

**Company Registration No. 02280991 (England and Wales)**

**Charity Registration No.700993**

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

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

# PENDLESIDE HOSPICE

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Trustees

David Brown  
Margaret Hynes  
Roger Cornes  
David Walker  
Giles Williams  
Angela Brown  
Jaydee Davis  
Gillian Oakley  
Mike Steel  
Helen Binns  
Mark Irlam  
Nicola Alden  
Nadeem Memon

Resigned 29 April 2022  
Appointed 3 August 2022,  
Resigned 11 September  
2022  
Resigned 3 April 2023

Francesca Chapman

### Chief executive officer

Helen McVey

### Secretary

Roger Cornes

### Charity number

700993

### Company number

02280991

### Registered office

Pendleside Hospice  
Colne Road  
Reedley  
Burnley  
Lancashire  
BB10 2LW

### Auditor

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

### Investment advisors

James Brearley & Sons  
7 South Preston Office Village  
Cuerden Way  
Bamber Bridge  
Preston  
PR5 6BL

Close Brothers Asset Management  
7th Floor  
80 Mosley Street  
St Peter's Square  
Manchester  
M2 3FX

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# **PENDLESIDE HOSPICE**

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

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

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (effective 1 January 2019).

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

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

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

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

### **Chairman's Report**

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

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

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

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

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

# PENDLESIDE HOSPICE

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

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

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

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

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

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

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

### **Objectives and activities**

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

### **Activities**

The main activities undertaken are:

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

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

### **Mission:**

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

### **Vision:**

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

# PENDLESIDE HOSPICE

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

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### Our values underpin everything that we do:

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

### Our overall aims:

#### Proud to be pendleside:

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

#### Community collaboration:

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

#### Care delivery:

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

#### Governance:

The Hospice meets its regulatory requirements and manages risk effectively.

#### Sustainability:

Services are sustainable in the changing external environment.

Our care is free of charge to those we serve.

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

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

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

# PENDLESIDE HOSPICE

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

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

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

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

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

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

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

### Volunteers

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

# PENDLESIDE HOSPICE

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

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

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

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

### Public Benefit Statement

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

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

### Achievements and performance

#### Summary of main achievements

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

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

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

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

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

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



# PENDLESIDE HOSPICE

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

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

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

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

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

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

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

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

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

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

The breakdown of service delivery is detailed below:

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

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

# PENDLESIDE HOSPICE

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

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### Financial review

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

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

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

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

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

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

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

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

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

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

# PENDLESIDE HOSPICE

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

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### Investment Policy

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

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

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

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

### Principal Funding Sources

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

### Reserves Policy

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

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

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

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

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

# PENDLESIDE HOSPICE

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

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

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

### Structure, governance and management

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

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

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

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

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

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

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

# PENDLESIDE HOSPICE

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

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

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

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

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

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

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

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

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

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

### **Funds held as custodian trustee**

There are no funds held as custodian.

# PENDLESIDE HOSPICE

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

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### Statement of trustees' responsibilities

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

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the trustees are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditor

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

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

.....

**David Brown**

Trustee

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

*Roger L. Cornes*

.....

**Roger Cornes**

Trustee

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

# PENDLESIDE HOSPICE

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF PENDLESIDE HOSPICE

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### Opinion

We have audited the financial statements of Pendleside Hospice (the 'Charity') for the year ended 31 March 2023 which comprise the Consolidated statement of financial activities, the Consolidated and Charity balance sheets, the Consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable group's affairs as at 31 March 2023 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

# PENDLESIDE HOSPICE

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

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

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

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

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the Charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

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

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



# PENDLESIDE HOSPICE

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

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### Identifying and assessing potential risks related to irregularities

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

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

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

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

# PENDLESIDE HOSPICE

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

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### Audit response to risks identified

Our procedures to respond to risks identified included the following:

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

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

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

### Use of our report

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

*PM+M Solutions for Business LLP*

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

20/10/2023.....

