

THE PRINCE & PRINCESS OF WALES HOSPICE
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021



The Prince & Princess
of Wales Hospice

**THE PRINCE AND PRINCESS OF WALES HOSPICE
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	PAGE
Company information	
The Global Pandemic – Covid 19	1
Directors' Annual Report and Strategic Report	2 – 11
Independent Auditor's Report	12 – 15
Consolidated Statement of Financial Activities	16
Consolidated Balance Sheet	17
Statement of Financial Activities	18
Balance Sheet	19
Consolidated and Charity Statement of Cash Flows	20
Statement of Hospice Reserves	21 – 24
Notes to the Financial Statements	25 – 39
 <i>The following pages do not form part of the statutory Report & Financial Statements</i>	
Five Year Summary of Financial Statements	40 - 41

THE PRINCE & PRINCESS OF WALES HOSPICE

COMPANY INFORMATION

Directors

Ronald Bowie (Chairman)
Ian Reid (Vice – Chairman)

Robert Calderwood
Murray Cromar
Surjit Chowdhary MBE
Bill Doak
Anice Gillespie
Steuart Howie
David Hunter

John Kyle
Iain MacLeod
Hazel Tomkins
Graeme Waddell
Tricia Ward
Heather Matthews

Chief Executive

Rhona Baillie

Company Secretary

Christopher Harwood

Registered Office

20 Dumbreck Road
Glasgow
G41 5BW

Company Registered Number

SC 084008

Charity Registration Number

SC 012372

Bankers

The Royal Bank of Scotland
10 Gordon Street
Glasgow
G1 3AA

Virgin Money
30 St Vincent Place
Glasgow
G1 2HL

Solicitors

Lindsays LLP
100 Queen Street
Glasgow
G1 3DN

External Auditors

Martin Aitken & Co Ltd
Caledonia House
89 Seaward Street
Glasgow
G41 1HJ

Stockbrokers

Brewin Dolphin
6th Floor Atria One
144 Morrison Street
Edinburgh
EH3 8BR

Quilter Cheviot
Delta House
50 West Nile Street
Glasgow
G1 2NP

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**THE PRINCE AND PRINCESS OF WALES HOSPICE
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FOR THE YEAR ENDED 31 MARCH 2021**

Impact of the global pandemic of COVID-19

April 2020 - Onwards

The Prince & Princess of Wales Hospice was appropriately prepared for the COVID-19 pandemic when it began early in 2020. As restrictions were introduced in Scotland, the hospice activated its pandemic emergency plan. As health and safety measures were implemented throughout the hospice, patients continued to be admitted into the inpatient unit where staff provided exceptional clinical and compassionate care to those who needed it.

Senior managers put in place a range of processes to ensure that the hospice carried on caring for people at the end of their lives, while ensuring that health and safety was maintained for all patients, visitors, volunteers and staff. As always, the hospice ensured that every decision was taken in participation with our patients, their families and our staff's wellbeing and health as the most important factor.

From April we put in place stringent infection control measures and our clinical and medical teams adapted to new ways of working, with PPE equipment being worn to halt the transmission of covid-19.

To ensure that the hospice complied with Government guidance and to keep our vulnerable patients safe, outpatients' services provided from within the hospice had to cease. However, this led the team to initiate innovative new ways of providing their care to patients virtually. With restrictions still in place, hospice staff are planning for the return of these outpatients to a more socially distanced and covid-safe environment within the hospice.

Our community services have continued to operate but at a reduced level with staff taking cognisance of visiting patients who were shielding in their homes. Telephone contact has been maintained with all patients in the community and digital ways of communicating such as Near Me and Attend Anywhere have been used for virtual face-to-face consultations. As restrictions have lifted, community services have increase.

During the coronavirus pandemic, hospice staff have shown themselves as resourceful and dedicated to ensuring the best possible care for their patients. While our in-house education suite closed in March to comply with restrictions and all external rooms bookings cancelled, we made full use of the digital technologies available to us. Our clinical and our medical teams have used our education suite to deliver training internally and externally.

Income streams have slowed as again to comply with restrictions, we had to close all our retail shops and cancel all fundraising events. We have, however, continued to receive generous donations from our supporters during this time. We also accessed the Government's Job Retention Grant with more than 70 staff being placed on furlough. This protected their health and safety by allowing them to stay at home during the height of the pandemic while also allowing the hospice to reduce associated running costs. The hospice also received emergency government funding to bridge the loss of fundraising income.

As we continue to face an uncertain future, the hospice will be better placed to cope with any future challenges- it will be stronger, more agile and better equipped to face change and adversity in the coming years.

During financial year 2020-21 the Hospice continued to provide exceptional care and operated to normal capacity up until government restrictions were introduced as a result of the global pandemic. The following report and notes stand true for this financial year.

THE PRINCE & PRINCESS OF WALES HOSPICE DIRECTORS' ANNUAL REPORT AND STRATEGIC REPORT

The Directors submit their Annual Report and Financial Statements for the year ended 31 March 2021.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The legal and administrative information contained above forms part of this report.

1. Purpose and Principal Activities

The Prince & Princess of Wales Hospice (the Hospice) is located within Bellahouston Park in the southern suburbs of Glasgow. The principal activity of the Hospice is the care of patients with life limiting progressive disease and their families. The Hospice offers four distinct areas of care to patients – Inpatient, Day Services, Clinical Nurse Specialist Community team and input to Acute Hospital teams. Patients may access any or all of them, according to individual needs. From a community health perspective, the Hospice covers two Community Health Care & Social Care Partnerships with responsibility for a population of approximately 285,000 people, and receives referrals from over 100 local GP practices, as well as from the Acute Hospitals servicing particularly the South Glasgow area.

The Hospice team acts as a resource to health care professionals who provide palliative care in all of these settings. A team of over 100 (FTE) staff and 700 volunteers combine to provide patient and family care and to generate and manage the funding required. The Hospice currently receives over 1,200 new referrals a year. Care is free and culturally sensitive.

The Hospice operates to provide Specialist Palliative Care services in co-operation with NHS Greater Glasgow & Clyde under a service level agreement and arrangements managed through new Health and Social Care Partnerships in Glasgow City and East Renfrewshire. These arrangements are organised in keeping with the policy context outlined in a Memorandum of Understanding between the Independent Scottish Hospices and the Joint Integrated Board which oversees the activities of the Health and Social Care Partnerships across Scotland.

2. Structure, Management and Governance

Governing Document

The Prince & Princess of Wales Hospice is a charitable company limited by guarantee, incorporated on 20 July 1983 and is a Registered Scottish Charity. It is established under its Memorandum of Association which lays out the objects and powers of the company and is governed by its Articles of Association which set out the legal and organisational procedures to which its administration must adhere.

Organisational Structure and Management

The Hospice has a clear reporting structure where senior staff members with defined responsibilities report to the Chief Executive who in turn reports to the Board of Directors. Day to day operational responsibility is delegated to the Chief Executive and the Hospice management team. All members of the management team are present at regular management meetings and at all six board meetings during the year, participating in subgroups as appropriate.

In addition to the provision of patient care, the Hospice operates a number of charity shops in the Glasgow area raising funds towards the provision of the care.

In November 2011, the Hospice formed a new subsidiary company, Hospice Developments Ltd, to organise and oversee the development of its new hospice facility. The company remains in place while the final project requirements are completed.

THE PRINCE & PRINCESS OF WALES HOSPICE DIRECTORS' ANNUAL REPORT AND STRATEGIC REPORT

(continued)

Directors and Trustees

The Directors of the charitable company (the charity) are its Trustees for the purpose of charity law and throughout this report are referred to as the Directors or collectively as the Board (of Directors).

Recruitment and Appointment of Directors

Under the requirements of the Memorandum and Articles of Association, members of the Board are elected to serve for a period of three years after which they must be re-elected at the next AGM. Unless otherwise resolved by the Hospice Members in General meeting, a maximum of two terms (six years) may be served. The Board has adopted a meeting and information structure under which it meets formally at least six times per year. Between formal meetings, Directors are kept in touch electronically with issues of importance, and financial reports are issued monthly.

The Board is comprised of individuals with a wide range of skills from business and financial to clinical. To maintain this balance, retired Directors are replaced by those with an appropriate skill set. This ensures that the Board sub-committees of Audit, Clinical Governance and Income Generation Governance have relevant representation.

Director Induction and Training

New appointees to the Board and subsidiaries will meet with the Chairman of the Board and the Chief Executive and given a tour of the Hospice. In addition they are invited to participate in the regular inductions available to all new staff and volunteers within the Hospice to aid in their familiarisation with the services being provided.

The Board of Directors

The Directors who served during the year ended 31 March 2021 and thereafter were as follows:

Ronald Bowie (Chairman)

Ian Reid (Vice-Chairman)

Robert Calderwood

John Kyle

Murray Cromar

Ian MacLeod

Surjit Chowdhary MBE

Ally McLaws (Resigned 16 June 2021)

Bill Doak

Brett Nicholls (Resigned 26 May 2021)

Anice Gillespie

Hazel Tomkins

Steuart Howie

Graeme Waddell

David Hunter

Clinical Governance

Clinical governance is the overall framework through which the Hospice is accountable for continuously improving clinical, corporate, staff and financial performance. The philosophy of the Hospice is to ensure the provision of high quality clinical, emotional, social and spiritual care for patients who have a progressive, life-limiting illness and support for those who care for them. Therefore, healthcare governance is integral to our service and practice. The Board has appointed the Clinical Governance Committee, comprising Directors with relevant skills and senior Hospice clinical staff to oversee policy and practice on these aspects of Hospice services.

Information Governance

The Information Governance Group, led by the Caldicott Guardian and Data Protection Officer, has the remit to ensure that all data, clinical and non-clinical, is safely and efficiently recorded and utilised and in keeping with national recommendations. The group meet regularly to review and improve systems and processes. Work continues to ensure compliance with the new General Data Protection Regulation (GDPR).

