken advantage of the exemption by section 408 of the Companies Act 2006.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes.

Restricted funds are subject to specific conditions by donors or grantors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.5 Incoming resources

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies (Continued)

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.6 Resources expended

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the company and compliances with constitutional and statutory requirements. Cost of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% straight line
Fixtures and fittings	20% straight line
Computers	25% straight line
Motor vehicles	25% straight line

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies (Continued)

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the Charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

1 Accounting policies (Continued)

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.15 Deferred Incoming resources

Lottery income is deferred on the basis of the period to which subscriptions relate.

2 Critical accounting estimates and judgements

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 main area of judgement that has a risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in relation to the valuation of fixed assets and investments.

3 Group donations and legacies

	Unrestricted funds	Restricted funds	Total 2024	Total 2023
	£	£	£	£
Donations	954,445	-	954,445	1,009,557
Legacies receivable	639,304	-	639,304	1,511,272
Other	15,000	-	15,000	-
	<u>1,608,749</u>	<u>-</u>	<u>1,608,749</u>	<u>2,520,829</u>
For the year ended 31 March 2023	<u>2,520,829</u>	<u>-</u>	<u>-</u>	<u>2,520,829</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

4 Group charitable activities

	2024 £	2023 £
Operation of Hospice	<u>1,158,082</u>	<u>1,185,998</u>
<u>Analysis by fund</u>		
Unrestricted funds	1,140,086	1,134,510
Restricted funds	<u>17,996</u>	<u>51,488</u>
	<u>1,158,082</u>	<u>1,185,998</u>

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Fundraising events	473,397	-	473,397	359,378
Other income - Shop Sales and Gift Aid	80,010	-	80,010	820,977
Hospice lottery	377,527	-	377,527	400,628
Other fundraising activities	<u>28,544</u>	<u>-</u>	<u>28,544</u>	<u>21,724</u>
Fundraising income	<u>959,478</u>	<u>-</u>	<u>959,478</u>	<u>1,602,707</u>
For the year ended 31 March 2023	<u>1,602,707</u>	<u>-</u>	<u>-</u>	<u>1,602,707</u>

6 Investment Income

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Rental income	45,936	-	45,936	30,210
Income from listed investments	178,110	-	178,110	156,691
Interest receivable	<u>215,197</u>	<u>-</u>	<u>215,197</u>	<u>89,305</u>
	<u>439,243</u>	<u>-</u>	<u>439,243</u>	<u>276,206</u>
For the year ended 31 March 2023	<u>276,206</u>	<u>-</u>	<u>-</u>	<u>276,206</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

7 Other income

	Unrestricted funds general 2024 £	Unrestricted funds general 2023 £
Turnover of Trading Subsidiary	936,828	104,894
	<u>936,828</u>	<u>104,894</u>

8 Other material income

In the current year the 'Charity Shop sales' have been transferred to Pendleside Trading Limited, the trading subsidiary of Pendleside Hospice.

9 Gift Aid payment by trading subsidiary

The wholly owned trading subsidiary Pendleside Trading Ltd is incorporated in the United Kingdom and pays all of its profits to the charity by gift aid. Pendleside Trading Ltd operates Meals on Wheels in the community. The charity owns the entire share capital. A summary of the trading results for the year ended 31 March 2024 is:

	Total 2024 £	Total 2023 £
Turnover	936,828	104,804
Operating costs	(634,411)	(89,214)
Trading profit	<u>302,417</u>	<u>15,590</u>
Gift aid payment to charity	<u>302,417</u>	<u>15,590</u>
Retained in subsidiary	<u>-</u>	<u>-</u>
Represented by:		
Restricted income funds	-	-
Unrestricted income funds	<u>-</u>	<u>-</u>
The assets and liabilities of the subsidiary were:		
Current assets	23,685	14,509
Current liabilities	(23,585)	(14,409)
Total net assets	<u>100</u>	<u>100</u>
Aggregate share capital and reserves	<u>100</u>	<u>100</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

10 Raising funds

	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Fundraising and publicity				
Christmas cards and merchandising products	12,482	-	12,482	11,613
Publicity and brochures	33,900	-	33,900	60,050
Events expenditure	110,471	-	110,471	85,347
Bank charges	11,841	-	11,841	18,873
Telephone costs	6,382	-	6,382	4,413
Insurance costs	15,446	-	15,446	11,941
Voluntary income staff costs	186,923	-	186,923	145,924
	<u>377,445</u>	<u>-</u>	<u>377,445</u>	<u>338,161</u>
Trading costs				
Prize money and commission	73,362	-	73,362	72,900
General expenses	14,591	-	14,591	25,705
Light, heat and water costs	-	-	-	29,240
Repairs and maintenance	-	-	-	10,035
Incidental expenses	8,970	-	8,970	30,830
Operating lease rentals	-	-	-	108,054
Motor and travel costs	-	-	-	5,862
Staff costs	29,172	-	29,172	296,532
Depreciation and impairment	15,653	-	15,653	12,819
	<u>141,748</u>	<u>-</u>	<u>141,748</u>	<u>591,977</u>
	<u>519,193</u>	<u>-</u>	<u>519,193</u>	<u>930,138</u>
For the year ended 31 March 2023				
Cost of raising funds	338,161	-	-	338,161
Fundraising trading costs	591,977	-	-	591,977
	<u>930,138</u>	<u>-</u>	<u>-</u>	<u>930,138</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

11 Group charitable activities

	2024	2023
	£	£
Staff costs	3,382,397	2,963,233
Depreciation and impairment	100,458	95,681
Profit/Loss on sale of fixed assets	(17,500)	-
Water	12,460	8,912
Gas and electricity	79,604	55,502
Repairs and maintenance	130,640	107,987
Recruitment	1,976	8,081
Travel expenses	38,294	36,046
Training	24,052	15,694
Healthcare	26,584	29,122
Uniforms	7,559	9,083
Telephone costs	6,383	4,412
Insurance	15,447	11,941
Medical supplies and bought in services	119,243	106,831
Cleaning costs	19,287	28,041
Office costs, stationery, postage and IT	52,408	42,842
Registration fees and subs	18,315	20,794
Incidental expenses	1,577	1,577
Irrecoverable VAT	6,706	(14,980)
Catering costs	66,756	64,036
Patient transport costs	11,567	16,622
Bank charges	6,262	7,984
	<u>4,119,834</u>	<u>3,623,881</u>
Share of governance costs (see note 13)	28,184	22,922
	<u>4,148,018</u>	<u>3,646,803</u>
Analysis by fund		
Unrestricted funds	4,127,899	3,611,432
Restricted funds	20,119	35,371
	<u>4,148,018</u>	<u>3,646,803</u>

12 Trade of subsidiary

In the year to 31 March 2024 the operating costs of the trading subsidiary amounting to £634,411 (2023: £89,214) comprised wholly of unrestricted expenditure.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

13 Support costs

	Support costs £	Governance costs £	2024 £	2023 £
Audit fees	-	8,000	8,000	8,000
Accountancy	-	4,000	4,000	5,150
Legal and professional	-	16,184	16,184	9,772
	-	28,184	28,184	22,922
Analysed between Charitable activities	-	28,184	28,184	22,922

14 Net movement in funds

	2024 £	2023 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	8,000	8,000
Fees payable to the company's auditor for other services provided	4,000	5,150
Depreciation of owned tangible fixed assets	122,613	102,577

15 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year, neither were they reimbursed expenses during the year. No charity trustee received payment for professional or other services supplied to the charity.

The total donations received from the trustees in the year was £407 (2023: £106).

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

16 Employees

The average monthly number of employees during the year was:

	Group 2024 Number	Group 2023 Number	Charity 2024 Number	Charity 2023 Number
Nursing staff - inpatient	25	22	25	22
Nursing staff - day therapy	9	8	9	8
Nursing staff - hospice at home	27	25	27	25
Nursing staff - spiritual care and medical officers	6	6	6	6
Administration staff and general managers	33	34	32	30
Ancillary	13	12	13	12
Total	113	107	112	105

Employment costs	Group 2024 £	2023 £	Charity 2024 £	2023 £
Wages and salaries	3,081,942	2,900,533	3,081,942	2,900,533
Social security costs	273,168	288,103	273,168	288,103
Other pension costs	225,387	189,699	225,387	189,699
	3,580,497	3,378,335	3,580,497	3,378,335

The key management personnel of the group comprise those of the Hospice and the key management personnel of its wholly owned subsidiary Pendleside Trading Limited. The total remuneration earned by key management personnel during the year was £251,690 (2023: £239,567).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2024 Number	2023 Number
£60,001 - £70,000	2	2
£70,001 - £80,000	2	1

17 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

18 Tangible fixed assets

Group and Charity	Freehold buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 April 2023	3,121,040	504,262	122,545	155,117	3,902,964
Additions	350,000	26,773	30,297	52,092	459,162
At 31 March 2024	3,471,040	530,397	152,842	137,802	4,292,081
Depreciation and impairment					
At 1 April 2023	810,480	445,628	97,550	136,943	1,490,601
Depreciation charged in the year	60,024	26,574	20,362	15,653	122,613
Other changes	-	-	-	-	-
At 31 March 2024	870,504	471,564	117,912	83,189	1,543,169
Carrying amount					
At 31 March 2024	2,600,536	58,833	34,930	54,613	2,748,912
At 31 March 2023	2,310,560	58,634	24,995	18,174	2,412,363

Land and buildings with a carrying amount of £1,034,903 were revalued at 31 August 2018 by independent valuers not connected with the Charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

At 31 March 2024, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £866,453 (2023 - £893,251).

Included in land and buildings is freehold land at valuation of £664,476 (2023 - £664,476) which is not depreciated.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

19 Fixed asset investments

Group	Listed investments	Unlisted investments	Total £
Cost or valuation			
At 1 April 2023	6,768,859	3,863,132	10,631,991
Additions	1,977,293	50,949	2,028,242
Valuation changes	642,415	-	642,415
Disposals	(1,804,797)	(416,105)	(2,220,902)
At 31 March 2024	<u>7,583,770</u>	<u>3,497,976</u>	<u>11,081,746</u>
Carrying amount			
At 31 March 2024	<u>7,583,770</u>	<u>3,497,976</u>	<u>11,081,746</u>
At 31 March 2023	<u>6,768,859</u>	<u>3,863,132</u>	<u>10,631,991</u>

Charity	2024 £	2023 £
Other Unlisted Investments:		
Marsden Building Society	1,019,764	1,000,014
Close Brothers	624,013	592,814
Handelsbanken	1,854,199	2,270,304
	<u>3,497,976</u>	<u>3,863,132</u>

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Other investments comprise:				
Investments in subsidiaries	<u>-</u>	<u>-</u>	<u>100</u>	<u>100</u>

All the listed investments are quoted on the UK Stock Exchange. Other fixed asset investments are Bank and Building Society balances.

The charity holds the whole of the issued share capital of Pendleside Trading Limited (company number: 13019012), a company registered in England and Wales. Its principal activity is that of a food retail service and charity shop sales.

20 Stocks

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Finished goods and goods for resale	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

21 Debtors

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	31,532	100,121	17,117	91,424
Amount owed by parent undertaking	-	-	17,010	12,009
Other debtors	115,818	263,727	115,818	263,727
Prepayments and accrued income	73,908	75,137	71,684	73,832
	<u>221,258</u>	<u>438,985</u>	<u>221,629</u>	<u>440,992</u>

22 Creditors: amounts falling due within one year

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£	£	£	£
Trade creditors	62,698	88,430	62,698	88,430
Other creditors	218,445	124,649	215,470	124,649
Accruals and deferred income	219,932	176,753	216,332	174,353
	<u>501,075</u>	<u>389,832</u>	<u>494,500</u>	<u>387,432</u>

Deferred Income

	Group	Charity
Deferred income at 1 April 2023	69,061	69,061
Movement in the year	31,469	31,469
Deferred income at 31 March 2024	<u>100,530</u>	<u>100,530</u>

The deferred income balance of £100,530 (2023: £69,061) as at 31 March 2024, includes £71,074 (2023: £68,231) which relates to the lottery fund and £29,456 (2023: £830) which relates to customer sponsorship/events.

23 Retirement benefit schemes

Defined contribution schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £225,387 (2023: £189,699).

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

24 Restricted funds

Group and Charity

The restricted funds of the charity comprise the unexpended balances of donations and grants held on trust subject to specific conditions by donors as to how they may be used.

Balance at 1 April 2022	Movement in funds			Balance at 1 April 2023	Movement in funds		Balance at 31 March 2024
	Incoming resources	Resources expended			Incoming resources	Resources expended	
£	£	£	£	£	£	£	£
98,749	51,488	(35,371)	114,866	17,996	(20,119)	112,743	

25 Analysis of net assets between funds

Group and Charity	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 31 March 2024 are represented by:				
Tangible assets	2,656,170	2,748,912	92,742	5,497,824
Investments	3,332,833	5,000,000	-	8,332,833
Current assets/(liabilities)	(44,984)	-	20,000	(24,884)
	<u>5,944,019</u>	<u>7,748,912</u>	<u>112,742</u>	<u>13,805,773</u>
Fund balances at 31 March 2023 are represented by:				
Tangible assets	2,317,497	2,212,363	94,866	4,624,726
Investments	6,219,628	2,000,000	-	8,219,628
Current assets/(liabilities)	290,531	-	20,000	310,531
	<u>8,827,656</u>	<u>4,212,363</u>	<u>114,866</u>	<u>13,154,885</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

26 Summary of Group Funds

Group and Charity	Movement in funds					Balance at 31 March 2024
	Balance at 1 April 2023	Incoming resources	Resources expended	Transfers	Gains and losses	
	£	£	£	£	£	£
Designated funds	4,412,363	-	-	3,336,549	-	7,748,912
General funds	8,827,656	5,084,384	(5,281,503)	(3,336,549)	650,130	5,944,118
Total unrestricted funds	13,240,019	5,084,384	(5,281,503)	-	650,130	13,693,030
Restricted funds	114,866	17,996	(20,119)	-	-	112,743
	13,354,885	5,102,380	(5,301,622)	-	650,130	13,805,773

At the year end, the restricted funds carried forward represent £20,000 (2023 - £20,000) relating to the Frank Houghton fund. The remaining funds reflect the net book value of fixed assets funded by grants.

Trustees have considered future challenges of managing a budget deficit, coping with the potential increase in demand for services and complexity of need of people accessing Hospice services, training and development needs of staff and development of the Reedley Hall site and has designated £5million of its reserves, plus the value of the charity's fixed assets towards service lines, training and development of staff and development of the Reedley Hall Site.

27 Contingent Assets

At the year end, the Charity was aware of a number of legacy donations which had been made to the Charity. However the residual legacy donation in each case cannot be measured reliably leading to uncertainty over the total level of income which will be received. In these cases no income has been accrued at the year end.

28 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2024	Group 2023	Charity 2024	Charity 2023
	£	£	£	£
Within one year	57,329	57,799	57,329	57,799
Between two and five years	171,333	180,500	171,333	180,500
In over five years	60,250	102,250	60,250	102,250
	288,912	340,549	288,912	340,549

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2024

29 Related party transactions

During 2022/23, Pendleside Hospice entered into a collaboration with 8 other hospices located in the Lancashire and South Cumbria region. Pendleside Hospice was nominated to hold the funds used to finance the activities of the collaborative and to pay the salaries of any staff directly employed for this initiative. The balance relating to the collaboration, which was included in the creditors figure at the year-end, was £85,887 (2023: £115,000).

30 Controlling party

The Charity is under the control of the trustees as noted in the trustees' report.

31 Analysis of changes in net funds

The Charity had no material debt during the year.

32 Cash generated from operations	2024	2023
	£	£
Surplus for the year	450,888	445,061
Adjustments for:		
Investment income recognised in statement of financial activities	(439,243)	(276,206)
Fair value gains and losses on investments	(642,215)	726,888
Depreciation and impairment of tangible fixed assets	122,613	102,577
Movements in working capital:		
Decrease in debtors	217,727	77,907
Increase in creditors	111,243	49,465
Cash (absorbed by)/generated from operations	(178,987)	1,125,692

PENDLESIDE HOSPICE

England & Wales - Charity number 700993

Accounts

Company Registration No. 02280991 (England and Wales)

Charity Registration No.700993

PENDLESIDE HOSPICE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

PM+M Solutions for Business LLP
Chartered Accountants
New Century House
Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

PENDLESIDE HOSPICE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	David Brown Margaret Hynes Roger Cornes David Walker Giles Williams Angela Brown Jaydee Davis Gillian Oakley Mike Steel Helen Binns Mark Irlam Nicola Alden Nadeem Memon	Resigned 29 April 2022 Appointed 3 August 2022, Resigned 11 September 2022
	Francesca Chapman	Resigned 3 April 2023
Chief executive officer	Helen McVey	
Secretary	Roger Cornes	
Charity number	700993	
Company number	02280991	
Registered office	Pendleside Hospice Colne Road Reedley Burnley Lancashire BB10 2LW	
Auditor	PM+M Solutions for Business LLP New Century House Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB	
Investment advisors	James Brearley & Sons 7 South Preston Office Village Cuerden Way Bamber Bridge Preston PR5 6BL	
	Close Brothers Asset Management 7th Floor 80 Mosley Street St Peter's Square Manchester M2 3FX	

PENDLESIDE HOSPICE

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PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2023

The trustees present their annual report and financial statements for the year ended 31 March 2023.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Companies Act 2006 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 (FRS 102)" (effective 1 January 2019).

Following on from the previous year, the twelve month period ending on 31st March 2023 remained challenging as we realised the full impact of the cost of living crisis, which had started to evolve globally and nationally during 2021/22. This includes the implications on the levels of income generation, staff salaries and general finances for Pendleside.

Despite this, we have continued to step up in meeting the needs of the community. Whilst we cared for a similar total of service users as in the previous year, the number of activities and contacts with them, with the exception of inpatients, increased significantly. As a result of the increase in patient contacts, we were better able to respond to people's needs.

The introduction and embedding of new initiatives, such as the development of a single point of access for all night sit provision for palliative and end of life care across the area, the expansion of hospice at home night sitting service and the development of health and wellbeing service, have all proven to be very successful with more people supported and excellent feedback received.

This has all been made possible, and further enhanced, through the dedicated care and support provided by our clinical, ancillary, administrative, fundraising and retail employees and volunteers. The team have had to continue to work innovatively in order to face the challenges being experienced. We simply could not have achieved all that we have without everybody pulling together with positivity and determination to meet the needs of the people in our local community who need our support.

Chairman's Report

With the ongoing impact of the cost of living crisis, we are continuing to see a period of uncertainty and ever changing times, with the future remaining unclear and proving extremely difficult to plan for. Despite this, Pendleside Hospice continues to step up to support our local community by adapting and increasing the support it provides to local people. In a positive way, we have been able to support some of the most vulnerable people in our community whilst, at the same time, maintaining existing service provision and introducing new and innovative ways of delivering our care.

In maintaining and developing our services, we have continued to work more collaboratively with other Hospices in Lancashire, the NHS, other charities, as well as social and domiciliary care providers. These enhanced ways of working enable the sharing of our knowledge and experience of palliative and end of life care, whilst also ensuring a responsive, cohesive service for patients living with advancing, long term and life limiting illnesses, their families and carers.

Particularly, we have been able to focus more support on people living with dementia. This has been recognised as extremely important for the future, with dementia now being the leading cause of death in the UK.

We have also focused our attention on supporting people who we have identified as being less likely to access Hospice services, including those with frailty, the homeless, those who are socially vulnerable and in minority ethnic groups.

Besides focusing on the maintenance and development of our clinical services, we have, simultaneously, continued to focus on income generation and fundraising in order to ensure long term sustainability of the funding for our services.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Our retail operation, which had struggled to 'get going' after the Covid pandemic, grew significantly over the last twelve months, particularly as a result of a new campaign "Rewear Revolution", which encourages people to both donate and shop in our retail outlets. Our online sales offering also grew during 2022/23 and we recognise that this is an area in which we can continue to grow, in the future.

Fundraising was also very positive with our events that we'd had to put on hold due to the pandemic being extremely well supported when they were reinstated. Overall, the level of supporter donations has been very positive.

Our 'meals on wheels' service, which started in late 2020, has also seen good growth. Besides serving people who are isolated and vulnerable in the community, it also generated a surplus, which has helped in funding patient care services.

2022/23 was the midpoint for implementation of our current organisational strategy. This set out our priorities for the future and we are pleased to report that we have continued to make some excellent progress with the strategy, including embedding the single point of access for fast track night sits, which was set up in the previous year, further development of our hospice at home night sitting service and delivering a successful 'winter pressures' project.

We have met all our regulatory requirements, and our most recent Care Quality Commission review positively endorsed our performance levels. Looking forward, we plan to review our strategy over the forthcoming year to ensure that it remains relevant. We will also look to expand on the achievements of the last twelve months in order to ensure that we continually meet all the objectives we have set ourselves.

All of the above just goes to emphasise how important the support that the Charity receives from our local community is and how we would not be able to continue to operate, as we do, without this support. We have been more fortunate than ever to have this community backing with the cost of living crisis impacting our supporters as much as it has on the Hospice. We very much value the ongoing contribution that our local community makes towards the present and the future of Pendleside Hospice.

Objectives and activities

The objectives of the charity are to promote the relief of sickness by providing or aiding in the provision of medical, social and spiritual treatment and attention for persons who are suffering from any chronic or terminal illness.

