

**HOSPICE CARE FOR BURNLEY AND PENDLE  
FINANCIAL STATEMENTS  
FOR  
31 MARCH 2003**

Company Registration Number 2280991

Registered Charity Number 700993



**P M & M**

Chartered Accountants & Registered Auditors  
83 Bank Parade  
Burnley  
Lancs  
BB11 1UG

**HOSPICE CARE FOR BURNLEY AND PENDLE**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2003**

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# HOSPICE CARE FOR BURNLEY AND PENDLE

## OFFICERS AND PROFESSIONAL ADVISERS

<b>The board of directors</b>	Miss M B Jobling Mrs J Ashworth Mrs P Baxter Mrs M Cadman Mr J T Jones Dr E Lockwood Mr D A Smith Mrs B Snell Mr T Taylor Mr H Tuley Miss E Ramsbottom Mr F Chadwick (Died January 2003) Mrs M Monckton Mr D Brown
<b>Address</b>	Pendleside Colne Road Reedley Burnley
<b>Auditors</b>	P M & M Chartered Accountants & Registered Auditors 83 Bank Parade Burnley Lancs
<b>Investment advisers</b>	James Brearley & Sons Grimshaw Street Burnley Lancs
<b>Bankers</b>	National Westminster Bank 2 Howe Walk Burnley Lancs

## **HOSPICE CARE FOR BURNLEY AND PENDLE**

### **THE DIRECTORS' REPORT**

#### **YEAR ENDED 31 MARCH 2003**

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 March 2003.

#### **PRINCIPAL ACTIVITIES AND BUSINESS REVIEW**

The Company continues to be registered as a Charity (No.700993) with the Charity Commission and operates from its own Hospice Premises known as Pendleside in Colne Road, Burnley.

The charity is constituted as a company limited by guarantee and is therefore governed by a memorandum and articles of association. The directors of the company are also the members of the executive committee of the charity who carry responsibilities as its trustees and are accountable as such. Each director is appointed for a period of three years but may then offer him or herself for re-election by members of the company at the annual general meeting.

Throughout the year, the charity has continued to promote and provide hospice care facilities in Burnley and Pendle for people with terminal illness and it has done this to the highest possible standards of care thanks to the skills and dedication of our medical and nursing staff and volunteers in all three units of the Hospice.

The Hospice is very fortunate in being able to offer Homecare, Daycare and In-Patient services from within one building, with the opportunity which this provides for matching the needs of the patients to whatever type of care is most appropriate for them at any one time. That this can continue to be done free of charge and with ever increasing annual expenditure in excess of £1.3 million is a constant source of amazement to us all. We have to thank so many people for this support; our own fundraising teams and staff who find new ideas of raising money as well as the annually recurring events such as the Spring Plant Sale and May Ball, the Summer and Christmas Fairs, the sale of Christmas Cards and Sunflowers and the annual Light Up A Life ceremony in December, which this year brought in a amazing £43,000.

Then there are the volunteers who work in our seven charity shops selling goods donated by the public and earning a very large and regular source of our funding each year. We continue to be grateful for support given to our Lottery and for donations given in memory of loved ones, or to celebrate a special birthday or wedding. The list is endless and comes from people of all ages as well as the local organisations, churches and the public who continue to support us. They run marathons, bake cakes, climb mountains, walk across Morecambe Bay, hold quiz nights and in doing all of this and much more, they gain and give enjoyment to themselves and to all who take part.