**Chartered Accountants**  
**Statutory Auditor**

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

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

# PENDLESIDE HOSPICE

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

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

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

All income and expenditure derive from continuing activities.

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

# PENDLESIDE HOSPICE

## GROUP BALANCE SHEET

AS AT 31 MARCH 2023

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

The financial statements were approved by the Trustees on .....

.....  
David Brown  
Trustee

.....  
Roger Cornes  
Trustee

Company registration number 02280991

# PENDLESIDE HOSPICE

## CHARITY BALANCE SHEET

AS AT 31 MARCH 2023

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

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

  
David Brown  
Trustee

  
Roger Cornes  
Trustee

Company registration number 02280991

# PENDLESIDE HOSPICE

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

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

# PENDLESIDE HOSPICE

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

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### 1 Accounting policies

#### Charity information

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

#### 1.1 Accounting convention

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

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

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

#### 1.2 Going concern

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

#### 1.3 Basis of consolidation

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

#### 1.4 Investments

Investments are stated at cost less provision for impairment.

#### 1.5 Charitable funds

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

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

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

#### 1.6 Incoming resources

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

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

# PENDLESIDE HOSPICE

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

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### 1 Accounting policies

(Continued)

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

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

#### 1.7 Resources expended

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

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

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

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

#### 1.8 Tangible fixed assets

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

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

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

Freehold land is not depreciated.

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

#### 1.9 Fixed asset investments

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



# PENDLESIDE HOSPICE

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

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### 1 Accounting policies

(Continued)

#### 1.10 Stocks

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

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

#### 1.11 Cash and cash equivalents

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

#### 1.12 Financial instruments

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

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

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

##### **Basic financial assets**

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

##### **Basic financial liabilities**

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

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

##### **Derecognition of financial liabilities**

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

#### 1.13 Employee benefits

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

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

# PENDLESIDE HOSPICE

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

### 1 Accounting policies

(Continued)

#### 1.14 Retirement benefits

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

#### 1.15 Leases

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

#### 1.16 Government grants

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

#### 1.17 Deferred Incoming resources

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

### 2 Critical accounting estimates and judgements

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

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

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

### 3 Group donations and legacies

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

# PENDLESIDE HOSPICE

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

### 4 Group charitable activities

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

### 5 Other trading activities

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

### 6 Investment Income

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

# PENDLESIDE HOSPICE

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

### 7 Other income

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

### 8 Gift Aid payment by trading subsidiary

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

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

# PENDLESIDE HOSPICE

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

### 9 Raising funds

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

# PENDLESIDE HOSPICE

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

### 10 Group charitable activities

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

### 11 Trade of subsidiary

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

# PENDLESIDE HOSPICE

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

### 12 Support costs

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

### 13 Net movement in funds

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

### 14 Trustees

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

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

### 15 Employees

The average monthly number of employees during the year was:

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

# PENDLESIDE HOSPICE

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

### 15 Employees

(Continued)

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

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

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

	2023 Number	2022 Number
£60,001 - £70,000	2	-
£70,001 - £80,000	1	1
£90,001 - £100,000	-	1

### 16 Taxation

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



# PENDLESIDE HOSPICE

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

### 17 Tangible fixed assets

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

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

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

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

# PENDLESIDE HOSPICE

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

### 18 Fixed asset investments

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

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

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

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

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

### 19 Stocks

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Finished goods and goods for resale	2,500	2,500	2,500	2,500

# PENDLESIDE HOSPICE

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

### 20 Debtors

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

### 21 Creditors: amounts falling due within one year

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

#### Deferred Income

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

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

### 22 Retirement benefit schemes

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

The charge to profit or loss in respect of defined contribution schemes was £189,699 (2022: £192,762).