THE PRINCE & PRINCESS OF WALES HOSPICE DIRECTORS' ANNUAL REPORT AND STRATEGIC REPORT

(continued)

Risk Management

The Directors have charged the Risk Management Committee, under the chairmanship of the Chief Executive, with supporting corporate and clinical risk management through the development and implementation of an appropriate risk management framework. This framework comprises a steering group and three sub-groups producing robust risk assessments and subsequent control measures across all departments. This structure is overseen by the Board's Audit, Clinical and Income Generation Governance Committees, which report to the Board on a regular basis. Through this structure, the Directors have assessed the major risks to which the Hospice is exposed. These fall within the following areas:

<i>Area</i>	<i>Nature of Risk</i>	<i>General description of controls & strategy</i>
Clinical care	Caring for vulnerable persons Administering medications Skin tissue vulnerability Infections	The Hospice has robust and audited operational processes and controls and is highly graded in regulatory inspections. This is supported by strong educational and HR functions for all involved in the care function. Best practice in peer organisations is sought out and implemented. All activity is overseen by the Clinical Governance Committee.
Business risks	Importance of HSCP funding Charity and other competition Poor charity media coverage Tougher data protection regulation Cost increases	The Hospice maintains good relations with its commissioners and all supporters and has robust controls in place to ensure best practice is operated. An internal audit programme covers all material areas of risk. Operational groups address all risk areas and plan strategy, which includes widening the supporter base, ensuring maximum financial efficiency, and maintaining a strong communications function. All activity is overseen by the Audit and Income Generation Governance Committees.

The above risks are inherent to the activities carried out by the Hospice. Generally, the likelihood of occurrence is assessed as low, but the risks score highly because the consequence of an occurrence could be significant. The Directors are satisfied that systems are in place to minimise exposure.

Staff Governance

The Directors have appointed a Staff Governance Committee to review matters relating to employment and to advise the Board on best practice. The Committee is chaired by the Vice-Chairman and includes Directors who have relevant skills and experience as well as appropriate members of the senior management team. The Hospice Joint Consultation Group (involving staff and Board members) assist and inform the Committee on staff strategy for the future.

Income Generation Governance

The Board has appointed the Income Generation Governance Committee to review all income streams from fundraising activity to our retail shops performance to maximization of the income from our lottery. The group's main focus is the on-going generation of income to allow the Hospice to remain financially stable for the long term. The Committee meets and reports regularly to the Board.

Financial Governance

The Hospice Audit Committee comprises of Directors who have business and professional financial expertise. The Committee meets four times each year to consider all financial matters relating to the Hospice and its subsidiaries. It receives detailed reports from the independent auditors and manages a cycle of internal audit reviews.

The minutes of all Governance Committees are reviewed by the Board as a standing item on its meeting agenda.

**THE PRINCE & PRINCESS OF WALES HOSPICE
DIRECTORS' ANNUAL REPORT AND STRATEGIC REPORT**

(continued)

3. Strategy, Objectives and Activity

Overview

Since its inception in the 1980's the Hospice's clinical services have grown organically, responding to need and opportunity.

We support over 1200 new patients and families every year, and have developed our services to reflect the need for a flexible, patient and family centred programme of care, with an ethos of supporting people to live as well as possible, for as long as possible, in the place of their choice.

Income generation via our two main streams for revenue funding remains challenging. Around 40% of total costs are covered by funding from Glasgow City HSCP. The remaining 60% of funding is met through charitable donations and event fundraising activity. The Hospice has a wide range of such income streams, and with over 30 years of service delivery, our loyal supporter base ensures we are financially stable.

Clinical Development

For several years, the development of services of our hospice has been structured round a rolling five-year strategy, known as Vision & Values. This focuses on our clinical strategy which reflects our aspiration towards modern, innovative, inclusive palliative care services for people of all ages and from all backgrounds. Services are shaped around the needs of our patients and their families and carers, reflecting the expectations of today and tomorrow's patients.

The essence of palliative care lies in the care which is delivered. Our hospice is committed to working in partnership with patients and their families and carers, staff and volunteers, external health and social care professionals, and the wider community. The consultation and development of each of our periodic strategies is a demonstration of this commitment. As a result of this engagement our hospice's Mission Statement, Values and Strategic aims have been modified and developed to be as follows:

Our Mission Statement: The Hospice's mission is to provide high quality, person centered care for all those affected by life limiting conditions.

Our strategic clinical aims are:

- **Lead** - Maintain a leading position in the delivery palliative and end of life care through to bereavement care for all those affected by a life-limiting condition.
- **Learn** - Develop our local, national and international research and knowledge sharing with a focus on the education and support of the workforce providing care.
- **Collaborate** - Develop and deliver our services in collaboration with patients, their families and carers and our partners.
- **Transform** - Develop a comprehensive digital strategy to support effective delivery of our clinical services.
- **Reveal** - Work with our communities to develop an understanding of the importance of good palliative and end of life care through to bereavement care.

We will continue to co-produce services, maintain people's enthusiasm and engagement, and ensure that there are further opportunities for engagement to make sure our services remain sustainable and fit for the future.

THE PRINCE & PRINCESS OF WALES HOSPICE
DIRECTORS' ANNUAL REPORT AND STRATEGIC REPORT
(continued)

Inpatient Unit

Our inpatient unit has sixteen en-suite, single rooms with one double bed settee in each room. These beds are divided between two areas, one with six beds and one with ten beds. Each of the rooms opens onto its own patio with access to gardens at one side. There is a communal seating area in the center of the unit, where patient and families are encouraged to relax. People can also use our family social area, which is situated between the two inpatient areas, to share a meal or a cup of tea.

After negotiation with Healthcare Improvement Scotland (HIS), our regulator, in recognition of the work we have been leading to transition young adults to an adult hospice setting, HIS agreed to lower our age limit for patients to fifteen years old, on an individual patient basis. This change in license allowed us to successfully care for a fifteen-year-old and to support the individual and family in their preferred place of care which was in our hospice. We are currently the only adult hospice in Scotland with this provision.

Strategic aims and activity for our Inpatient Unit continue to include:

- The efficient and effective utilisation of inpatient beds
- Efficient and effective patient-centered discharge planning
- Patient centered drug administration using the patient's own drugs
- Improving current processes to increase time spent at the bedside.
- Offering age-appropriate care to young adults

Living Well Hub

Our outpatient and day services now come under the umbrella of our Living Well Hub. We now have four consulting rooms, a well-equipped treatment room, three complementary therapy rooms, a beautiful hairdressing salon, with a nail bar, as well as a relaxing waiting area outside our main Day Service lounge. Within the department there is also a multipurpose room, in which many different activities can take place, and fully accessible toilets, shower and changing facilities.

These services play a crucial role in promoting independent living and quality of life for our patients and their families and carers. The service now includes medical and nurse-led outpatient clinics, monthly carer support groups, access to art and creative writing, Chi Gung and complementary therapies for patients and their families and carers. The innovative roll-out of a volunteer befriending service delivered in our patients' homes – the Carers Choice project allows carers to have a short break, supporting their ongoing resilience. The Living Well Hub is accessed by an increasing number of patients with highly complex needs, including those with motor-neurone disease and chronic obstructive pulmonary disease. This work contributes to the overall widening access arm of our strategy, and our staff group are developing new skills and models of care which will benefit other groups and hospice services in the future.

The service is developing to meet the unique needs of young adults in transition to an adult hospice environment, aiming to develop our services based on the extended needs of our widening patient group. We are supporting young adults with a diverse range of conditions who require palliative care and our experience to date is that their care requires a high level of resource. We currently have young adults accessing a range of Living Well Hub services including counselling, psychotherapy, creative art, nurse and medical symptom management clinics, complimentary therapies, and hairdressing. This has enabled us to establish stronger links with other charities and organisations, promoting referrals of young people who have been unaware of the hospice and its services.

Our strategic aims and activity for our Living Well Hub services continue to include:

- Delivery of a range of outpatient services tailored to the individuals' needs and preferences.
- Continuing development of outreach clinics in city suburbs and in the hospice
- Raising the profile and promoting the full range of our outpatient services

THE PRINCE & PRINCESS OF WALES HOSPICE DIRECTORS' ANNUAL REPORT AND STRATEGIC REPORT

(continued)

Community Services

Our Community Services team supports patients and their families and carers who are unable to access other services. The team's skill mix has been developed and now includes staff nurses and sessions from a rehabilitation assistant, who support our clinical nurse specialists and our medical consultant. Our team have taken the opportunity to have a secondment to the Queen Elizabeth University Hospital Specialist Palliative Care team. This helped reinforce skills and learning in the seconded nurse specialist and the development of effective professional relationships with the new teams who have formed to deliver care in the new hospital. The Community Services team also facilitated the secondment of one of our in-patient nursing team into the community role. This is contributing to the hospice's overall aim to continually develop and invest in its people.

Our Community Services team is working with both Glasgow City and East Renfrewshire palliative care groups to ensure that there is appropriate partnership working to meet the strategic aims of each organisation. This has led to our Community Services Team now being part of the induction process for new community nurses in both areas.

Our strategic aims and activity of the Community Services Team continue to include:

- Further integration with Primary Care teams to promote joint working and shared care
- Further development of a multi-professional approach within our hospice team to ensure effective and efficient working
- Effective support for complex and high dependency patients and their families and carers at home

Art Services

Art Services have been part of our services for many years and were initially managed externally by Art in Hospital. They became part of our core service in 2015 and as such have a place within our clinical strategy. The Art Services strategy is now developed and our artists are engaging with services across Scotland to extend their practice and participate in research to continually develop the model of care they provide. Our inspiring team are working collaboratively with academic leads to research and support the evidence base for Art Services in supporting an individual's autonomy, and have played a pivotal role in reducing isolation, increasing self-esteem, and developing trust with our young adult population who suffer from non-malignant disease, some of whom had not engaged in creative work for many years as their disabilities increased.

Family Support Services

As an integral part of the hospice, the Family Support Service is made up of a range of professionals including a social worker, counsellors, art psychotherapists, a development worker and chaplaincy.