## HOSPICE CARE FOR BURNLEY AND PENDLE

### THE DIRECTORS' REPORT *(continued)*

#### YEAR ENDED 31 MARCH 2003

Extra revenue has also been generated this year from Gift Aid and reclaimed VAT monies, thanks to diligent sifting through our accounts. This has all helped to balance our books for another year, and is good news, but it does not prevent the directors from constantly asking themselves for how much longer they can expect the community to increase their giving to cover spiralling nursing and medical costs and all the fees being demanded by the various inspecting bodies who are now being imposed upon charities such as ours. We have struggled for so long with a very inequitable share of NHS funding being paid to us in comparison with other Hospices in the North West region and the country as a whole, but it does now seem that efforts are being made by the Cancer Care Network and Primary Care Trusts to ensure that a much fairer contribution is made to us in the future. This is also good news and vitally important as it is not only the proposed new structure for nurse pay awards which we will have to meet, but also the cost of extra administrative staff we need to employ to respond to the many bureaucratic demands which have been imposed by government legislation. The accounts already show an increase in non-nursing and medical costs due to these ever increasing demands. The introduction of the Criminal Records Bureau, the need to comply with all the statutory requirements of the Care Act 2000, the new Health and Safety regulations and Trading Standards inspectors are some of the matters with which we must deal. All these agencies are expected to be self-financing and therefore fees are demanded to cover the costs of their work. We had our first inspection under the Care Standards Act in January, and whilst the standard of nursing care was well reported upon, the Inspectorate did not find all our policies were adequately recorded in accordance with their view of statutory requirements. An action plan to address these many and varied policies (67 in number) has been drawn up and this is involving senior staff in many time consuming meetings, with some outside help. In a small hospice such as ours, where much of our administrative work has to be undertaken by volunteers, we have not been able to carry surplus staff to fill in extra duties. That day has now passed, and as from March this year we have employed a Human Resources Officer (Mrs Michaela Hoare) who will advise on many of these statutory requirements whilst at the same time being responsible for the well being and training of volunteers and staff. It is an important role but one which has become necessary.

It is sad to have to report the death during the year of one of our directors, Frank Chadwick, following a battle with cancer, which he fought valiantly and without complaint. Frank had wide experience of both the National Health Service and local government, as well as being greatly involved with many local organisations and people. He brought all this knowledge to help the hospice and actively assisted in fundraising. He worked tirelessly on our behalf and is sadly missed. The Board is now looking to recruit new members in the forthcoming year both as Board Members and also by co-option on to our various sub-committees through which the work of the hospice is carried on.

The end of the financial year is also bringing to an end the accounting arrangements under which we have operated to date. It has now been agreed that computerisation of our accounts will enable us to have this work brought 'in house' and in consequence remove the need to use the services we have enjoyed in the past from K M Chartered Accountants. Our former Honorary Treasurer, Trevor Jones, was a partner with this firm until his retirement and we have enjoyed much support from them over the years and are very grateful to them for all the help and guidance they have given to us. Our present Honorary Treasurer, Harry Tuley, who is also the Chairman of our finance sub-committee, (which meets monthly), maintains a close working relationship with the Chief Executive to monitor and ensure safe financial controls, and we are grateful for the experience and skill which he brings to this office.

## **HOSPICE CARE FOR BURNLEY AND PENDLE**

### **THE DIRECTORS' REPORT** *(continued)*

#### **YEAR ENDED 31 MARCH 2003**

The Honorary Treasurer points out that the level of reserves shown in the accounts has not yet reached the level required in our reserves policy.

It is the stated aim of the Board to maintain a hard working and balanced team of members, all contributing a diversity of skills and expertise to the success of the Charity, which they are happy to serve. They gain satisfaction in their work from the many expressions of appreciation which come their way from patients and their families. 'Pendleside is a beautiful place', 'the nurses are quite wonderful', and, one final example from a lady who visited her friend shortly before she died, 'my last memory of her is not how ill she was, but of her sitting in your lovely rose garden in the sun and with a smile on her face. That is how I shall always remember her'.

#### **RESULTS**

The trading results for the year, and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have not recommended a dividend.

#### **DIRECTORS**

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

Miss M B Jobling  
Mrs J Ashworth  
Mrs P Baxter  
Mrs M Cadman  
Mr J T Jones  
Dr E Lockwood  
Mr D A Smith  
Mrs B Snell  
Mr T Taylor  
Mr H Tuley  
Miss E Ramsbottom  
Mr F Chadwick (Died January 2003)  
Mrs M Monckton  
Mr D Brown

Mrs P M E Harling was appointed as a director on 23 June 2003.

Mr A McGeorge was appointed as a director on 23 June 2003.

## **HOSPICE CARE FOR BURNLEY AND PENDLE**

### **THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 MARCH 2003**

#### **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:

Miss M B Jobling  
Mrs M Cadman  
Mrs M Monckton

The following directors are to retire from the board in accordance with the Articles of Association and are not seeking re-appointment.

Mrs P Baxter  
Mrs J Ashworth

In the meantime, Mrs P Harling, retired nursing sister, and Mr A McGeorge, retired consultant urologist, are to be co-opted on to the board to fill vacancies arising from the deaths of Dr Cooper and Mr F Chadwick.