Activities

The main activities undertaken are:

- Inpatients
- Outpatients
- Health Wellbeing and Rehabilitation Services (formerly Day Services)
- Hospice at Home and community services
- Family Support Service (including pre and post bereavement support and spiritual care)

Pendleside has reviewed it's strategy in the last year which sets out the vision, mission, values and aims for the next four years:

Mission:

Pendleside exists to enhance the quality of life for people living in our community with advancing long term and life limiting illnesses, through to end of life and in bereavement

Vision:

Every adult with advancing long term and life limiting illnesses and those most important to them within our community will receive timely and equitable access to high quality services, delivered by appropriately trained staff and volunteers.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Our values underpin everything that we do:

- 1 Care:
We ensure a professional standard of high quality care provision delivered with kindness, dignity and respect.
- 2 Compassion:
We ensure that a compassionate and a non-judgemental approach remains central to the delivery of our services.
- 3 Support:
We ensure that people are listened to, their contribution valued and that necessary support is provided according to each individual need.

Our overall aims:

Proud to be pendleside:

Our people identify Pendleside as a good place to work/volunteer and we are the health care organisation of choice to work/volunteer for.

Community collaboration:

To build a compassionate community involving, influencing and working in partnership with all stakeholders to enhance palliative and end of life care.

Care delivery:

To reach out to as many people as possible who need our care.

Governance:

The Hospice meets its regulatory requirements and manages risk effectively.

Sustainability:

Services are sustainable in the changing external environment.

Our care is free of charge to those we serve.

The policy of the Trustees is to generate sufficient Incoming Resources as to (a) provide adequate income to cover the anticipated increase in operating costs of the charity and (b) build sufficient reserves as to cover future growth and capital investment. In addition, the Trustees need to be very aware of and allow for possible variations in funding streams from major donors such as the NHS.

The grant income previously received from the NHS continued to be an important source of income in maintaining our services, funding approximately 24% of the Hospice operating costs. It was pleasing that this continued, with a small 1.7% uplift, with the reorganisation of the NHS and the cessation of East Lancashire Clinical Commissioning Group, from whom the funding was previously received, and transfer to the new Lancashire and South Cumbria Integrated Care Board.

However, whilst the small increase was received, this in no way reflected the overall increase in costs that the Hospice experienced during the year. In particular, increases in wage inflation nationally, and with the National Living Wage, as well as the remuneration rises in NHS pay, all impacted on both clinical and non-clinical salaries at the Hospice, and have put pressure on the Hospice to stay competitive in the job market. On top of this, we continued to see substantial increases in our general running costs due to large rises in the rate of inflation.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Income from Pendleside's hard working supporters, remained excellent and grew in comparison to the previous year. This was, in large, due to the reinstatement of community fundraising initiatives following the removal of Covid restrictions, which allowed supporters to, once again, organise their own events, and for Pendleside's own major events' program to be fully reinstated, alongside other new events, which were introduced during the year.

- Our traditional events, including the Pendle Pub Walk, Sunflower remembrance and Light up a Life celebrations did particularly well, with great support whilst, at the same time, raising a significant amount of funding. We also successfully held our first festival event, the "Pendleside Witch Festival", with the aim to break the Guinness World Record for the number of 'witches' gathered in one place. Sadly, despite getting enough people together, we weren't able to break the record due to weather conditions on the day. However, it was a great day and it brought people from across the community together, whilst also raising around £60,000. It was also very positive to work, once again, with local businesses in the local area, and to bring back our Corporate Challenge event, which had to be put on hold due to the Covid pandemic. Businesses in the Burnley and Pendle areas together raised over £208,000 to support the work of the Hospice.
- Following a very difficult few years for our retail operation, it was encouraging to see a marked recovery and, indeed, the shops raising the highest level of retail income in the history of the Hospice. This was the first year that all shops had an employed retail coordinator working alongside our highly valued shop volunteers, and it was pleasing to note the positive effect that this had on the retail income, overall. We were able to develop some great links with other local retailers, who donated new goods for selling in our shops. The new online shop also continued to grow from strength to strength, with our sales income increasing by 61% in the year.
- Lottery income slightly reduced, down by 0.2%, for a second year running. This is thought to be due to the increase in competition with other charity lotteries operating in the area but also a result of the cost of living crisis. Our attempt to reinstate a lottery canvassing company, in order to aid growth, was, ultimately, unsuccessful due to difficulty recruiting and retaining staff working in canvassing roles. However, we will continue to pursue this income stream going forward and will take measures to encourage lottery participation, which has been made more manageable through a relatively new Direct Debit facility.
- Along with all of the above, and most crucially, our community support remains excellent with many individuals, groups and businesses across Burnley and Pendle undertaking their own fundraising initiatives to raise money. The importance of this area of income for the Hospice cannot be understated nor undervalued.

As always, the Board wishes to express its full appreciation for this outstanding level of public support, without which the Charity would not be able to continue its operations.

The objectives for 2022/23 were to continue to maintain all existing Hospice services, whilst developing and enhancing them, wherever possible, within financial and other resource constraints.

All service developments and enhancements during the year were driven by the Charity's understanding of its community and service users' needs, along with national and local guidance and, where appropriate, these were implemented in partnership with the statutory services and other independent organisations.

A new group was set up in the year called "Pendleside Together". This consists of service users, patients and stakeholders and was hugely influential in analysing service effectiveness, recognising and helping to deliver service improvements and assisting in the overall development of services.

Volunteers

The Trustees recognise the huge amount of work put in by the Hospice's volunteers, which support and complement the work of the Charity's employees. Pendleside Hospice simply could not function without its volunteers, and there are, currently, over 450 volunteers working across all Hospice services, including the clinical services, charity shops, reception, administration, fundraising, gardening counselling, driving, gardening and our Friends of Pendleside (who support the Hospice with ad hoc events throughout the year). As well as all this, we cannot forget to mention the high level of commitment from our trustee team who contribute to the overall running of the Hospice.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Unfortunately, due to having to suspend many volunteer roles during the Covid pandemic, particularly as many of our volunteers were in the clinically vulnerable category, it meant that the Hospice has lost a significant number of its volunteers since early 2020.

Over the last twelve months, we have continued to build back our volunteer workforce, led by our Volunteer Coordinator. This has included reviewing our volunteer policy, induction processes and training. We now have a 'volunteer representative group', which looks to ensure that all our volunteers feel able to influence the role of volunteering across all areas of the Hospice.

It is important to mention that the financial statements exclude the value of voluntary help, as this is extremely difficult to quantify. However, having built back our volunteer workforce over the last two years, over the forthcoming year the plan is to make an attempt to quantify the work they do and the value that they contribute to the Hospice.

Public Benefit Statement

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when setting the Charity's aims and objectives and in planning future activities and setting policy for the year.

The Charity's prime objectives continue to be the promotion and provision of specialist palliative and end of life care, of the highest quality, for the people of Burnley and Pendle with advancing, long term and life limiting illnesses and to do so in partnership with statutory services and other independent organisations. Its aim is to promote the quality of life for each individual accessing its services as well as that of their families, friends and carers. This care is provided free of charge to all people of seventeen years and over. Inpatient care is also provided for patients from the Rossendale area.

Achievements and performance

Summary of main achievements

As already detailed, in 2022/23, our main achievements have been the continuation and maintenance of our existing service provision whilst continuing to develop and enhance our services and respond to the needs of people living with advancing, long term and life limiting illnesses in our community, including those affected by the aftermath of the pandemic and cost of living crisis. In particular, responding to the needs of patients with either a cancer or non-cancer diagnosis and those with multiple comorbidities, along with their families and carers. This has meant responding to people with more complex needs and ensuring that we provide responsive, safe and effective care.

Whilst there were many achievements throughout the year, a particular success was working collaboratively with the NHS, other charities, the regulated care sector and social care to meet the needs of palliative and end of life care patients locally.

The hospice at home single point of access for palliative and end of life care fast track referrals has been one of the prime examples of our success in ensuring responsiveness and effective coordination of care for patients across Burnley and Pendle, working with other charities, the NHS and domiciliary care agencies.

The Hospice was successful in securing a tender with the NHS to increase its hospice at home night sit provision, and started this in the latter part of the year by recruiting into new roles to support patients overnight in their own home. The plan is now to continue with this development over the forthcoming year.

The Hospice was also successful in being awarded "Winter Pressure" funding by the NHS in order to deliver on several projects. The aim here was to support the NHS during the winter months and to help with the avoidance of unnecessary admissions to hospital, and where admissions had taken place to support rapid discharge, these projects included:-

- A project with a homeless charity to support socially vulnerable or homeless people who had palliative and end of life care needs
- Providing a palliative and end of life care education programme to care homes and domiciliary care providers
- Working with specific places (including GP practices) in Burnley, where referrals to Hospice was at a low level, and to raise awareness of the Hospice services
- Working with 'out of hospital' teams to help better manage patients approaching end of life care at home.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

All of the above resulted in an increased number of referrals to the different departments across the Hospice.

Our new Health, Wellbeing and Rehabilitation service (formerly known as Day Services), which was introduced post Covid, grew from strength to strength, over the year, by caring for even more patients, increasing its support to carers through introduction of various carers groups and, overall, increasing the number of contacts they had with all service users. This included developing the service it offers to people with dementia. In fact, this evolved so well that an agreement to employ an Admiral Nurse (specialised dementia nurse) has been approved, which will enable the Hospice to develop its services for people with dementia with the recognition that dementia is now the leading cause of death in the UK.

Feedback from service users during the year was overwhelmingly positive, with all who responded to our service user survey stating they would recommend Pendleside services to others in similar circumstances.

Likewise, our staff survey was also very positive. Of those who responded:-

- 98% stated they enjoy the work they do
- 97% felt they could make a difference
- 97% believed in the aims of the charity
- 96% are proud to work for Pendleside

We were also delighted to be awarded Burnley Employer of the Year in the 2022 Burnley Business Awards and to be shortlisted in the prestigious Lancashire Red Rose Business Awards in the employer of the year and not for profit categories.

Overall 1,744 service users accessed services and had a contact, either by telephone, face to face appointment or were an inpatient. The breakdown of this was:-

- 1,079 patients
- 589 carers
- 76 children received bereavement support

This was a similar number to the previous year but, as mentioned earlier, the number of contacts per service user increased significantly.

The breakdown of service delivery is detailed below:

- Inpatient services cared for 155 patients, which was similar to the previous year. However, this appears to be due to the average length of stay for patients increasing from 18 days in the previous year to 20 days this year. This is something we will keep under review over the forthcoming year. Bed occupancy was 86% compared to 87% the previous year. 75% of patients received end of life care and 25% were discharged home or to a care home, compared to 68% of patients receiving end of life care and 32% being discharged the previous year.
- 444 service users attended the Health Wellbeing and Rehabilitation Service, with a total of 6,363 face to face contacts, compared to 5,049 contacts the previous year. This appears to be significant increase compared to last year. However the actual increase is difficult to quantify as data accuracy hadn't been as good during 2021/22. For example, not all carers and peer support group attendance had been recorded up until this year.
- The number of patients accessing outpatient services increased to 442 patients, 47% more patients compared to the previous year. A total of 1,296 contacts were made, an increase of 33% compared to the previous year.
- 705 patients accessed community services, which was an increase of 39%, with a total of 7,824 contacts, a 9% increase in the number of contacts compared to the previous year. This increase reflects the work of the single point of access.
- 665 carers, 589 adult carers and 79 children, accessed bereavement services, an increase of 13% compared to the previous year. In total service users had 2,906 contacts, an increase of 50% compared to the previous year.

All the above achievements highlight the Hospice's ongoing effectiveness in helping to supporting people living in the local area with advancing long term and life limiting illness, their families and carers.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Financial review

In summary, the financial year ended 31st March 2023, the charity generated a surplus of £445,061, compared with a surplus of £513,306 in the previous year. Total funds at the year-end came to £13,354,885. Greater detail on the income, expenditure and the financial position for Pendleside Hospice for the year ended 31st March 2023 are shown, on pages 16 to 18 of the financial statements.

Unlike the previous two years, 2022/23 was, on the whole, largely unaffected by the effects of the pandemic. This enabled us to carry out a full program of fundraising activities and see income that was missing from the 'Covid years'. The effects of the high levels of inflation and the 'cost of living crisis' were felt by the Hospice and the staff working here. However, a large amount of funding was received from individuals leaving us bequests in their wills alongside a one off, non-recurrent, NHS grant running from December to March with the aim of providing additional support to the NHS due to 'winter pressures'.

With our fundraising activities, being able to return to engaging with the community and our supporters in mass participation events made a huge difference and we were able to exceed the previous year's fundraising total by over £100,000, which even exceeded the total for the non-Covid year 2019/20.

As we were able to open our retail outlets for the whole year, we saw a record income from our shops, and surpassed £800,000 for the first time.

As already mentioned, income from 'gifts in wills' exceeded all expectations and reached a record 12-month high of just over £1.5m. This was the main reason for the charity being able to report a surplus for the year. This form of income is crucial but so unpredictable.

The NHS continues to support the Hospice through an annual grant though inflation has eroded this, substantially. However also as mentioned earlier, extending our services during the winter period was recognised through additional funding towards the end of the year.

The movements in the Bank of England base rate have enabled the charity to earn extra income from our ability to place reserves on better deposit terms but the value of our investment portfolios fell by around £580,000 during the financial year.

With our expenditure, the impact of high levels of inflation had a detrimental impact on the Hospice particularly with staff pay, food costs and utilities, though we have been relatively fortunate with our heat, light and power contracts. This was largely due to timing with expiration dates being in our favour.

Moving into the new financial year 2023/24, we were informed that the annual NHS support grant would not be increased, meaning that inflation would further erode our overall funding levels for the coming year. Prior to receiving the confirmation of this decision we endeavoured to support our staff through awarding the best possible, and affordable, pay increase, with effect from April 2023. Labour markets remain competitive and the Charity recognised the need to have a stable workforce in order to meet its desired service levels. The result was that a budget was set for 2023/24 that projected an operational deficit of over £560,000. With challenging income targets in several areas, we will be relying on the generosity and continued support of our community as well as unexpected, for want of a better phrase, 'windfalls' in order to minimise or avoid a deficit for the 12-month period.

As always, every effort will be made towards controlling our expenditure levels. Inflationary pressures look set to continue throughout the year and running costs will be much higher than in previous years. The agreement finally reached with pay for clinical staff employed by the NHS has proved not to be too critical though pension, unsociable hour pay and other benefits receivable by NHS staff does make it a constant struggle to find new and replacement care workers. With industrial action still ongoing in the NHS ranks, the potential for this to cause problems for Pendleside has not gone away. In addition, salaries, which are our prime area of cost, will be impacted through future changes to the National Living Wage rate. With constantly increasing staff costs, the efforts to generate income to just stand still need to be greater and ever more creative.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Investment Policy

Under our current 'Memorandum and Articles of Association', the Charity has the power to make any investment that the Trustees see fit. As in previous years, the Trustees have reviewed and considered the most appropriate policy for investing funds and believe that a varied portfolio of stocks, shares, unit trusts and deposit accounts continues to meet the requirements of the Charity. In addition, the Charity also obtains rental receipts from the investment in property, which currently includes a house and a small number of flats.

The Finance and Resources Committee maintains a vigilant eye on our investment policy. An update of this was undertaken during the summer and this confirmed the continued use of third party investment managers with the aim of providing a balanced portfolio that targets regular income and capital growth. These appointed investment managers have delegated responsibility to manage the investment portfolio in order to maximise returns. The investment portfolios held by the Charity are monitored on a monthly basis by the Finance and Resources Committee.

Additionally, it must be highlighted that these investments are all quoted on the stock exchange and, as a result, they are subject to fluctuations in the markets. They are designed to grow over a number of years and, therefore, when viewing the performance of the investment portfolio, it is important that this is looked at over a longer term period rather than making judgements over a single year.

The market volatility seen since the Covid pandemic fully struck in March 2020 has led to significant fluctuations in the valuations of investments during the last three years. The global energy crisis, followed by the outbreak of conflict in Ukraine, rapid increases in the rate of cost inflation and other unexpected events such as the Truss/Kwarteng mini-budget have all contributed to a rollercoaster effect on investments and, in particular, the value of equities. Peaks and troughs have come and gone but the recovery, of around 7%, that we saw during the latter half of 2022/23 was insufficient to reverse the 12% deterioration experienced in the first 6 months.

Principal Funding Sources

There has been no change in the sources of our primary funding. These remain as supporter donations, legacy bequests, income from our charity retail shops, fundraising activities, our prize lottery scheme and investment income. On top of all this is the annual NHS support grant. The total of our Incoming Resources for the year amounted to £5,690,634.

Reserves Policy

A statement of Funds is shown in Note 24 to the accounts.

At the year-end, our total reserves amounted to £13,354,885 of which £114,866 was held in restricted funds.

The reserves that the Hospice has accumulated over the years enables the Charity to plan for the future with confidence and security. The Trustees continue to ensure that our reserves are invested prudently and wisely with the intention of providing the local community with the best possible services, for the foreseeable future. However, we recognise that maintaining our efforts to sustain and grow our income is crucial. This will allow us to introduce new services and to expand and sustain existing ones.

The Trustees reserves policy remains unchanged from that stated in previous years. This requires general funds to be maintained at a level that will ensure the Charity's services can continue during a period of unforeseen difficulty, such as a significant downturn in our income levels. This year's accounts show a surplus of £445,061, after taking into account investment losses of £579,418. 2021/22 end with a surplus of £513,306 but with investment gains of around £191,238. Legacy income came to a record level of £1,511,272 with 2021/22 at £512,068. As a result of the unpredictability of some of our income streams, we have budgeted for a deficit in the financial year 2023/24.

Included in the total reserves is a designated fund of £4,412,363, of which £2,412,363 represents the book value of our fixed assets. As in previous years, the Trustees considered the level of general funds at the end of the financial year and have agreed to continue with the designation of funds to support some of our priorities. These priorities are aligned with the organisational strategy and the future development of the Charity's services.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

In 2018, the Trustees made the decision to designate £2million of its reserves towards service lines, staff training and staff development, as well as the potential to develop the former Reedley Hall site. This decision took into consideration the challenges that could arise in managing budget deficits and in coping with the possible increases in the demand for our services, including the ever expanding complex needs of people requiring access to the Hospice's services.

At the start of 2023/24, having taken into account both the amounts of restricted and designated funds, the Charity has the sum of £8,242,559 remaining in our general funds. Based on a medium term financial forecast completed in 2019, the Trustees consider that the size of these funds remains justified. It is felt that this sum is sufficient to ensure business sustainability of the Hospice for several years. The events of the last few years, which include the Covid pandemic, global geopolitical circumstances and the effects of high cost inflation, have highlighted that the future holds great uncertainty. The reassurance that predictions undertaken identify that our reserves are enough to maintain our services in the medium term is very welcome and allows peace of mind for both the Board of Trustees and the Senior Management Team.

Structure, governance and management

The Charity is governed by a Trustee Board that takes overall responsibility for its work. They delegate day to day management to a Senior Management team including the Chief Executive, Finance and Business Manager, Head of Income Generation and Clinical Services Manager.

The Charity is constituted as a company limited by guarantee (No 02280991) and its Articles of Association provide that one third of Directors shall retire at each Annual General Meeting. The Company is registered as a Charity (No. 700993) with the Charity Commission and operates from its own purpose built hospice known as Pendleside in Colne Road, Reedley, Burnley. The Executive Committee appoints the Chairman from time to time.

New Trustees are sought from time to time, usually to fill a perceived gap in the skill mix of the current Board. This is done by advertising a vacancy on the Hospice website, via social media or in the local press or by a direct approach to people who may have the right skills to fulfil the role of Trustees. All potential Trustees, on application, then receive a rigorous recruitment process and six month probationary period, prior to their appointment being confirmed. One Trustee stepped down from their role of Trustee and the Hospice's Treasurer, Roger Cornes, stepped down from his role as treasurer with the intention to retire fully from the role as Trustee at the next Annual General Meeting. Helen Binns, already an existing Trustee, took over the role of Treasurer. Plans were made to recruit into vacant roles, which have been carried forward to the following year.

The board normally meets quarterly and has delegated authority to four sub committees on specific matters. These are clinical governance, finance and resources, income generation and people (employees and volunteers). Each committee has formal terms of reference, meet regularly and report to the Board at its quarterly meeting. Following Covid whilst some of these meetings have been reinstated to face to face, some are hybrid and some continue virtually. Each Trustee takes an active role (along with relevant senior and relevant operational managers) in one or more of these sub committees.

New Trustees undergo training on their legal obligations under Charity and Company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the Charity. They also meet key employees, service users and other Trustees. Trustees are encouraged to attend appropriate training events and relevant external meetings where these will facilitate the undertaking of their role.

The charity had an average of 140 employees working across the organisation during 2022/23, which equates to 107 whole time equivalent (WTE). In addition, four staff work under a practising privileges agreement and the Hospice has a Bank of Registered Nurses and Auxiliary Nurses.

A Remuneration Committee, consisting of nominated Trustees and the Senior Management Team, determines the pay and remuneration of key management personnel. The Committee has regard to rate of inflation, general salary levels, public sector pay scales as well as information from other Hospices in setting levels of remuneration.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

The Board as a whole and each Director as a Trustee are collectively responsible for the wellbeing of the Charity within a framework of prudent and effective controls, which enable risk to be assessed and managed. They have also to ensure that the aims and objectives of the Charity are maintained and to understand its obligations to all stakeholders, the local community and statutory services that help to finance its operations.