Our Family Support Service offers care and support for adults, children and young people, helping our patients and their families and carers live with the effects of life limiting illness. We work closely with all of them to provide practical, emotional and spiritual support through counselling and support services, a social work service, chaplaincy services, our Children and Young People Services and support and advice for professionals and community partners.

The team have worked in partnership with Glasgow City and East Renfrewshire Council to engage with local school and health-based partnerships for promotion of a whole school approach to loss, grief and bereavement.

Our strategic aims and activity for the Family Support Service continue to include:

- Development of innovative support models within and out with our hospice and in partnership with other providers, including a financial inclusion service and the Carers Choice project.
- Widening a multidisciplinary approach to providing psychological, emotional and spiritual support to patients and families
- Developing more opportunities for volunteers to work within the service

THE PRINCE & PRINCESS OF WALES HOSPICE DIRECTORS' ANNUAL REPORT AND STRATEGIC REPORT

(continued)

Clinical Education

We have developed a new Education and Workforce Strategy for Developing People and the Workforce Capacity of Our Community. We aim to combine our strategic documents which are driving change and fully utilise the expert knowledge, skills and experience residing in our hospice team to lead improvement within palliative care in Scotland and beyond. We are focusing on developing leadership, management and talent, acquiring commercial capacity, releasing community potential, promoting healthy learning, life and work and growing an innovation hub.

We continue to be viewed as a center of excellence and support health and social care professionals in placement opportunities including being a learning environment for Specialist Registrar training for Palliative Medicine Consultants.

We want our Hospice to become part of our community and give people an alternative venue choice for corporate requirements, knowing that 100% of the surplus from events are invested by our hospice to support the care of patients and their families and carers.

Research

Part of delivering high quality specialist palliative care across all settings is maintaining most up to date practice though awareness of and involvement in research. Our hospice has an established research group to encourage involvement with external researchers. The group has established a robust governance process and the framework for research within our hospice. This has informed the internal and external research currently being conducted.

We have a portfolio of research projects including:

- An art project: "Tracing Autonomy - supporting a person in living an autonomous life."
- An architecture project
- Playlist for Life project
- Exploring the psychosocial impact of living with advanced Chronic Obstructive Pulmonary Disease of those attending two different models of palliative care.

We are regularly approached to support an ever-wider range of projects and are now planning to develop our research strategy to complement the work previous undertaken on our research framework.

HR and Volunteer Services

Our dedicated team of staff and volunteers are the Hospice's greatest asset in its mission to provide consistently high standards of care and service to patients and families. The way in which we lead, manage and develop our team of staff and volunteers is essential to the provision of high quality care and service. Long-term success requires thorough recruiting and retaining a well-managed, highly skilled and motivated workforce who have the right opportunities to learn and develop.

The Hospice maintains its gold level accreditation for Investors in People.

**THE PRINCE & PRINCESS OF WALES HOSPICE
DIRECTORS' ANNUAL REPORT AND STRATEGIC REPORT**

(continued)

Income Generation

Work has continued on the development of new income streams and the strengthening of existing ones. These initiatives include efforts to refresh and expand the financial contribution from our shops and lottery and to nurture and develop the many new supporter contacts gained from the capital appeal. As part of this process, an ongoing review and monitoring of all our income generating functions is in place, reflecting the challenging and competitive economic conditions in which we operate.

Corporate and Community Fundraising

The team run around 20 large events during the year, ranging from traditional dinners, a ball and an interesting range of challenges – running events, It's a Knockout and a Bubble Rush event, in conjunction with several other Scottish hospices, are some examples of these. During 2020-21 it has not been possible to run many of our events but our fundraising team have continued to innovate and raise much needed funds.

Retail

The 2020/21 financial year ended with our shop stock at 17 units. A new pop-up shop has been leased in George Street in the city centre of Glasgow and opened in April 2021. Our central retail hub continues to better manage donations and distribution of stock to our retail outlets. Strategic plans include consolidation of arrangements for a central hub and the continued expansion of our online offering. We have built our online presence and we now have our own online shop and are members of various other retail offerings online.

Lottery

The Hospice lottery continues to provide an important income stream for our fundraising. We continue to actively persuade players to convert to electronic membership, chiefly by direct debit payment, this has become particularly important during the pandemic lockdowns where door to door collection and canvassing were restricted. Development of our website has made electronic membership more accessible. We continue in our efforts to grow our supporter base more widely.

4. Financial Review

Going Concern Basis of the Financial Statements

In preparing the Financial Statements, the Directors have had regard to the financial position of the Hospice as evidenced in the Consolidated Balance Sheet on page 17, to the detailed budgets prepared for the following financial year 2021-22 and to the likely sources of income during that period.

The Directors are satisfied that presentation of the financial statements on the basis of the Hospice as a going concern is appropriate, and the financial statements have therefore been presented on that basis.

Principal Funding Sources

It costs £5 million each year to run the Hospice's current facility and services. New services and service extensions will require additional funding and will be expanded as funding becomes available.

The Hospice is now partly funded by a contribution from Glasgow City HSCP on the basis of a Service Level Agreement (SLA). There is no longer a quantified percentage of cost which these arrangements should fund, but the MOU recognises that provision of Specialist Palliative Care in Scotland is a partnership between the public care providers and hospice charities. In particular, the annual funding contribution provided by these charities has been quantified at over £50 million, and it is important for the continuation of that contribution that funding of the charities, of which the Hospice is one, remains stable and predictable. The Hospice is pleased that agreement has been reached with Glasgow City HSCP such that our funding for the next 3 years will not fall below the level agreed for 2018-19. An increase of 1.5 percent has been agreed for 2021-22.

THE PRINCE & PRINCESS OF WALES HOSPICE DIRECTORS' ANNUAL REPORT AND STRATEGIC REPORT

(continued)

In 2020-21, HSCP funding of £2,258,223 (2019-20: £2,153,872) was received. Funding included free issue pharmaceuticals and supplies valued at £79,357 (2019-20: £116,618). Contributions by Glasgow City HSCP amounted to over 40% of the incurred costs of direct patient care, broadly similar to 2019-20.

The Hospice received emergency Covid funding directly from the Scottish Government of £1.6m during financial year 2020/21. These funds have been essential to allow the Hospice to continue the provision of our first class services. Even though the funding was received in 2020/21 the additional income will be used to sustain the Hospice through 2021/22.

The Hospice greatly values its close relationships with its local NHS and Social Care organisations which benefit many patients and families in the Glasgow area, and we recognise the significant financial constraints applying within these organisations. The Hospice meets regularly with them to discuss co-operative development of the Hospice function, and appropriate funding for its activities, and expects to further develop such co-operative working in the coming year.

The remainder of the funds required to provide the Hospice services falls to be raised through a combination of grants, direct donations, fundraising events and investment and legacy income.

Result for the Year

In 2020-21, the Hospice recorded an operating surplus. The operating surplus for the year was £2,106,949 (2019-20 deficit £869,918). Investments across the world have rallied significantly during the year after the approval of vaccines for use against Covid-19. The unrealised gain on our portfolios amounted to £588,393 of our operating surplus, we also realised £244,641 of the investment gains to ensure our cash flow remained strong. This continues to reflect the strategy of the Board and executive team to ensure the highest standards of patient care and to ensure that funds received are invested in charitable activities without delay but with due regard to the reserves policy outlined below. Legacy income at £153,619 was lower than in the previous year (2019-20 £218,748) and below our long term average. All these sources brought the surplus for the year to £2,260,568 (2019-20 Deficit £651,126). Undoubtedly the operating costs of a much larger building with extended services will be higher in the future, efforts are well underway to further strengthen income generation, the expectation is breaking even at the Operating profit/loss level will be extremely difficult for the next 2 to 3 financial years, the Board are confident that the balance of income and expenditure on normal operating activities will start to recover as the pandemic eases. 2020-21 was another challenging but satisfactory financial year in which many long term plans and aspirations came to fruition.

Reserves policy

The Directors have a policy whereby reserves (excluding those which are restricted to particular uses or which represent funds tied up in present fixed assets, and which are therefore unavailable for expenditure on the charitable purposes of the Hospice) will be retained to generate income to meet future operating costs and proposed capital expenditure. Reserves are also available to allow the development of services and positively evaluated fundraising projects in line with strategic goals without the need to wait until formal third-party funding support is available, and to provide security in the event of a temporary reduction in income levels. The Directors have decided that a level of General Reserve equivalent to around 6 months of ordinary expenditure is prudent to ensure the Hospice's future viability and enable it to continue to provide an appropriate and free service to its patients, but Directors consider that is appropriate to carry a higher level of General Reserve while income generation is extremely difficult as the economy recovers after the Covid pandemic. Our fundraising ability has been hampered significantly and there is no sign of it returning to pre covid times as yet. At 31 March 2021, the General Reserve stood at £6,619,493 (2020 £4,751,468). Full analysis of the reserves of the Hospice and their purposes is on pages 21 to 24 of the Financial Statements which follow this Report.

Investment policy

Funds which are available for investment are placed having regard to the expected future cash requirements of the Hospice, returns available and the assessed risks attached to each and overall investment.

The Directors have the power to invest in such stocks and shares in the UK as they see fit. Such investment decisions are managed on a discretionary basis by professional stockbrokers. The stockbrokers' remit is to achieve a balance between income and capital growth without exposing the Hospice to unnecessary risk.

During 2021/22 our investments have bounced back and at present have recouped all losses and are now showing a gain on our initial investment total of £4million. We understand that the future for equities is still uncertain particularly with the potential for another spike in Covid 19 cases.

THE PRINCE & PRINCESS OF WALES HOSPICE
DIRECTORS' ANNUAL REPORT AND STRATEGIC REPORT
(continued)

5. Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Annual Report and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing the financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Disclosure to the Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charity auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

6. Auditors

In order to follow best practice the directors decided that it was appropriate to tender The Prince and Princess of Wales Hospice's audit for the year commencing 1st April 2020. The appointment of our new auditors Martin Aitken & Co Ltd for 2020-21 financial year was approved via a special resolution.

