

Company Registration No. 02280991 (England and Wales)

Charity Registration No.700993

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

PM+M Solutions for Business LLP
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PENDLESIDE HOSPICE

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Trustees	David Brown	
	Angela Brown	
	Jaydee Davis	
	Gillian Oakley	
	Helen Binns	
	Jane Daunt	(Appointed 1 December 2024)
	Elinor Green	
	Amir Saeed	
	Martin Schofield	
	Giles Williams	(Resigned 27/10/2025)
	Mark Irlam	(Resigned 20/06/2025)
Chief executive officer	David Walker	(Resigned 13/06/2025)
	Mike Steel	(Resigned 10/02/2025)
Secretary	Helen Binns	
Charity number	700993	
Company number	02280991	
Registered office	Pendleside Hospice	
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PENDLESIDE HOSPICE

CONTENTS

	Page
Trustees' report	1 - 14
Independent auditor's report	15 - 18
Group Statement of financial activities	19 - 20
Group balance sheet	21
Charity balance sheet	22
Group Statement of cash flows	23
Notes to the financial statements	24 - 39

PENDLESIDE HOSPICE

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

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

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

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

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

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

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

Chairman's Report

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

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

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

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

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

PENDLESIDE HOSPICE

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

FOR THE YEAR ENDED 31 MARCH 2025

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

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

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

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

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

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

Objectives and activities

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

Activities

The main activities undertaken are:

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

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

Mission:

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

Vision:

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

PENDLESIDE HOSPICE

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

FOR THE YEAR ENDED 31 MARCH 2025

Our values underpin everything that we do:

- 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 each individual person is listened to, their individual needs respected and contribution valued.

Our overall aims:

Proud to Be Pendleside

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

Community collaboration

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

Care delivery

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

Governance

To meet our regulatory requirements and manage risks effectively.

Sustainability

To ensure our Hospice is sustainable for the future.

Our care is free of charge to those we serve.

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

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

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

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

PENDLESIDE HOSPICE

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

FOR THE YEAR ENDED 31 MARCH 2025

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PENDLESIDE HOSPICE

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

FOR THE YEAR ENDED 31 MARCH 2025

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

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

Volunteers

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

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

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

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

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

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

Public Benefit Statement

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

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

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

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

PENDLESIDE HOSPICE

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

FOR THE YEAR ENDED 31 MARCH 2025

Achievements and performance

Summary of main achievements

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

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

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

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

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

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

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

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

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

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

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

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

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

PENDLESIDE HOSPICE

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

FOR THE YEAR ENDED 31 MARCH 2025

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

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

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

This was a similar number to the previous year.

The breakdown of service delivery is detailed below:

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

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

PENDLESIDE HOSPICE

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

FOR THE YEAR ENDED 31 MARCH 2025

Financial review

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

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

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

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

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

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

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

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

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

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

PENDLESIDE HOSPICE

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

FOR THE YEAR ENDED 31 MARCH 2025

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

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

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

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

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

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

PENDLESIDE HOSPICE

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

FOR THE YEAR ENDED 31 MARCH 2025

Investment Policy

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

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

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

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

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

Principal Funding Sources

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

Reserves Policy

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

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

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

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

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

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

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

PENDLESIDE HOSPICE

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

FOR THE YEAR ENDED 31 MARCH 2025

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

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

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

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

Structure, governance and management

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

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

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

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

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

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

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

PENDLESIDE HOSPICE

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

FOR THE YEAR ENDED 31 MARCH 2025

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

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

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

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

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

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

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

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

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

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

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

PENDLESIDE HOSPICE

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

FOR THE YEAR ENDED 31 MARCH 2025

Funds held as custodian trustee

There are no funds held as custodian.

PENDLESIDE HOSPICE

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

FOR THE YEAR ENDED 31 MARCH 2025

Statement of trustees' responsibilities

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

Auditor

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

Disclosure of information to auditor

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

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

David Brown

Trustee

Dated: 17 November 2025

Helen Binns

Trustee

Dated: 17 November 2025

PENDLESIDE HOSPICE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PENDLESIDE HOSPICE

Opinion

We have audited the financial statements of Pendleside Hospice (the 'Charity') for the year ended 31 March 2025 which comprise the Consolidated statement of financial activities, the Consolidated and Charity balance sheets, the Consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable group's affairs as at 31 March 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

PENDLESIDE HOSPICE

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charity and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

PENDLESIDE HOSPICE

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

Identifying and assessing potential risks related to irregularities

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

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

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

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

PENDLESIDE HOSPICE

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

Audit response to risks identified

Our procedures to respond to risks identified included the following:

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

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

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

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

Chartered Accountants

New Century House

Greenbank Technology Park

Challenge Way

Blackburn

Lancashire

BB1 5QB

19 November 2025

PENDLESIDE HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

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

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

PENDLESIDE HOSPICE

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2025

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

PENDLESIDE HOSPICE

GROUP BALANCE SHEET

AS AT 31 MARCH 2025

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

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

David Brown
Trustee

Helen Binns
Trustee

Company registration number 02280991

PENDLESIDE HOSPICE

CHARITY BALANCE SHEET

AS AT 31 MARCH 2025

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

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

David Brown
Trustee

Helen Binns
Trustee

Company registration number 02280991

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

PENDLESIDE HOSPICE

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

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

PENDLESIDE HOSPICE

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

1 Accounting policies

Charity information

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

1.1 Accounting convention

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

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

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

1.2 Going concern

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

1.3 Basis of consolidation

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

1.4 Charitable funds

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

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

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

1.5 Incoming resources

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

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

PENDLESIDE HOSPICE

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

1 Accounting policies

(Continued)

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

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

1.6 Resources expended

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

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

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

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

1.7 Tangible fixed assets

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

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

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

Freehold land is not depreciated.

