

HOSPICE CARE FOR BURNLEY AND PENDLE

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2006

COMPANY REGISTRATION NUMBER 2280991

REGISTERED CHARITY NUMBER 700993

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HOSPICE CARE FOR BURNLEY AND PENDLE

FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2006

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HOSPICE CARE FOR BURNLEY AND PENDLE

OFFICERS AND PROFESSIONAL ADVISERS

The Board of Directors

Mr D Brown
Mrs C. Buchanan (resigned 1st March 2006)
Mrs M Cadman
Mrs P M E Harling (died 27th February 2006)
Miss M B Jobling
Mr J T Jones
Dr E Lockwood (resigned 7th November 2005)
Mr A McGeorge (resigned 8th August 2005)
Mrs M Monckton
Miss E Ramsbottom
Mr D A Smith
Mrs B Snell
Mr T Taylor
Mr H Tuley

Chief Executive

Brian Hartup

Address

Pendleside
Colne Road
Reedley
Burnley
Lancashire
BB10 2LW

Auditors

P M & M Solutions For Business LLP
Chartered Accountants
& Registered Auditors
83 Bank Parade
Burnley
Lancashire

Investment advisers

James Brearley & Sons
Grimshaw Street
Burnley
Lancashire

Bankers

National Westminster Bank
2 Howe Walk
Burnley
Lancashire

Accountants

Cassons
Chartered Accountants
St Crispin House
St Crispin Way
Haslingden
Rossendale
Lancashire
BB4 4PW

HOSPICE CARE FOR BURNLEY AND PENDLE**THE DIRECTORS' REPORT****YEAR ENDED 31ST MARCH 2006**

The Directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st March 2006.

Structure, Governance and Management

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 building comprises a ten-bedded Inpatient unit, a fifteen-place Day Therapy unit, a Hospice at Home day and night service and administration offices.

The Charity is constituted as a Company limited by guarantee (No 2280991) and its articles of association provide that Directors shall retire by rotation every three years but may then offer themselves for re-election. The Chairman is appointed from time to time by the Executive Committee.

New Directors are sought from time to time, usually to fill a perceived gap in the skill mix of the current Board. This is currently done by a direct approach to potential Directors by an existing Director, to individuals known to an existing Director or senior members of staff. It is usual for the prospective Director to attend various Hospice committee meetings and interviews for a period of about six months to ensure that both parties will be happy for an appointment to the Board. After this period, he or she may be co-opted to the Board.

New Directors 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 and other Directors. Directors are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

The Board has delegated authority to four sub-committees on specific matters and each Director takes an active role (along with relevant senior staff) in one or more of these sub-committees, these being Clinical Governance, Human Resources, Finance and Fund Raising. They have formal terms of reference, meet monthly and report to the Board at its quarterly meeting.

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. We have also to ensure that the aims and objectives of the Charity are maintained and to understand our obligations to all stakeholders, the local community and statutory services that help to finance the work.

Risk management

The Directors have approved a risk management process to assess 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 Directors 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.

HOSPICE CARE FOR BURNLEY AND PENDLE**THE DIRECTORS' REPORT (continued)****YEAR ENDED 31ST MARCH 2006****Risk management (continued)**

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 under the Care Standards Act (2000), under the regulation and inspection of the Healthcare Commission. All of these are audited internally at least every 3 years, some annually. Action is identified to correct or improve practice (thereby mitigating risk) as appropriate under the direction of the Charity's Audit Steering Group. Other risk items may be identified for corrective action at regulatory inspection.

The Charity routinely reports adverse incidents under the terms of its risk management policy and procedure. All such incidents (clinical and non-clinical) are recorded and reported to an appropriate sub-committee of Directors and senior staff. A summary report of all adverse incidents is made to the Board annually. The operational management of the Charity is responsible for identifying and implementing corrective action arising from all 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 but others are of a specifically financial nature for which the Directors commission the services of external auditors. Examples include the audit of the Charity's internal financial controls, payroll processing and lottery operation.