The Trustees continue to assess and log clinical and business risks and implement systems to mitigate them. Risks are mitigated by the implementation of procedures for the authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the Charity. The Trustees have delegated responsibility for the management and implementation of such procedures to the operational management of the Charity, including a duty to identify and evaluate risks and report failings and corrective action arising.

Risks are reviewed in a number of different ways. All aspects of the Charity's service provision are governed by policies and procedures that are required to comply with the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014, under the regulation and inspection of the Care Quality Commission. All of these are reviewed internally at least every three years, some annually or more often if there are changes to legislation or best practice guidance. Action is identified to correct or improve practice (thereby mitigating risk) as appropriate under the direction of the Charity's Quality Assurance Group. Other risk items may be identified for corrective action at regulatory inspection.

Particularly important, in the last year, has been managing the risk brought about by of the cost of living crisis, particularly in relation to expenditure and remuneration, with salaries increasing significantly across the UK in the last twelve months. The remuneration committee took a balanced view of staff pay and staff retention to respond appropriately to the pressures. Careful tendering for support services, particularly utilities, also ensured cost increases were mitigated, as much as they could be.

The Hospice has a dedicated policy for the Reporting and Management of Adverse Events including serious incidents. All such incidents (clinical and non-clinical) are recorded and reported to an appropriate subcommittee of Trustees and senior and operational managers. A summary report of all adverse incidents is made to the Board quarterly. The operational management of the Charity is responsible for identifying and implementing corrective action arising from adverse incidents as appropriate.

The Charity is proactive in assessing specific risks under the terms of its risk management policy and procedure. Many of these relate to general health and safety and the safety of our service users but others are of a specifically financial nature for which the Trustees commission the services of external auditors. Examples include the audit of the Charity's internal financial controls, payroll processing and lottery administration.

The Hospice is registered with the Fundraising Regulator and an objective of the charity is to comply with the voluntary regulation scheme and the Code of Fundraising Practice. Compliance is monitored by the Income Generation Subcommittee and action is agreed, identified and monitored to maintain and improve fundraising standards; this includes ensuring practices protect people and others from unreasonable intrusion on a person's privacy and unreasonably persistent approaches or undue pressure to give in the course of fundraising for the Hospice.

No complaints were received regarding fundraising practice in the twelve-month reporting period.

The liability of each member by way of their guarantee to the Company is to contribute a sum not exceeding one pound to the assets of the Company if so required on the winding up of the Company.

Funds held as custodian trustee

There are no funds held as custodian.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Statement of trustees' responsibilities

The trustees, who are also the directors of Pendleside Hospice for the purpose of company law, are responsible for preparing the Trustees' 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 Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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;
- make judgements and estimates that are reasonable and prudent; and
- 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 Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

The auditor, PM+M Solutions for Business LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

The trustees' report was approved by the Board of Trustees.

.....

David Brown

Trustee

Dated: 16/10/2023.....

Roger L. Cornes

.....

Roger Cornes

Trustee

Dated: 20/10/2023.....

PENDLESIDE HOSPICE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF PENDLESIDE HOSPICE

Opinion

We have audited the financial statements of Pendleside Hospice (the 'Charity') for the year ended 31 March 2023 which comprise the Consolidated statement of financial activities, the Consolidated and Charity balance sheets, the Consolidated statement of cash flows 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable group's affairs as at 31 March 2023 and of its incoming resources and application of resources, 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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 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 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 we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

PENDLESIDE HOSPICE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF PENDLESIDE HOSPICE

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the Charity for the purpose 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 Charity'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

PENDLESIDE HOSPICE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF PENDLESIDE HOSPICE

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Charity's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Charity's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
 - the matters discussed among the audit engagement team including significant component audit teams and involving relevant specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of commercial income, posting of unusual journals and complex transactions; and manipulating the Charity's performance profit measures and other key performance indicators to meet remuneration targets and externally communicated targets. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Charity operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act, Charities Act, employment law, health and safety regulations, pensions legislation and tax legislation.

PENDLESIDE HOSPICE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF PENDLESIDE HOSPICE

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the identified risks of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

PM+M Solutions for Business LLP

Ceri Dixon BSc ACA (Senior Statutory Auditor)
for and on behalf of **PM+M Solutions for Business LLP**

20/10/2023.....

Chartered Accountants
Statutory Auditor

New Century House
Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

PM+M Solutions for Business LLP is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

PENDLESIDE HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £
<u>Income and endowments from:</u>							
Donations and legacies	3	2,520,829	-	2,520,829	1,376,703	-	1,376,703
Charitable activities	4	1,134,510	51,488	1,185,998	990,118	608,114	1,598,232
Other trading activities	5	1,602,707	-	1,602,707	1,509,756	-	1,509,756
Investments	6	276,206	-	276,206	183,594	-	183,594
Other income	7	-	-	-	30,005	-	30,055
Turnover of trading subsidiary		104,894	-	104,894	95,521	-	95,471
Total income		5,639,146	51,488	5,690,634	4,185,697	608,114	4,793,811
<u>Expenditure on:</u>							
Raising funds	9	930,138	-	930,138	864,858	-	864,858
Trading cost of subsidiary	11	89,214	-	89,214	72,934	-	72,934
Charitable activities	10	3,611,432	35,371	3,646,803	3,508,800	25,151	3,533,951
Total expenditure		4,630,784	35,371	4,666,155	4,446,592	25,151	4,471,743
Net gains/(losses) on investments		(579,418)	-	(579,418)	191,238	-	191,238
Net incoming resources before transfers		428,944	16,117	445,061	69,657	582,963	513,306
Gross transfers between funds		-	-	-	579,179	(579,179)	-
Net movement in funds		428,944	16,117	445,061	509,522	3,784	513,306
Fund balances at 1 April 2022		12,811,075	98,749	12,909,824	12,301,553	94,965	12,396,518
Fund balances at 31 March 2023		13,240,019	114,866	13,354,885	12,811,075	98,749	12,909,824

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

PENDLESIDE HOSPICE

GROUP BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	17	2,412,363		2,417,752	
Investments	18	10,631,991		10,094,808	
		<u>13,044,354</u>		<u>12,512,560</u>	
Current assets					
Stocks	19	2,500		2,500	
Debtors	20	438,985		516,892	
Cash at bank and in hand		258,878		218,239	
		<u>700,363</u>		<u>737,631</u>	
Creditors: amounts falling due within one year	21	<u>(389,832)</u>		<u>(340,367)</u>	
Net current assets		<u>310,531</u>		<u>397,264</u>	
Total assets less current liabilities		<u><u>13,354,885</u></u>		<u><u>12,909,824</u></u>	
Income funds					
Restricted funds	23	114,866		98,749	
<u>Unrestricted funds</u>					
Designated funds	24	4,412,363		4,417,752	
General unrestricted funds		8,242,559		7,808,226	
Revaluation reserve		585,097		585,097	
		<u>13,240,019</u>		<u>12,811,075</u>	
		<u><u>13,354,885</u></u>		<u><u>12,909,824</u></u>	

The financial statements were approved by the Trustees on

.....
David Brown
Trustee

.....
Roger Cornes
Trustee

Company registration number 02280991

PENDLESIDE HOSPICE

CHARITY BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	2023		2022	
		£	£	£	£
Fixed assets					
Tangible assets	17	2,412,363		2,417,752	
Investments	18	10,632,091		10,094,908	
		<u>13,044,454</u>		<u>12,512,660</u>	
Current assets					
Stocks	19	2,500		2,500	
Debtors	20	440,992		527,210	
Cash at bank and in hand		254,371		207,761	
		<u>697,863</u>		<u>737,471</u>	
Creditors: amounts falling due within one year	21	<u>(387,432)</u>		<u>(340,307)</u>	
Net current assets		<u>310,431</u>		<u>397,164</u>	
Total assets less current liabilities		<u><u>13,354,885</u></u>		<u><u>12,909,824</u></u>	
Income funds					
Restricted funds	23	114,866		98,749	
<u>Unrestricted funds</u>					
Designated funds	24	4,412,363		4,417,752	
General unrestricted funds		8,242,559		7,808,226	
Revaluation reserve		585,097		585,097	
		<u>13,240,019</u>		<u>12,811,075</u>	
		<u><u>13,354,885</u></u>		<u><u>12,909,824</u></u>	

The financial statements were approved by the Trustees on 16/10/2023


.....
David Brown
Trustee

Roger L. Cornes
.....
Roger Cornes
Trustee

Company registration number 02280991

PENDLESIDE HOSPICE

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	32		1,125,692		1,019,667
Investing activities					
Purchase of tangible fixed assets		(97,188)		(45,896)	
Purchase of investments		(3,443,740)		(4,401,520)	
Proceeds from disposal of investments		2,179,669		3,109,443	
Investment income received		276,206		183,594	
Net cash used in investing activities			(1,085,053)		(1,154,379)
Net cash used in financing activities			-		-
Net increase/(decrease) in cash and cash equivalents			40,639		(134,712)
Cash and cash equivalents at beginning of year			218,239		352,951
Cash and cash equivalents at end of year			258,878		218,239

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Charity information

Pendleside Hospice is a private company limited by guarantee incorporated in England and Wales. The registered office is Pendleside Hospice, Colne Road, Reedley, Burnley, Lancashire, BB10 2LW.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charity's Commission, the Companies Act 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019). The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Basis of consolidation

The consolidated accounts of the Group include the financial statements of the charity and its subsidiary undertaking for the year ended 31 March 2023. A separate Statement of Financial Activities for the charity has not been presented because the subsidiary has taken advantage of the exemption by section 408 of the Companies Act 2006.

1.4 Investments

Investments are stated at cost less provision for impairment.

1.5 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

1.6 Incoming resources

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

1.7 Resources expended

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

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the company and compliances with constitutional and statutory requirements. Cost of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% straight line
Fixtures and fittings	20% straight line
Computers	25% straight line
Motor vehicles	25% straight line

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.9 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

(Continued)

1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.11 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.12 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.13 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies (Continued)

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.16 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities incorporating income and expenditure account over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities incorporating income and expenditure account as the related expenditure is incurred.

1.17 Deferred Incoming resources

Lottery income is deferred on the basis of the period to which subscriptions relate.

2 Critical accounting estimates and judgements

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 main area of judgement that has a risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in relation to the useful economic lives of the charity's fixed assets.

3 Group donations and legacies

	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Donations	1,009,557	-	1,009,557	864,635
Legacies receivable	1,511,272	-	1,511,272	512,068
	<u>2,520,829</u>	<u>-</u>	<u>2,520,829</u>	<u>1,376,703</u>
For the year ended 31 March 2022	<u>1,376,703</u>	<u>-</u>	<u>-</u>	<u>1,376,703</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

4 Group charitable activities

	2023 £	2022 £
Operation of Hospice	<u>1,185,998</u>	<u>1,598,232</u>
<u>Analysis by fund</u>		
Unrestricted funds	1,134,510	990,118
Restricted funds	<u>51,488</u>	<u>608,114</u>
	<u>1,185,998</u>	<u>1,598,232</u>

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Fundraising events	359,378	-	359,378	399,248
Charity shop sales	820,977	-	820,977	667,444
Hospice lottery	400,628	-	400,628	409,751
Other fundraising activities	<u>21,724</u>	-	<u>21,724</u>	33,313
Fundraising income	<u>1,602,707</u>	-	<u>1,602,707</u>	<u>1,509,756</u>
For the year ended 31 March 2022	<u>1,509,756</u>	-	-	<u>1,509,756</u>

6 Investment Income

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Rental income	30,210	-	30,210	29,192
Income from listed investments	156,691	-	156,691	134,749
Interest receivable	<u>89,305</u>	-	<u>89,305</u>	19,653
	<u>276,206</u>	-	<u>276,206</u>	<u>183,594</u>
For the year ended 31 March 2022	<u>183,594</u>	-	-	<u>183,594</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

7 Other income

	Unrestricted funds general 2023 £	Unrestricted funds general 2022 £
Meals on wheels	104,894	95,471
Insurance monies received	-	30,055
	104,894	125,526

8 Gift Aid payment by trading subsidiary

The wholly owned trading subsidiary Pendleside Trading Ltd is incorporated in the United Kingdom and pays all of its profits to the charity by gift aid. Pendleside Trading Ltd operates Meals on Wheels in the community. The charity owns the entire share capital. A summary of the trading results for the year ended 31 March 2023 is:

	Total 2023 £	Total 2022 £
Turnover	104,804	95,521
Operating costs	(89,214)	(72,934)
Trading profit	15,590	22,587
Gift aid payment to charity	15,590	22,587
Retained in subsidiary	-	-
Represented by:		
Restricted income funds	-	-
Unrestricted income funds	-	-
The assets and liabilities of the subsidiary were:		
Current assets	14,509	20,317
Current liabilities	(14,409)	(20,217)
Total net assets	100	100
Aggregate share capital and reserves	100	100

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

9 Raising funds

	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Fundraising and publicity				
Christmas cards and merchandising products	11,613	-	11,613	9,173
Publicity and brochures	60,050	-	60,050	51,413
Events expenditure	85,347	-	85,347	81,913
Bank charges	18,873	-	18,873	13,400
Telephone costs	4,413	-	4,413	3,786
Insurance costs	11,941	-	11,941	983
Voluntary income staff costs	145,924	-	145,924	149,210
	<u>338,161</u>	<u>-</u>	<u>338,161</u>	<u>309,878</u>
Trading costs				
Prize money and commission	72,900	-	72,900	75,225
General expenses	25,705	-	25,705	9,723
Light, heat and water costs	29,240	-	29,240	42,524
Repairs and maintenance	10,035	-	10,035	13,129
Incidental expenses	30,830	-	30,830	19,632
Operating lease rentals	108,054	-	108,054	106,382
Motor and travel costs	5,862	-	5,862	3,861
Staff costs	296,532	-	296,532	267,044
Depreciation and impairment	12,819	-	12,819	17,460
	<u>591,977</u>	<u>-</u>	<u>591,977</u>	<u>554,980</u>
Fundraising trading costs	<u>591,977</u>	<u>-</u>	<u>591,977</u>	<u>554,980</u>
	<u>930,138</u>	<u>-</u>	<u>930,138</u>	<u>864,858</u>
For the year ended 31 March 2022				
Cost of raising funds	309,878	-	-	309,878
Fundraising trading costs	554,980	-	-	554,980
	<u>864,858</u>	<u>-</u>	<u>-</u>	<u>864,858</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

10 Group charitable activities

	2023 £	2022 £
Staff costs	2,963,233	2,889,609
Depreciation and impairment	95,681	94,081
Water	8,912	13,229
Gas and electricity	55,502	45,456
Repairs and maintenance	107,987	92,142
Recruitment	8,081	12,856
Travel expenses	36,046	28,085
Training	15,694	18,846
Healthcare	29,122	28,440
Uniforms	9,083	5,808
Telephone costs	4,412	3,787
Insurance	11,941	18,666
Medical supplies and bought in services	106,831	88,997
Cleaning costs	28,041	19,335
Office costs, stationery, postage and IT	42,838	37,239
Registration fees and subs	20,794	5,236
Incidental expenses	1,577	7,453
Irrecoverable VAT	(14,980)	15,433
Catering costs	64,036	51,580
Patient transport costs	16,622	13,211
Bank charges	7,984	13,401
	<u>3,623,881</u>	<u>3,504,646</u>
Share of governance costs (see note 12)	22,922	29,305
	<u>3,646,803</u>	<u>3,533,951</u>
Analysis by fund		
Unrestricted funds	3,611,432	3,508,800
Restricted funds	35,371	25,151
	<u>3,646,803</u>	<u>3,533,951</u>

11 Trade of subsidiary

In the year to 31 March 2023 the operating costs of the trading subsidiary amounting to £89,214 (2022: £72,913) comprised wholly of unrestricted expenditure.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

12 Support costs

	Support costs	Governance costs	2023	2021
	£	£	£	£
Audit fees	-	8,000	8,000	8,000
Accountancy	-	5,150	5,150	4,500
Legal and professional	-	9,772	9,772	16,805
	-	22,922	22,922	29,305
Analysed between Charitable activities	-	22,922	22,922	29,305

13 Net movement in funds

	2023	2022
	£	£
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	8,000	8,000
Fees payable to the company's auditor for other services provided	5,150	4,500
Depreciation of owned tangible fixed assets	102,577	111,541

14 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year, neither were they reimbursed expenses during the year. No charity trustee received payment for professional or other services supplied to the charity.

The total donations received from the trustees in the year was £106 (2022: £2,418).

15 Employees

The average monthly number of employees during the year was:

	Group 2023	Group 2022	Charity 2023	Charity 2022
	Number	Number	Number	Number
Nursing staff - inpatient	22	24	22	24
Nursing staff - day therapy	8	8	8	8
Nursing staff - hospice at home	25	20	25	20
Nursing staff - spiritual care and medical officers	6	4	6	4
Administration staff and general managers	34	32	32	30
Ancillary	12	12	12	12
Total	107	100	105	98

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

15 Employees (Continued)

Employment costs	2023 £	2022 £	2023 £	2022 £
Wages and salaries	2,900,533	2,883,918	2,900,533	2,862,762
Social security costs	288,103	252,789	288,103	250,885
Other pension costs	189,699	192,762	189,699	192,131
	<u>3,378,335</u>	<u>3,329,469</u>	<u>3,378,335</u>	<u>3,305,778</u>

The key management personnel of the group comprise those of the Hospice and they key management personnel of its wholly owned subsidiary Pendleside Trading Limited. The total remuneration earned by key management personnel during the year was £239,567 (2022: £313,772).

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2023 Number	2022 Number
£60,001 - £70,000	2	-
£70,001 - £80,000	1	1
£90,001 - £100,000	-	1
	<u> </u>	<u> </u>

16 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

17 Tangible fixed assets

Group and Charity	Freehold buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost					
At 1 April 2022	3,041,040	487,133	122,486	155,117	3,805,776
Additions	80,000	17,129	59	-	97,188
At 31 March 2023	3,121,040	504,262	122,545	155,117	3,902,964
Depreciation and impairment					
At 1 April 2022	755,156	419,662	89,082	124,124	1,388,024
Depreciation charged in the year	55,324	25,966	8,468	12,819	102,577
Other changes	-	-	-	-	-
At 31 March 2023	810,480	445,628	97,550	136,943	1,490,601
Carrying amount					
At 31 March 2023	2,310,560	58,634	24,995	18,174	2,412,363
At 31 March 2022	2,285,884	67,471	33,404	30,993	2,417,752

Land and buildings with a carrying amount of £1,034,903 were revalued at 31 August 2018 by independent valuers not connected with the Charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

At 31 March 2023, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £893,251 (2022 - £920,877).

Included in land and buildings is freehold land at valuation of £664,476 (2022 - £664,476) which is not depreciated.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

18 Fixed asset investments

Group and Charity	Listed investments	Unlisted investments	Total £
Cost or valuation			
At 1 April 2022	7,205,082	2,889,726	10,094,808
Additions	1,780,859	1,662,881	3,443,740
Valuation changes	(726,888)	-	(726,888)
Disposals	(1,490,194)	(689,475)	(2,179,669)
At 31 March 2023	<u>6,768,859</u>	<u>3,863,132</u>	<u>10,631,991</u>
Carrying amount			
At 31 March 2023	<u>6,768,859</u>	<u>3,863,132</u>	<u>10,631,991</u>
At 31 March 2022	<u>7,205,082</u>	<u>2,889,726</u>	<u>10,094,808</u>

	2023 £	2022 £
Other Unlisted Investments:		
Marsden Building Society	1,000,014	601,054
Close Brothers	592,814	578,893
Handelsbanken	2,270,304	1,709,779
	<u>3,863,132</u>	<u>2,889,726</u>

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Other investments comprise:				
Investments in subsidiaries	-	-	100	100

All the listed investments are quoted on the UK Stock Exchange. Other fixed asset investments are Bank and Building Society balances.

The charity holds the whole of the issued share capital of Pendleside Trading Limited (company number: 13019012), a company registered in England and Wales. Its principal activity is that of a food retail service.

19 Stocks

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Finished goods and goods for resale	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>	<u>2,500</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

20 Debtors

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Amounts falling due within one year:				
Trade debtors	100,121	36,670	91,424	27,890
Amount owed by parent undertaking	-	-	12,009	20,157
Other debtors	263,727	315,345	263,727	315,345
Prepayments and accrued income	75,137	164,877	73,832	163,818
	<u>438,985</u>	<u>516,892</u>	<u>440,992</u>	<u>527,210</u>

21 Creditors: amounts falling due within one year

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Trade creditors	88,430	28,217	88,430	28,217
Other creditors	124,649	109,095	124,649	109,095
Accruals and deferred income	176,753	203,055	174,353	203,055
	<u>389,832</u>	<u>340,367</u>	<u>387,432</u>	<u>340,367</u>

Deferred Income

	Group	Charity
Deferred income at 1 April 2022	97,070	97,070
Movement in the year	(28,009)	(28,009)
Deferred income at 31 March 2023	<u>69,061</u>	<u>69,061</u>

The deferred income balance of £69,061 (2022: £97,070) as at 31 March 2023, includes £68,231 (2022: £74,263) which relates to the lottery fund and £830 (2022: £22,807) which relates to customer sponsorship/events.