#### **RISK REVIEW**

The directors have introduced a risk management process to assess clinical and business risks and are implementing systems to mitigate these risks. Internal risks are minimised by the implementation of procedures for 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. In addition they have sought to clarify the responsibility of management to implement their policies to identify and evaluate risks for their consideration and ensure the implementation of procedures for reporting failings and detailing the corrective action being undertaken.

#### **FIXED ASSETS**

In the opinion of the directors there is no significant difference between the market value and the book value of the companies interest in land and buildings.

# **HOSPICE CARE FOR BURNLEY AND PENDLE**

## **THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31 MARCH 2003**

### **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.

### **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 required over the ensuing twelve months in respect of continuing activities.
- 2) Operating reserve, representing cover for any budgeted operating deficit for the ensuing twelve months continuing services, together with a contingency reserve for the period equal to two thirds of the budgeted income.

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 £843,367.

### **COMPLIANCE STATEMENT**

The financial statements comply with current statutory requirements and with the requirements of the charity's memorandum and articles of association.

### **VOLUNTARY HELP**

The financial statements exclude costs for voluntary help which cannot be quantified.

### **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.

### **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 14 to 15, 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.



## **HOSPICE CARE FOR BURNLEY AND PENDLE**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**YEAR ENDED 31 MARCH 2003**

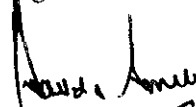
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding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

#### **AUDITORS**

A resolution to re-appoint P M & M as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:  
Pendleside  
Colne Road  
Reedley  
Burnley

Signed on behalf of the directors



**D A Smith**  
Director

Approved by the directors on 29<sup>th</sup> September 2003

**HOSPICE CARE FOR BURNLEY AND PENDLE**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**  
**YEAR ENDED 31 MARCH 2003**

We have audited the financial statements of Hospice Care for Burnley and Pendle for the year ended 31 March 2003 on pages 10 to 24. These financial statements have been prepared under the historical cost convention as modified by the valuation of investments at market value and the accounting policies set out therein.

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 THE DIRECTORS AND THE AUDITORS**

The directors responsibilities for preparing the Directors Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 charity 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 charity is not disclosed.

We read other information contained in the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report and if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**BASIS OF AUDIT OPINION**

We conducted our audit in accordance with United Kingdom Auditing Standards 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 charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, 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 31 MARCH 2003**

**OPINION**

In our opinion the financial statements give a true and fair view of the state of the charity's affairs as at 31 March 2003 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*PM & M*

**P M & M**  
**Chartered Accountants**  
**& Registered Auditors**  
83 Bank Parade  
Burnley  
Lancs

9<sup>th</sup> October 2003

**HOSPICE CARE FOR BURNLEY AND PENDLE**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 31 MARCH 2003**

	Note	Unrestricted £	2003 Restricted £	Total £	2002 Total £
<b>INCOMING RESOURCES</b>					
Subscriptions, donations and gifts		329,637	—	329,637	265,518
Legacies received		87,911	—	87,911	162,576
Investment income and interest	2	32,531	—	32,531	40,451
Activities in furtherance of the charities objectives	3	262,993	75,356	338,349	279,432
Other income	4	17,017	—	17,017	7,499
Activities to generate funds	5	666,278	—	666,278	611,136
Total Incoming Resources		<u>1,396,367</u>	<u>75,356</u>	<u>1,471,723</u>	<u>1,366,612</u>
<b>RESOURCES EXPENDED</b>					
Charitable expenditure - Charitable objectives:					
Pendleside Hospice - operating expenditure					
	6	810,731	2,200	812,931	844,466
Home care support	7	7,057	—	7,057	19,731
Hospice at home	8	117,948	73,156	191,104	190,515
Transport	9	42,260	—	42,260	36,946
Costs of generating funds	10	271,910	—	271,910	244,705
Management and administration of the charity	11	29,417	—	29,417	25,499
		<u>1,279,323</u>	<u>75,356</u>	<u>1,354,679</u>	<u>1,361,862</u>
<b>NET INCOMING RESOURCES FOR THE YEAR</b>					
		117,044	—	117,044	4,750
Unrealised deficit on investments		(4,010)	—	(4,010)	(5,275)
Realised deficit on investments		(4,031)	—	(4,031)	—
Transfer between funds		—	—	—	—
<b>NET MOVEMENT IN FUNDS</b>		<u>109,003</u>	<u>—</u>	<u>109,003</u>	<u>(525)</u>
Balance brought forward		<u>1,913,181</u>	<u>20,000</u>	<u>1,933,181</u>	<u>1,933,706</u>
<b>BALANCE CARRIED FORWARD</b>		<u><u>2,022,184</u></u>	<u><u>20,000</u></u>	<u><u>2,042,184</u></u>	<u><u>1,933,181</u></u>