This Report was approved by the trustees on 27th October 2021 and signed on their behalf by:



RONALD BOWIE
Chairman

**THE PRINCE & PRINCESS OF WALES HOSPICE
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
AND MEMBERS OF THE PRINCE & PRINCESS OF WALES HOSPICE
FOR THE YEAR ENDED 31 MARCH 2021**

Opinion

We have audited the financial statements of The Prince & Princess of Wales Hospice (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the Group and Parent Charitable Company's Statement of Financial Activities, the Group and Parent Charitable Company's Balance Sheets, the Group and Parent Charitable Company's Cash Flow Statements and the related notes, including a summary of 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 group's and the parent charitable company's affairs as at 31 March 2021 and of the group's and the parent charitable company's 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 Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

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 group and parent charitable company 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 charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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.

**THE PRINCE & PRINCESS OF WALES HOSPICE
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
AND MEMBERS OF THE PRINCE & PRINCESS OF WALES HOSPICE
FOR THE YEAR ENDED 31 MARCH 2021**

(continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' annual report & strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' annual report and strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' annual report and strategic report.

We have nothing to report in respect of the following matters where the Companies Act 2006, the Charities and Trustees Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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.

Respective responsibilities of trustees and auditor

As explained more fully in the Trustees' Responsibilities Statement the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements which 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

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:

**THE PRINCE & PRINCESS OF WALES HOSPICE
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
AND MEMBERS OF THE PRINCE & PRINCESS OF WALES HOSPICE
FOR THE YEAR ENDED 31 MARCH 2021**
(continued)

Auditor's responsibilities for the audit of the financial statements - continued

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 1 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

**THE PRINCE & PRINCESS OF WALES HOSPICE
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
AND MEMBERS OF THE PRINCE & PRINCESS OF WALES HOSPICE
FOR THE YEAR ENDED 31 MARCH 2021**

(continued)

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, and to the charitable company's trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company, the charitable company's members as a body and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Ewen Dyer BA CA
Senior Statutory Auditor
For and on behalf of Martin Aitken & Co Ltd

Caledonia House, 89 Seaward Street
Glasgow
G41 1HJ

29th November 2021

Martin Aitken & Co Ltd is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**THE PRINCE & PRINCESS OF WALES HOSPICE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021**

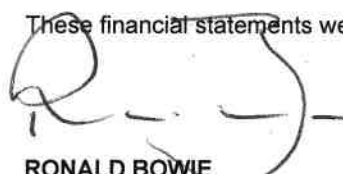
	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Income and endowments from:							
Donations and legacies	5	1,040,093	-	1,040,093	1,268,203	-	1,268,203
Income from charitable activities:							
Specialist palliative care	6	2,820,452	158,376	2,978,828	2,133,814	141,141	2,274,955
SG emergency funding	6	1,632,988	-	1,632,988	-	-	-
Other trading activities	7	1,099,831	-	1,099,831	2,944,214	-	2,944,214
Investments	8	101,098	-	101,098	41,907	-	41,907
Other incoming resources	9	28,041	-	28,041	94,755	-	94,755
Total Income		6,722,503	158,376	6,880,879	6,482,893	141,141	6,624,034
Expenditure on:							
Raising funds:							
Other trading activities	10	1,402,443	-	1,402,443	2,265,543	-	2,265,543
Charitable activities	11	4,005,636	45,266	4,050,902	4,326,067	175,776	4,501,843
Total Expenditure		5,408,079	45,266	5,453,345	6,591,610	175,776	6,767,386
Net income/(expenditure) and net movement in funds before gains and losses on investments		1,314,424	113,110	1,427,534	(108,717)	(34,635)	(143,352)
Realised gain on investments		244,641	-	244,641	5,153	-	5,153
Unrealised gains/(losses) on investments	16	588,393	-	588,393	(512,927)	-	(512,927)
Net income/(expenditure)		2,147,458	113,110	2,260,568	(616,491)	(34,635)	(651,126)
Transfers between funds	19	5,941	(5,941)	-	-	-	-
Net movement in funds		2,153,399	107,169	2,260,568	(616,491)	(34,635)	(651,126)
Funds reconciliation							
Total Funds brought forward		24,592,477	52,282	24,644,759	25,208,968	86,917	25,295,885
Total Funds carried forward	19	26,745,876	159,451	26,905,327	24,592,477	52,282	24,644,759

The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

**THE PRINCE & PRINCESS OF WALES HOSPICE
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021**

	Note	2021	2020
		£	£
Fixed assets:			
Tangible assets	15	19,550,383	19,791,009
Investments	16	4,025,753	3,404,342
Total Fixed Assets		23,576,136	23,195,351
Current assets:			
Debtors	17	1,121,287	476,241
Stock		16,358	14,861
Short term deposits	22	924,975	924,398
Cash at bank and in hand	22	2,086,616	1,715,425
		4,149,236	3,130,925
Liabilities:			
Creditors falling due within one year	18	820,045	1,681,517
Net Current Assets		3,329,191	1,449,408
Total Assets less Current Liabilities		26,905,327	24,644,759
Reserves:			
Restricted funds			
General	19	159,451	52,282
Unrestricted Funds			
Designated income funds	19		
Fixed asset reserve		19,550,383	19,791,009
Digital Transformation project		300,000	-
Social Enterprise project		105,000	-
Young persons respite pilot		71,000	-
Other service developments		100,000	50,000
Other unrestricted funds	19		
General reserve		6,619,493	4,751,468
Total funds		26,905,327	24,644,759

These financial statements were approved by the board on 27 October 2021 and signed on its behalf by:


RONALD BOWIE
Chairman


DAVID HUNTER
Director

Company Registration No. SC084008

The statement of Hospice Reserves and notes on pages 33 to 47 form part of these financial statements.

**THE PRINCE & PRINCESS OF WALES HOSPICE
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	Unrestricted Funds 2021 £	Restricted Funds 2021 £	Total Funds 2021 £	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £
Income and endowments from:							
Donations and legacies	5	1,040,051	-	1,040,051	1,247,023	-	1,247,023
Income from charitable activities:							
Specialist palliative care	6	2,783,858	158,376	2,942,234	2,100,269	141,141	2,241,410
SG emergency funding	6	1,632,988	-	1,632,988	-	-	-
Other trading activities	7	1,073,992	-	1,073,992	2,875,437	-	2,875,437
Investments	8	104,466	-	104,466	105,528	-	105,528
Other incoming resources	9	28,041	-	28,041	94,755	-	94,755
Total Income		6,663,396	158,376	6,821,772	6,423,012	141,141	6,564,153
Expenditure on:							
Raising funds							
Other trading activities	10	1,369,019	-	1,369,019	2,200,761	-	2,200,761
Charitable activities	11	3,947,622	45,266	3,992,888	4,265,588	175,776	4,441,364
Total Expenditure		5,316,641	45,266	5,361,907	6,466,349	175,776	6,642,125
Net income/(expenditure) and net movement in funds before gains and losses on investments		1,346,755	113,110	1,459,865	(43,337)	(34,635)	(77,972)
Realised gains on investments		244,641	-	244,641	5,153	-	5,153
Unrealised gains/(losses) on investments	16	588,393	-	588,393	(512,927)	-	(512,927)
Net income/(expenditure)		2,179,789	113,110	2,292,899	(551,111)	(34,635)	(585,746)
Transfers between funds	19	5,941	(5,941)	-	-	-	-
Net movement in funds		2,185,730	107,169	2,292,899	(551,111)	(34,635)	(585,746)
Funds reconciliation							
Total Funds brought forward		24,657,857	52,282	24,710,139	25,208,968	86,917	25,295,885
Total Funds carried forward	19	26,843,587	159,451	27,003,038	24,657,857	52,282	24,710,139

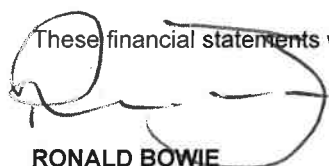
The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

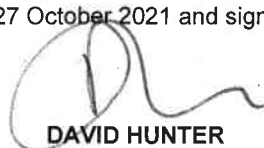
**THE PRINCE & PRINCESS OF WALES HOSPICE
BALANCE SHEET
AS AT 31 MARCH 2021**

	Note	2021	2020
		£	£
Fixed assets:			
Tangible assets	15	19,600,383	19,841,009
Investments	16	4,026,754	3,405,343
Total Fixed Assets		23,627,137	23,246,352
Current assets:			
Debtors	17	1,208,809	557,736
Stock		8,970	-
Short term deposits	22	924,975	924,398
Cash at bank and in hand	22	2,044,316	1,629,775
		4,187,070	3,111,909
Liabilities:			
Creditors falling due within one year	18	811,169	1,648,122
Net Current Assets		3,375,901	1,463,787
Total Assets less Current Liabilities		27,003,038	24,710,139
Reserves:			
Restricted funds			
General	19	159,451	52,282
Unrestricted Funds			
Designated income funds	19		
Fixed asset reserve		19,600,383	19,841,009
Digital Transformation project		300,000	-
Social Enterprise project		105,000	-
Young persons respite pilot		71,000	-
Other service developments		100,000	50,000
Other unrestricted funds	19		
General reserve		6,667,204	4,766,848
Total funds		27,003,038	24,710,139

These financial statements were approved by the board on 27 October 2021 and signed on its behalf by:



RONALD BOWIE
Chairman



DAVID HUNTER
Director

Company Registration No. SC084008

The statement of Hospice Reserves and notes on pages 33 to 47 form part of these financial statements.