22 Retirement benefit schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £189,699 (2022: £192,762).

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

23 Restricted funds

Group and Charity

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

Balance at 1 April 2021	Movement in funds			Balance at 1 April 2022	Movement in funds		Balance at 31 March 2023
	Incoming resources	Resources expended	Transfers		Incoming resources	Resources expended	
£	£	£	£	£	£	£	£
94,965	608,114	(25,151)	(579,179)	98,749	51,488	(35,371)	114,866

The transfer from restricted funds to unrestricted funds in the prior year relates to a number of grants received of restricted nature, whereby the relating expenditure can not be accurately split from the charitable expenditure in the year.

£484,897 - NHS England funding relating to additional patient beds throughout the year.

£62,079 - CCG funding relating to additional patient beds throughout the year.

£32,203 - Covid relating government funding to aid with costs relating to wages and the charity shops.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

24 Designated funds

Group and Charity

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

Balance at 1 April 2022 £	Resources expended £	Balance at 31 March 2023 £
4,417,752	(5,389)	4,412,363

25 Analysis of net assets between funds

Group and Charity

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2023 are represented by:			
Tangible assets	2,317,497	94,866	2,412,363
Investments	10,631,991	-	10,631,991
Current assets/(liabilities)	290,531	20,000	310,531
	<u>13,240,019</u>	<u>114,866</u>	<u>13,354,885</u>

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 31 March 2022 are represented by:			
Tangible assets	2,339,003	78,749	2,417,752
Investments	10,094,908	-	10,094,908
Current assets/(liabilities)	377,164	20,000	397,164
	<u>12,811,075</u>	<u>98,749</u>	<u>12,909,824</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

26 Summary of Group Funds

Group and Charity	Movement in funds					
	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	Balance at 31 March 2023
	£	£	£	£	£	£
Designated funds	4,417,752	-	(5,389)	-	-	4,412,363
General funds	8,393,323	5,639,146	(4,625,395)	-	(579,418)	8,827,656
Total unrestricted funds	12,811,075	5,639,146	(4,630,784)	-	(579,418)	13,240,019
Restricted funds	98,749	51,488	(35,371)	-	-	114,866
	12,909,824	5,690,634	(4,666,155)	-	(579,418)	13,354,885

At the year end, the restricted funds carried forward represent £20,000 (2022 - £20,000) relating to the Frank Houghton fund. The remaining funds reflect the net book value of fixed assets funded by grants.

Trustees have considered future challenges of managing a budget deficit, coping with the potential increase in demand for services and complexity of need of people accessing Hospice services, training and development needs of staff and development of the Reedley Hall site and has designated £2million of its reserves, plus the value of the charity's fixed assets towards service lines, training and development of staff and development of the Reedley Hall Site.

27 Contingent Assets

At the year end, the Charity was aware of a number of legacy donations which had been made to the Charity. However the residual legacy donation in each case cannot be measured reliably leading to uncertainty over the total level of income which will be received. In these cases no income has been accrued at the year end.

28 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2023	Group 2022	Charity 2023	Charity 2022
	£	£	£	£
Within one year	57,799	60,848	57,799	60,848
Between two and five years	180,500	204,917	180,500	204,917
In over five years	102,250	127,250	102,250	127,250
	340,549	393,015	340,549	393,015

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

29 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

30 Controlling party

The Charity is under the control of the trustees as noted in the trustees' report.

31 Analysis of changes in net funds

The Charity had no debt during the year.

32 Cash generated from operations	2023	2022
	£	£
Surplus for the year	445,061	513,306
Adjustments for:		
Investment income recognised in statement of financial activities	(276,206)	(183,594)
Fair value gains and losses on investments	726,888	757,047
Depreciation and impairment of tangible fixed assets	102,577	111,541
Movements in working capital:		
Decrease/(increase) in debtors	77,907	(159,728)
Increase/(decrease) in creditors	49,465	(18,905)
Cash generated from operations	<u>1,125,692</u>	<u>1,019,667</u>

PENDLESIDE HOSPICE

England & Wales - Charity number 700993

Accounts

Charity Registration No. 700993

Company Registration No. 02280991 (England and Wales)

PENDLESIDE HOSPICE
DRAFT ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

PM+M Solutions for Business LLP
Chartered Accountants
New Century House
Greenbank Technology Park
Blackburn
Lancashire
BB1 5QB

PENDLESIDE HOSPICE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	David Brown Margaret Hynes Roger Cornes Francesca Chapman David Walker Giles Williams Angela Brown Jaydee Davies – Appointed 25/06/2021 Gillian Oakley – Appointed 25/06/2021 Mike Steel– Appointed 25/06/2021 Matthew Davies - Resigned 28/09/2021 Nicola Alden - Resigned 29/04/2022 David Lawson - Resigned 17/02/2022 Helen Binns - Appointed 03/08/2022 Mark Irlam - Appointed 03/08/2022 Nadeem Memon - Appointed 03/08/2022, Resigned 11/09/2022
Chief executive officer	Helen McVey
Secretary	Roger Cornes
Charity number	700993
Company number	02280991
Registered office	Pendleside Hospice Colne Road Reedley Burnley Lancashire BB10 2LW
Auditor	PM+M Solutions for Business LLP New Century House Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB
Investment advisors	James Brearley & Sons 7 South Preston Office Village Cuerden Way Bamber Bridge Preston PR5 6BL Close Brothers Asset Management 7th Floor 80 Mosley Street St Peter's Square Manchester M2 3FX

PENDLESIDE HOSPICE

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PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 MARCH 2022

The trustees present their annual report and financial statements for the year ended 31 March 2022.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Companies Act 2006 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

Following on from the previous year, the twelve month period ending on 31st March 2022 proved to be a particularly challenging time as Pendleside continued to work through the longer term implications of the Covid 19 pandemic. Towards the end of year, we started to recognise the implications of the war in Ukraine and its subsequent effect on the cost of living both globally and nationally. This, in turn, has had implications on the income generation and general finances for Pendleside.

Despite this, we have continued to step up in meeting the needs of the community. As the external environment opened up again, following Covid, we were able to revert our capacity to the 10 Inpatient beds, which were established pre Covid. This enabled us to return the focus to be more on direct care in the local community. This also allowed us to review our Day Service provision and relaunch this as a new Health, Wellbeing and Rehabilitation service for patients, their families and their carers. In addition, we were able to expand our Hospice at Home service provision and a return to face to face appointments for our Family Support Service, which included supporting more young people in bereavement.

The overall impact is that we have been able to care for more patients than we did the previous year, including more patients with a non-cancer, as well as cancer diagnosis. The introduction of new initiatives, such as the development of a single point of access for all night sit provision for palliative and end of life care across the Burnley, Pendle and into Rossendale areas, has enhanced our responsiveness whilst, at the same time, enabling an increase in the number of contacts and support offered to patients and their families and carers.

This has all been made possible and further enhanced through the dedicated care and support provided by our clinical, ancillary, administrative, fundraising and retail employees and volunteers. The team have had to work more innovatively and flexibly than ever before in order to face the challenges being experienced. We simply could not have achieved all that we have without everybody pulling together with positivity and determination to meet the needs of the people in our local community who need our support.

Chairman's Report

We are continuing to see a period of uncertainty and ever changing times, with the future remaining unclear and proving extremely difficult to plan for. Despite this, Pendleside Hospice continues to step up to support our local community in their time of need, by adapting and increasing the support it provides to more local people. In a positive way, we have been able to bring back some of the services that had been put on hold during the pandemic whilst, at the same time, maintaining existing service provision and introducing new and innovative ways of delivering our care.

In maintaining and developing our services we are pleased to have worked more collaboratively than ever before with the NHS, other charities, as well as social and domiciliary care providers. These new and enhanced ways of working enable the sharing of our knowledge and experience of palliative and end of life care over the years, whilst also ensuring a responsive, cohesive service for patients, their families and carers.

Besides focusing on the development and reinstatement of clinical services, we have simultaneously continued to focus on income generation and fundraising in order to ensure long term sustainability of the funding for our services. Face to face events, which had to be put on hold as a result of the pandemic, have been reinstated and we continue to develop and plan new and innovative ways of income generation whilst continuing to maintain initiatives that we know, from experience, work well and are very well received in our community e.g. Light Up A Life and Pendle Pub Walk. We have also worked on developing a post Covid recovery plan for our retail operations, which spent long periods closed during the pandemic. The plan put in place is showing positive signs of recovery and growth in income.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

One of our other big challenges this year has been responding to the cashless society that has developed rapidly, mainly due to the pandemic, and the many varied ways that people are able to donate and fundraise virtually for their charity of choice. We have had to adapt our fundraising accordingly and develop new and easier ways for people to be able to donate. Collecting tins have been particularly hard hit by this change so we are offering digital donation options via QR code or contactless card terminals.

2021/22 was also the first year of implementation of Pendleside's new organisational strategy, which set out our priorities for forthcoming four years. We are pleased to report that we have made some positive progress with this strategy including caring for more patients than we did in the previous year and setting up of the new single point of access for night sits within our hospice at home service, which has received excellent service user feedback. We were also awarded the accolade of Burnley Employer of the Year and have developed a new volunteer committee with new volunteer roles being created across the Hospice. We have met all our regulatory requirements, with our most recent Care Quality Commission review positively identifying this. Looking forward, we plan to continue to expand on the achievements of the last twelve months in order to ensure that we continually to meet all the objectives set out in the strategy for the forthcoming years.

All of the above emphasises just how important the support from our local community is and how we would not be able to continue to operate as we do without their support. We have been more fortunate than ever to have this support during these challenging times, and we very much value the ongoing contribution that our local community makes towards the present and the future of Pendleside Hospice.

Objectives and activities

The objectives of the charity are to promote the relief of sickness by providing or aiding in the provision of medical, social and spiritual treatment and attention for persons who are suffering from any chronic or terminal illness.

Activities

The main activities undertaken are:

- Inpatients
- Outpatients
- Health Wellbeing and Rehabilitation Services (formerly Day Services)
- Hospice at Home and community services
- Family Support Service (including pre and post bereavement support and spiritual care)

Pendleside has reviewed its strategy in the last year which sets out the vision, mission, values and aims for the next four years:

Mission:

Pendleside exists to enhance the quality of life for people living in our community with advancing long term and life limiting illnesses, through to end of life and in bereavement.

Vision:

Every adult with advancing long term and life limiting illnesses and those most important to them within our community will receive timely and equitable access to high quality services, delivered by appropriately trained staff and volunteers.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Our values underpin everything that we do:

1 Care:

We ensure a professional standard of high quality care provision delivered with kindness, dignity and respect.

2 Compassion:

We ensure that a compassionate and a non-judgemental approach remains central to the delivery of our services.

3 Support:

We ensure that people are listened to, their contribution valued and that necessary support is provided according to each individual need.

Our overall aims:

Proud to be Pendleside:

Our people identify Pendleside as a good place to work/volunteer and we are the health care organisation of choice to work/volunteer for.

Community collaboration:

To build a compassionate community involving, influencing and working in partnership with all stakeholders to enhance palliative and end of life care.

Care delivery:

To reach out to as many people as possible who need our care.

Governance:

The Hospice meets its regulatory requirements and manages risk effectively.

Sustainability:

Services are sustainable in the changing external environment.

Our care is free of charge to those we serve.

The policy of the Trustees is to generate sufficient Incoming Resources as to (a) provide adequate income to cover the anticipated increase in operating costs of the charity and (b) build sufficient reserves as to cover future growth and capital investment. In addition, the Trustees need to be very aware of and allow for possible variations in funding streams from major donors such as the NHS.

The grant income from NHS East Lancashire Clinical Commissioning Group (CCG), upon which the Hospice remains heavily dependent, was more important than ever in the last year as fundraising and retail income continued to be affected by the impact of the pandemic. Some additional funding was received from the CCG for a temporary increase in bed capacity up until June 2021 and to pilot the single point of access project. However, whilst this was positive, it was non-recurrent funding for a specific service, not long term sustainable funding, and the Hospice reverted back to its budgeted 20% NHS grant funding at the end of the year. Whilst a small 1% increase in NHS grant funding was received, this does not reflect the overall increase in costs that the Hospice experienced during this time. In particular, the National Living Wage and National Insurance Contributions increases that came in in April 2022 as well as the rise in NHS pay, all impact on medical and nursing salaries at the Hospice. On top of this, we are seeing substantial increases in our general running costs due to large rises in the rate of inflation.

Income from Pendleside's hard working supporters, remains excellent. However, there continue to be some reductions in community fundraising as supporters have been unable to organise their own events and Pendleside's own major events had to be cancelled or postponed at the beginning of the year due to the restrictions in place as a direct consequence of the Covid pandemic.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

- One of our significant fundraising events, Corporate Challenge, had to be cancelled for the second time in two years, due to Covid restrictions. This led to a significant reduction in our income generation for the year and we also saw a negative effect on the donations to our retail operation. Fortunately, two of our other public participation events, which had to be cancelled in the previous year, namely Light up a Life and the Pendle Pub Walk, were able to go ahead and proved to be very successful, with both raising significant funds for the Hospice.
- Our retail operation continued to be affected due to the ongoing impact of Covid. In particular, we saw a significantly reduced footfall in the local towns and high streets, which was on top of many members of our shop teams having to isolate from time to time and the loss of volunteers following the closures. This all resulted in lower income than expected from our retail activities. As the year progressed, it became apparent that building back the retail operation to pre Covid levels would be slower than expected as the high street battled to recover and we whilst we attempted to build back our volunteer workforce. Recovery plans, implemented during the year, started to be effective as we approached the latter part of the year and we began to see a steady increase in income levels. This provided a positive foundation for the new financial year.

Online/internet sales, which we set up during the pandemic, peaked between September and December but began to reduce in the last quarter of the year as the high street opened up more.

- Lottery income reduced slightly (down by 0.6%) but we are seeing a steady fall in the number of members, which is largely down to the suspension of using a lottery canvassing company for a 2 year period. Plans to arrest the decline in lottery participation are in place for 2022/23, which included the setting up of a Direct Debit facility for lottery players and the reinstatement of the lottery canvassing company.
- Besides all of the above, our community support remains excellent with many individuals, groups and businesses across Burnley and Pendle undertaking their own fundraising initiatives to raise money.

The Board expresses its appreciation for this outstanding level of public support, without which the Charity would not be able to continue its operations.

The objectives for 2021/22 were to reinstate the services that had to be put on hold due to the pandemic and to maintain all existing services, whilst developing and enhancing them, wherever possible, within financial and other resource constraints.

All service developments and enhancements during the year were driven by the Charity's understanding of its community and service users' needs, along with national and local guidance and, where appropriate, these were implemented in partnership with the statutory services and other independent organisations.

Volunteers

The Trustees recognise the huge amount of work put in by the Hospice's volunteers, which support and complement the work of the Charity's employees. Pendleside Hospice simply could not function without its volunteers, and never has this been more apparent than in the last two years. Pre Covid there were over 600 volunteers working across all Hospice services, including the Hospice's ten charity shops, reception, administration, fundraising, and our Friends of Pendleside (who support the Hospice with ad hoc events throughout the year), patient care, counselling, lottery collection, driving, gardening and as trustees.

Due to having to suspend volunteer roles during Covid, particularly as many of our volunteers were in the clinically vulnerable category, it meant that the Hospice lost a significant number of its volunteers.

Over the last twelve months, we have worked hard to build back our volunteer workforce. This includes employing a volunteer coordinator to focus on the recruitment, development and retention of volunteers across the Hospice.

Gradually we are building back our volunteer workforce, which is helping in our overall recovery, as an organisation.

The financial statements exclude the value of voluntary help, as this is extremely difficult to quantify, particularly whilst there have been various fluctuations in working hours as a result of the pandemic. As we recruit and retain more volunteers we will once again aim to quantify the total value of the volunteer contribution.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Public Benefit Statement

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when setting the Charity's aims and objectives and in planning future activities and setting policy for the year.

The Charity's objective continues to be to promote and provide specialist palliative care of the highest quality for the people of Burnley and Pendle with advancing long term and life limiting illnesses and to do so in partnership with statutory services and other independent organisations. Its aim is to promote the quality of life for each individual accessing its services and that of their families, friends and carers. Care is provided free of charge to all people of seventeen years and over. Inpatient care is also provided for patients from the Rossendale area.

Achievements and performance

Summary of main achievements

As already detailed, in 2021/22, our main achievement was to adapt our services and to respond to the needs of our community in the aftermath of the pandemic and also the pending cost of living crisis. In particular, the Hospice managed the increase in the complexity of needs of patients and demand on hospice services by reinstating and maintaining services where appropriate, whilst at the same time developing new and innovative services to supporting the changing needs of our patients and service users.

Whilst there were many achievements throughout the year, a particular success was working collaboratively with the NHS, other charities, the regulated care sector and social care to support the ongoing Covid response and meet the needs of palliative and end of life care patients locally.

This included the full implementation of the hospice at home single point of access for palliative and end of life care fast track referrals ensuring responsiveness and effective coordination of care for patients. The pilot of this was so successful that it has now been recognised as a substantive service with some additional funding contribution from the NHS, helping to secure the long term sustainability of hospice at home services.

At the same time, the reintroduction of face to face attendance within our day services, meant that it was possible to completely review the service provision before reopening. A new health, wellbeing and rehabilitation service was subsequently developed and introduced, which has resulted in a significant increase in the number of patient and carer contacts within this service.

The new meals on wheels service, which was piloted from November 2020 to March 2021, proved so successful that the decision was made to continue with and expand this service. This also involved establishing a new trading company, with Pendleside Trading, a wholly owned subsidiary of the Hospice, commencing operations from 1st April 2021.

We were also delighted to be named the Community Business of the Year at the prestigious Lancashire BIBAS awards for work undertaken during the pandemic to meet the needs of our local community.

Overall, 1740 service users, 1180 patients and 560 family members/carers were supported throughout 2020/21 compared to 1267 the previous year. This increase compared to the previous year was largely due to services that had been put on hold during the pandemic being reinstated, but also due to service developments in hospice at home and new health, wellbeing and rehabilitation service (formerly day services).

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

The breakdown of service delivery is detailed below:

- Inpatients cared for 174 patients, 11% less than they did the previous year. The reason for this being that the additional beds implemented during Covid were closed from June 2022 and the inpatient unit reverted back to its 10 inpatient beds it had pre covid in order for the health wellbeing and rehabilitation service to be reintroduced.
- The health, wellbeing and rehabilitation service cared for 237 patients, 5 times more patients than they'd cared for via their virtual service the previous year. In addition the number of attendances significantly increased to almost double of number attendances for the new health, wellbeing and rehabilitation service, compared to that of the traditional day services pre Covid.
- The number of patients accessing outpatient services increased to 300 patients as outpatient services put on hold during Covid were reinstated.
- 510 patients accessed hospice at home and community services, very similar to the previous year, however the number of face to face contacts increased significantly by 40% meaning that more care episodes were provided to each patient, this was due to implementation of new ways of working and introduction of the new single point of access for night sits.
- 588 carers accessed the family support service, and pre and post bereavement support. This was 40% more people than the previous year, the increase being due to the reintroduction of face to face appointments and reinstatement of the bereavement groups held at the hospice.

All the above achievements highlight the Hospice's ongoing effectiveness in helping to supporting people living in the local area with advancing long term and life limiting illness, their families and carers.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Financial review

Review of financial position:

The income, expenditure and the Charity's financial position at the end of the year are shown, in detail, on pages 16 to 18 of the financial statements. In summary, for the year ended 31 March 2022, the charity generated a surplus of £513,306, compared with a surplus of £1,877,000 in the previous year. Total funds at 31 March 2022 amounted to £12,909,824.

The year was, once again, largely effected by the Covid-19 pandemic with many restrictions continuing to have a negative impact on various fundraising activities. The increase in the cost of living and geopolitical conditions, such as the war in Ukraine, also had an adverse effect on the valuations of our equity based investments towards the latter part of the financial year. However, NHS support grants, in relation to Covid support activities carried out by the Charity through the winter period, once again helped to reverse the negative financial strains felt during the 12-month period.

The year saw a mixed set of results within our various income streams as Covid restrictions were reduced, then reinstated, before finally being removed entirely. Our retail outlets saw a gradual return to regular opening hours but a lack of volunteers made a return to full opening hours impossible for most shops. However, overall retail income managed to return to pre-pandemic levels by the end of the year. Fundraising efforts remained hampered by the inability to hold mass participation events for large parts of 2021. In total, income levels were well down on those seen before Covid struck in early 2020. Legacy income exceeded £500,000, which is well up on 2020/21's £316,709. The final figure for 2021/22 was just above the average for the last few years. Legacies remain a vital source of income for the Hospice though their unpredictability is a constant concern. Often, this income makes the difference between an operational surplus and a deficit. As in 2020/21, it was support through NHS grants, received in recognition of the Hospice's increased activity levels during the pandemic that played a significant part in the Hospice achieving a surplus for the year. A late recovery in the value of our investment portfolios also ensured an overall positive result for 2021/22.

The new financial year 2022/23 began with confirmation that no further NHS support grants would be received. Combined with the variable nature of legacy income, the volatility in the performance of our investments, which have been detrimentally impacted since 31st March 2022, means that there are uncertain times ahead. This is compounded by the continuing ascension in the rate of inflations and cost of living pressures on our supporters. The Charity set a budget for 2022/23 that projects an operational deficit for the financial year of just under £500,000. With this in mind, it is the Charity's intention to carry out constant reviews of all our income sources in the hope that we are able to maximise as many of these as possible in order to minimise the potential of a deficit outcome.