Objectives and Activities

The Charity's objective continues to be to promote and provide palliative care of the highest standard for the people of Burnley and Pendle with life-limiting illnesses and to do so in partnership with the statutory services and other independent organisations. Its aim is to promote the quality of life for each individual accessing its services and also that of their families, friends and carers. Care is provided free of charge to all people of 18 years and over and is based on individual need for as long as is required. Some inpatient care is also provided for patients from the Rossendale area.

The "mission statement" for 2005/6 was to maintain all existing services, developing and enhancing them where possible within financial and other resource constraints. Specifically, the Charity has continued to develop its day therapy service provision by introducing additional therapies for the benefit of its service users and extending its services to those in the early stages of their diagnosis. There has also been a significant improvement in the robustness of the Charity's medical service provision with the introduction of an additional part-time Doctor. This has been made possible by partnership working with the Charity's local Primary Care Trust and the Directors' determination to make the necessary financial investment.

All service development and enhancement is driven by the Charity's understanding of its service users' needs and, where appropriate, is implemented in partnership with the statutory services and other independent organisations.

Achievements and Performance

The Charity's day therapy service has experienced dramatic growth in line with its objective, with an increase of 180% compared with 2005 in the number of patients and carers benefiting from the various therapies and other care provided. This has, in turn, generated a 64% increase in the number of service user attendances, reflecting the increased level of short duration service provision.

Inpatient activity remained stable with care extended to 149 service users compared with 145 in 2005 as did hospice at home activity with 220 service users compared with 231 in 2005.

HOSPICE CARE FOR BURNLEY AND PENDLE**THE DIRECTORS' REPORT** *(continued)***YEAR ENDED 31ST MARCH 2006****Achievements and Performance** *(continued)*

The Charity enjoyed another successful year in its income generation, largely thanks to the continuing generosity of the community that it serves. Income received was approximately 20% above the amount budgeted for the year. Of particular note was the response to our annual "Light-up-a-Life" campaign that generated £81,000 (including gift aid). Support for this important act of remembrance has grown significantly in recent years and is possibly the most encouraging indication of our community's support for the services that we provide.

Income from Primary Care Trusts amounted to £467,573, which equated to 22% of total income and 26% of total expenditure. The remaining £1,622,128 was all contributed charitably by our supporters as donations, legacies, via membership of our lottery, in using our 7 Charity shops and by supporting the hundreds of fundraising events that took place throughout the year. The Board expresses its appreciation for this outstanding level of public support, without which the Charity would not be able to continue its operation.

Financial Review

The income, expenditure and resulting surplus for the year, and the Charity's financial position at the end of the year, are shown on pages 10 and 11 of the financial statements.

The Directors have recently reviewed the Charity's reserves policy. Note has been taken of the significant fluctuations in income from Government grants and legacies which must be viewed alongside the need to run an uninterrupted service and plan ahead. As a consequence, the Directors last year took a decision to try to increase the level of reserves to that amount required to cover a full year's forecast expenditure. We are pleased that we have now achieved this and can look forward with more confidence in our financial security.

The Charity has continued to review its principal funding sources throughout the year. All have performed well against expectation, resulting in a welcome surplus of income over expenditure. The Board recognises the need to guard against complacency as it seeks to maintain the financial viability of the Charity. Changes in the way that the Government funds independent hospices may lie ahead, along with a measure of uncertainty about how we may be affected. At the same time, we will be working hard with our supporters to ensure that we take advantage of every opportunity to secure our financial future.

Expenditure during 2005/6 was driven by our objective to maintain, develop and enhance existing services. Now in its tenth year of operation, the Hospice building and its equipment have required investment to maintain high levels of comfort, safety and appearance. The Board is committed to ensuring that these standards are maintained.

The Charity has also invested in additional staffing resource and bought in clinical services to support its objective. We will continue to do this for as long as there is need and we are able but we are conscious that constraints other than financial may hinder us. Most significantly, limited space is increasingly a problem as is lack of car parking space for our service users, visitors and the staff and volunteers who work for us. These are both issues that will have financial implications as and when we are able to address them.

