

**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**  
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**BB1 5QB**

# PENDLESIDE HOSPICE

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Trustees</b>	David Brown Margaret Hynes Roger Cornes Francesca Chapman David Walker Giles Williams Angela Brown Matthew Davies Nicola Alden David Lawson
<b>Chief executive officer</b>	Helen McVey
<b>Secretary</b>	Roger Cornes
<b>Charity number</b>	700993
<b>Company number</b>	02280991
<b>Registered office</b>	Pendleside Hospice Colne Road Reedley Burnley Lancashire BB10 2LW
<b>Auditor</b>	PM+M Solutions for Business LLP New Century House Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB
<b>Investment advisors</b>	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

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# PENDLESIDE HOSPICE

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# **PENDLESIDE HOSPICE**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 MARCH 2021**

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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**

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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

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### 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

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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

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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 sitters 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 sitters. 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

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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 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

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### 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

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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

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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

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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**

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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 it 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;

- 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

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### **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

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### 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 £
<b><u>Income and endowments from:</u></b>							
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
<b>Total income</b>		<b>3,397,150</b>	<b>1,803,131</b>	<b>5,200,281</b>	<b>4,442,343</b>	<b>5,130</b>	<b>4,447,473</b>
<b><u>Expenditure on:</u></b>							
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
<b>Total resources expended</b>		<b>4,338,014</b>	<b>3,004</b>	<b>4,341,018</b>	<b>4,258,349</b>	<b>8,874</b>	<b>4,267,223</b>
Net gains/(losses) on investments		1,017,737	-	1,017,737	(650,520)	-	(650,520)
<b>Net incoming/ (outgoing) resources before transfers</b>		<b>76,873</b>	<b>1,800,127</b>	<b>1,877,000</b>	<b>(466,526)</b>	<b>(3,744)</b>	<b>(470,270)</b>
Gross transfers between funds		1,800,251	(1,800,251)	-	-	-	-
<b>Net movement in funds</b>		<b>1,877,124</b>	<b>(124)</b>	<b>1,877,000</b>	<b>(466,526)</b>	<b>(3,744)</b>	<b>(470,270)</b>
Fund balances at 1 April 2020		10,424,429	95,089	10,519,518	10,890,955	98,833	10,989,788
<b>Fund balances at 31 March 2021</b>		<b>12,301,553</b>	<b>94,965</b>	<b>12,396,518</b>	<b>10,424,429</b>	<b>95,089</b>	<b>10,519,518</b>

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

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	<b>2021</b>	<b>All income funds</b>	<b>2020</b>
	<b>£</b>		<b>£</b>
Gross income	<b>5,200,281</b>		4,447,473
Gains/(losses) on investments	<b>1,017,737</b>		(650,520)
	<hr/>		<hr/>
Total income in the reporting period	<b>6,218,018</b>		3,796,953
	<hr/>		<hr/>
Total expenditure from income funds	<b>4,341,018</b>		4,267,223
	<hr/>		<hr/>
Net income/(expenditure) for the year	<b>1,877,000</b>		(470,270)
	<hr/> <hr/>		<hr/> <hr/>

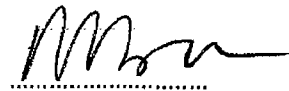
# PENDLESIDE HOSPICE

## BALANCE SHEET

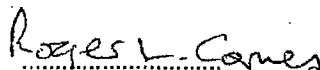
AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
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>	
<b>Current assets</b>					
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>	
<b>Creditors: amounts falling due within one year</b>	19	(359,272)		(1,291,916)	
<b>Net current assets</b>		<u>353,343</u>		<u>433,751</u>	
<b>Total assets less current liabilities</b>		<u>12,396,518</u>		<u>10,519,518</u>	
<b>Income funds</b>					
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>12,396,518</u>		<u>10,519,518</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 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	30		805,272		(66,249)
<b>Investing activities</b>					
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	
<b>Net cash used in investing activities</b>			(952,863)		(25,842)
<b>Net cash used in financing activities</b>			-		-
<b>Net decrease in cash and cash equivalents</b>			(147,591)		(92,091)
Cash and cash equivalents at beginning of year			500,542		592,633
<b>Cash and cash equivalents at end of year</b>			<u>352,951</u>		<u>500,542</u>

# PENDLESIDE HOSPICE

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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### 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

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### 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	<u>2,770,612</u>	<u>1,051,587</u>
<u>Analysis by fund</u>		
Unrestricted funds - general	967,481	1,046,457
Restricted funds	<u>1,803,131</u>	<u>5,130</u>
	<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>
<b>For the year ended 31 March 2020</b>	<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>
<b>For the year ended 31 March 2020</b>	<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	-
	<u>94,661</u>	<u>115,000</u>

# 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 £
<b>Costs of raising funds</b>				
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
Costs of raising funds	193,100	-	193,100	318,158
<b>Fundraising trading costs</b>				
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
Fundraising trading costs	459,176	-	459,176	540,051
	652,276	-	652,276	858,209
<b>For the year ended 31 March 2020</b>				
Costs of raising funds	318,158	-	-	318,158
Fundraising trading costs	540,051	-	-	540,051
	858,209	-	-	858,209

# 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>
<b>Analysis by fund</b>		
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
	£	£	£	£	£
<b>Cost or valuation</b>					
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
<b>Depreciation and impairment</b>					
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
<b>Carrying amount</b>					
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 £
<b>Cost or valuation</b>			
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	5,890,459	3,669,316	9,559,775
<b>Carrying amount</b>			
At 31 March 2021	5,890,459	3,669,316	9,559,775
At 31 March 2020	4,286,711	3,302,687	7,589,398
		<b>2021</b>	<b>2020</b>
		£	£
<b>Other Investments:</b>			
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
		<b>3,669,316</b>	<b>3,302,687</b>

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 £
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	5,890,459	4,286,711

### 17 Stocks

	2021 £	2020 £
Finished goods and goods for resale	2,500	2,500

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 £
<b>Amounts falling due within one year:</b>		
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:

	Balance at 1 April 2019 £	Movement in funds		Balance at 1 April 2020 £	Movement in funds		Balance at 31 March 2021 £
		Income	Expenditure		Income	Expenditure	
Restricted funds	98,833	5,130	(8,874)	95,089	1,803,131	(3,004)	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	4,545,958	(12,969)	(49,589)	4,483,400

### 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
	12,301,553	94,965	12,396,518

	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
	10,424,429	95,089	10,519,518

# 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		Revaluations, gains and losses	Balance at 31 March 2021
	£	£	Expenditure £	Transfers £	£	£
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
	10,519,518	5,200,281	(4,341,018)	-	1,017,737	12,396,518

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
<b>Cash generated from/(absorbed by) operations</b>	<u>805,272</u>	<u>(66,245)</u>

### 31 Analysis of changes in net funds

The Charity had no debt during the year.