At the same time, considerations on reducing expenditure will be made. The rate of inflation and the pressures this places on our running costs will make this challenging. In addition, the NHS and Public Sector Pay Review will raise issues with staff pay as well as staff recruitment and future increases to the National Living Wage rates will have an impact on our running costs.

Investment Policy

Under our 'Memorandum and Articles of Association', the Charity has the power to make any investment that the Trustees see fit. As in previous years, the Trustees have reviewed and considered the most appropriate policy for investing funds and believe that a varied portfolio of stocks, shares, unit trusts and deposit accounts continues to meet the requirements of the Charity. Alongside this income, the Charity also obtains rental receipts from the investment in a small number of flat properties.

The Finance and Resources Committee continues to keep our investment policy under regular review. The Hospice continues to use third party investment managers to provide a balanced portfolio with the aim of producing both regular income and capital growth. These appointed investment managers have delegated responsibility to manage the investment portfolio in order to maximise returns. The investment portfolios held by the Charity are monitored on a monthly basis by the Finance and Resources Committee.

These investments are all quoted on the stock exchange. As a result, they are, inevitably, subject to fluctuations in the markets. They are also designed to grow over a number of years and, therefore, when viewing the performance of such a portfolio, it is important that the figures are reviewed over a number of years and not to make judgements on their performance over a single year.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

During the year ending 31st March 2021, there was a reversal of the valuation nadir experienced in March 2020, as the Covid pandemic made its presence felt in the world's financial markets. During 2021/22, volatility remained with the Covid pandemic, global energy crisis and the conflict in Ukraine all having various effects on the values of equities. By late 2021, the total valuation of our investments peaked but then began to deteriorate into the early months of 2022. At one point, they threatened to show negative growth for the financial year before a late rally, in the second half of March, ensured a positive result.

Principal Funding Sources

Our primary funding sources remain as supporter donations, legacy bequests, income from our charity retail shops, other fundraising activities including a prize lottery scheme as well as our NHS support grant. The total of our Incoming Resources for the year amounted to £4,793,811.

Reserves Policy

A 'Summary of Funds' is shown in Note 26 to the accounts.

At the year-end, our total reserves amounted to £12,909,824 of which £98,749 was held in restricted funds.

The reserves that the Hospice has accumulated over the years enables the Charity to plan for the future with confidence and security. The Trustees continue to ensure that our reserves are invested prudently and wisely with the intention of providing the local community with the best possible services for the foreseeable future. However, we recognise that maintaining our efforts to sustain and grow our income is crucial. This will allow us to introduce new services and to expand and sustain existing ones.

The Trustees reserves policy remains unchanged from that stated in previous years. This requires general funds to be maintained at a level that will ensure the Charity's services can continue during a period of unforeseen difficulty, such as a significant downturn in our income levels. This year's accounts show a surplus of £513,306, after taking into account investment gains of £191,238. 2020/21 produced a surplus of £1,877,000 but with investment gains of around £1.02m. Legacy income came to £512,068 with 2020/21 at £316,709. As a result of the unpredictability of some of our income streams, we have budgeted for a deficit in the financial year 2022/23.

Included in the total reserves is a designated fund of £4,417,752, of which £2,417,752 represents the book value of our fixed assets. As in previous years, the Trustees considered the level of general funds at the end of the financial year and have agreed to continue with the designation of funds to some of our priorities. These priorities are aligned with the organisational strategy and the future development of the Charity's services.

Four years ago, the Trustees made the decision to designate £2million of its reserves towards service lines, staff training and staff development as well as the potential to develop the former Reedley Hall site. This decision took into consideration the challenges that could arise in managing budget deficits and in coping with the possible increases in the demand for our services including the complex needs of people requiring access to the Hospice's services.

At the start of 2022/23, having taken into account the amount of designated funds, the Charity has the sum of £7,808,226 remaining in our general funds. Based on a medium term financial forecast completed in 2019, the Trustees consider that the size of these funds is justified. It is felt that this sum is sufficient to ensure business sustainability of the Hospice for several years. With the effects of the pandemic and other global circumstances, for example, the rate of inflation and conflict in Ukraine, either extremely fresh in the mind or continuing to have an impact, the reassurance that our reserves are sufficient enough to maintain our services allows peace of mind.

Structure, governance and management

The Charity is governed by a Trustee Board that takes overall responsibility for its work. They delegate day to day management to a Senior Management team including the Chief Executive, Finance and Business Manager, Head of Income Generation and Clinical Services Manager.

The Charity is constituted as a company limited by guarantee (No 02280991) and its Articles of Association provide that one third of Directors shall retire at each Annual General Meeting. The Company is registered as a Charity (No. 700993) with the Charity Commission and operates from its own purpose built hospice known as Pendleside in Colne Road, Reedley, Burnley. The Executive Committee appoints the Chairman from time to time.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

New Trustees are sought from time to time, usually to fill a perceived gap in the skill mix of the current Board. This is done either by a direct approach to potential Trustees by an existing Trustee, or by advertising a vacancy on the Hospice website, via social media or in the local press. It is usual for the prospective Trustee to attend various Hospice committee meetings and patient facing episodes for a period of about six months to ensure that both parties are happy before the appointment is confirmed. Three new Trustees were recruited in the last year they have a background in legal matters, finance and business management. They add experience and resilience to our existing board.

The board normally meets quarterly and has delegated authority to four sub committees on specific matters. These are clinical governance, finance and resources, income generation and people (employees and volunteers). Each committee has formal terms of reference, meet regularly and report to the Board at its quarterly meeting. Following Covid whilst some of these meetings have been reinstated to face to face, some are hybrid and some continue virtually. Each Trustee takes an active role (along with relevant senior employees) in one or more of these sub committees.

New Trustees undergo training on their legal obligations under Charity and Company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the Charity. They also meet key employees, service users and other Trustees. Trustees are encouraged to attend appropriate training events and relevant external meetings where these will facilitate the undertaking of their role.

The charity has an average of 145 employees working across the organisation, which equates to 100 whole time equivalent (WTE). In addition, four staff work under a practising privileges agreement and the Hospice has a Bank of Registered Nurses and Auxiliary Nurses.

A Remuneration Committee, consisting of nominated Trustees and the Senior Management Team, determines the pay and remuneration of key management personnel. The Committee has regard to rate of inflation, general salary levels, public sector pay scales as well as information from other Hospices in setting levels of remuneration.

The Board as a whole and each Director as a Trustee are collectively responsible for the wellbeing of the Charity within a framework of prudent and effective controls, which enable risk to be assessed and managed. They have also to ensure that the aims and objectives of the Charity are maintained and to understand its obligations to all stakeholders, the local community and statutory services that help to finance its operations.

The Trustees continue to assess and log clinical and business risks and implement systems to mitigate them. Risks are mitigated by the implementation of procedures for the authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the Charity. The Trustees have delegated responsibility for the management and implementation of such procedures to the operational management of the Charity, including a duty to identify and evaluate risks and report failings and corrective action arising.

Risks are reviewed in a number of different ways. All aspects of the Charity's service provision are governed by policies and procedures that are required to comply with the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014, under the regulation and inspection of the Care Quality Commission. All of these are reviewed internally at least every three years, some annually or more often if there are changes to legislation or best practice guidance. Action is identified to correct or improve practice (thereby mitigating risk) as appropriate under the direction of the Charity's Quality Assurance Group. Other risk items may be identified for corrective action at regulatory inspection.

Particularly important, in the last year, has been the continually updated government guidance regarding Covid and management of the pandemic in regards to both the delivery of patient care and that of the business, including supporting of staff and minimising the risk associated. The Hospice has continued to review its procedures developed in the previous year, which has been effective in identifying new and up to date guidance, managing the situation, identifying risk and mitigating any risk identified. This has included regular audits to ensure updated procedures introduced have been implemented effectively.

The Hospice has a dedicated policy for the Reporting and Management of Adverse Events including serious incidents. All such incidents (clinical and non-clinical) are recorded and reported to an appropriate subcommittee of Trustees and senior and operational managers. A summary report of all adverse incidents is made to the Board quarterly. The operational management of the Charity is responsible for identifying and implementing corrective action arising from adverse incidents as appropriate.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

The Charity is proactive in assessing specific risks under the terms of its risk management policy and procedure. Many of these relate to general health and safety and the safety of our service users but others are of a specifically financial nature for which the Trustees commission the services of external auditors. Examples include the audit of the Charity's internal financial controls, payroll processing and lottery.

The Hospice is registered with the Fundraising Regulator and an objective of the charity is to comply with the voluntary regulation scheme and the Code of Fundraising Practice. Compliance is monitored by the Income Generation Subcommittee and action is agreed, identified and monitored to maintain and improve fundraising standards; this includes ensuring practices protect people and others from unreasonable intrusion on a person's privacy and unreasonably persistent approaches or undue pressure to give in the course of fundraising for the Hospice.

No complaints were received regarding fundraising practice in the twelve-month reporting period.

The liability of each member by way of their guarantee to the Company is to contribute a sum not exceeding one pound to the assets of the Company if so required on the winding up of the Company.

Funds held as custodian trustee

There are no funds held as custodian.

Plans for future periods

The Charity's primary objective is to continue to provide appropriate specialist palliative and end of life care to the local community. Providing the highest quality service possible, which is easily accessible by all who need the support. Within financial and other constraints, the Charity will continue to review services as the need arises; aiming to enhance existing services where required and provide additional services as and when appropriate.

In the period of reporting, the Hospice was in the first year of new four year organisational strategy. This details the mission, vision, values and key priorities. Each year a business plan will be developed to ensure full implementation of the strategy, with regular evaluation to ensure that priorities are being met.

In addition to this clinical recovery and restoration plans, fundraising and retail strategies produced in the previous year due to the pandemic, have continued to be implemented throughout this financial year.

Plans are in place for continuous service development in the future including: -

- Continued development of hospice at home single point of access
- Development of the hospice at home night sitting service
- Development of services for patient with a non-cancer diagnosis including frailty and dementia; particularly within the Health, Wellbeing and Rehabilitation service
- Reaching out to patients and their families and carers from underrepresented groups, e.g. ongoing work with the homeless
- Development of the medical structure including appointment of a Medical Director
- Continuing to work collaboratively with the NHS, other charities, regulated care sector and social care providers to enhance care for patients with advancing long term and life limiting illnesses
- Developing education and training in palliative and end of life care

The includes monitoring where there is unmet need across all of our services and to evaluate and plan for how the Hospice might meet this unmet need in the future, especially as the demand on our services is expected to increase.

In order to achieve the above, the Hospice continues to work towards strengthening its links with health and social care commissioners, colleagues both internal and external to the hospice and the local community of supporters, businesses and beneficiaries.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

With the prediction of a deficit budget over the forthcoming year, very limited increase (below that of inflation) in NHS funding expected, the ongoing effect of the pandemic over the last two years and the ongoing cost of living crisis, the importance of developing new and innovative ways of income generation is realised, despite the Hospice having reserves to maintain services should the need arise.

The Hospice has reinstated its scoping for the development of the Reedley Hall site, adjacent to the main Hospice building, and continues to scope possibilities of income generation and its ability to cope with the predicted increase in demand for its services in the future.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Statement of trustees' responsibilities

The trustees, who are also the directors of Pendleside Hospice for the purpose of company law, are responsible for preparing the Trustees' 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 Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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;
- 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; and
- 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 Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

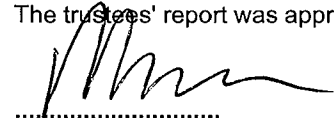
Auditor

The auditor, PM+M Solutions for Business LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



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David Brown

Trustee

Dated: *11 October 2022*

PENDLESIDE HOSPICE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF PENDLESIDE HOSPICE

Opinion

We have audited the financial statements of Pendleside Hospice (the 'Charity') for the year ended 31 March 2022 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the statement of cash flows 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 March 2022 and of its incoming resources and application of resources, 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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 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 annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report for the financial year for which the financial statements are prepared, which includes the directors' report prepared for the purposes of company law, is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

PENDLESIDE HOSPICE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF PENDLESIDE HOSPICE

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the Charity for the purpose 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 Charity'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

PENDLESIDE HOSPICE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF PENDLESIDE HOSPICE

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors' 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.



Ceri Dixon BSc ACA (Senior Statutory Auditor)
for and on behalf of PM+M Solutions for Business LLP

11 October 2022

.....

Chartered Accountants
Statutory Auditor

New Century House
Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

PENDLESIDE HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

		Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes						
<u>Income and endowments from:</u>							
Donations and legacies	3	1,376,703	-	1,376,703	1,182,643	-	1,182,643
Charitable activities	4	990,118	608,114	1,598,232	967,481	1,803,131	2,770,612
Other trading activities	5	1,509,756	-	1,509,756	988,214	-	988,214
Investment Income	6	183,594	-	183,594	164,151	-	164,151
Other income	7	30,005	-	30,005	94,661	-	94,661
Turnover of trading subsidiary		95,521	-	95,521	-	-	-
Total income		4,185,697	608,114	4,793,811	3,397,150	1,803,131	5,200,281
<u>Expenditure on:</u>							
Raising funds	9	864,858	-	864,858	652,276	-	652,276
Trading cost of subsidiary	11	72,934	-	72,934	-	-	-
Charitable activities	10	3,508,800	25,151	3,533,951	3,685,738	3,004	3,688,742
Total resources expended		4,446,592	25,151	4,471,743	4,338,014	3,004	4,341,018
Net gains/(losses) on investments		191,238	-	191,238	1,017,737	-	1,017,737
Net incoming resources before transfers		(69,657)	582,963	513,306	76,873	1,800,127	1,877,000
Gross transfers between funds		579,179	(579,179)	-	1,800,251	(1,800,251)	-
Net movement in funds		509,522	3,784	513,306	1,877,124	(124)	1,877,000
Fund balances at 1 April 2021		12,301,553	94,965	12,396,518	10,424,429	95,089	10,519,518
Fund balances at 31 March 2022		12,811,075	98,749	12,909,824	12,301,553	94,965	12,396,518

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

PENDLESIDE HOSPICE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
<u>Income and endowments from:</u>							
Donations and legacies	3	1,399,290	-	1,399,290	1,182,643	-	1,182,643
Charitable activities	4	990,118	608,114	1,598,232	967,481	1,803,131	2,770,612
Other trading activities	5	1,509,756	-	1,509,756	988,214	-	988,214
Investment Income	6	183,594	-	183,594	164,151	-	164,151
Other income	7	30,005	-	30,005	94,661	-	94,661
Total income		4,112,763	608,114	4,720,877	3,397,150	1,803,131	5,200,281
<u>Expenditure on:</u>							
Raising funds	9	864,858	-	864,858	652,276	-	652,276
Charitable activities	10	3,508,800	25,151	3,533,951	3,685,738	3,004	3,688,742
Total resources expended		4,373,658	25,151	4,398,809	4,338,014	3,004	4,341,018
Net gains/(losses) on investments		191,238	-	191,238	1,017,737	-	1,017,737
Net incoming resources before transfers		(69,657)	582,963	513,306	76,873	1,800,127	1,877,000
Gross transfers between funds		579,179	(579,179)	-	1,800,251	(1,800,251)	-
Net movement in funds		509,522	3,784	513,306	1,877,124	(124)	1,877,000
Fund balances at 1 April 2021		12,301,553	94,965	12,396,518	10,424,429	95,089	10,519,518
Fund balances at 31 March 2022		12,811,075	98,749	12,909,824	12,301,553	94,965	12,396,518

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

PENDLESIDE HOSPICE

GROUP SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	2022	All income funds	2021
	£		£
Gross income	4,793,811		5,200,281
Gains on investments	191,238		1,017,737
	<hr/>		<hr/>
Total income in the reporting period	4,985,049		6,218,018
	<hr/>		<hr/>
Total expenditure from income funds	4,471,743		4,341,018
	<hr/>		<hr/>
Net income for the year	513,306		1,877,000
	<hr/> <hr/>		<hr/> <hr/>

PENDLESIDE HOSPICE

CHARITY SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2022

	2022	All income funds	2021
	£		£
Gross income	4,720,877		5,200,281
Gains on investments	191,238		1,017,737
	<hr/>		<hr/>
Total income in the reporting period	4,912,115		6,218,018
	<hr/>		<hr/>
Total expenditure from income funds	4,398,809		4,341,018
	<hr/>		<hr/>
Net income for the year	513,306		1,877,000
	<hr/> <hr/>		<hr/> <hr/>

PENDLESIDE HOSPICE

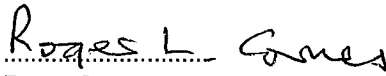
GROUP BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	16		2,417,752		2,483,400
Investments	17		10,094,808		9,559,775
			<u>12,512,560</u>		<u>12,043,175</u>
Current assets					
Stocks	19	2,500		2,500	
Debtors	20	516,892		357,164	
Cash at bank and in hand		218,239		352,951	
		<u>737,631</u>		<u>712,615</u>	
Creditors: amounts falling due within one year	21	<u>(340,307)</u>		<u>(359,272)</u>	
Net current assets			397,367		353,343
Total assets less current liabilities			<u>12,909,824</u>		<u>12,396,518</u>
Income funds					
Restricted funds	23		98,749		94,965
<u>Unrestricted funds - general</u>					
Designated funds	24	4,417,752		4,483,400	
General unrestricted funds		7,808,226		7,233,056	
Revaluation reserve		585,097		585,097	
		<u>12,811,075</u>		<u>12,301,553</u>	
			<u>12,909,824</u>		<u>12,396,518</u>

The financial statements were approved by the Trustees on 11 October 2022.


.....
David Brown
Trustee


.....
Roger Cornes
Trustee

Company registration number 02280991

PENDLESIDE HOSPICE

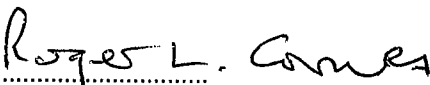
CHARITY BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	16		2,417,752		2,483,400
Investments	17		10,094,908		9,559,775
			<u>12,512,660</u>		<u>12,043,175</u>
Current assets					
Stocks	19	2,500		2,500	
Debtors	20	527,210		357,164	
Cash at bank and in hand		207,761		352,951	
		<u>737,471</u>		<u>712,615</u>	
Creditors: amounts falling due within one year	21	(340,307)		(359,272)	
Net current assets			397,164		353,343
Total assets less current liabilities			<u>12,909,824</u>		<u>12,396,518</u>
Income funds					
Restricted funds	23		98,749		94,965
<u>Unrestricted funds - general</u>					
Designated funds	24	4,417,752		4,483,400	
General unrestricted funds		7,808,226		7,233,056	
Revaluation reserve		585,097		585,097	
			<u>12,811,075</u>		<u>12,301,553</u>
			<u>12,909,824</u>		<u>12,396,518</u>

The financial statements were approved by the Trustees on 11 October 2022


David Brown
Trustee


Roger Comes
Trustee

Company registration number 02280991

PENDLESIDE HOSPICE

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Notes	2022		2021	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	32		1,019,667		805,272
Investing activities					
Purchase of tangible fixed assets		(45,896)		(91,081)	
Purchase of investments		(4,401,520)		(3,932,094)	
Proceeds on disposal of investments		3,109,443		2,906,161	
Investment income		183,594		164,151	
Net cash used in investing activities			(1,154,379)		(952,863)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(134,712)		(147,591)
Cash and cash equivalents at beginning of year			352,951		500,542
Cash and cash equivalents at end of year			218,239		352,951

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

Charity information

Pendleside Hospice is a private company limited by guarantee incorporated in England and Wales. The registered office is Pendleside Hospice, Colne Road, Reedley, Burnley, Lancashire, BB10 2LW.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charities Commission, the Companies Act 2006 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.2 Basis of consolidation

The consolidated accounts of the Group include the financial statements of the charity and its subsidiary undertaking for the year ended 31 March 2022.

1.3 Investments

Investments are stated at cost less provision for impairment.

1.4 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes.

1.5 Incoming resources

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.6 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the company and compliances with constitutional and statutory requirements.

Cost of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% straight line
Fixtures and fittings	20% straight line
Computers	25% straight line
Motor vehicles	25% straight line

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.8 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.11 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

1 Accounting policies

(Continued)

1.15 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities incorporating income and expenditure account over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities incorporating income and expenditure account as the related expenditure is incurred.

1.16 Deferred incoming resources

Lottery income is deferred on the basis of the period to which subscriptions relate.

2 Critical accounting estimates and judgements

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 main area of judgement that has a risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in relation to the useful economic lives of the charity's fixed assets.