The company has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the company are classed as continuing.

**HOSPICE CARE FOR BURNLEY AND PENDLE**  
**SUMMARY INCOME AND EXPENDITURE ACCOUNT**  
**YEAR ENDED 31 MARCH 2003**

	Note	2003 £	2002 £
Gross income of continuing operations		1,439,192	1,326,161
Total expenditure of continued operations		<u>(1,354,679)</u>	<u>(1,361,862)</u>
<b>NET SURPLUS/DEFICIT FOR THE YEAR BEFORE INVESTMENTS</b>		84,513	(35,701)
Investment income		32,531	40,451
Other recognised gains and losses		(8,041)	(5,275)
<b>OPERATING SURPLUS/DEFICIT FOR THE YEAR</b>		<u><u>109,003</u></u>	<u><u>(525)</u></u>

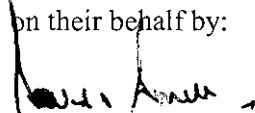
## HOSPICE CARE FOR BURNLEY AND PENDLE

## BALANCE SHEET

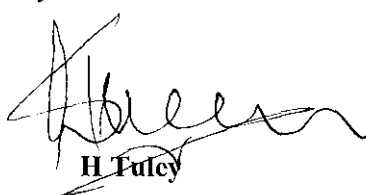
31 MARCH 2003

	Note	2003 £	2002 £
<b>FIXED ASSETS</b>			
Tangible assets	14	1,178,817	1,189,755
Investments	15	742,809	622,923
		<u>1,921,626</u>	<u>1,812,678</u>
<b>CURRENT ASSETS</b>			
Stocks	16	—	1,313
Debtors	17	27,830	11,910
Cash at bank		157,835	284,029
		<u>185,665</u>	<u>297,252</u>
<b>CREDITORS: Amounts falling due within one year</b>	18	<u>(65,107)</u>	<u>(176,749)</u>
<b>NET CURRENT ASSETS</b>		120,558	120,503
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,042,184</u>	<u>1,933,181</u>
<b>FUNDS</b>			
Restricted		20,000	20,000
Designated funds	20	1,178,817	1,189,755
Income and expenditure account		843,367	723,426
	21	<u>2,042,184</u>	<u>1,933,181</u>

These financial statements were approved by the directors on the 29<sup>th</sup> September 2003, and are signed on their behalf by:



D A Smith



H Tulcy

# HOSPICE CARE FOR BURNLEY AND PENDLE

## CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2003

	Note	2003 £	2002 £
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>	<b>22</b>	36,655	231,022
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Payments to acquire tangible fixed assets		(38,953)	(39,913)
Acquisition of investments		(198,850)	(232,565)
Disposal of investments		74,953	112,780
<b>NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		(162,850)	(159,698)
<b>(DECREASE)/INCREASE IN CASH</b>	<b>23</b>	(126,195)	71,324

# HOSPICE CARE FOR BURNLEY AND PENDLE

## NOTES TO THE FINANCIAL STATEMENTS

### YEAR ENDED 31 MARCH 2003

#### 1. ACCOUNTING POLICIES

##### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, as modified by the valuation of investments at market value, and in accordance with applicable accounting standards and the Statement of Recommended Practice on Accounting by Charities 2000.

##### **Legacies and donated assets**

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

##### **Gifts in kind**

These are credited to the general fund at a reasonable estimate of the value to the charity.

##### **Depreciation**

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	- 50 years
Fixtures, fittings and equipment	- 5 years
Motor vehicles	- 4 years

##### **Fixed assets**

Individual fixed assets costing £100 or more are capitalised at cost.

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

##### **Operating lease agreements**

Rentals 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 operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Statement of Financial Activities.