HOSPICE CARE FOR BURNLEY AND PENDLE

THE DIRECTORS' REPORT (continued)

YEAR ENDED 31ST MARCH 2006

Reserves policy

Accumulated Unrestricted Income Funds, represented by liquid assets and investments, will initially be held in reserve to provide funds for:

1. Proposed capital expenditure over the ensuing twelve months in respect of continuing activities.
2. Operating expenses covering a period of 12 months as forecast in the operating budget. This reserve is intended to ensure continuity of the Hospice services against a background of significant fluctuation in incomes from legacies, fundraising activities and Government grants.
3. Thereafter, as and when any surplus funds accumulate, they will be held in reserve to form the financial basis for further development and extension of services for the benefit of the terminally ill in the area.

Unrestricted reserves held at the year-end amount to £2,190,173.

Investment policy and returns

Under the memorandum and articles of association, the Charity has the power to make any investment which the Directors see fit. The Directors have considered the most appropriate policy for investing funds and have found that a varied portfolio of stocks, shares, unit trusts and deposit accounts meet their requirements to generate both income and capital growth. The Directors consider the return on investments to be satisfactory.

Plans for Future Periods

Our primary objective is to continue to provide palliative care to the local community and to improve this service provision on an ongoing basis. Within financial and other constraints, we will enhance existing services and provide additional ones. One major constraint on this is car parking provision at Pendleside. We are currently discussing the possibility of additional car parking space with the appropriate agencies.

Directors

The Directors who served the company during the year were as follows:

Mr D Brown
Mrs C. Buchanan (resigned 1st March 2006)
Mrs M Cadman
Mrs P M E Harling (died 27th February 2006)
Miss M B Jobling
Mr J T Jones
Dr E Lockwood (resigned 7th November 2005)
Mr A McGeorge (resigned 8th August 2005)
Mrs M Monckton
Miss E Ramsbottom
Mr D A Smith
Mrs B Snell
Mr T Taylor
Mr H Tuley

HOSPICE CARE FOR BURNLEY AND PENDLE

THE DIRECTORS' REPORT (continued)

YEAR ENDED 31ST MARCH 2006

Retirement of Directors

The following Directors are to retire from the board in accordance with the Articles of Association and, being eligible, offer themselves for re-appointment:

Mrs M Cadman

Miss M Jobling

Mrs M Monckton

Directors' responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and of the surplus or deficiency for the year then ended.

In preparing those financial statements, the Directors are required to select suitable accounting policies, as described on pages 13 to 14 and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The Directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The Directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In accordance with company law, as the company's Directors, we certify that:

- So far as we are aware, there is no relevant audit information of which the company's auditors are not aware; and
- As the Directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Fixed assets

In the opinion of the Directors there is no significant difference between the market value and the book value of the company's interest in land and buildings.

Liability of members

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.

Voluntary help

In July 2006, we were absolutely delighted to receive the Queen's Award for Voluntary Service. It's a reflection of the huge amount of work put in by our volunteers to support and complement our paid staff. Pendleside Hospice simply could not function without its volunteers. We have 188 people working in our 7 Hospice shops, raising over £250,000 per year, and another 274 helping with reception, administration, fund-raising, patient care, lottery collectors, drivers, gardeners and as Trustees. It really is a fantastic team effort.

HOSPICE CARE FOR BURNLEY AND PENDLE

THE DIRECTORS' REPORT (continued)

YEAR ENDED 31ST MARCH 2006

Voluntary help (continued)

To be one of only 103 groups throughout the entire country to be honoured in this way is indeed recognition not just of what we have done over the last year but since Hospice Care for Burnley and Pendle was launched 18 years ago by a group of dedicated hard working visionaries led by Muriel Jobling. Without Muriel and those early volunteers, many of whom are still volunteers and some, sadly, who are no longer with us, we would not exist and Burnley & Pendle would be poorer for it.

The financial statements exclude costs for voluntary help, which cannot be quantified, but if we were to pay our volunteers at the legal Minimum Wage rate, for the thousands of hours which they contribute, the cost to the Hospice would be in excess of £500,000 per year.

Auditors

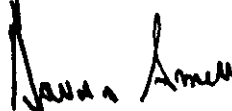
On 1st May 2006, PM&M, the company's auditors, transferred their entire business to PM&M Solutions For Business LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000.