3 Company donations and legacies

	Unrestricted funds	Restricted funds	Total 2022	Total 2021
	£	£	£	£
Donations	887,222	-	887,222	865,934
Legacies receivable	512,068	-	512,068	316,709
	<u>1,399,290</u>	<u>-</u>	<u>1,399,290</u>	<u>1,182,643</u>
For the year ended 31 March 2021	<u>1,182,643</u>	<u>-</u>	<u>-</u>	<u>1,182,643</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

4 Charitable activities

	2022 £	2021 £
Operation of Hospice	1,598,232	2,770,612
<u>Analysis by fund</u>		
Unrestricted funds - general	990,118	967,481
Restricted funds	608,114	1,803,131
	<u>1,598,232</u>	<u>2,770,612</u>

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Fundraising events	399,248	-	399,248	364,395
Charity shop sales	667,444	-	667,444	209,209
Hospice lottery	409,751	-	409,751	412,548
Other fundraising activities	33,313	-	33,313	2,062
	<u>1,509,756</u>	<u>-</u>	<u>1,509,756</u>	<u>988,214</u>
Fundraising income				
	<u>1,509,756</u>	<u>-</u>	<u>1,509,756</u>	<u>988,214</u>
For the year ended 31 March 2021	<u>988,214</u>	<u>-</u>	<u>-</u>	<u>988,214</u>

6 Investment Income

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Rental income	29,192	-	29,192	29,350
Income from listed investments	134,749	-	134,749	99,495
Interest receivable	19,653	-	19,653	35,306
	<u>183,594</u>	<u>-</u>	<u>183,594</u>	<u>164,151</u>
For the year ended 31 March 2021	<u>164,151</u>	<u>-</u>	<u>-</u>	<u>164,151</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

7 Other income

	Unrestricted funds general 2022 £	Unrestricted funds general 2021 £
Meals on wheels	(50)	19,661
Insurance monies received	<u>30,055</u>	<u>75,000</u>
	<u><u>30,005</u></u>	<u><u>94,661</u></u>

In the year the 'Meals on wheels' has been transferred to Pendleside Trading Limited, the trading subsidiary of Pendleside Hospice.

8 Gift Aid payment by trading subsidiary

Pendleside Trading Ltd is wholly owned by the Charity. The Company has agreed to pay over its taxable profits for the year. A summary of the company's results for the year ended 31 March 2021 is:

	2022 £	2021 £
Turnover	95,521	-
Operating costs	(63,409)	-
Trading profit	<u>32,112</u>	-
Gift Aid payment to charity	<u>32,112</u>	-

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

9 Raising funds

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Costs of raising funds				
Christmas cards and merchandising products	9,173	-	9,173	8,695
Publicity and brochures	51,413	-	51,413	26,523
Events expenditure	81,913	-	81,913	22,329
Bank charges	13,400	-	13,400	7,013
Telephone costs	3,786	-	3,786	805
Insurance costs	983	-	983	772
Voluntary income staff costs	149,210	-	149,210	126,963
	<u>309,878</u>	<u>-</u>	<u>309,878</u>	<u>193,100</u>
Fundraising trading costs				
Prize money and commission	75,225	-	75,225	73,540
General expenses	9,723	-	9,723	8,396
Light, heat and water costs	42,524	-	42,524	27,860
Repairs and maintenance	13,129	-	13,129	21,797
Incidental expenses	19,632	-	19,632	14,714
Operating lease rentals	106,382	-	106,382	84,416
Motor and travel costs	3,861	-	3,861	3,379
Staff costs	267,044	-	267,044	213,810
Depreciation and impairment	17,460	-	17,460	11,264
	<u>554,980</u>	<u>-</u>	<u>554,980</u>	<u>459,176</u>
Fundraising trading costs	<u>864,858</u>	<u>-</u>	<u>864,858</u>	<u>652,276</u>
For the year ended 31 March 2021				
Costs of raising funds	193,100	-	-	193,100
Fundraising trading costs	459,176	-	-	459,176
	<u>652,276</u>	<u>-</u>	<u>-</u>	<u>652,276</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

10 Charitable activities

	2022	2021
	£	£
Staff costs	2,889,609	3,090,843
Depreciation and impairment	94,081	92,786
Water	13,229	10,634
Gas and electricity	45,456	45,173
Repairs and maintenance	92,142	130,257
Recruitment	12,856	10,254
Travel expenses	28,085	19,151
Training	18,846	1,892
Healthcare	28,440	24,158
Uniforms	5,808	3,562
Telephone costs	3,787	7,247
Insurance	18,666	14,658
Medical supplies and bought in services	88,997	64,697
Cleaning costs	19,335	18,812
Office costs, stationery, postage and IT	37,239	37,025
Registration fees and subs	6,461	11,128
Incidental expenses	6,759	1,293
Irrecoverable VAT	15,433	18,670
Catering costs	52,805	49,869
Patient transport costs	13,211	9,256
Bank charges	13,401	7,016
	<u>3,504,646</u>	<u>3,668,381</u>
Share of governance costs (see note 12)	29,305	20,361
	<u>3,533,951</u>	<u>3,688,742</u>
Analysis by fund		
Unrestricted funds - general	3,508,800	3,685,738
Restricted funds	25,151	3,004
	<u>3,533,951</u>	<u>3,688,742</u>

11 Trade of subsidiary

In the year to 31 March 2022 the operating costs of the trading subsidiary amounting to £63,409 (2021: £nil) comprised wholly of unrestricted expenditure.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

12 Support costs

	Support costs £	Governance costs £	2022 £	2021 £
Audit fees	-	8,000	8,000	5,400
Accountancy	-	4,500	4,500	3,300
Legal and professional	-	16,805	16,805	11,661
	-	29,305	29,305	20,361
Analysed between Charitable activities	-	29,305	29,305	20,361

13 Net movement in funds

	2022 £	2021 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	8,000	5,400
Fees payable to the company's auditor for other services provided	4,500	3,300
Depreciation of owned tangible fixed assets	111,541	104,050

14 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

The total donations received from the trustees in the year was £2,418 (2021: £10,379).

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

15 Employees

Number of employees

The average monthly number of employees during the year was:

	Group 2022 Number	2021 Number	Charity 2022 Number	2021 Number
Nursing staff - inpatient	24	24	24	24
Nursing staff - day therapy	8	6	8	6
Nursing staff - hospice at home	20	20	20	24
Nursing staff - spiritual care and medical offers	4	4	4	2
Administration staff and general managers	32	32	30	28
Ancillary	12	12	12	12
	<u>100</u>	<u>96</u>	<u>98</u>	<u>96</u>
Employment costs	2022	2021	2022	2021
	£	£	£	£
Wages and salaries	2,883,918	3,005,443	2,862,762	3,005,443
Social security costs	252,789	235,954	250,885	235,954
Other pension costs	192,762	190,219	192,131	190,219
	<u>3,329,469</u>	<u>3,431,616</u>	<u>3,305,778</u>	<u>3,431,616</u>

The total remuneration earned by key management personnel during the year was £313,772 (2021 - £230,991).

The number of charity employees whose annual remuneration was £60,000 or more were:

	2022 Number	2021 Number
£70,001 - £80,000	1	1
£90,001 - £100,000	1	-
	<u>1</u>	<u>1</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

16 Tangible fixed assets

Group	Freehold buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2021	3,041,040	462,987	100,736	155,117	3,759,880
Additions	-	24,146	21,750	-	45,896
At 31 March 2022	3,041,040	487,133	122,486	155,117	3,805,776
Depreciation and impairment					
At 1 April 2021	700,235	394,376	75,209	106,663	1,276,483
Depreciation charged in the year	54,921	25,286	13,873	17,461	111,541
At 31 March 2022	755,156	419,662	89,082	124,124	1,388,024
Carrying amount					
At 31 March 2022	2,285,884	67,471	33,404	30,993	2,417,752
At 31 March 2021	2,340,808	68,612	25,527	48,453	2,483,400

Land and buildings with a carrying amount of £1,034,903 were revalued at 31 August 2018 by independent valuers not connected with the Charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

At 31 March 2022, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £920,877 (2021 - £949,358).

Included in land and buildings is freehold land at valuation of £664,476 (2021 - £664,476) which is not depreciated.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

Tangible fixed assets continued Charity

	Freehold buildings £	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost or valuation					
At 1 April 2021	3,041,040	462,987	100,736	155,117	3,759,880
Additions	-	24,146	21,750	-	45,896
At 31 March 2022	3,041,040	487,133	122,486	155,117	3,805,776
Depreciation and impairment					
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Included in land and buildings is freehold land at valuation of £664,476 (2021 - £664,476) which is not depreciated.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

17 Fixed asset investments

	Listed securities	Other investments	Group Total	Listed securities	Other investments	Charity Total
	£	£	£	£	£	£
Cost or valuation						
At 1 April 2021	5,890,459	3,669,316	9,559,775	5,890,459	3,669,316	9,559,775
Additions	3,266,437	1,135,183	4,401,620	3,266,437	1,135,183	4,401,620
Valuation changes	(757,047)	-	(757,047)	(757,047)	-	(757,047)
Disposals	(1,194,767)	(1,914,773)	(3,109,540)	(1,194,767)	(1,914,773)	(3,109,540)
At 31 March 2022	<u>7,205,082</u>	<u>2,889,726</u>	<u>10,094,808</u>	<u>7,205,082</u>	<u>2,889,726</u>	<u>10,094,808</u>
Carrying amount						
At 31 March 2022	<u>7,205,082</u>	<u>2,889,726</u>	<u>10,094,808</u>	<u>7,205,082</u>	<u>2,889,726</u>	<u>10,094,808</u>
At 31 March 2021	<u>5,890,459</u>	<u>3,669,316</u>	<u>9,559,775</u>	<u>5,890,459</u>	<u>3,669,316</u>	<u>9,559,775</u>

	2022	2021
	£	£
Other Investments:		
Marsden Building Society	601,054	595,588
Julian Hodge	-	794,209
Close Brothers	578,893	572,898
Handelsbanken	1,709,779	1,706,621
	<u>2,889,726</u>	<u>3,669,316</u>

	Group	Charity
	2022	2021
	£	£
Other investments comprise:		
Investments in subsidiaries	-	100
	<u>-</u>	<u>100</u>

All the listed investments are quoted on the UK Stock Exchange. Other fixed asset investments are Bank and Building Society balances.

The charity holds the whole of the issued share capital of Pendleside Trading Limited (company number: 13019012), a company registered in England and Wales. Its principal activity is that of a food retail service.

18 Financial instruments

	Group	Charity
	2022	2021
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	<u>7,205,082</u>	<u>5,890,459</u>
	<u>7,205,082</u>	<u>5,890,459</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

19 Stocks	Group 2022 £	2021 £	Charity 2022 £	2021 £
Finished goods and goods for resale	2,500	2,500	2,500	2,500

Stock recognised in cost of sales as an expense was £9,173 (2021: £8,695). There was no provision for slow moving and obsolete stocks.

20 Debtors	Group 2022 £	2021 £	Charity 2022 £	2021 £
Amounts falling due within one year:				
Trade debtors	36,670	73,624	27,890	73,624
Amount owed by parent undertaking	-	-	20,157	-
Other debtors	315,345	226,026	315,345	226,026
Prepayments and accrued income	164,877	57,514	163,818	57,514
	<u>516,892</u>	<u>357,164</u>	<u>527,210</u>	<u>357,164</u>

21 Creditors: amounts falling due within one year	Group 2022 £	2021 £	Charity 2022 £	2021 £
Trade creditors	28,217	50,345	28,217	50,345
Other creditors	109,095	79,658	109,095	79,658
Accruals and deferred income	203,055	229,269	202,995	229,269
	<u>340,367</u>	<u>359,272</u>	<u>340,307</u>	<u>359,272</u>

	Group	Charity
Deferred Income		
Deferred income at 1 April 2021	81,810	81,810
Movement in the year	15,260	15,260
Deferred income at 31 March 2022	<u>97,070</u>	<u>97,070</u>

The deferred income balance of £97,070 as at 31 March 2022, includes £74,263 which relates to the lottery fund and £22,807 which relates to customer sponsorship/events.

22 Retirement benefit schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £192,762 (2021: £190,219).

PENDLESIDE HOSPICE
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

23 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 April 2020 £	Movement in funds		Balance at 1 April 2021 £	Transfers £	Movement in funds		Balance at 31 March 2022 £
		Income £	Expenditure £			Income £	Expenditure £	
Restricted funds	95,089	1,803,131	(3,004)	94,965	(1,800,251)	608,114	(25,151)	98,749

The transfer from restricted funds to unrestricted funds relates to a number of grants received in the year of restricted nature, whereby the relating expenditure can not be accurately split from the charitable expenditure in the year.

These transfers (or grants) were made up of the following:

£484,897 - NHS England funding relating to additional patient beds throughout the year.

£62,079 - CCG funding relating to additional patient beds throughout the year.

£32,203 - Covid relating government funding to aid with costs relating to wages and the charity shops.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

24 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2021 £	Expenditure	Balance at 31 March 2022 £
Designated funds	<u>4,483,400</u>	<u>(65,648)</u>	<u>4,417,752</u>

25 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Fund balances at 31 March 2022 are represented by:			
Tangible assets	2,339,003	78,749	2,417,752
Investments	10,094,908	-	10,094,908
Current assets/(liabilities)	377,164	20,000	397,164
	<u>12,811,075</u>	<u>98,749</u>	<u>12,909,824</u>
Fund balances at 31 March 2021 are represented by:			
Tangible assets	2,408,435	74,965	2,483,400
Investments	9,559,775	-	9,559,775
Current assets/(liabilities)	333,343	20,000	353,343
	<u>12,301,553</u>	<u>94,965</u>	<u>12,396,518</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

26 Summary of Group Funds

	Balance at 1 April 2021	Income	Movement in funds		Revaluations, gains and losses	Balance at 31 March 2022
			Expenditure	Transfers		
	£	£	£	£	£	£
Designated funds	4,483,400	-	(65,648)	-	-	4,417,752
General funds	7,818,153	4,185,697	(4,380,944)	579,179	191,238	8,393,323
Total unrestricted funds	12,301,553	4,185,697	(4,446,592)	579,179	191,238	12,811,075
Restricted funds	94,965	608,114	(25,151)	(579,179)	-	98,749
	12,396,518	4,793,811	(4,471,743)	-	191,238	12,909,824

At the year end, the restricted funds carried forward represent £20,000 (2021 - £20,000) relating to the Frank Houghton fund. The remaining funds reflect the net book value of fixed assets funded by grants.

Trustees have considered future challenges of managing a budget deficit, coping with the potential increase in demand for services and complexity of need of people accessing Hospice services, training and development needs of staff and development of the Reedley Hall site and has a designated £2million of its reserves, plus the value of the charities fixed assets, i.e. a total of £4,417,752 towards service lines, training and development of staff and development of the Reedley Hall Site.

27 Contingent Assets

At the year end, the Charity was aware of a number of legacy donations which had been made to the Charity. However the residual legacy donation in each case cannot be measured reliably leading to uncertainty over the total level of income which will be received. In these cases no income has been accrued at the year end.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2022

28 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2022 £	2021 £	Charity 2022 £	2021 £
Within one year	60,848	78,978	60,848	78,978
Between two and five years	204,917	202,373	204,917	202,373
In over five years	127,250	180,083	127,250	180,083
	<u>393,015</u>	<u>461,434</u>	<u>393,015</u>	<u>461,434</u>

29 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

30 Controlling party

The Charity is under the control of the trustees as noted in the trustees' report.

31 Analysis of changes in net funds

The Charity had no debt during the year.

32 Cash generated from group operations

	2022 £	2021 £
Surplus for the year	513,306	1,877,000
Adjustments for:		
Investment income recognised in statement of financial activities	(183,594)	(164,151)
Fair value gains and losses on investments	757,047	(944,444)
Depreciation and impairment of tangible fixed assets	111,541	104,052
Movements in working capital:		
(Increase)/decrease in debtors	(159,728)	865,461
(Decrease) in creditors	(18,905)	(932,644)
Cash generated from operations	<u>1,019,667</u>	<u>805,274</u>

PENDLESIDE HOSPICE

England & Wales - Charity number 700993

Accounts

Charity Registration No. 700993

Company Registration No. 02280991 (England and Wales)

PENDLESIDE HOSPICE
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

PM+M Solutions for Business LLP
Chartered Accountants
New Century House
Greenbank Technology Park
Blackburn
Lancashire
BB1 5QB

PENDLESIDE HOSPICE

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	David Brown Margaret Hynes Roger Cornes Francesca Chapman David Walker Giles Williams Angela Brown Matthew Davies Nicola Alden David Lawson
Chief executive officer	Helen McVey
Secretary	Roger Cornes
Charity number	700993
Company number	02280991
Registered office	Pendleside Hospice Colne Road Reedley Burnley Lancashire BB10 2LW
Auditor	PM+M Solutions for Business LLP New Century House Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB
Investment advisors	James Brearley & Sons 7 South Preston Office Village Cuerden Way Bamber Bridge Preston PR5 6BL Close Brothers Asset Management 5th Floor 80 Mosley Street St Peter's Square Manchester M2 3FX

PENDLESIDE HOSPICE

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PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021

The trustees present their report and financial statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Companies Act 2006 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016).

It has been a particularly challenging year for Pendleside Hospice due to the Covid 19 pandemic. Our services have had to adapt to meet the needs of the local community we serve. Our day services, outpatients and family support had to close and move to a virtual means of provision. We have had to increase our inpatient bed capacity and hospice at home service provision to support an increase in demand on these services.

Nevertheless, our services have continued to care for significant numbers of patients and families, and the holistic approach of looking after the many needs of each individual has ensured that we have continued to provide assistance when it has been most needed.

Provision of our service is all made possible and enhanced through the dedicated care and support provided by our clinical, ancillary, administrative, fundraising and retail employees and volunteers. The team have had to work flexibly, including working in areas of the service they have never worked in before, to support the services requirements brought about by the pandemic, We have also had to recruit and induct new staff to support the increase in demand on some of our services, particularly hospice at home and inpatients.

This team effort has never been more important than it has in the last year, we really couldn't have achieved what we have without everybody pulling together.

Chairman's Report

As detailed above it has certainly been unprecedented times in the period of reporting and in fact the history of the Hospice due to the impact of the pandemic. Despite this Pendleside Hospice stepped up to support our local community in their time of need and adapted and increased the support it provides to more local people, their families and carers living in our local community of Burnley and Pendle. It also had to make the difficult decision to suspend some of its services to ensure those most in need of the services could access services safely and responsively.

When the pandemic started, we very quickly reviewed how we operated our services and how we generated the necessary income to ensure service viability throughout the pandemic and into the future.

The changes we made, sadly, resulted in us having to, temporarily, close our day services and family support to face to face visits. However, we very quickly adapted our services to 'virtual' thus enabling our support to continue to those who needed it. At the same time this meant that we could quickly convert our day service department to a bedded unit, taking our total number of beds to 18 to support the pandemic, which we did in the height of the outbreak and then continuing to operate with an additional 5 beds until the end of the year. We also very quickly adjusted the way we worked in hospice at home in order to meet the increase in demand for our services brought about by the pandemic, particularly over the winter months.

Simultaneously, our income generation was significantly affected due to our major fund raising events having to be cancelled and the closure of our ten Hospice shops. Our fundraising team very quickly adapted and developed virtual means of fundraising and we started to develop our on line sales platforms.

Of course all of this this did not happen without its challenges and the goodwill of all our staff who really pulled together to help us meet the needs of our local community.

The plan for the forthcoming year is to build on what we learned from the last year dealing with the pandemic and to develop long-term sustainable plans for the future.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

We were pleased that, as lock down measures eased towards the end of the year, we have been able to plan for the reinstatement of face-to-face family support, outpatient and day services, the reopening of our charity shops and reestablishment of our major fundraising events.

Nevertheless, we have learnt a lot from our use of virtual technology, some of which has been extremely beneficial, and we plan to continue with a more hybrid way of working in the future to deliver our services and for fundraising.

Looking ahead, we have developed a new organisational strategy that sets out our priorities for the next four years. We continue to aim to develop our services further in order to meet the predicted increase in demand on them in the future, especially with people living longer with more complex life limiting conditions. We seek to help more people to receive end of life care in their preferred setting, work in partnership with other services and reaching out into the community by providing a 7-day service provision not only in the Hospice but also across all community services. We aim to ensure that our facilities are kept fit for purpose and to further develop our organisation, recognising that our employees and volunteers are key to meeting the needs of our local community.

All of the above emphasises how important the support from our local community is and how we would not be able to continue to operate as we do without this support. We have been more fortunate than ever to have this support over the last year, and we very much value the contribution that our local community make both now and to the future of Pendleside.

Objectives and activities

The objectives of the charity are to promote the relief of sickness by providing or aiding in the provision of medical, social and spiritual treatment and attention for persons who are suffering from any chronic or terminal illness.

Activities

The main activities undertaken are:

- Inpatients
- Outpatients
- Health Wellbeing and Rehabilitation Services (formerly Day Services)
- Hospice at Home and community services
- Family Support Service (including pre and post bereavement support and spiritual care)

Pendleside has reviewed it's strategy in the last year which sets out the vision, mission, values and aims for the next four years:

Mission:

Pendleside exists to enhance the quality of life for people living in our community with advancing long term and life limiting illnesses, through to end of life and in bereavement

Vision:

Every adult with advancing long term and life limiting illnesses and those most important to them within our community will receive timely and equitable access to high quality services, delivered by appropriately trained staff and volunteers.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Our values underpin everything that we do:

- 1 Care:
We ensure a professional standard of high quality care provision delivered with kindness, dignity and respect.
- 2 Compassion:
We ensure that a compassionate and a non-judgemental approach remains central to the delivery of our services.
- 3 Support:
We ensure that people are listened to, their contribution valued and that necessary support is provided according to each individual need.

Our overall aims:

Proud to be pendleside:

Our people identify Pendleside as a good place to work/volunteer and we are the health care organisation of choice to work/volunteer for.

Community collaboration:

To build a compassionate community involving, influencing and working in partnership with all stakeholders to enhance palliative and end of life care.

