

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
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PENDLESIDE HOSPICE

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|--------------------------------|--|
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| Chief executive officer | Helen McVey |
| Secretary | Roger Cornes |
| Charity number | 700993 |
| Company number | 02280991 |
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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.

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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.

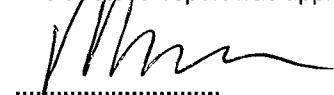
Auditor

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.



.....
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 | | | | | | | |
| Income and endowments from: | | | | | | | |
| 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 |
| Expenditure on: | | | | | | | |
| 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

| | | 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 | 1,399,290 | - | 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/> |

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 | (340,307) | | (359,272) | |
| Net current assets | | <u>397,367</u> | | <u>353,343</u> | |
| Total assets less current liabilities | | <u><u>12,909,824</u></u> | | <u><u>12,396,518</u></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><u>12,909,824</u></u> | | <u><u>12,396,518</u></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

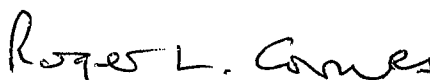
AS AT 31 MARCH 2022

| | 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 | | <u>397,164</u> | | <u>353,343</u> | |
| 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

| | | 2022 | | 2021 | |
|--|-------|--------------------|---|------------------|---|
| | Notes | £ | £ | £ | £ |
| 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 |
| | 1,598,232 | 2,770,612 |

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 |
| Fundraising income | 1,509,756 | - | 1,509,756 | 988,214 |
| For the year ended 31 March 2021 | 988,214 | - | - | 988,214 |

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 |
| | 183,594 | - | 183,594 | 164,151 |
| For the year ended 31 March 2021 | 164,151 | - | - | 164,151 |

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 | 30,055 | 75,000 |
| | <u>30,005</u> | <u>94,661</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 |
| Costs of raising funds | 309,878 | - | 309,878 | 193,100 |
| 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 |
| Fundraising trading costs | 554,980 | - | 554,980 | 459,176 |
| | 864,858 | - | 864,858 | 652,276 |
| For the year ended 31 March 2021 | | | | |
| Costs of raising funds | 193,100 | - | - | 193,100 |
| Fundraising trading costs | 459,176 | - | - | 459,176 |
| | 652,276 | - | - | 652,276 |

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>2</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 | | | | | |
| 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

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 2022 £ | 2021 £ | Charity 2022 £ | 2021 £ |
|-----------------------------|--------------------|-----------|----------------------|-----------|
| Other investments comprise: | Notes | | | |
| Investments in subsidiaries | | - | 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.

18 Financial instruments

| | Group 2022 £ | 2021 £ | 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 | <u>2,500</u> | <u>2,500</u> | <u>2,500</u> | <u>2,500</u> |

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 £ | Movement in funds | | | Balance at 31 March 2022 £ |
|------------------|---------------------------------|-------------------|-------------|-------------|---------------------------------|-------------------|-------------|-----------|----------------------------------|
| | | Income | Expenditure | Transfers | | Income | Expenditure | Transfers | |
| Restricted funds | 95,089 | 1,803,131 | (3,004) | (1,800,251) | 94,965 | 608,114 | (25,151) | (579,179) | 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> |
| | | | |
| | 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> |

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> |