PM&M Solutions For Business LLP, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

Registered office:

Pendleside
Colne Road
Reedley
Burnley
Lancashire

Signed on behalf of the Directors



D A Smith
Director

Approved by the Directors on 5 October 2006

HOSPICE CARE FOR BURNLEY AND PENDLE
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
YEAR ENDED 31ST MARCH 2006

We have audited the financial statements on pages 10 to 21 of Hospice Care for Burnley and Pendle for the year ended 31st March 2006. These financial statements have been prepared under the historical cost convention and the accounting policies set out on pages 13 and 14.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and auditors

The Directors responsibilities for preparing the Directors Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 6.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we consider necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

HOSPICE CARE FOR BURNLEY AND PENDLE
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (continued)
YEAR ENDED 31ST MARCH 2006

Opinion

In our opinion:

- The financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Charitable company's affairs as at 31st March 2006 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- The financial statements have been properly prepared in accordance with the Companies Act 1985; and
- The information given in the Directors' Report is consistent with the financial statements for the year ended 31st March 2006.

P M & M Solutions For Business LLP

P M & M Solutions For Business LLP
Chartered Accountants
and Registered Auditors
83 Bank Parade
Burnley

5 October 2006

HOSPICE CARE FOR BURNLEY AND PENDLE

STATEMENT OF FINANCIAL ACTIVITIES

(incorporating an Income and Expenditure Account and other recognised Gains/Losses)

YEAR ENDED 31ST MARCH 2006

	Note	Unrestricted £	2006 Restricted £	Total £	2005 Total £
Incoming resources					
<i>Incoming resources from generated funds:</i>					
Voluntary income:					
<i>Subscriptions, donations and gifts</i>		454,118	-	454,118	441,705
<i>Legacies received</i>		297,106	-	297,106	257,075
Activities for generating funds	2	800,183	-	800,183	710,540
Investment income	3	69,740	-	69,740	50,301
		1,621,147	-	1,621,147	1,459,621
<i>Incoming resources from charitable activities</i>	4	468,554	-	468,554	495,074
Total Incoming Resources		2,089,701	-	2,089,701	1,954,695
Resources expended					
<i>Costs of generating funds:</i>					
Fundraising costs	5	333,889	-	333,889	280,844
<i>Charitable activities</i>					
Pendleside Hospice	6	1,439,282	-	1,439,282	1,239,742
<i>Governance costs</i>	7	26,200	-	26,200	27,231
Total Resources Expended		1,799,371	-	1,799,371	1,547,817
Net income for the year		290,330	-	290,330	406,878
Other recognised gains/(losses)					
Gains on revaluation of investments	11	180,172	-	180,172	26,143
Gains/(losses) on sale of investments		8,278	-	8,278	(1,113)
Net movement of funds in year		478,780	-	478,780	431,908
<i>Reconciliation of funds</i>					
Total funds brought forward		2,846,109	20,000	2,866,109	2,434,201
Total funds carried forward		3,324,889	20,000	3,344,889	2,866,109

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

All incoming resources and resources expended derive from continuing activities.

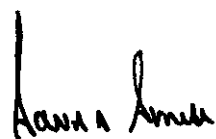
HOSPICE CARE FOR BURNLEY AND PENDLE

BALANCE SHEET

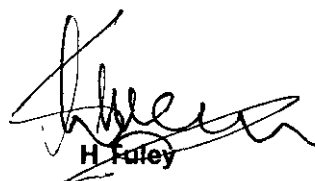
31ST MARCH 2006

	Note	2006 £	2005 £
Fixed assets			
Tangible assets	10	1,134,716	1,141,371
Investments	11	2,090,767	1,664,768
		<u>3,225,483</u>	<u>2,806,139</u>
Current assets			
Debtors	12	91,736	58,148
Cash at bank		155,330	278,123
		<u>247,066</u>	<u>336,271</u>
Creditors: amounts falling due within one year	13	<u>(127,660)</u>	<u>(276,301)</u>
Net current assets		<u>119,406</u>	<u>59,970</u>
Total assets less current liabilities		<u>3,344,889</u>	<u>2,866,109</u>
Funds			
Restricted		20,000	20,000
Designated funds	15	1,134,716	1,141,371
Income and expenditure account		2,190,173	1,704,738
		<u>3,344,889</u>	<u>2,866,109</u>