THE PRINCE & PRINCESS OF WALES HOSPICE
CONSOLIDATED & CHARITY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Cash flows from operating activities:					
Net cash provided by (used in) operating activities	21	76,020	116,002	741,665	1,321,698
Cash flows from investing activities:					
Purchase of tangible fixed assets		(16,973)	(16,973)	(379,056)	(137,982)
Sale of Tangible Fixed Assets		-	-	-	-
Investments added		(544,223)	(544,223)	(4,118,968)	(4,118,968)
Sale of investments		755,845	755,845	207,744	207,744
Gift Aid donation		-	3,368	-	13,622
Investment income received		101,098	101,098	41,907	41,907
Net cash (used in) provided by investing activities		295,747	299,115	(4,248,373)	(3,993,677)
Change in cash and cash equivalents in the year		371,767	415,117	(3,506,708)	(2,671,979)
Cash and cash equivalents brought forward	22	2,639,823	2,554,173	6,146,531	5,226,152
Cash and cash equivalents carried forward	22	3,011,590	2,969,290	2,639,823	2,554,173

**THE PRINCE & PRINCESS OF WALES HOSPICE
STATEMENT OF HOSPICE RESERVES
FOR THE YEAR ENDED 31 MARCH 2021**

Group	Restricted Funds						Unrestricted Funds						Total Funds
	General						Designated Funds						
	Facilities Development	Carer's Choice Project	Butterfly Extension Project	Cycling without Age	Other Ongoing Activities	£	Digital Transformation Project	Social Enterprise Project	Young Persons Respite Project	For other Service Extension	Fixed Asset Reserve	General Reserve	
At 1 April 2020	18,058	9,711	16,187	800	7,526		-	-	-	50,000	19,791,009	4,751,468	24,644,759
Income	139,663	11,500	-	-	7,213							7,695,810	7,854,186
Expenditure	(17,933)	(4,697)	(13,879)	-	(8,757)							(5,548,352)	(5,593,618)
Surplus (Deficit)	121,730	6,803	(13,879)	-	(1,544)							2,147,458	2,260,568
Transfers:							300,000	105,000	71,000	50,000	-	(526,000)	-
Capital Expenditure	(5,941)	-	-	-	-		-	-	-	-	16,973	(11,032)	-
Depreciation	-	-	-	-	-		-	-	-	-	(257,599)	257,599	-
Sale of Property	-	-	-	-	-		-	-	-	-	-	-	-
Net Movement	(5,941)	-	-	-	-		300,000	105,000	71,000	50,000	(240,626)	(279,433)	-
At 31 March 2021	133,847	16,514	2,308	800	5,982		300,000	105,000	71,000	100,000	19,550,383	6,619,493	26,905,327

THE PRINCE & PRINCESS OF WALES HOSPICE
STATEMENT OF HOSPICE RESERVES
FOR THE YEAR ENDED 31 MARCH 2021
(Continued)

	Restricted Funds						Unrestricted Funds				Total Funds £
	General			Designated Funds			Unrestricted Funds				
Group	Facilities Development	Carer's Choice Project	Butterfly Extension Project	Cycling without Age	Other Ongoing Activities	Capital Appeal	Capital Development Project	For other Service Extension	Fixed Asset Reserve	General Reserve	
	£	£	£	£	£	£	£	£	£	£	
At 1 April 2019	5,363	11,416	54,929	-	15,209	-	50,000	19,909,201	-	5,249,767	25,295,885
Income	21,000	16,603	87,538	16,000	-	-	-	-	-	5,975,119	6,116,260
Expenditure	(8,305)	(18,308)	(126,280)	(15,200)	(7,683)	-	-	-	-	(6,591,610)	(6,767,386)
Surplus (Deficit)	12,695	(1,705)	(38,742)	800	(7,683)	-	-	-	-	(616,491)	(651,126)
Transfers:											
Capital Expenditure	-	-	-	-	-	-	-	-	138,027	(138,027)	-
Depreciation	-	-	-	-	-	-	-	-	(256,219)	256,219	-
Sale of Property	-	-	-	-	-	-	-	-	-	-	-
Net Movement	-	-	-	-	-	-	-	-	(118,192)	118,192	-
At 31 March 2020	18,058.00	9,711.00	16,187.00	800.00	7,526.00	-	50,000.00	19,791,009	-	4,751,468	24,644,759

**THE PRINCE & PRINCESS OF WALES HOSPICE
STATEMENT OF HOSPICE RESERVES
FOR THE YEAR ENDED 31 MARCH 2021
(Continued)**

Reserve Policies and Analysis

The Directors' policies for reserve retention reflect the extremely difficult income generation environment we are facing as we emerge from The Covid Pandemic. We have seen our ability to raise funds through fundraising events diminish to a level where in 2020/21 our fundraising events brought in over 60% less than 2019/20, the board believe 2021/22 will be as challenging:

Fund accounting

Restricted funds are subject to restrictions on their expenditure imposed by the donor or grantor or through the terms of an appeal.

Unrestricted funds are available for use at the discretion of the Directors in furtherance of the general objectives of the Hospice.

Designated funds are unrestricted funds earmarked by the Directors for particular purposes.

Restricted Funds

General Funds

As explained below, the Hospice receives funding from a variety of sources which is provided under specific requirements related to its expenditure, whether capital or revenue. When such funding has been received in advance of the related expenditure, the resulting reserves are categorised as Restricted Reserves.

- A balance of £18,058 was brought forward from 2019-20 to be spent on the cost of equipment improvements. We also received further grants totalling £139,663 during 2020/21 for equipment improvements. Of these funds, £23,873 was spent, leaving a balance of £133,847 to be carried forward to the coming financial year.
- The Carers' Choice programme enables the Hospice to support patient carers by providing short breaks during which the Hospice takes direct responsibility for the patient in their own home. £11,500 was received during the year. This was added to the sum of £9,711 which was brought forward from 2019-20. Only £4,697 was spent due to the pandemic, with restrictions limiting the number of patients we could attend, leaving a balance of £16,514 to be carried forward to the coming financial year
- The Hospice was awarded funding to enable the Butterfly Extension Project which will build on service development generated through a previous Butterfly Project. The "Butterfly" projects have been designed to develop services for child and youth bereavement support and have been and are being funded by awards from the Big Lottery. During the financial year £13,879 was spent, leaving a residual balance of £2,308 to be spent in the coming financial year.
- In 2016-17, funding was received from the Burdett Trust for Nursing related to a leadership initiative to be run by the Hospice for nurses working in hospices within the NHS Greater Glasgow & Clyde area. At March 2020, a balance of £7,526 was held to fund future similar projects which are expected to take place in the coming financial year. During 2020/21 £8,757 was spent and the balance of £5,982 retained for 2021/22.

THE PRINCE & PRINCESS OF WALES HOSPICE
STATEMENT OF HOSPICE RESERVES
FOR THE YEAR ENDED 31 MARCH 2021
(Continued)

Unrestricted Funds - Designated Funds

Designated Service Development Reserve – Other Service Extension and Business Development

The Hospice is also involved in a wider range of activities directed towards the widening of access to and to the extension of the scope and size of its service provision. Specific additional funding is usually sought and obtained for such projects, but a balance of £100,000 has been retained to allow for any imminent unfunded requirements. The Board have also determined that these funds should be made available to pump-prime suitable projects aimed at developing the fundraising capacity of the Hospice.

Digital Transformation Project

The Hospice has recognised the importance of keeping pace with the ever changing digital and technological enhancements now available. The Hospice intends to improve all of our internal systems. The Hospice understands that by enhancing our systems and embracing a digital transformation we will become more efficient, reducing cost and ultimately improving patient care.

Social Enterprise Project

The Hospice plans to create a social enterprise along with a local college. The Social Enterprise will be based in Pollock where we will produce low cost healthy food and sell to the local residents. The Hospice also plans to open a Hospice shop within the same location.

Young persons Respite

The Hospice recognised a growing need for a Young Persons Respite service, the pandemic has made this need even more acute. The Board agreed to run a pilot of the potential service to demonstrate this need to our HSCP. The Hospice believes this will be of great assistance to the families of our young patients.

Designated Fixed Asset Reserve

The funds included in this Reserve reflect the present book value of the fixed asset facilities which are required by the Hospice to enable it to carry out or fund its charitable activities. In accounting terminology, this is stated to be the future cost of depreciation of these assets, but the main significance of the Reserve is that it represents reserves which are illiquid and are not available for expenditure on the charitable activities of the Hospice.

Other Unrestricted Funds

General Reserve

To provide security in the event of a temporary reduction in income levels, it is necessary to retain a level of General Reserves such that the Directors, service users and staff have confidence that the Hospice will be able to continue its charitable work despite any future financial challenges which may arise. In the context of the other requirements of the Hospice, explained above, the Directors have decided that a normal level of General Reserve equivalent to around 6 months of ordinary expenditure is prudent to ensure the Hospice's future viability and enable it to continue to provide an appropriate and free service to its patients. Considering the results for the year and capital expenditure this has resulted in a increase of £1,868,025 in General Reserve. With the continued uncertainty caused by the Covid Pandemic, the Directors consider that is appropriate to carry a higher level of General Reserve during this time.

**THE PRINCE & PRINCESS OF WALES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. Accounting Policies

(a) Basis of preparation and assessment of going concern

The Financial Statements (Accounts) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note(s) to these Financial Statements.

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their Financial Statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended).

The Financial Statements consolidate the results of the wholly owned subsidiary companies Hospice Enterprises Limited and Hospice Developments Limited as well as the results of the controlled subsidiary SCIO Beauty with a Conscience.

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

The charity constitutes a public benefit entity as defined by FRS 102.

Going concern

The Directors consider that there are no material uncertainties about the charity's ability to continue as a going concern.

In preparing the Financial Statements, the Directors have had regard to the financial position of the Hospice as evidenced in the Consolidated Balance Sheet on page 16, to the detailed budgets prepared for the following financial year 2021-22, to the likely sources of income during that period.

The Directors are satisfied that presentation of the financial statements on the basis of the Hospice as a going concern is appropriate, and the financial statements have therefore been presented on that basis.