Care delivery:

To reach out to as many people as possible who need our care.

Governance:

The Hospice meets its regulatory requirements and manages risk effectively.

Sustainability:

Services are sustainable in the changing external environment.

Our care is free of charge to those we serve.

The policy of the Trustees is to generate sufficient Incoming Resources as to (a) provide adequate income to cover the anticipated increase in operating costs of the charity and (b) build sufficient reserves as to cover future growth and capital investment. In addition, the Trustees need to be very aware of and allow for possible variations in funding streams from major donors such as the NHS Clinical Commissioning Groups.

Income from NHS East Lancashire Clinical Commissioning Group (CCG), upon which the Hospice remains heavily dependent, was more important than ever in the last year. The CCG funded the additional inpatient bed and hospice at home capacity. Whilst this was positive, it was specific NHS non-recurrent Covid funding and the Hospice has reverted back to its 22% NHS grant funding at the end of the year, with no uplift expected to date. This is despite the impact of the pandemic on our services remaining, which has necessitated the continued increase in hospice at home capacity. It also does not reflect the overall increase in costs the Hospice is experiencing during this time, particularly in relation to the national living wage, the likely increase in national insurance contributions, rise in NHS pay, which all impact on medical and nursing salaries at the Hospice, and general cost increases due to inflation.

Income from Pendleside's hard working supporters, remained excellent with a slight increase in general donations. However there were some reductions in community fundraising as supporters were unable to organise their own events and Pendleside's own major events had to be cancelled due to restrictions. Whilst some reductions were realised, the impact of the pandemic on income generation was not as severe as initially predicted. It is recognised however, that the pandemic is by no means over and consequently recognised as important that we don't just look at the last year in isolation, our prediction being that the pandemic will likely continue to impact on income generation over the forthcoming year and beyond.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

The core events such as Pendle Pub Walk (organised by Burnley and Pendleside Rotary Club) Sunflower Memory Appeal, Light up a Life and Corporate Challenge continued to be well supported and generate either a similar or increased income to the previous year. Introduction of new event. Two of our core events, the Pendle Pub Walk (organised by Burnley and Pendleside Rotary Club) and our Corporate Challenge, had to be cancelled, which led to a significant reduction in our income generation. Fortunately, we were able to move our annual Sunflower Memory Appeal and Light up a Life to virtual and they continued to be well supported, generating slightly increased income compared to the previous year. Introduction of new virtual events, although initially successful, did not generate the amount of income that our face to face fundraising events normally would. This continues to highlight the need to innovate and develop new events that will continue to encourage the support of our local community.

Our retail operation was severely affected over the last year with ongoing closures and, when they were open, significantly reduced footfall, resulting in considerably reduced income. We recognise that the building back to pre Covid levels will be slow as the high street battles to recover from the impact of the pandemic. We have taken a full review of our retail operation and have in place a plan for recovery. One of the positives of the pandemic has been the move to on line sales and we have taken the advantage of this to develop our on line sales platforms and open a donation and distribution centre. This having the added benefit of making it easier for our supporters to donate to our shops.

Net lottery income remained buoyant with this being on target with that budgeted for and even slightly up compared to the previous year (+0.5%). This was despite Pendleside having to suspend its lottery canvassing company, due to the pandemic, and the regular attrition rate from some members leaving the scheme. Overall, membership remaining relatively static with almost 8,000 people regularly playing the lottery.

Besides all of the above, our community support remains excellent with many individuals, groups and businesses across Burnley and Pendle undertaking their own fundraising initiatives to raise money.

The Board expresses its appreciation for this outstanding level of public support, without which the Charity would not be able to continue its operations.

The objectives for 2020/21 were, as per previous years, to maintain all existing services, whilst developing and enhancing them, wherever possible, within financial and other resource constraints. However, this very quickly changed as the impact of the pandemic hit and we had to quickly adapt our services to meet the needs of our local community.

All service developments and enhancements brought about by the pandemic were driven by the Charity's understanding of its community and service users' needs, along with national and local guidance and, where appropriate, these were implemented in partnership with the statutory services and other independent organisations.

Volunteers

The Trustees recognise the huge amount of work put in by its volunteers to support and compliment the work of the Charity's employees. Pendleside Hospice simply could not function without its volunteers, and never has this been more apparent than in the last year. Pre Covid there were over 200 volunteers working in the Hospice's ten charity shops, over 160 volunteers helping in other areas across the Hospice including reception, administration, fundraising, patient care, counselling, lottery collection, driving, gardening, and as trustees, and over 260 members of Friends of Pendleside, which support the Hospice with adhoc events throughout the year. With many of these volunteers in the clinically vulnerable category during the pandemic it meant that our volunteer workforce was significantly reduced. Nonetheless, those who could continued to support the Hospice did so and we took the opportunity to recruit new volunteers who approached us to help. The pandemic really highlighted how essential volunteers are and, as such, we have now recruited a volunteer coordinator to help in developing our volunteer workforce and engagement going forward.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

The financial statements exclude the value of voluntary help, as this has been difficult to quantify in the last year due to the various fluctuations brought about by lockdown and people needing to shield. As measures ease and more volunteers return we will once again aim to quantify the value of the volunteer contribution.

Public Benefit Statement

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when setting the Charity's aims and objectives and in planning future activities and setting policy for the year.

The Charity's objective continues to be to promote and provide specialist palliative care of the highest quality for the people of Burnley and Pendle with advancing long term and life limiting illnesses and to do so in partnership with statutory services and other independent organisations. Its aim is to promote the quality of life for each individual accessing its services and that of their families, friends and carers. Care is provided free of charge to all people of seventeen years and over. Inpatient care is also provided for patients from the Rossendale area.

Achievements and performance

Summary of main achievements

As already detailed, throughout 2020/21 our main achievement was to adapt our services and to respond to the needs of our community during the pandemic. In particular, the Hospice managed the increase in the complexity of needs of patients and their families, especially those with Covid, including meeting the increased demand on our hospice at home and inpatient services.

Whilst there were many achievements throughout the year, a particular success was working collaboratively with the NHS to support their Covid response, by increasing Hospice services where they were needed the most. The increase in the hospice at home service provision meant that 56% of all people who died at home in the last year across Burnley and Pendle were cared for by our hospice at home service. Similarly the increase in bed capacity meant that a third more patients received end of life care on the inpatient unit than the previous year

At the same time as dealing with the challenges of the pandemic, the opportunity arose to develop our hospice at home service, with the support of the local NHS East Lancashire Clinical Commissioning group. This was to implement a single point of access for night sits for people in the community with palliative and end of life care needs. Besides coordinating our own service, we now also coordinate Marie Curie and domiciliary care agency night sits. This has helped to enhance care delivery at end of life and promote the longer term sustainability of our hospice at home service

Another particular success was the conversion of our face-to-face day service and family support service provision to virtual. Besides ensuring continuity of care for our patients and their family members and carers during the pandemic, the benefits of using virtual support in the future have been highlighted and we intend to continue with this in some areas, but particularly so in family support, where we plan to continue with a hybrid version of face to face and virtual support in the future.

A new service, meals on wheels was piloted during the pandemic and proved very successful. The meals on wheels service was set up to provide a fresh hot meal to people in the community who are vulnerable and unable to prepare a meal for themselves. Fresh meals are prepared in our kitchen and delivered by a team of volunteers 365 days a year. Besides providing a quality service for those who require support the service provides a means of income generation for the Hospice.

We are delighted to be short listed for two prestigious Lancashire Business Awards, the BIBAS and the Red Rose awards, for work undertaken during the pandemic to meet the needs of our local community.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Overall, 1267 service users, 852 patients and 415 family members were supported throughout 2020/21 compared to 1970 the previous year, included are 494 new patients and 358 patients carried forward from the previous year and 252 new family members/carers and 163 family members/carers carried forward from the previous year. Overall, there was a decrease in the number of people cared for, largely due to cessation of some of our services and the delivery of virtual services, which, although successful, was not suitable for all and, most definitely, was not able to fully replace some of our face to face services e.g. complementary therapy service.

The breakdown of service delivery is detailed below:

Inpatients cared for 193 patients, 17% more patients than it did the previous year and a third more people receiving end of life care on the inpatient unit. The complexity of patient care, clinical treatment and dependency of patients continued to increase particularly with preventative Covid measures and the care of Covid patients

Day services cared for 49 patients, a fifth of what they had the previous year due to the service closure. Nevertheless, it was positive that we were able to maintain services for the 49 patients virtually who needed our support, their families and carers.

The number of patients accessing outpatient services also decreased significantly from 772 to 132 compared to the previous year, due to suspension of many outpatient services during the pandemic.

545 patients accessed hospice at home services, in the main through hospice at home and physiotherapy, as complementary therapy and palliative medicine consultations had to be suspended. This was an increase of 5% compared to the previous year, the number of hospice at home visits each patient received also increasing as people required extensive support. It has been a roller coaster for hospice at home with initial demand on our services low at the beginning of the pandemic and increasing from August onwards, with increased winter pressures in November, December and January.

Over recent years it was identified how the Hospice could further develop its service for patients with a non-cancer diagnosis. It is very positive to note that these developments were particularly important during the pandemic, with the Hospice reaching out to people with general frailty and other advancing long term and life limiting illnesses. Including the support of care homes at the height of the pandemic when they suffered extreme pressures.

415 people accessed the family support service, 37% less than the previous year. However, this reflects the cessation of the bereavement group, a move to virtual counselling and the cessation of complementary services for carers and those bereaved. The complexity of those requiring care increased, particularly due to the impact of the pandemic, and the isolation of bereavement brought about by its effect.

All the above achievements highlight the Hospice's ongoing effectiveness in helping to supporting people living in the local area with advancing long term and life limiting illness, their families and carers.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Financial review

Review of financial position:

The income, expenditure and the Charity's financial position at the end of the year are shown, in detail, on pages 14 to 17 of the financial statements. In summary, for the year ended 31 March 2021, we generated a surplus of £1,877,000, compared with a deficit of £470,270 in the previous year. Total funds at 31 March 2021 amounted to £12,396,518.

In an extraordinary year, which was dominated by the effects of the Covid pandemic, a recovery in the valuations of our equity based investments, combined with NHS and government funding and support grants, helped to reverse the impacts of lost fundraising income during the year.

In contrast to recent financial years, nearly all our normal income streams decreased. Fundraising efforts were significantly down on the previous year as a result of the inability, due to Covid-related restrictions, to hold external and mass participation fundraising events both by ourselves and by our supporters. In addition, legacy income, at £316,709, was well below the 2020 figure of £682,513. This income stream is very unpredictable and, whilst it is still a crucial source of finance for the Hospice, it cannot be relied upon. There was also a significant negative impact on the income from our retail operations. All ten of our retail outlets were closed for long periods as "non-essential" retail outlets were impelled to shut their doors in an attempt to stem the flow of coronavirus infections. As a result, our retail sales fell by over two thirds on the total recorded for 2019/20. However, through the provision of additional inpatient and home care services, we received extra resources from our local NHS partners. In addition, the Government's job retention scheme and grant support for local retailing helped to mitigate the impact of staff costs and shop related expenses. Finally, substantial NHS England grants, which were negotiated by Hospice UK, further negated the effect of shortfalls in our fundraising and donation income streams.

As we moved into the new financial year, the support grants received during 2020/21 either diminished, as with the job retention scheme, or ceased entirely. Along with the variable nature of legacy income and the volatility in the performance of its investments, the Charity has budgeted a deficit for the financial year 2021/22 of over £650,000. As always, we will continue to review our sources of income and will look to identify any potential opportunities for maximising future income generation.

At the same time, the Charity will consider ways of reducing expenditure, wherever possible. External factors will make this aim challenging. For example, staff costs will be impacted by NHS and Public Sector Pay Reviews as well as increases to the National Living Wage rates and inflationary pressures are expected to be significant for the remainder of 2021 and into 2022. In addition, the continuing pandemic restrictions will hamper efforts to increase working practice efficiencies.

Investment Policy

Under the Memorandum and Articles of Association, the Charity has the power to make any investment that the Trustees see fit. The Trustees have considered the most appropriate policy for investing funds and have found that a varied portfolio of stocks, shares, unit trusts and deposit accounts meet their requirements. Alongside this, the Charity also obtains rental incomes from the investment in a small number of flat properties.

The Finance and Resources Committee keep the investment policy under regular review and have asked that the investment managers should continue to provide a balanced portfolio, which produces both income and capital growth. The investment managers have delegated responsibility to manage the investment portfolio to maximise returns. The investment portfolios held by the Charity are monitored on a monthly basis by the Finance and Resources Committee.

The investments are all quoted on the stock exchange. Investments of this type are inevitably subject to fluctuations in the markets but are designed to grow over a number of years. In viewing the performance of such a portfolio, it is important, therefore, to review the figures over a number of years and not to look at a single year in isolation.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

The low point in valuations of our portfolios in March 2020, due to the initial effect of the Covid pandemic on the global investment markets, was more than reversed during 2020/21. The volatility of the markets and the recoveries seen in them yielded 31st March 2021 valuations that were well in excess of the nadir brought forward at the start of the financial year. In effect, the increases more than doubled the operational surplus for the year.

Principal Funding Sources

Our principal funding sources are Donations and Legacies, Retail, Fundraising and the Grant from the NHS. Incoming Resources for the year amounted to £3,397,150.

Reserves Policy

A statement of Funds is shown in Note 24 to the accounts.

At the year-end, our total reserves amounted to £12,396,518 of which £94,965 was held in restricted funds.

The reserves the Hospice has accumulated mean that we can plan for the future with confidence and security. We continue to ensure that our reserves are invested wisely to provide the local community with the best possible services for the foreseeable future. However, it is also recognised that it is crucial that we maintain our efforts to sustain and grow income generation so that new and existing services can be introduced and sustained.

The Trustees reserves policy remains unchanged from previous years, requiring general funds to be maintained at a level that ensures that the Charity's services could continue during a period of unforeseen difficulty arising from significant fluctuations in income. This year's accounts show a surplus of £1,877,000, after taking into account investment gains of £1,017,737 (2020 was a deficit of £470,270) and legacy income of £316,709 (2020 was £682,516). As a result of the unpredictability of some of our income streams, we have budgeted for another deficit in the forthcoming financial year.

Included in the total reserves is a designated fund of £4,483,400 of which £2,483,400 represents the book value of our fixed assets. As in previous years, the Trustees considered the level of general funds at the end of the year and have agreed to continue with the designation of funds to some of the priorities. These priorities remain aligned to the new organisational strategy and future development of the Charity's services.

The Trustees decision, three years ago, to designate £2million of its reserves towards service lines, training and development of staff and, potentially, the development of the former Reedley Hall site, takes into consideration the future challenges of managing a budget deficit, coping with the potential increases in the demand for our services and the complex needs of people accessing Hospice services.

Once the amount of designated funds has been taken into account, it leaves the Hospice holding £7,183,467 in general funds. The Trustees currently consider this to be justified, based on a medium term financial forecast completed in 2019, and sufficient to ensure business sustainability of the Charity in the coming years. This has been further reinforced by the pandemic, giving the reassurance that if fundraising had been so severely affected as had been predicted services would still be able to be maintained.

Structure, governance and management

The Charity is governed by a Trustee Board that takes overall responsibility for its work. They delegate day to day management to a Senior Management team including the Chief Executive, Finance and Business Manager, Head of Income Generation and Clinical Services Manager.

The Charity is constituted as a company limited by guarantee (No 02280991) and its Articles of Association provide that one third of Directors shall retire at each Annual General Meeting. The Company is registered as a Charity (No. 700993) with the Charity Commission and operates from its own purpose built hospice known as Pendleside in Colne Road, Reedley, Burnley. The Executive Committee appoints the Chairman from time to time.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

New Trustees are sought from time to time, usually to fill a perceived gap in the skill mix of the current Board. This is done either by a direct approach to potential Trustees by an existing Trustee, or by advertising a vacancy on the Hospice website, via social media or in the local press. It is usual for the prospective Trustee to attend various Hospice committee meetings and patient facing episodes for a period of about six months to ensure that both parties are happy before the appointment is confirmed. Three new Trustees were recruited in March 2021 and are currently in their probation, they have a background in IT, recruitment, human resources, business management, clinical advanced practice, palliative and end of life care and education. They will add experience and resilience to our existing board.

The board normally meets quarterly and has delegated authority to four sub committees on specific matters. These are clinical governance, finance and resources, income generation and people (employees and volunteers). Each committee has formal terms of reference, meet regularly and report to the Board at its quarterly meeting. Because of Covid 19, virtual meetings have been introduced. Each Trustee takes an active role (along with relevant senior employees) in one or more of these sub committees.

Due to the pandemic, our Trustee board moved to virtual board meetings and meeting frequency increased to respond to the impact of the pandemic. The implementation of virtual meetings has proven very effective. However, there are some things that face to face works better for and, consequently, we plan to operate a hybrid version of face-to-face and virtual meetings in the future.

New Trustees undergo training on their legal obligations under Charity and Company law, the content of the Memorandum and Articles of Association, the committee and decision-making processes, the business plan and recent financial performance of the Charity. They also meet key employees, service users and other Trustees. Trustees are encouraged to attend appropriate training events and relevant external meetings where these will facilitate the undertaking of their role.

The charity has an average of 134 employees working across the organisation, which equates to 96 whole time equivalent (WTE). In addition, five staff work under a practising privileges agreement and the Hospice has a Bank of Registered Nurses and Auxiliary Nurses.

A Remuneration Committee, consisting of nominated Trustees and the Senior Management Team, determines the pay and remuneration of key management personnel. The Committee has regard to rate of inflation, general salary levels, public sector pay scales as well as information from other Hospices in setting levels of remuneration.

The Board as a whole and each Director as a Trustee are collectively responsible for the wellbeing of the Charity within a framework of prudent and effective controls, which enable risk to be assessed and managed. They have also to ensure that the aims and objectives of the Charity are maintained and to understand its obligations to all stakeholders, the local community and statutory services that help to finance its operations.

The Trustees continue to assess and log clinical and business risks and implement systems to mitigate them. Risks are mitigated by the implementation of procedures for the authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspects of the charitable company. These procedures are periodically reviewed to ensure that they still meet the needs of the Charity. The Trustees have delegated responsibility for the management and implementation of such procedures to the operational management of the Charity, including a duty to identify and evaluate risks and report failings and corrective action arising.

Risks are reviewed in a number of different ways. All aspects of the Charity's service provision are governed by policies and procedures that are required to comply with the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014, under the regulation and inspection of the Care Quality Commission. All of these are reviewed internally at least every three years, some annually or more often if there are changes to legislation or best practice guidance. Action is identified to correct or improve practice (thereby mitigating risk) as appropriate under the direction of the Charity's Quality Assurance Group. Other risk items may be identified for corrective action at regulatory inspection.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Particularly important, in the last year, has been the government guidance regarding Covid and management of the pandemic in regards to both the delivery of patient care and that of the business, including supporting of staff and minimising the risk associated. The Hospice has developed procedures, which has been effective in identifying new and up to date guidance, managing the situation, identifying risk and mitigating any risk identified. This has included regular audits to ensure procedures introduced are being implemented effectively.

The Hospice has a dedicated policy for the Reporting and Management of Adverse Events including serious incidents. All such incidents (clinical and non-clinical) are recorded and reported to an appropriate subcommittee of Trustees and senior and operational managers. A summary report of all adverse incidents is made to the Board quarterly. The operational management of the Charity is responsible for identifying and implementing corrective action arising from adverse incidents as appropriate.

The Charity is proactive in assessing specific risks under the terms of its risk management policy and procedure. Many of these relate to general health and safety and the safety of our service users but others are of a specifically financial nature for which the Trustees commission the services of external auditors. Examples include the audit of the Charity's internal financial controls, payroll processing and lottery.

The Hospice is registered with the Fundraising Regulator and an objective of the charity is to comply with the voluntary regulation scheme and the Code of Fundraising Practice. Compliance is monitored by the Income Generation Subcommittee and action is agreed, identified and monitored to maintain and improve fundraising standards; this includes ensuring practices protect people and others from unreasonable intrusion on a person's privacy and unreasonably persistent approaches or undue pressure to give in the course of fundraising for the Hospice.

The Hospice contracts an external provider, SEC Fundraising Ltd, to canvas support for the Lottery. The service was suspended in the last year due to the pandemic. As a result SEC developed a debt to the charity, a repayment plan has been developed and is being adhered to, to repay the amount owed.

In February 2020, Pendleside set up its first commercial participation agreement with a local estate agent where the intention was £20 from every property sold to be donated by them to the Hospice. Due to Covid 19 pandemic the agreement was put on hold and never implemented.

No complaints were received regarding fundraising practice in the twelve-month reporting period.

The liability of each member by way of their guarantee to the Company is to contribute a sum not exceeding one pound to the assets of the Company if so required on the winding up of the Company.

Funds held as custodian trustee

There are no funds held as custodian.

Plans for future periods

The Charity's primary objective is to continue to provide appropriate specialist palliative and end of life care to the local community. Providing the highest quality service possible to our local community, which are easily accessible by all who need them. Within financial and other constraints, the Charity will continue to review services as the need arises; aiming to enhance existing services where required and provide additional services as and when appropriate.

In the period of reporting, the Hospice developed a new organisational strategy with engagement of service users, employees, volunteers and stakeholders. This details the mission, vision, values and key priorities of the Hospice for the next four years. Each year a business plan will be developed to ensure full implementation of the strategy, and regular evaluation that priorities are being met.