These financial statements were approved by the Directors on the 5 October 2006 and are signed on their behalf by:



D A Smith



H Fuley

HOSPICE CARE FOR BURNLEY AND PENDLE

CASH FLOW STATEMENT

YEAR ENDED 31ST MARCH 2006

	2006	2005
	£	£
Net cash inflow from operating activities	90,472	617,016
Returns on investments and servicing of finance		
Dividends received	19,786	14,987
Interest received	49,954	35,314
	<u>69,740</u>	<u>50,301</u>
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(45,456)	(58,134)
Additional monies invested	(270,502)	(478,664)
Sale of quoted investments	32,953	56,839
	<u>(283,005)</u>	<u>(479,959)</u>
(Decrease)/increase in cash	<u><u>(122,793)</u></u>	<u><u>187,358</u></u>

Further information on the cash flow statements is given in note 18.

HOSPICE CARE FOR BURNLEY AND PENDLE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2006

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP 2005), applicable UK Accounting Standards and the Companies Act 1985.

Legacies and donated assets

These are credited to the general fund only to the extent that monies or assets have been received.

Volunteers and donated services

The value of services provided by volunteers is not incorporated into these financial statements. Further details of the contribution made by volunteers can be found in the Directors' Report.

Depreciation

During the year the Directors have reviewed their depreciation rates. The current rates are as set out below:

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Land	-	Nil
Buildings	-	2% per annum
Fixtures, fittings and equipment	-	20% per annum
Computer equipment	-	25% per annum
Motor vehicles	-	25% per annum

Fixed assets

Individual fixed assets costing £500 or more are capitalised at cost.

Operating lease agreements

Rental applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are reflected in the Statement of Financial Activities as incurred.

Pension costs

The company makes contributions on behalf of employees into various pension schemes. These are included in expenditure when paid.

HOSPICE CARE FOR BURNLEY AND PENDLE**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 2006****Investments**

Fixed asset investments are included in the financial statements at market value. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Incoming resources

Voluntary income and donations are included in incoming resources when they are receivable, except when the donors specify that they must be used in future accounting periods or donors conditions have not been fulfilled, then the income is deferred. The income from fundraising ventures is shown gross, with the associated costs included in fundraising costs.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accrued basis. Irrecoverable VAT is shown as an expense.

Expenditure which is directly attributable to specific activities has been included in these cost categories. Where costs are attributable to more than one activity, such as support costs, they have been apportioned across the cost categories on a basis consistent with the use of these resources.

Costs of generating funds

Costs of generating funds comprises costs incurred in inducing people and organisations to contribute financially to the Charity's work. This includes salary costs, costs of running and renting shop premises and the staging of special fundraising events.

Governance Costs

Governance costs includes those costs incurred in the governance of the Charity and its assets and are primarily associated with constitutional and statutory requirements.

Grants received

Grants are credited to the statement of financial activities only to the extent that monies or assets have been received.

Unrestricted funds

Unrestricted funds are income and expenditure relating to the core activities of the Charity.

Restricted funds

Restricted funds are income and expenditure for which specific funding has been given in the year.

HOSPICE CARE FOR BURNLEY AND PENDLE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2006

2. Activities for generating funds	2006 £	2005 £
Charity shop sales	340,069	301,702
Receipts from fundraising events	145,861	91,204
Hospice lottery	314,053	317,634
Other	200	-
	<u>800,183</u>	<u>710,540</u>
	=====	=====
3. Investment income		
Dividends received	19,786	14,987
Bank and building society interest	49,954	35,314
	<u>69,740</u>	<u>50,301</u>
	=====	=====
4. Incoming resources from charitable activities		
Grants received:		
Income from PCT's	467,573	468,200
Sundry grants	981	16,986
New Opportunities Fund	-	9,888
	<u>468,554</u>	<u>495,074</u>
	=====	=====