**HOSPICE CARE FOR BURNLEY AND PENDLE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2003**

**1. ACCOUNTING POLICIES** *(continued)*

**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 accruals basis, inclusive of any VAT which cannot be recovered.

Expenditure which is directly attributable to specific activities has been included in these cost categories. Where costs are attributable to more than one activity, 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.

**Expenditure on management and administration of the charity**

Administration expenditure includes all expenditure not directly related to the charitable activity or fundraising ventures. This includes a proportion of administrative salaries, legal and professional fees and audit fees.

**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 31 MARCH 2003

### 2. INVESTMENT INCOME AND INTEREST

	2003 £	2002 £
Dividends received	13,126	17,313
Bank interest receivable	12,957	6,521
Building society interest receivable	6,448	16,617
	<u>32,531</u>	<u>40,451</u>

### 3. ACTIVITIES IN FURTHERANCE OF THE CHARITIES OBJECTIVES

	2003 £	2002 £
<b>Grants received</b>		
East Lancs Health Authority	248,340	240,141
Sundry grants	14,653	513
Awards For All	2,200	2,200
New Opportunities Fund	73,156	36,578
	<u>338,349</u>	<u>279,432</u>

### 4. OTHER INCOME

	2003 £	2002 £
Room hire	2,221	4,311
Catering	968	2,461
Medical services	—	290
VAT refunds	13,213	—
Other interest	615	—
Sundry income	—	437
	<u>17,017</u>	<u>7,499</u>

### 5. ACTIVITIES TO GENERATE FUNDS

	2003 £	2002 £
Charity shop sales	273,186	244,196
Christmas cards sales	13,647	14,936
Receipts from fundraising events	86,774	99,450
Hospice lottery	292,671	252,554
	<u>666,278</u>	<u>611,136</u>

# HOSPICE CARE FOR BURNLEY AND PENDLE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

### 6. PENDLESIDE HOSPICE - OPERATING EXPENDITURE

		2003 £	2002 £
<b>Nursing</b>			
Salary costs	413,103	450,466	
Chaplain	3,626	3,605	
Medical officer	46,392	27,818	
		463,121	481,889
<b>Accommodation</b>			
Water	2,106	2,007	
Gas and electricity	13,526	14,286	
Repairs, renewals and maintenance	32,060	50,383	
		47,692	66,676
<b>Administration</b>			
Salary costs	89,523	69,410	
Telephone	5,043	6,580	
Insurance	9,854	8,499	
Stationery, postage and sundries	8,475	5,531	
Registration fees	176	122	
Incidental expenses	2,392	817	
Financial services	7,306	4,993	
Computer and equipment maintenance	2,713	2,847	
Journals etc	1,939	1,477	
		127,421	100,276
<b>Staff</b>			
Recruitment	6,454	3,544	
Travelling expenses	1,024	1,212	
Training	9,077	3,309	
Uniforms, etc	3,631	1,309	
		20,186	9,374
<b>Medical</b>			
Drugs, etc	6,382	5,415	
Nursing aids	2,199	638	
Equipment hire and maintenance	3,000	2,989	
		11,581	9,042
<b>Household</b>			
Salary costs	17,403	14,901	
Laundry	—	421	
Cleaning materials, etc	631	3,383	
Contract services	4,022	7,950	
		22,056	26,655
<b>Catering</b>			
Consumables	7,528	9,894	
Equipment and sundries	917	226	
Catering contract	73,357	71,247	
		81,802	81,367

# HOSPICE CARE FOR BURNLEY AND PENDLE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

### 6. PENDLESIDE HOSPICE - OPERATING EXPENDITURE *(continued)*

#### Depreciation

Freehold buildings	22,091	21,943
Furniture, furnishings and equipment	<u>16,981</u>	<u>47,244</u>
	39,072	69,187
	<u>812,931</u>	<u>844,466</u>

### 7. HOME CARE SUPPORT

	2003	2002
	£	£
Salary costs	6,057	18,498
Volunteers expenses	1,000	1,233
	<u>7,057</u>	<u>19,731</u>

### 8. HOSPICE AT HOME

	2003	2002
	£	£
Salary costs	184,214	179,627
Staff travel expenses	6,567	7,577
Telephone	110	160
Incidental expenses	60	1,262
Recruitment	—	732
Uniforms etc	93	819
Training	60	50
Drugs, etc	—	288
	<u>191,104</u>	<u>190,515</u>