(b) Income recognition

Income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Legacy gifts are recognised on a case by case basis following the granting of probate when the administrator/executor for the estate has communicated in writing both the amount and settlement date. In the event that the gift is in the form of an asset other than cash or a financial asset traded on a recognised stock exchange, recognition is subject to the value of the gift being reliably measurable with a degree of reasonable accuracy and the title to the asset having been transferred to the charity.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Income from government and other grants, whether 'capital' or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Income from fundraising events operated by the group is credited to Income and Expenditure account in the period in which the event took place.

Gift Aid and similar tax recoveries are credited to the income heading which gave rise to the tax recovery.

Material donations of assets, services or facilities are included at the value to the Hospice where this can be reasonably quantified. The value of services provided by volunteers is not included in the Financial Statements.

Capital grants and capital appeal contributions are credited through the Consolidated Income and Expenditure Account to a Restricted fund until the expenditure is incurred.

**THE PRINCE & PRINCESS OF WALES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. Accounting Policies

(continued)

(c) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis. All expenses including support costs and governance costs are allocated or apportioned to the applicable expenditure headings.

- Expenditure on charitable activities includes Specialist Palliative Care and other activities undertaken to further the purposes of the charity and their associated support costs;
- Raising funds – other trading activities includes fundraising costs and shop costs;

Irrecoverable VAT is charged as a cost against the activity for which the expenditure is incurred.

(d) Donated services and facilities

Donated professional services and donated facilities are recognised as income when the charity has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use by the charity of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), the general volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the charity which is the amount the charity would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

(e) Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulation and good practice. These costs include costs related to statutory audit and legal fees together with an appropriate apportionment of overhead and support costs.

Governance costs and support costs relating to charitable activities have been apportioned based on time spent. The allocation of support and governance costs is analysed in note 12.

(f) Tangible fixed assets and depreciation

Heritable Property is stated at depreciated cost. Following the implementation of FRS102 'The Financial Reporting Standard applicable in UK and Republic of Ireland' the parent company is adopting a policy of not revaluing tangible fixed assets.

A review for impairment of heritable property is carried out if events or changes in circumstances indicate that the carrying value amount of the property may not be recoverable. The new Hospice building will not be depreciated because it will be maintained to a high standard and no depreciation of the building will occur.

Depreciation is provided on a straight line basis on fixed assets for the purpose of writing off each asset over its estimated useful life at the following rates:

Other heritable property(Incl New Hospice)	0-4% p.a.
Property refurbishment	20% p.a.
Equipment	25% p.a.
Patient transport	12.5% p.a.
Other motor vehicles	25% p.a.
Fixtures and fittings in leased premises	over the period of the lease (from 2 to 15 years)

(g) Fixed asset investments

Investments are stated at market value.

(h) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

**THE PRINCE & PRINCESS OF WALES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. Accounting Policies

(continued)

(i) Stocks

Stocks of bought in goods are stated at the lower of cost and net realisable value. As it is not practical to value items donated for resale on receipt because of the volume of low value items, they are not recognised in the financial statements until they are sold.

(j) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

(k) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

(l) Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

(m) Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

(n) Pension schemes

The company operates a defined contribution pension scheme which requires contributions to be made to a separately administered fund. Employer's contributions are charged to the Consolidated Income and Expenditure Account in the period in which they become due. In addition, staff who are eligible are members of the National Health Service Superannuation Scheme for Scotland. This is a multi-employer defined benefit scheme. The Hospice is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis and hence this is accounted for as though a defined contribution scheme as per above.

(o) Taxation

The company has charitable status for tax purposes. Accordingly, the company is potentially exempt from taxation in respect of income or capital gains received, to the extent that such income or gains are applied to exclusively charitable purposes. The trading subsidiary is subject to Corporation Tax, but this is relieved by the transfer of all trading surpluses to the Hospice.

2. Legal status

The company is limited by guarantee and does not have a share capital. On 14 July 1980, the Secretary of State at the Department of Trade authorised the company to dispense with the word "Limited".

According to the Memorandum of Association of the company, every member undertakes to contribute to the assets of the company in the event of its being wound up while he is a member, or within one year after he ceased to be a member, for payment of the debts and liabilities the company contracted before he ceased to be a member, and of the costs, charges and expenses of winding up and for the adjustment of the rights of the contributors amongst themselves, such amount as to be required, not exceeding £5. On 31 March 2021 the charity had 53 members. The number of members is limited to 500.

**THE PRINCE & PRINCESS OF WALES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3. Financial activities of subsidiaries

a. A summary of the financial activities undertaken by Hospice Enterprises Limited is set out below:

	2021	2020
	£	£
Turnover	17,828	50,601
Cost of sales	(9,960)	(31,028)
Administration costs	(4,500)	(5,951)
Profit before taxation	<u>3,368</u>	<u>13,622</u>
Taxation	-	-
Donation to parent company	<u>3,368</u>	<u>13,622</u>
 The assets and liabilities of the Hospice Enterprises Limited were:		
Fixed assets	-	-
Current assets	19,219	65,774
Current liabilities	(18,219)	(64,774)
Total net assets	<u>1,000</u>	<u>1,000</u>
Aggregate share capital and reserves	<u>1,000</u>	<u>1,000</u>

The wholly owned trading subsidiary Hospice Enterprises Limited, which is incorporated in Scotland, carries out fundraising activities with surpluses donated to The Prince & Princess of Wales Hospice by way of gift aid. The company carries out trading activities for the charity located within the Hospice and its current assets and liabilities at the year-end were related to that activity. This year the subsidiary reported a profit after tax of £3,368 (2020: £13,622). The charity owns the entire share capital of 1,000 ordinary shares of £1. A summary of the trading results is shown above.

b. A summary of the financial activities undertaken by Beauty with a Conscience (SCIO) is set out below:

	2021	2020
	£	£
Income from donations & grants	31,100	21,179
Income from charitable activities	5,536	33,546
Income from trading activities	1,347	18,176
	<u>37,983</u>	<u>72,901</u>
Expenditure on charitable activities	(56,013)	(59,257)
Expenditure on other trading activities	(14,300)	(29,803)
(Deficit)/Surplus	<u>(32,330)</u>	<u>(16,159)</u>
Taxation	-	-
Funded by Parent Company	<u>(32,330)</u>	<u>(16,159)</u>
 The assets and liabilities of Beauty with a Conscience (SCIO) were:		
	2021	2020
	£	£
Current assets	19,006	15,627
Current liabilities	(66,718)	(31,009)
Total net assets	<u>(47,712)</u>	<u>(15,382)</u>

"Beauty with a Conscience" was formed as a Scottish Charitable Incorporated Organisation (SCIO) which will operate as subsidiary of the Hospice, but working on a joint basis with Glasgow Clyde College to provide work experience in a real commercial environment for students taking courses in Beauty Treatments. This venture commenced trading in November 2018, with all future surpluses to be transferred to the Hospice.

**THE PRINCE & PRINCESS OF WALES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

3. Financial activities of subsidiaries

(continued)

c. A summary of the financial activities undertaken by Hospice Developments Limited is set out below:

	2021	2020
	£	£
Turnover including interest receivable	6,664	19,850,914
Costs	(6,664)	19,800,869
Net (loss)/profit	-	50,045
Taxation	-	-
Donation to Parent Company	-	50,045
The assets and liabilities of the Hospice Developments Limited were:		
Fixed assets	-	-
Current assets	21,754	318,886
Current liabilities	(21,753)	(318,885)
Total net assets	<u>1</u>	<u>1</u>
Aggregate share capital and reserves	<u>1</u>	<u>1</u>

The wholly owned trading subsidiary Hospice Developments Limited, incorporated in Scotland, organised, and oversaw the development of the new Hospice facilities.

4. Related party transactions and directors' expenses and remuneration

Directors, senior management and their families may benefit from the charitable services of the Hospice in the ordinary course of its work. Provision of such services is independently subject to the same clinical referral criteria and process as is applied to all members of the public.

Directors, senior management and, their families may purchase event tickets and bid for auction prizes at such events on the same commercial basis as such items are available to other supporters of the Hospice.

The Directors all give freely their time and expertise without any form of remuneration or other benefit in cash or kind (2019-20: £nil). It is the charity's policy to not pay expenses to trustees.

Total donations by Directors, senior management and their families amounted to £26,858 (2019-20 £23,749).

During the year no Director, senior manager or their families had any personal interest in any contract or transaction entered into by the charity (2019-20: none).

The only related parties, with which the Hospice has transacted during the year, are the company's subsidiary companies, Hospice Enterprises Limited, Beauty with a Conscience, and Hospice Developments Limited. All trading surpluses of Hospice Enterprises Limited have been paid to the company in the form of donations. The deficit of Beauty with a Conscience has been subject to an Independent Examination by the Hospice's auditors. The deficit will be funded by the Hospice. Hospice Developments Limited has made a profit and this has been paid to the company in the form of donations.

**THE PRINCE & PRINCESS OF WALES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

5. Income from donations and legacies

	Group 2021	Charity 2021	Group 2020	Charity 2020
	£	£	£	£
Donations				
Others	886,474	886,432	1,049,455	1,028,275
	<hr/>	<hr/>	<hr/>	<hr/>
	886,474	886,432	1,049,455	1,028,275
Legacies	153,619	153,619	218,748	218,748
	<hr/>	<hr/>	<hr/>	<hr/>
	1,040,093	1,040,051	1,268,203	1,247,203

6. Income from charitable activities

	Group 2021	Charity 2021	Group 2020	Charity 2020
	£	£	£	£
Specialist Palliative Care				
NHS/HSCP	2,258,223	2,258,223	2,153,872	2,153,872
Beauty With a Conscience	5,536	-	33,545	-
Grants received	715,069	684,011	87,538	87,538
	<hr/>	<hr/>	<hr/>	<hr/>
	2,978,828	2,942,234	2,274,955	2,241,410
SG Emergency Funding				
Covid-19 Support	1,632,988	1,632,988	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	4,611,816	4,575,222	-	-

Income from charitable activities includes £2,258,223 (2020: £2,153,872) received from Glasgow City Health and Social Care Partnership towards running costs of the Hospice services. Covid funding of £1,632,988 was received from the Scottish Government via our HSCP. There are no unfulfilled conditions or contingencies associated with these government grants.