# PENDLESIDE HOSPICE

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

### 23 Restricted funds

#### Group and Charity

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

Movement in funds				Movement in funds			
Balance at 1 April 2021	Incoming resources	Resources expended	Transfers	Balance at 1 April 2022	Incoming resources	Resources expended	Balance at 31 March 2023
£	£	£	£	£	£	£	£
<b>94,965</b>	<b>608,114</b>	<b>(25,151)</b>	<b>(579,179)</b>	<b>98,749</b>	<b>51,488</b>	<b>(35,371)</b>	<b>114,866</b>

The transfer from restricted funds to unrestricted funds in the prior year relates to a number of grants received of restricted nature, whereby the relating expenditure can not be accurately split from the charitable expenditure in the year.

£484,897 - NHS England funding relating to additional patient beds throughout the year.

£62,079 - CCG funding relating to additional patient beds throughout the year.

£32,203 - Covid relating government funding to aid with costs relating to wages and the charity shops.

# PENDLESIDE HOSPICE

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

### 24 Designated funds

#### Group and Charity

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

Balance at 1 April 2022 £	Resources expended £	Balance at 31 March 2023 £
4,417,752	(5,389)	4,412,363

### 25 Analysis of net assets between funds

#### Group and Charity

Fund balances at 31 March 2023 are represented by:

	Unrestricted funds £	Restricted funds £	Total £
Tangible assets	2,317,497	94,866	2,412,363
Investments	10,631,991	-	10,631,991
Current assets/(liabilities)	290,531	20,000	310,531
	<u>13,240,019</u>	<u>114,866</u>	<u>13,354,885</u>

Fund balances at 31 March 2022 are represented by:

	Unrestricted funds £	Restricted funds £	Total £
Tangible assets	2,339,003	78,749	2,417,752
Investments	10,094,908	-	10,094,908
Current assets/(liabilities)	377,164	20,000	397,164
	<u>12,811,075</u>	<u>98,749</u>	<u>12,909,824</u>

# PENDLESIDE HOSPICE

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

### 26 Summary of Group Funds

Group and Charity	Movement in funds					Balance at 31 March 2023
	Balance at 1 April 2022	Incoming resources	Resources expended	Transfers	Revaluations, gains and losses	
	£	£	£	£	£	£
Designated funds	4,417,752	-	(5,389)	-	-	4,412,363
General funds	8,393,323	5,639,146	(4,625,395)	-	(579,418)	8,827,656
Total unrestricted funds	12,811,075	5,639,146	(4,630,784)	-	(579,418)	13,240,019
Restricted funds	98,749	51,488	(35,371)	-	-	114,866
	12,909,824	5,690,634	(4,666,155)	-	(579,418)	13,354,885

At the year end, the restricted funds carried forward represent £20,000 (2022 - £20,000) relating to the Frank Houghton fund. The remaining funds reflect the net book value of fixed assets funded by grants.

Trustees have considered future challenges of managing a budget deficit, coping with the potential increase in demand for services and complexity of need of people accessing Hospice services, training and development needs of staff and development of the Reedley Hall site and has designated £2million of its reserves, plus the value of the charity's fixed assets towards service lines, training and development of staff and development of the Reedley Hall Site.

### 27 Contingent Assets

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

### 28 Operating lease commitments

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

	Group 2023	Group 2022	Charity 2023	Charity 2022
	£	£	£	£
Within one year	57,799	60,848	57,799	60,848
Between two and five years	180,500	204,917	180,500	204,917
In over five years	102,250	127,250	102,250	127,250
	340,549	393,015	340,549	393,015

# PENDLESIDE HOSPICE

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

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### 29 Related party transactions

There were no disclosable related party transactions during the year (2022 - none).

### 30 Controlling party

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

### 31 Analysis of changes in net funds

The Charity had no debt during the year.

32 Cash generated from operations	2023 £	2022 £
Surplus for the year	445,061	513,306
Adjustments for:		
Investment income recognised in statement of financial activities	(276,206)	(183,594)
Fair value gains and losses on investments	726,888	757,047
Depreciation and impairment of tangible fixed assets	102,577	111,541
Movements in working capital:		
Decrease/(increase) in debtors	77,907	(159,728)
Increase/(decrease) in creditors	49,465	(18,905)
<b>Cash generated from operations</b>	<b>1,125,692</b>	<b>1,019,667</b>