HOSPICE CARE FOR BURNLEY AND PENDLE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2006

5.	Fundraising costs	2006 £	2005 £
	General fundraising		
	Salary costs	64,366	54,784
	Publicity, brochures, etc	9,259	6,483
	Events expenditure	18,979	8,660
	Christmas cards	11,865	10,463
		<u>104,469</u>	<u>80,390</u>
		=====	=====
	Charity shops		
	Operating lease rentals	55,881	44,470
	Rates	3,370	3,177
	Light, heat, water and telephone	13,445	8,145
	Repairs and maintenance	18,613	4,544
	Insurance	900	900
	Incidental expenses etc	8,167	4,191
	Motor and travel expenses	1,381	1,271
		<u>101,757</u>	<u>66,698</u>
		=====	=====
	Hospice lottery		
	Salary costs	32,319	34,658
	Prize money and commission	83,593	84,250
	Other expenses	11,751	14,848
		<u>127,663</u>	<u>133,756</u>
		=====	=====
	Total	<u>333,889</u>	<u>280,844</u>
		=====	=====

HOSPICE CARE FOR BURNLEY AND PENDLE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2006

6. Pendleside Hospice – operating expenditure

	2006		2005	
	£	£	£	£
Professional				
Salary costs		853,240		758,064
Accommodation				
Water	3,382		2,518	
Gas and electricity	13,283		10,347	
Repairs and maintenance	9,445		9,952	
		26,110		22,817
Administration				
Salary costs	128,477		121,298	
Telephone	4,081		4,034	
Insurance	12,414		13,478	
Stationery, postage and sundries	18,403		12,174	
Registration fees and subscriptions	3,022		2,200	
Incidental expenses	32,122		8,550	
Financial services	15,056		14,519	
Maintenance contracts and repairs	21,120		20,989	
Irrecoverable VAT	28,236		15,332	
Bank charges	3,494		2,278	
		266,425		214,852
Human Resources				
Recruitment	10,174		7,512	
Travelling expenses	10,605		10,006	
Training	8,228		6,541	
Uniforms, etc	1,964		2,587	
		30,971		26,646
Medical supplies and bought in services		63,855		26,919
Cleaning costs		28,858		29,220
Catering costs		80,863		75,636
Patient transport costs		48,351		45,908
Depreciation				
Freehold buildings	22,164		20,763	
Furniture, furnishings and equipment	18,445		18,917	
		40,609		39,680
		1,439,282		1,239,742

HOSPICE CARE FOR BURNLEY AND PENDLE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2006

7. Governance costs	2006 £	2005 £
Salary costs	14,275	13,478
Audit	3,600	5,200
Insurance	1,500	1,500
Financial services	1,676	1,613
Office sundries, postage, etc	2,044	1,352
Legal and professional fees	3,105	4,088
	<u>26,200</u>	<u>27,231</u>
	=====	=====

8. Particulars of employees

The average number of staff employed by the company during the financial year amounted to:

	2006 No	2005 No
Number of nursing staff – inpatient and ad hoc	38	44
- day therapy	7	5
- hospice at home	13	11
- chaplain and medical officers	4	4
Number of administration staff and general managers	15	13
Number of ancillary	12	11
	<u>89</u>	<u>88</u>
	=====	=====

The aggregate payroll costs of the above were:

	2006 £	2005 £
Wages and salaries	1,079,436	977,581
Social security costs	78,391	71,643
Other pension costs	63,525	48,689
	<u>1,221,352</u>	<u>1,097,913</u>
	=====	=====

The Directors received no expenses during the year (2005 – nil)

No employee received remuneration of more than £60,000.