### 9. TRANSPORT

	2003	2002
	£	£
Salary costs	29,212	26,535
Vehicle expenses	3,129	2,959
Depreciation	10,819	7,452
Profit on disposal	(900)	—
	<u>42,260</u>	<u>36,946</u>

# HOSPICE CARE FOR BURNLEY AND PENDLE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

### 10. COSTS OF GENERATING FUNDS

	2003 £	2002 £
<b>General fundraising</b>		
Salary costs	42,416	21,563
Publicity, brochures, etc	4,396	3,528
Events expenditure	15,524	10,415
Christmas cards	8,621	8,720
	<u>70,957</u>	<u>44,226</u>
<b>Charity shops</b>		
Operating lease rentals	46,083	43,617
Rates	3,369	3,204
Electricity, water and telephone	7,197	7,276
Repairs and maintenance	7,277	3,358
Insurance	806	1,405
Stationery, bags, tickets, etc	1,361	976
Incidental expenses	5,284	3,326
Motor and travel expenses	1,312	1,422
	<u>72,689</u>	<u>64,584</u>
<b>Hospice lottery</b>		
Bureau costs	1,634	5,477
Salary costs	31,327	39,240
Prize money	84,000	78,000
Marketing	1,832	684
Incidental expenses	469	34
Travelling expenses	2,085	1,479
Printing and postage	5,117	5,988
Rates	—	145
Rent	—	2,250
Repairs and maintenance	—	24
Gas, water and electric	—	235
Telephone	—	481
Bank charges	—	54
Audit	1,800	1,804
	<u>128,264</u>	<u>135,895</u>
	<u>271,910</u>	<u>244,705</u>

# HOSPICE CARE FOR BURNLEY AND PENDLE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

### 11. ADMINISTRATION EXPENSES

	2003	2002
	£	£
Salary costs	9,947	7,712
Audit	2,468	2,291
Insurance	3,285	2,833
Financial services	7,305	4,994
Incidental expenses	15	15
Office sundries, postage, etc	2,826	1,844
Bank charges	3,571	2,450
Legal and professional fees	-	3,360
	<u>29,417</u>	<u>25,499</u>

### 12. PARTICULARS OF EMPLOYEES

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

	2003	2002
	No	No
Number of nursing staff - inpatient	34	37
- day care	7	8
- hospice at home	15	15
- chaplain and medical officers	4	4
Number of transport staff	2	2
Number of home care support staff	1	1
Number of lottery staff	2	2
Number of administration staff and general manager	5	4
Number of ancillary	3	3
Number of fundraising staff	3	2
	<u>76</u>	<u>78</u>

The aggregate payroll costs of the above were:

	2003	2002
	£	£
Wages and salaries	787,814	802,523
Social security costs	47,208	45,204
Other pension costs	38,198	11,648
	<u>873,220</u>	<u>859,375</u>

The directors received no expenses during the year (2002 - £95).

No employee received remuneration of more than £50,000.

**HOSPICE CARE FOR BURNLEY AND PENDLE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2003**

**13. OPERATING SURPLUS**

Operating surplus is stated after charging:

	2003 £	2002 £
Directors' emoluments	—	—
Depreciation	49,891	76,640
Auditors remuneration	4,268	4,095

**14. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
<b>COST</b>				
At 1 April 2002	1,247,158	252,245	70,176	1,569,579
Additions	7,376	17,935	13,642	38,953
Disposals	—	—	(15,096)	(15,096)
<b>At 31 March 2003</b>	<u>1,254,534</u>	<u>270,180</u>	<u>68,722</u>	<u>1,593,436</u>
<b>DEPRECIATION</b>				
At 1 April 2002	106,599	217,867	55,358	379,824
Charge for the year	22,091	16,981	10,819	49,891
On disposals	—	—	(15,096)	(15,096)
<b>At 31 March 2003</b>	<u>128,690</u>	<u>234,848</u>	<u>51,081</u>	<u>414,619</u>
<b>NET BOOK VALUE</b>				
<b>At 31 March 2003</b>	<u>1,125,844</u>	<u>35,332</u>	<u>17,641</u>	<u>1,178,817</u>
At 31 March 2002	<u>1,140,559</u>	<u>34,378</u>	<u>14,818</u>	<u>1,189,755</u>

The net book value of freehold land and buildings comprises:

	2003 £	2002 £
Land	150,000	150,000
Buildings	975,844	990,559
	<u>1,125,844</u>	<u>1,140,559</u>

Non depreciable assets included in freehold land and buildings amounted to £150,000 (2002 - £150,000).