7. Income from other trading activities

	Group 2021	Charity 2021	Group 2020	Charity 2020
	£	£	£	£
Events & fundraising Income	303,328	303,328	1,116,189	1,116,189
Lottery income	573,159	573,159	836,909	836,909
Trading Income	204,169	197,505	922,339	922,339
Retail income	19,175	-	68,777	-
	<hr/>	<hr/>	<hr/>	<hr/>
	1,099,831	1,073,992	2,944,214	2,875,437

8. Investment income

	Group 2021	Charity 2021	Group 2020	Charity 2020
	£	£	£	£
Hospice Enterprises Limited	-	3,368	-	13,622
Hospice Developments Limited	-	-	-	50,045
Dividend income	100,324	100,324	29,239	29,239
Interest from short term deposits	774	774	12,668	12,622
	<hr/>	<hr/>	<hr/>	<hr/>
	101,098	104,466	41,907	105,528

**THE PRINCE & PRINCESS OF WALES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

9. Other income - Group & Charity

	2021 £	2020 £
Student education	13,825	-
Kitchen and café income	13,216	94,755
	<u>28,041</u>	<u>94,755</u>

10. Raising funds – expenditure on other trading activities

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Direct costs of fundraising events	28,211	28,211	461,024	461,024
Lottery prizes and expenses	244,111	244,111	402,538	402,538
Costs of trading activity	714,580	707,916	754,551	754,551
Costs of retail activity	26,760	-	64,782	-
Expenditure on capital appeal	-	-	-	-
Other fundraising costs	388,782	388,782	582,648	582,648
	<u>1,402,443</u>	<u>1,369,019</u>	<u>2,265,543</u>	<u>2,220,761</u>

11. Analysis of expenditure on charitable activities

Specialist Palliative Care	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Staff Costs	3,180,433	3,152,330	3,274,655	3,252,834
Depreciation	257,598	257,598	256,219	256,219
Governance costs (note 12)	30,730	28,730	33,312	29,768
Support costs (note 12)	170,821	170,821	186,837	186,837
Other	411,320	383,409	750,820	715,706
	<u>4,050,902</u>	<u>3,992,888</u>	<u>4,501,843</u>	<u>4,441,364</u>
Loss on Sale of Hospice Property	-	-	-	-
Costs of Sale of Hospice Property	-	-	-	-
	<u>4,050,902</u>	<u>3,992,888</u>	<u>4,501,843</u>	<u>4,441,364</u>

12. Allocation of governance and support costs – Group

The breakdown of support costs and how these have been allocated between governance and other support costs is shown in the table below:

Cost type	2021 Total allocated £	Governance related £	Other support costs £	Basis of apportionment
Staff costs	189,801	18,980	170,821	Staff time
Total	<u>189,801</u>	<u>18,980</u>	<u>170,821</u>	

**THE PRINCE & PRINCESS OF WALES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

Cost type	2020 Total allocated £	Governance related £	Other support costs £	Basis of apportionment
Staff costs	207,597	20,760	186,837	Staff time
Total	207,597	20,760	186,837	

Governance costs:	2021 £	2020 £
Auditor's remuneration	11,750	12,552
Support costs (see above)	18,980	20,760
	30,730	33,312

Breakdown of governance and support costs by activity;

	Support costs	Governance	2021 £
Specialist palliative care	170,821	30,730	201,551

	Support costs	Governance	2020 £
Specialist palliative care	186,837	33,312	220,149

13. Analysis of staff costs and remuneration of key management personnel

	Group 2021 £	Group 2020 £
Salaries	3,299,280	3,625,934
Social Security costs	330,723	295,057
Employer's Pension costs	400,961	339,920
	4,030,964	4,260,911
Key management personnel remuneration	278,664	280,253

None of the directors received any remuneration or expenses during the year(2019 Nil).
The disclosures with regard to key management personnel include senior medical staff.

The number of employees whose employee benefits fell within the following bands are as follows:

	2021 £	2020 £
£100,000 - £110,000	1	1
£90,000 - £100,000	1	1

**THE PRINCE & PRINCESS OF WALES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

	No.	No.
The average weekly number of persons, by headcount, employed by the charity during the year was:	153	154

14. Net income/(expenditure) for the year - Group

This is stated after charging:	2021	2020
	£	£
Depreciation	257,599	256,219
Loss on disposal of Hospice property	-	-
External auditors' remuneration	6,800	9,009
Other services		
Subsidiary audit fee	2,000	2,000
Subsidiary Independent examination	750	1,543
Non-audit services	1,500	1,350

15a. Tangible Fixed Assets – Group

	Heritable Property	Equipment & Vehicles	New Hospice	Total
	£	£	£	£
Cost or valuation				
At 1 April 2020	151,041	1,342,110	18,890,933	20,384,084
Additions	-	10,337	6,636	16,973
Transfers	-	-	-	-
Disposals	-	-	-	-
At 31 March 2021	151,041	1,352,447	18,897,569	20,401,057
Depreciation				
At 1 April 2020	102,917	490,158	-	593,075
Charge for the year	6,395	251,204	-	257,599
Eliminated on disposals	-	-	-	-
At 31 March 2021	109,312	741,362	-	850,674
Net book value				
At 31 March 2021	41,729	611,085	18,897,569	19,550,383
At 31 March 2020	48,124	851,952	18,890,933	19,791,009

**THE PRINCE & PRINCESS OF WALES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

15b. Tangible Fixed Assets - Company

	Heritable Property £	Equipment & Vehicles £	New Hospice £	Total £
Cost or valuation				
At 1 April 2020	151,041	1,342,110	18,940,933	20,434,084
Additions	-	10,337	6,636	16,973
Disposals	-	-	-	-
At 31 March 2021	151,041	1,352,447	18,947,569	20,451,057
Depreciation				
At 1 April 2020	102,917	490,158	-	593,075
Charge for the year	6,395	251,204	-	257,599
Eliminated on disposals	-	-	-	-
At 31 March 2021	109,312	741,362	-	850,674
Net book value				
At 31 March 2021	41,729	611,085	18,947,569	19,600,383
At 31 March 2020	48,124	821,952	18,940,933	19,841,009

16. Fixed Asset Investments

<i>Group & Company</i>	2021 £	2020 £
Listed investments at cost:		
At 1 April 2020	3,917,099	722
Additions	544,223	4,118,968
Disposals	(813,501)	(202,591)
At 31 March 2021	3,647,821	3,917,099
Change in market value of listed investments:		
At 1 April 2020	(512,757)	170
Realised Gain in year	300,000	-
Unrealised Gain/(Loss) in year	590,690	(512,927)
At 31 March 2021	377,933	(512,757)
Market value at 31 March	4,025,754	3,404,342
<i>Company</i>		
Unlisted investments at cost:		
At 1 April 2020	1,001	1,001
Additions	-	-
At 31 March 2021	1,001	1,001
Total investments	4,026,755	3,405,343

**THE PRINCE & PRINCESS OF WALES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

16. Fixed Asset Investments(Cont)

The company holds all the shares of Hospice Enterprises Limited which is registered in Scotland. This company was formed to carry out fundraising activities for the Prince & Princess of Wales Hospice from April 1996. In November 2011, the Hospice formed another wholly owned subsidiary company, Hospice Developments Limited, to organise and oversee the development of the new and replacement Hospice facility.

Hospice Enterprises Limited made a trading profit of £3,368 in 2020-21 (2019-20 £13,622), all of which was gifted to the parent charity. The company therefore made neither a profit or loss during the year (2019-20 £nil). At 31 March 2021, it had net assets of £1,000 (2020 £1,000).

Beauty with a Conscience made a deficit of £32,330 in the period to March 2021.

Hospice Developments Limited made a profit of £nil 2020-21 (2019-20 £50,045). The company therefore made neither a profit or loss during the year (2019-20 £nil). At 31 March 2021, it had net assets of £1 (2020 £1).

17. Debtors	Group 2021	Charity 2021	Group 2020	Charity 2020
	£	£	£	£
Event income receivable	47,743	47,743	64,575	64,575
Income tax recoverable	48,245	48,245	82,794	82,794
Other debtors and prepayments	1,025,300	1,015,010	328,872	326,220
Hospice Enterprises Ltd	-	16,719	-	63,501
Beauty with a Conscience	-	59,340	-	20,666
Hospice Developments Limited	-	21,752	-	-
	<u>1,121,287</u>	<u>1,208,809</u>	<u>476,241</u>	<u>557,736</u>

18. Creditors: amounts falling due within one year

	Group 2021	Charity 2021	Group 2020	Charity 2020
	£	£	£	£
New Hospice project	-	-	318,885	-
Sundry creditors & accrued charges	665,989	657,112	664,938	653,323
Deferred Income	62,630	62,630	621,558	621,558
Taxation and social security	91,427	91,427	76,136	76,136
Hospice Developments Ltd	-	-	-	297,105
Beauty with a Conscience	-	-	-	-
	<u>820,045</u>	<u>811,169</u>	<u>1,681,517</u>	<u>1,648,122</u>

Deferred Income comprises:

	Other Incomes	Lottery Subscriptions	Event Incomes	Total
	£	£	£	£
At 1 April 2020	541,749	79,809	-	621,558
Released to Income	(541,749)	(79,809)	-	(621,558)
Received and deferred	-	62,630	-	62,630
At 31 March 2021	<u>-</u>	<u>62,630</u>	<u>-</u>	<u>62,630</u>