In addition to this clinical recovery and restoration plans, fundraising and retail strategies have been developed for recovery and restoration of services post the pandemic, over the forthcoming year and into the future.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Plans are in place to revert to 10 inpatient beds, and reintroduce face to face day service and family support services. This includes a reappraisal of day services and introduction of a new health, wellbeing and rehabilitation service.

The pandemic has identified some unmet need in both the inpatient and hospice at home services and the plan is to evaluate and plan for how the Hospice might meet this unmet need in the future, especially as the demand on our services increases.

In order to achieve the above, the Hospice continues to work towards strengthening its links with health and social care commissioners, colleagues both internal and external to the hospice and the local community of supporters, businesses and beneficiaries.

With the prediction of a deficit budget over the forthcoming year, no predicted increase in NHS funding and the ongoing effect of the pandemic over the forthcoming year, the importance of developing new and innovative ways of income generation is realised, despite the Hospice having reserves to maintain services should the need arise.

When the pandemic hit, plans for the development of the Reedley Hall site were put on hold. However, as we start to plan for our recovery, the Hospice has reinstated its plans and continues to scope the development of the site as a means of income generation and ensuring its ability to cope with the predicted increase in demand for its services in the future.

PENDLESIDE HOSPICE

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Statement of trustees' responsibilities

The trustees, who are also the directors of Pendleside Hospice for the purpose of company law, are responsible for preparing the Trustees' 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 Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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;
- make judgements and estimates that are reasonable and prudent;

and to state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- 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 Charity 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 Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

The auditor, PM+M Solutions for Business LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.



David Brown
Trustee

Dated: 14 October 2021

PENDLESIDE HOSPICE

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF PENDLESIDE HOSPICE

Opinion

We have audited the financial statements of Pendleside Hospice (the 'Charity') for the year ended 31 March 2021 which comprise the statement of financial activities, the summary income and expenditure account, the balance sheet, the statement of cash flows and the 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 charitable company's affairs as at 31 March 2021 and of its incoming resources and application of resources, 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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least 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 annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report has been prepared in accordance with applicable legal requirements.

PENDLESIDE HOSPICE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF PENDLESIDE HOSPICE

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the Charity for the purpose 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 Charity'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 charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

PENDLESIDE HOSPICE

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF PENDLESIDE HOSPICE

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditors' 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.

PM+M Solutions for Business LLP

Helen Clayton BSc FCA (Senior Statutory Auditor)
for and on behalf of PM+M Solutions for Business LLP

15 October 2021

Chartered Accountants
Statutory Auditor

New Century House
Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB

PENDLESIDE HOSPICE

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £
<u>Income and endowments from:</u>							
Donations and legacies	3	1,182,643	-	1,182,643	1,650,771	-	1,650,771
Charitable activities	4	967,481	1,803,131	2,770,612	1,046,457	5,130	1,051,587
Other trading activities	5	988,214	-	988,214	1,418,015	-	1,418,015
Investment Income	6	164,151	-	164,151	212,100	-	212,100
Other income	7	94,661	-	94,661	115,000	-	115,000
Total income		3,397,150	1,803,131	5,200,281	4,442,343	5,130	4,447,473
<u>Expenditure on:</u>							
Raising funds	8	652,276	-	652,276	858,209	-	858,209
Charitable activities	9	3,685,738	3,004	3,688,742	3,400,140	8,874	3,409,014
Total resources expended		4,338,014	3,004	4,341,018	4,258,349	8,874	4,267,223
Net gains/(losses) on investments		1,017,737	-	1,017,737	(650,520)	-	(650,520)
Net incoming/ (outgoing) resources before transfers		76,873	1,800,127	1,877,000	(466,526)	(3,744)	(470,270)
Gross transfers between funds		1,800,251	(1,800,251)	-	-	-	-
Net movement in funds		1,877,124	(124)	1,877,000	(466,526)	(3,744)	(470,270)
Fund balances at 1 April 2020		10,424,429	95,089	10,519,518	10,890,955	98,833	10,989,788
Fund balances at 31 March 2021		12,301,553	94,965	12,396,518	10,424,429	95,089	10,519,518

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

PENDLESIDE HOSPICE

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2021

	2021	All income funds	2020
	£		£
Gross income	5,200,281		4,447,473
Gains/(losses) on investments	1,017,737		(650,520)
	<hr/>		<hr/>
Total income in the reporting period	6,218,018		3,796,953
	<hr/>		<hr/>
Total expenditure from income funds	4,341,018		4,267,223
	<hr/>		<hr/>
Net income/(expenditure) for the year	1,877,000		(470,270)
	<hr/> <hr/>		<hr/> <hr/>


PENDLESIDE HOSPICE

BALANCE SHEET

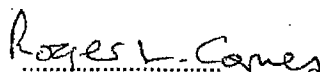
AS AT 31 MARCH 2021

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Tangible assets	14		2,483,400		2,496,369
Investments	15		9,559,775		7,589,398
			<u>12,043,175</u>		<u>10,085,767</u>
Current assets					
Stocks	17		2,500		2,500
Debtors	18		357,164		1,222,625
Cash at bank and in hand			352,951		500,542
			<u>712,615</u>		<u>1,725,667</u>
Creditors: amounts falling due within one year	19		<u>(359,272)</u>		<u>(1,291,916)</u>
Net current assets			<u>353,343</u>		<u>433,751</u>
Total assets less current liabilities			<u><u>12,396,518</u></u>		<u><u>10,519,518</u></u>
Income funds					
Restricted funds	21		94,965		95,089
<u>Unrestricted funds - general</u>					
Designated funds	22		4,483,400		4,545,958
General unrestricted funds			7,233,056		5,293,374
Revaluation reserve			585,097		585,097
			<u>12,301,553</u>		<u>10,424,429</u>
			<u><u>12,396,518</u></u>		<u><u>10,519,518</u></u>

The financial statements were approved by the Trustees on 14 October 2021.



David Brown
Trustee



Roger Cornes
Trustee

Company Registration No. 02280991

PENDLESIDE HOSPICE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	30		805,272		(66,249)
Investing activities					
Purchase of tangible fixed assets		(91,081)		(53,701)	
Purchase of investments		(3,932,094)		(3,796,481)	
Proceeds on disposal of investments		2,906,161		3,612,240	
Investment income		164,151		212,100	
Net cash used in investing activities			(952,863)		(25,842)
Net cash used in financing activities			-		-
Net decrease in cash and cash equivalents			(147,591)		(92,091)
Cash and cash equivalents at beginning of year			500,542		592,633
Cash and cash equivalents at end of year			352,951		500,542

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Charity information

Pendleside Hospice is a private company limited by guarantee incorporated in England and Wales. The registered office is Pendleside Hospice, Colne Road, Reedley, Burnley, Lancashire, BB10 2LW.

1.1 Accounting convention

The financial statements have been prepared in accordance with the Charities Commission, the Companies Act 2006 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 (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The Charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes.

1.4 Incoming resources

Income is recognised when the Charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Charity has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Governance costs are those incurred in connection with administration of the company and compliances with constitutional and statutory requirements.

Cost of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% straight line
Fixtures and fittings	20% straight line
Computers	25% straight line
Motor vehicles	25% straight line

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured the lower of replacement cost and cost.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

1.10 Financial instruments

The Charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Charity's balance sheet when the Charity becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Charity's contractual obligations expire or are discharged or cancelled.

1.11 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies (Continued)

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

1.14 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities incorporating income and expenditure account over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities incorporating income and expenditure account as the related expenditure is incurred.

1.15 Deferred incoming resources

Lottery income is deferred on the basis of the period to which subscriptions relate.

2 Critical accounting estimates and judgements

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 main area of judgement that has a risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in relation to the useful economic lives of the charity's fixed assets.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2021	Total 2020
	£	£	£	£
Donations	865,934	-	865,934	968,258
Legacies receivable	316,709	-	316,709	682,513
	<u>1,182,643</u>	<u>-</u>	<u>1,182,643</u>	<u>1,650,771</u>
For the year ended 31 March 2020	<u>1,650,771</u>	<u>-</u>	<u>-</u>	<u>1,650,771</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4 Charitable activities

	2021 £	2020 £
Operation of Hospice	2,770,612	1,051,587
<u>Analysis by fund</u>		
Unrestricted funds - general	967,481	1,046,457
Restricted funds	1,803,131	5,130
	<u>2,770,612</u>	<u>1,051,587</u>

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Fundraising events	364,395	-	364,395	344,206
Charity shop sales	209,209	-	209,209	648,462
Hospice lottery	412,548	-	412,548	410,300
Other fundraising activities	2,062	-	2,062	15,047
Fundraising income	<u>988,214</u>	<u>-</u>	<u>988,214</u>	<u>1,418,015</u>
For the year ended 31 March 2020	<u>1,418,015</u>	<u>-</u>	<u>-</u>	<u>1,418,015</u>

6 Investment Income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Rental income	29,350	-	29,350	29,653
Income from listed investments	99,495	-	99,495	136,207
Interest receivable	35,306	-	35,306	46,240
	<u>164,151</u>	<u>-</u>	<u>164,151</u>	<u>212,100</u>
For the year ended 31 March 2020	<u>212,100</u>	<u>-</u>	<u>-</u>	<u>212,100</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

7 Other income

	Unrestricted funds general 2021 £	Unrestricted funds general 2020 £
Government business grant	-	115,000
Meals on wheels	19,661	-
Insurance monies received	75,000	-
	<hr/> 94,661 <hr/>	<hr/> 115,000 <hr/>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

8 Raising funds

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Costs of raising funds				
Christmas cards and merchandising products	8,695	-	8,695	12,820
Publicity and brochures	26,523	-	26,523	39,018
Events expenditure	22,329	-	22,329	102,493
Bank charges	7,013	-	7,013	7,649
Telephone costs	805	-	805	677
Insurance costs	772	-	772	956
Voluntary income staff costs	126,963	-	126,963	154,545
	<u>193,100</u>	<u>-</u>	<u>193,100</u>	<u>318,158</u>
Fundraising trading costs				
Prize money and commission	73,540	-	73,540	78,186
General expenses	8,396	-	8,396	50,921
Rates and insurance	-	-	-	1,118
Light, heat and water costs	27,860	-	27,860	37,291
Repairs and maintenance	21,797	-	21,797	19,179
Incidental expenses	14,714	-	14,714	24,601
Operating lease rentals	84,416	-	84,416	84,708
Motor and travel costs	3,379	-	3,379	5,198
Staff costs	213,810	-	213,810	222,537
Depreciation and impairment	11,264	-	11,264	16,312
	<u>459,176</u>	<u>-</u>	<u>459,176</u>	<u>540,051</u>
	<u>652,276</u>	<u>-</u>	<u>652,276</u>	<u>858,209</u>
For the year ended 31 March 2020				
Costs of raising funds	318,158	-	-	318,158
Fundraising trading costs	540,051	-	-	540,051
	<u>858,209</u>	<u>-</u>	<u>-</u>	<u>858,209</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

9 Charitable activities

	2021	2020
	£	£
Staff costs	3,090,843	2,694,169
Depreciation and impairment	92,786	77,631
Water	10,634	16,000
Gas and electricity	45,173	45,376
Repairs and maintenance	130,257	98,223
Rent and rates	-	12,920
Recruitment	10,254	23,630
Travel expenses	19,151	35,513
Training	1,892	23,511
Healthcare	24,158	24,701
Uniforms	3,562	5,350
Telephone costs	7,247	6,099
Insurance	14,658	18,882
Medical supplies and bought in services	64,697	147,161
Cleaning costs	18,812	26,405
Office costs, stationery, postage and IT	37,021	31,977
Registration fees and subs	11,128	8,890
Incidental expenses	1,293	2,794
Irrecoverable VAT	18,670	16,563
Catering costs	46,704	55,950
Patient transport costs	9,256	7,131
Bank charges	7,016	7,650
	<u>3,668,381</u>	<u>3,386,526</u>
Share of governance costs (see note 10)	20,361	22,488
	<u>3,688,742</u>	<u>3,409,014</u>
Analysis by fund		
Unrestricted funds - general	3,685,738	3,400,140
Restricted funds	3,004	8,874
	<u>3,688,742</u>	<u>3,409,014</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

10 Support costs

	Support costs £	Governance costs £	2021 £	2020 £
Audit fees	-	5,400	5,400	5,200
Accountancy	-	3,300	3,300	5,000
Legal and professional	-	11,661	11,661	12,288
	-	20,361	20,361	22,488
Analysed between Charitable activities	-	20,361	20,361	22,488

11 Net movement in funds

	2021 £	2020 £
Net movement in funds is stated after charging/(crediting)		
Fees payable to the company's auditor for the audit of the company's financial statements	5,400	5,200
Fees payable to the company's auditor for other services provided	3,300	5,000
Depreciation of owned tangible fixed assets	104,050	93,988

12 Trustees

None of the trustees (or any persons connected with them) received any remuneration or benefits from the Charity during the year.

The total donations received from the trustees in the year was £10,379 (2020: £150).

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

13 Employees

Number of employees

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Nursing staff - inpatient	24	24
Nursing staff - day therapy	6	9
Nursing staff - hospice at home	24	21
Nursing staff - spiritual care and medical offers	2	3
Administration staff and general managers	28	25
Ancillary	12	12
	<u>96</u>	<u>94</u>

Employment costs

	2021 £	2020 £
Wages and salaries	3,005,443	2,693,431
Social security costs	235,954	204,106
Other pension costs	190,219	173,714
	<u>3,431,616</u>	<u>3,071,251</u>

The total remuneration earned by key management personnel during the year was £230,991 (2020 - £209,417).

The number of employees whose annual remuneration was £60,000 or more were:

	2021 Number	2020 Number
£60,001 - £70,000	-	1
£70,001 - £80,000	1	-
£100,001 - £200,000	-	1
	<u>-</u>	<u>1</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

14 Tangible fixed assets

	Freehold buildings	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 April 2020	3,041,042	427,817	94,415	147,719	3,710,993
Additions	-	35,171	6,321	49,589	91,081
Disposals	-	-	-	(42,191)	(42,191)
At 31 March 2021	3,041,042	462,988	100,736	155,117	3,759,883
Depreciation and impairment					
At 1 April 2020	645,308	373,382	58,340	137,594	1,214,624
Depreciation charged in the year	54,926	20,994	16,869	11,261	104,050
Eliminated in respect of disposals	-	-	-	(42,191)	(42,191)
At 31 March 2021	700,234	394,376	75,209	106,664	1,276,483
Carrying amount					
At 31 March 2021	2,340,808	68,612	25,527	48,453	2,483,400
At 31 March 2020	2,395,734	54,435	36,075	10,125	2,496,369

Land and buildings with a carrying amount of £1,034,903 were revalued at 31 August 2018 by independent valuers not connected with the Charity on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

At 31 March 2021, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £949,358 (2020 - £978,719).

Included in land and buildings is freehold land at valuation of £664,476 (2020 - £664,476) which is not depreciated.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

15 Fixed asset investments

	Listed securities £	Other investments £	Total £
Cost or valuation			
At 1 April 2020	4,286,711	3,302,687	7,589,398
Additions	1,818,409	2,113,685	3,932,094
Valuation changes	944,444	-	944,444
Disposals	(1,159,105)	(1,747,056)	(2,906,161)
At 31 March 2021	<u>5,890,459</u>	<u>3,669,316</u>	<u>9,559,775</u>
Carrying amount			
At 31 March 2021	<u>5,890,459</u>	<u>3,669,316</u>	<u>9,559,775</u>
At 31 March 2020	<u>4,286,711</u>	<u>3,302,687</u>	<u>7,589,398</u>
		2021	2020
		£	£
Other Investments:			
Marsden Building Society		595,588	585,319
Julian Hodge		794,209	794,209
Close Brothers		572,898	1,321,320
Handelsbanken		1,706,621	601,839
		<u>3,669,316</u>	<u>3,302,687</u>

All the listed investments are quoted on the UK Stock Exchange. Other fixed asset investments are Bank and Building Society balances.

16 Financial instruments

	2021 £	2020 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	<u>5,890,459</u>	<u>4,286,711</u>

17 Stocks

	2021 £	2020 £
Finished goods and goods for resale	<u>2,500</u>	<u>2,500</u>

Stock recognised in cost of sales as an expense was £8,695 (2020: £12,820). There was no provision for slow moving and obsolete stocks.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

18 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	73,624	1,081,437
Other debtors	226,026	42,967
Prepayments and accrued income	57,514	98,221
	<u>357,164</u>	<u>1,222,625</u>

19 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	50,345	153,429
Other creditors	79,658	56,006
Accruals and deferred income	229,269	1,082,481
	<u>359,272</u>	<u>1,291,916</u>

Deferred Income

Deferred income at 1 April 2020	1,017,423
Movement in the year	(935,613)
Deferred income at 31 March 2021	<u>81,810</u>

The deferred income balance of £81,810 as at 31 March 2021, includes £72,660 which relates to the lottery fund, £1,150 which relates to customer sponsorship/events and £8,000 relating to the NHS grant funding.

20 Retirement benefit schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £178,949 (2020: £173,714).

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

21 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

Restricted funds	Movement in funds		Movement in funds		Transfers	Balance at 31 March 2021		
	Balance at 1 April 2019	Income	Expenditure	Balance at 1 April 2020			Income	Expenditure
	£	£	£	£	£	£		
Restricted funds	98,833	5,130	(8,874)	95,089	1,803,131	(3,004)	(1,800,251)	94,965

The transfer from restricted funds to unrestricted funds in the relates to a number of grants received in the year of restricted nature, whereby the relating expenditure can not be accurately split from the charitable expenditure in the year.

£880,571 - NHS England funding relating to additional patient beds throughout the year.

£698,783 - CCG funding relating to additional patient beds throughout the year.

£220,897 - Covid relating government funding to aid with costs relating to wages and the charity shops.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

22 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2020	Expenditure	Transfers	Balance at 31 March 2021
	£	£	£	£
Designated funds	<u>4,545,958</u>	<u>(12,969)</u>	<u>(49,589)</u>	<u>4,483,400</u>

23 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Fund balances at 31 March 2021 are represented by:			
Tangible assets	2,408,435	74,965	2,483,400
Investments	9,559,775	-	9,559,775
Current assets/(liabilities)	333,343	20,000	353,343
	<u>12,301,553</u>	<u>94,965</u>	<u>12,396,518</u>

	Unrestricted £	Restricted £	Total £
Fund balances at 31 March 2020 are represented by:			
Tangible assets	2,421,860	74,509	2,496,369
Investments	7,589,398	-	7,589,398
Current assets/(liabilities)	413,171	20,580	433,751
	<u>10,424,429</u>	<u>95,089</u>	<u>10,519,518</u>

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

24 Summary of Funds

	Balance at 1 April 2020	Income	Movement in funds			Balance at 31 March 2021
			Expenditure	Transfers	Revaluations, gains and losses	
	£	£	£	£	£	£
Designated funds	4,545,958	-	(12,969)	(49,589)	-	4,483,400
General funds	5,878,471	3,397,150	(4,325,045)	1,849,840	1,017,737	7,818,153
Total unrestricted funds	10,424,429	3,397,150	(4,338,014)	1,800,251	1,017,737	12,301,553
Restricted funds	95,089	1,803,131	(3,004)	1,800,251	-	94,965
	<u>10,519,518</u>	<u>5,200,281</u>	<u>(4,341,018)</u>	<u>-</u>	<u>1,017,737</u>	<u>12,396,518</u>

At the year end, the restricted funds carried forward represent £20,000 (2020 - £20,000) relating to the Frank Houghton fund. The remaining funds reflect the net book value of fixed assets funded by grants.

Trustees have considered future challenges of managing a budget deficit, coping with the potential increase in demand for services and complexity of need of people accessing Hospice services, training and development needs of staff and development of the Reedley Hall site and has a designated £2million of its reserves towards service lines, training and development of staff and development of the Reedley Hall Site.

25 Contingent Assets

At the year end, the Charity was aware of a number of legacy donations which had been made to the Charity. However the residual legacy donation in each case cannot be measured reliably leading to uncertainty over the total level of income which will be received. In these cases no income has been accrued at the year end.

PENDLESIDE HOSPICE

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

26 Operating lease commitments

At the reporting end date the Charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	78,978	50,113
Between two and five years	202,373	24,415
In over five years	180,083	-
	<u>461,434</u>	<u>74,528</u>

27 Capital commitments

At 31 March 2021 the Charity had capital commitments as follows:

	2021 £	2020 £
Acquisition of motor vehicles and equipment	-	58,040
	<u>-</u>	<u>58,040</u>

28 Related party transactions

There were no disclosable related party transactions during the year (2020 - none).

29 Controlling party

The Charity is under the control of the trustees as noted in the trustees report.

30 Cash generated from operations

	2021 £	2020 £
Surplus/(deficit) for the year	1,877,000	(470,270)
Adjustments for:		
Investment income recognised in statement of financial activities	(164,151)	(212,100)
Fair value gains and losses on investments	(944,444)	621,179
Depreciation and impairment of tangible fixed assets	104,050	93,945
Movements in working capital:		
Decrease/(increase) in debtors	865,461	(1,104,422)
(Decrease)/increase in creditors	(932,644)	1,005,423
Cash generated from/(absorbed by) operations	<u>805,272</u>	<u>(66,245)</u>

31 Analysis of changes in net funds

The Charity had no debt during the year.