HOSPICE CARE FOR BURNLEY AND PENDLE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2006

9. Operating surplus	2006	2005
	£	£
Operating surplus is stated after charging:		
Directors' emoluments	-	-
Depreciation	52,111	49,428
Auditors remuneration	3,600	6,000
	=====	=====

10. Tangible fixed assets	Freehold land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost				
At 1st April 2005	1,237,642	327,521	73,717	1,638,880
Additions	-	45,456	-	45,456
	=====	=====	=====	=====
At 31st March 2006	1,237,642	372,977	73,717	1,684,336
Depreciation				
At 1st April 2005	178,925	280,180	38,404	497,509
Charge for the year	22,164	18,445	11,502	52,111
	=====	=====	=====	=====
At 31st March 2006	201,089	298,625	49,906	549,620
Net book value				
At 31st March 2006	1,036,553	74,352	23,811	1,134,716
	=====	=====	=====	=====
At 31st March 2005	1,058,717	47,341	35,313	1,141,371
	=====	=====	=====	=====

The net book value of freehold land and buildings comprises:

	2006	2005
	£	£
Land	150,000	150,000
Buildings	886,553	908,717
	=====	=====
	1,036,553	1,058,717
	=====	=====

Non depreciable assets included in freehold land and buildings amounted to £150,000 (2005 - £150,000).

All tangible fixed assets are held for charitable purposes.

Capital commitments	2006	2005
	£	£
Contracted but not provided for in the accounts	-	-
	=====	=====

HOSPICE CARE FOR BURNLEY AND PENDLE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2006

11. Fixed asset investments	Bank and building society balances £	Quoted investments £	Total £
Market value			
At 1st April 2005	934,327	730,441	1,664,768
Additions	270,502	330,000	600,502
Disposals	(330,000)	(24,675)	(354,675)
Revaluation of investments	-	180,172	180,172
At 31st March 2006	874,829	1,215,938	2,090,767
Historical cost			
At 31st March 2006	874,829	1,022,502	1,897,331
At 31st March 2005	934,327	717,752	1,652,079

All quoted investments are listed on the UK Stock Exchange.

Of the £874,829 bank and building society balances, £630,343 relates to amounts invested with Marsden Building Society £10,000 relates to amounts invested with Skipton Building Society and £234,486 relates to amounts invested with Cafcash Limited.

12. Debtors	2006 £	2005 £
VAT recoverable	33,729	28,398
Prepayments and accrued income	58,007	29,750
	91,736	58,148
13. Creditors: amounts falling due within one year		
Accruals and deferred income	127,660	276,301

14. Commitments under operating leases

At 31st March 2006 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings	
	2006 £	2005 £
Operating leases which expire:		
Within 1 year	-	-
Within 2 to 5 years	44,840	16,000
After more than 5 years	4,700	30,700
	49,540	46,700

HOSPICE CARE FOR BURNLEY AND PENDLE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 2006

15.	Designated funds	2006 £	2005 £
	Charitable property and fixed assets:		
	Balance brought forward	1,141,371	1,132,665
	Transfer to the Statement of Financial Activities	(6,655)	8,706
		<u>1,134,716</u>	<u>1,141,371</u>
		=====	=====
16.	Analysis of net assets between funds		
	Unrestricted funds		
	Investments	2,070,767	1,644,768
	Current assets	247,066	336,271
	Creditors: Amounts falling due within one year	(127,660)	(276,301)
		<u>2,190,173</u>	<u>1,704,738</u>
		=====	=====
	Restricted funds		
	Investments	20,000	20,000
		<u>20,000</u>	<u>20,000</u>
		=====	=====
	Designated funds		
	Fixed assets	<u>1,134,716</u>	<u>1,141,371</u>
		=====	=====

The permanent endowment fund of £20,000 is known as the Frank Houghton Fund. This fund was provided to enable the investment income to be applied towards the general running costs of the Charity.

The Charitable Property and Fixed Assets reserve has been set up to assist in identifying those funds that are not free funds and represents the net book value of tangible fixed assets.

17. Other matters

The Charity has entitlement to residuary legacies from two estates which are subject to third party life interests.

18. Cash flow statement

Reconciliation of net income for the year to
net cash inflow from operating activities

	£	£
Net income before other recognised gains	290,330	406,878
Depreciation charges	52,111	49,428
(Increase)/decrease in debtors	(33,588)	3,931
(Decrease)/increase in creditors	(148,641)	207,080
Investment income	(69,740)	(50,301)
	<u>90,472</u>	<u>617,016</u>
	=====	=====
Net cash inflow from operating activities		