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

PENDLESIDE HOSPICE

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

1 Accounting policies

(Continued)

1.8 Fixed asset investments

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

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

1.9 Stocks

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

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

1.10 Cash and cash equivalents

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

1.11 Financial instruments

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

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

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

Basic financial assets

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

Basic financial liabilities

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

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

Derecognition of financial liabilities

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

PENDLESIDE HOSPICE

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

1 Accounting policies

(Continued)

1.12 Employee benefits

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

1.13 Retirement benefits

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

1.14 Leases

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

1.15 Deferred Incoming resources

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

2 Critical accounting estimates and judgements

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

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

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

3 Group donations and legacies

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

PENDLESIDE HOSPICE

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

4 Group charitable activities

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

5 Other trading activities

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

6 Investment Income

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

PENDLESIDE HOSPICE

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

7 Other income

	Unrestricted funds general 2025 £	Unrestricted funds general 2024 £
Other income	6,610	-
Turnover of Trading Subsidiary	1,019,453	936,828
	<u>1,026,063</u>	<u>936,828</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 as well as Charity Shops. The charity owns the entire share capital. A summary of the trading results for the year ended 31 March 2025 is:

	Total 2025 £	Total 2024 £
Turnover	1,019,453	936,828
Operating costs	(674,340)	(634,411)
Trading profit	<u>345,113</u>	<u>302,417</u>
Gift aid payment to charity	<u>345,113</u>	<u>302,417</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	81,789	23,685
Current liabilities	(81,689)	(23,585)
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 2025

9 Raising funds

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

PENDLESIDE HOSPICE

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

10 Group charitable activities

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

11 Trade of subsidiary

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

PENDLESIDE HOSPICE

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

12 Support costs

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

13 Net movement in funds

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

14 Trustees

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

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

PENDLESIDE HOSPICE

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

15 Employees

The average monthly number of employees during the year was:

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

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

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

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

	2025 Number	2024 Number
£60,001 - £70,000	4	2
£70,001 - £80,000	1	2
£90,001 - £100,000	1	-

16 Taxation

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

PENDLESIDE HOSPICE

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

17 Tangible fixed assets

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

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

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

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

PENDLESIDE HOSPICE

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

18 Fixed asset investments

Group	Listed investments	Unlisted investments	Total £
Cost or valuation			
At 1 April 2024	7,583,770	3,497,976	11,081,746
Additions	2,595,977	10,124,609	12,720,586
Valuation changes	(346,690)	-	(346,690)
Disposals	(1,608,011)	(11,050,016)	(12,658,027)
At 31 March 2025	8,225,046	2,572,569	10,797,615
Carrying amount			
At 31 March 2025	8,225,046	2,572,569	10,797,615
At 31 March 2024	7,583,670	3,497,976	11,081,646
Charity		2025	2024
		£	£
Other Unlisted Investments:			
Marsden Building Society		1,068,202	1,019,764
Close Brothers		659,591	624,013
Handelsbanken		844,776	1,854,199
		2,572,569	3,497,976
	Group 2025	Group 2024	Charity 2025
	£	£	£
Other investments comprise:			
Investments in subsidiaries	-	-	100

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

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

19 Stocks

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

PENDLESIDE HOSPICE

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

20 Debtors

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

21 Creditors: amounts falling due within one year

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

Deferred Income

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

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

22 Retirement benefit schemes

Defined contribution schemes

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

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

PENDLESIDE HOSPICE

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

23 Restricted funds

Group and Charity

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

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

24 Analysis of net assets between funds

Group and Charity	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 31 March 2025 are represented by:				
Tangible assets	3,346,059	2,792,861	195,664	6,334,584
Investments	5,797,615	5,000,000	-	10,797,615
Current assets/(liabilities)	77,673	-	20,000	97,673
	<u>9,221,347</u>	<u>7,792,861</u>	<u>215,664</u>	<u>17,229,872</u>
	Unrestricted funds	Designated funds	Restricted funds	Total
	£	£	£	£
Fund balances at 31 March 2024 are represented by:				
Tangible assets	2,656,170	2,748,912	92,742	5,497,824
Investments	3,332,833	5,000,000	-	8,332,833
Current assets/(liabilities)	(44,884)	-	20,000	(24,884)
	<u>5,944,119</u>	<u>7,748,912</u>	<u>112,742</u>	<u>13,805,773</u>

PENDLESIDE HOSPICE

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

25 Summary of Group Funds

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

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

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

26 Contingent Assets

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

27 Operating lease commitments

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

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

PENDLESIDE HOSPICE

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

28 Related party transactions

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

29 Controlling party

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

30 Analysis of changes in net funds

The Charity had no material debt during the year.

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