**THE PRINCE & PRINCESS OF WALES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

19. Analysis of charitable funds - Group

Analysis of Fund Movements	As at 1 April 2020	Income	Expenditure	Transfer	Gains/(Losses)	As at 31 March 2021
	£	£	£	£	£	£
Unrestricted Funds:						
Fixed Assets	19,791,009	-	-	(240,626)	-	19,550,383
Digital Transformation	-	-	-	300,000	-	300,000
Social Enterprise	-	-	-	105,000	-	105,000
Young persons Respite	-	-	-	71,000	-	71,000
Other service developments	50,000	-	-	50,000	-	100,000
Total designated funds	19,841,009	-	-	285,374	-	19,600,383
General funds	4,751,468	6,722,503	(5,408,079)	(279,433)	833,034	6,619,493
Total Unrestricted funds	24,592,477	6,722,503	(5,408,079)	5,941	833,034	26,745,876
Restricted funds						
General	52,282	158,376	(45,266)	(5,941)	-	159,451
Capital Appeal Fund	-	-	-	-	-	-
Total restricted funds	52,282	158,376	(45,266)	(5,941)	-	159,451
TOTAL FUNDS	24,644,759	6,880,879	(5,453,345)	-	833,034	26,905,327

**THE PRINCE & PRINCESS OF WALES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

19. Analysis of charitable funds – Group(Cont)

Analysis of Fund Movements	As at 1 April 2019	Income	Expenditure	Transfer	Gains/(Losses)	As at 31 March 2020
	£	£	£	£	£	£
Unrestricted Funds:						
Fixed Assets	19,909,201	-	-	(118,192)	-	19,791,009
New Hospice development project	-	-	-	-	-	-
Other service developments	50,000	-	-	-	-	50,000
Total designated funds	19,959,201	-	-	(118,192)	-	19,841,009
General funds	5,249,767	6,482,893	(6,591,610)	118,192	(507,774)	4,751,468
Total Unrestricted funds	25,208,968	6,482,893	(6,591,610)	-	(507,774)	24,592,477
Restricted funds						
General	86,917	141,141	(175,776)	-	-	52,282
Capital Appeal Fund	-	-	-	-	-	-
Total restricted funds	86,917	141,141	(175,776)	-	-	52,282
TOTAL FUNDS	25,295,885	6,624,034	(6,767,386)	-	(507,774)	24,644,759

20. Net assets over funds – group

	Unrestricted Funds	Designated Funds	Restricted Funds	Total 2021
	£	£	£	£
Tangible Fixed assets	-	19,550,383	-	19,550,383
Fixed Asset Investments	4,025,753	-	-	4,025,753
Debtors	1,121,287	-	-	1,121,287
Stock	16,358	-	-	16,358
Bank & Cash	2,276,140	576,000	159,451	3,011,591
Creditors	(820,045)	-	-	(820,045)
	6,619,493	20,126,383	159,451	26,905,327

**THE PRINCE & PRINCESS OF WALES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2020 £
Tangible Fixed assets	-	19,791,009	-	19,791,009
Fixed Asset Investments	3,404,342	-	-	3,404,342
Debtors	476,241	-	-	476,241
Stock	14,861	-	-	14,861
Bank & Cash	2,537,541	50,000	52,282	2,639,823
Creditors	(1,681,517)	-	-	(1,681,517)
	4,751,468	19,841,009	52,282	24,644,759

21. Reconciliation of net income to net cash flow from operating activities

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Net income for the year	2,260,568	2,292,899	(651,126)	(585,746)
Adjustments for:				
Loss/(Gains) on investments	(833,034)	(833,034)	507,774	507,774
Investment Income received	(101,098)	(104,466)	(41,907)	(105,528)
Depreciation charges	257,599	257,599	256,219	256,219
Loss on sale of Hospice property	-	-	-	-
Costs of sale of Hospice property	-	-	-	-
Decrease (increase) in Stock	(1,497)	(8,970)	3,197	-
Decrease (increase) in debtors	(645,046)	(651,073)	162,289	458,271
Increase (decrease) in creditors	(861,472)	(836,953)	505,219	790,708
Net cash provided (used) by operating activities	76,020	116,002	741,665	1,321,698

22. Analysis of cash and cash equivalents

	Group 2021 £	Charity 2021 £	Group 2020 £	Charity 2020 £
Short term deposits	924,975	924,975	924,398	924,398
Cash at bank and in hand	2,086,616	2,044,316	1,715,425	1,629,775
Total cash and cash equivalents	3,011,591	2,969,291	2,639,823	2,554,173

**THE PRINCE & PRINCESS OF WALES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

23. Operating lease commitments

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

	2021	2020
	£	£
Within one year	69,939	54,156
Between two and five years	300,431	294,461
In over five years	196,767	139,585
	<u>567,137</u>	<u>488,202</u>

24. Redundancies

During the financial year redundancy payments totalling £13,560 were distributed, this was in the main due a contraction in the services we could offer due to the pandemic and some positions becoming obsolete. There is no plan to continue with any further redundancies and we as an employer endeavour to retain all our staff members but in the current economic climate nothing can be ruled out.

25. Pensions

Staff who are eligible are members of the defined benefit National Health Service Superannuation Scheme for Scotland. This is a multi-employer defined benefit scheme. The Hospice is unable to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis and hence this is accounted for as though a defined contribution scheme. The Hospice contributed 14.9% of an employee's basic salary and enhancements which will result in an annual commitment of approximately £221,000 at year-end rates and membership (2020 £210,000). Employer contribution rates under this scheme increased to 20.9% from April 2019.

The group operates a defined contribution group personal pension plan under arrangements with an independent insurance company. The company contributed between 3.6% and 13.5% of an employee's basic salary, resulting in an annual commitment of approximately £155,000 at year-end rates and membership (2020 £150,000). Effective minimum rates of employer contribution increased to 3.6% from April 2019.

26. Judgements and Key Sources of Estimation and Uncertainty

In the application of the company'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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following pages 39 and 40 are unaudited, but have been extracted from the foregoing Financial Statements

**THE PRINCE & PRINCESS OF WALES HOSPICE
FIVE YEAR SUMMARY OF FINANCIAL STATEMENTS
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNTS**

	2021	2020	2019	2018	2017
	£	£	£	£	£
Expenditure:					
Workforce	3,616,003	3,738,463	3,681,503	3,553,851	3,492,545
Depreciation	257,599	256,219	159,031	195,695	197,659
Other charitable expenses	971,735	844,942	749,728	806,672	820,659
Total expenditure	4,845,337	4,839,624	4,590,262	4,556,2118	4,510,863
Net Operating incomes:					
Retail contribution	(106,764)	246,576	297,477	230,279	287,265
Lottery contribution	329,048	434,371	429,405	496,625	506,699
Fundraising events	275,117	655,165	695,103	559,026	445,332
Donations	886,432	768,493	691,468	638,142	499,463
Grants received	715,069	87,538	193,324	214,608	46,261
Non-group investment income	101,098	41,907	36,010	51,584	127,535
Gain/(Loss) on investments	833,034	(512,927)	170	1,421	5,250
Other	28,041	94,755	51,906	39,848	52,418
	3,061,075	1,815,878	2,394,863	2,231,533	1,970,223
HSCP	2,258,223	2,153,872	2,082,594	2,148,812	2,149,521
Scottish Government(Covid)	1,632,988	-	-	-	-
Total operating income	6,952,286	3,969,750	4,477,457	4,380,345	4,119,744
Surplus/(Deficit) on operations	2,106,949	(869,874)	(112,805)	(175,873)	(391,119)
Legacies	153,619	218,748	634,415	1,120,708	182,748
	2,260,568	(651,126)	521,610	944,835	(208,371)
Exceptional Investment Gain	-	-	-	-	-
Capital Appeal	-	-	687,707	1,323,236	3,054,816
Disposal of Carlton Place	-	-	(772,898)	-	-
Surplus/(Deficit) for year	2,260,568	(651,126)	436,419	2,268,071	2,846,445

**THE PRINCE & PRINCESS OF WALES HOSPICE
FIVE YEAR SUMMARY OF FINANCIAL STATEMENTS
CONSOLIDATED BALANCE SHEETS**

	2021	2020	2019	2018	2017
	£	£	£	£	£
Tangible assets:					
Fixed assets	19,550,388	19,791,009	19,909,201	19,252,964	7,314,765
Investments	4,025,753	3,404,342	892	722	62,159
	<u>23,576,136</u>	<u>23,195,351</u>	<u>19,910,093</u>	<u>19,253,686</u>	<u>7,376,924</u>
Current assets:					
Debtors & Stock	1,137,645	491,102	656,589	1,005,911	1,060,959
Short term deposits	924,975	924,398	2,115,959	6,885,532	16,186,540
Cash on hand	2,086,616	1,715,425	4,030,572	1,374	3,266
	<u>4,149,236</u>	<u>3,130,925</u>	<u>6,803,120</u>	<u>7,892,817</u>	<u>17,250,765</u>
Current liabilities:					
Sundry creditors	820,045	1,681,517	1,417,328	2,287,037	2,036,294
	<u>820,045</u>	<u>1,681,517</u>	<u>1,417,328</u>	<u>2,287,037</u>	<u>2,036,294</u>
Net current assets	<u>3,329,191</u>	<u>1,449,408</u>	<u>5,385,752</u>	<u>5,605,780</u>	<u>15,214,471</u>
	<u>26,905,327</u>	<u>24,644,759</u>	<u>25,295,885</u>	<u>24,859,466</u>	<u>22,591,395</u>
Accumulated funds					
Restricted income funds	159,451	52,282	86,917	79,179	94,193
Capital Appeal Fund	-	-	-	-	2,543,185
Unrestricted Funds					
Designated income funds					
Fixed asset reserve	19,550,383	19,791,009	19,909,201	19,252,964	7,314,765
Service Development					
New Hospice	-	-	-	3,211,046	10,352,292
Other Service	100,000	50,000	50,000	50,000	50,000
Digital Transformation	300,000				
Social Enterprise	105,000				
Young persons Respite	71,000				
Other unrestricted funds:					
General Reserve	6,619,493	4,751,468	5,249,767	2,266,677	2,236,960
	<u>26,905,327</u>	<u>24,644,759</u>	<u>25,295,885</u>	<u>24,859,466</u>	<u>22,591,395</u>