All tangible fixed assets are held for direct charitable purposes.

**Capital commitments**

	2003 £	2002 £
Contracted but not provided for in the accounts	—	—

**HOSPICE CARE FOR BURNLEY AND PENDLE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 MARCH 2003**

**15. FIXED ASSET INVESTMENTS**

	Bank and building society balances	Quoted investments	Total
	£	£	£
<b>MARKET VALUE</b>			
At 1 April 2002	369,859	253,064	622,923
Additions	129,746	69,104	198,850
Disposals	-	(74,953)	(74,953)
Revaluation of investments	-	(4,011)	(4,011)
At 31 March 2003	<u>499,605</u>	<u>243,204</u>	<u>742,809</u>
<b>HISTORICAL COST</b>			
At 31 March 2003	<u>499,605</u>	<u>263,270</u>	<u>762,875</u>
At 31 March 2002	<u>369,859</u>	<u>280,396</u>	<u>650,255</u>

All quoted investments are listed on the UK Stock Exchange.

Of the £499,605 bank and building society balances, £129,714 relates to amounts invested with Marsden Building Society and £357,864 relates to amounts invested with Cafcash Limited.

**16. STOCKS**

	2003 £	2002 £
Stock of christmas cards	<u>-</u>	<u>1,313</u>

**17. DEBTORS**

	2003 £	2002 £
VAT recoverable	3,847	604
Prepayments and accrued income	<u>23,983</u>	<u>11,306</u>
	<u>27,830</u>	<u>11,910</u>

**18. CREDITORS: Amounts falling due within one year**

	2003 £	2002 £
Accruals and deferred income	<u>65,107</u>	<u>176,749</u>



# HOSPICE CARE FOR BURNLEY AND PENDLE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

### 19. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	<b>Land &amp; Buildings</b>	
	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
Within 1 year	-	4,250
Within 2 to 5 years	14,650	14,650
After more than 5 years	11,500	11,500
	<u>26,150</u>	<u>30,400</u>

### 20. DESIGNATED FUNDS

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
<b>Charitable property and fixed assets:</b>		
Balance brought forward	1,189,755	1,226,482
Transfer to the Statement of Financial Activities	(10,938)	(36,727)
	<u>1,178,817</u>	<u>1,189,755</u>

### 21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	<b>2003</b>	<b>2002</b>
	<b>£</b>	<b>£</b>
<b>Unrestricted Funds</b>		
Investments	722,809	602,923
Current assets	185,665	297,252
Creditors: Amounts falling due within one year	(65,107)	(176,749)
	<u>843,367</u>	<u>723,426</u>
<b>Restricted Funds</b>		
Investments	<u>20,000</u>	<u>20,000</u>
<b>Designated Funds</b>		
Fixed Assets	<u>1,178,817</u>	<u>1,189,755</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.

# HOSPICE CARE FOR BURNLEY AND PENDLE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2003

### 22. RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2003 £	2002 £
Net incoming resources before revaluations	117,044	4,750
Depreciation	49,891	76,640
Deficit on sale of investments	(4,031)	—
Decrease in stocks	1,313	186
(Increase)/Decrease in debtors	(15,920)	4,881
(Decrease)/Increase in creditors	(111,642)	144,565
Net cash inflow from operating activities	<u>36,655</u>	<u>231,022</u>

### 23. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2003 £	2002 £
(Decrease)/Increase in cash in the period	(126,195)	71,324
Movement in net funds in the period	<u>(126,195)</u>	<u>71,324</u>
Net funds at 1 April 2002	284,029	212,706
Net funds at 31 March 2003	<u>157,835</u>	<u>284,029</u>

### 24. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Apr 2002 £	Cash flows £	At 31 Mar 2003 £
Net cash:			
Cash in hand and at bank	284,029	(126,194)	157,835
Net funds	<u>284,029</u>	<u>(126,194)</u>	<u>157,835</u>