

**THE PRINCE & PRINCESS OF WALES HOSPICE
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**



The Prince & Princess
of Wales Hospice

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	PAGE
Company information	
The Global Pandemic – Covid 19	1
Directors' Annual Report and Strategic Report	2 – 21
Independent Auditor's Report	22 – 24
Consolidated Statement of Financial Activities	25
Consolidated Balance Sheet	26
Statement of Financial Activities	27
Balance Sheet	28
Consolidated and Charity Statement of Cash Flows	29
Statement of Hospice Reserves	30 – 33
Notes to the Financial Statements	34 – 48
<i>The following pages do not form part of the statutory Report & Financial Statements</i>	
Five Year Summary of Financial Statements	50 - 51

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
Ian MacLeod
Ally McLaws
Brett Nicholls
Hazel Tomkins
Graeme Waddell

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

Solicitors

Lindsays LLP
100 Queen Street
Glasgow
G1 3DN

External Auditors

Wylie & Bisset (Audit) Ltd
168 Bath Street
Glasgow
G2 4TP

Stockbrokers

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

Quilter Cheviot
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50 West Nile Street
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Impact of the global pandemic of COVID-19

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 are lifted, community services will 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 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 2019-20 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 2020.

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 raises funds towards the funding of the care, and, together with its subsidiary company Hospice Enterprises Limited, operates a number of charity shops in the Glasgow area. In 2018, the Hospice joined with Glasgow Clyde College to form a small charity to provide relevant work experience for students of the College, any financial surplus from which will be donated to the Hospice.

In November 2011, the Hospice formed a new subsidiary company, Hospice Developments Ltd, to organise and oversee the development of its new build hospice facility in South Glasgow which opened in 2018. 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. To ensure stability and consistency during the New Hospice Development, the members resolved to extend the terms of five Directors who are presently serving on the Board and that of the Chairman who resigned in May 2019. 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 a full financial report is issued monthly.

The Board is comprised of individuals with a wide range of skills broadly based in business, financial and clinical areas. 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. In addition, independent directors with appropriate skill sets are recruited to serve on the Boards of the subsidiary companies. Potential Directors are identified by existing Board members and invited to the Hospice to meet with the Chairman of the Board and Chief Executive, to establish whether the appointment is appropriate. They then require to become members of the Hospice before being appointed, subject to full Board approval, as a Director of the Hospice. Hospice membership is not required of but is open to independent subsidiary directors.

Director Induction and Training

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

To ensure regular updating of knowledge about the Hospice, relevant legislative and regulatory changes and developments within palliative care, all members of the Hospice management team prepare regular reports and attend Board meetings.

The Board of Directors

The Directors who served during the year ended 31 March 2020 and thereafter were as follows:

Maureen Henderson OBE (Chairman *Retired 31 May 2019*)

Ronald Bowie (Chairman – *from 28 August 2019*)

Ian Reid (Vice-Chairman)

Robert Calderwood

Murray Cromar

Surjit Chowdhary MBE

Bill Doak

Anice Gillespie

Steuart Howie

David Hunter

John Kyle

Ian MacLeod

Aily McLaws

Brett Nicholls

Hazel Tomkins

Graeme Waddell

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

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.

External Clinical Governance

The Hospice is authorised by Health Improvement Scotland (HIS) to provide Care Services. It is also recognised as a specialist palliative care provider by NHS Quality Improvement Scotland and by NHS Greater Glasgow & Clyde. Inspection visits each year ensure that the care provided is in line with the published regulations. As noted above, responsibility for commissioning of specialist palliative care services has been passed to the Community Health & Social Care Partnerships (HSCP's), and the Hospice has established new relationships with these bodies to ensure the continuation of a first class service to patients and families. The Hospice's primary relationship is now with Glasgow City HSCP which is now its commissioning body for the provision of clinical services. Formalisation of these new arrangements is now largely complete at local and national levels.

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. Risk management is co-ordinated and supported on a day-to-day basis by the Hospice's Risk Manager. Risks in all areas including clinical, financial, personal and organisational are minimised with procedures in place to ensure the health and safety of patients, visitors, volunteers and staff and the security of assets. 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.

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

(continued)

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), and a new structure has been implemented in line with guidelines from the Information Commissioner's Office.

Staff Governance

The Directors have appointed a Staff Governance Committee to review matters relating to employment and human resources within the Hospice 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. Meetings are attended by appropriate members of the senior management team. The Committee monitors executive actions on employment issues and oversaw the support of staff through the move to the new Hospice location in 2018. A system of staff feedback surveys and the Hospice Joint Consultation Group (involving staff and Board members) assist and inform the Committee on staff strategy for the future. Following recent changes to pay within the NHS, the Committee is now engaged with staff to review all present employment Terms and Conditions with a view to putting in place up-dated arrangements which will enable the Hospice and its staff to continue to provide a sustainable and high quality service in the future.

Income Generation Governance

The Board has appointed the Income Generation Governance Committee to review fundraising strategy and activity. Initially, its emphasis was on the work of raising funds towards the relocation of the Hospice building and the development of services to young adults and to wider cultural groups than presently access Hospice services. Now, the group's main focus is the on-going fundraising of the Hospice, including in relation to the expected future demands of an increased service provision. The Committee also co-opts independent members with relevant skill and experience, and is attended by appropriate members of the senior management and fundraising, supporter relations and retail teams. 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 and co-opts independent members to complement that expertise where appropriate. At present the group has one co-opted member with experience of investment management. 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 detailed internal audit reviews which are also carried out on an independent basis.

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

Staff Remuneration Policy

All jobs within the Hospice and its subsidiaries carry a detailed job description which is evaluated using a system which closely follows the "Agenda for Change" structure operated within the NHS. The system allocates points based upon pre-defined criteria, which points are used to determine a banding within which the job falls. This system applies to all non-medical staff, whether clinical or non-clinical. Job evaluations (known as "Matching") are carried out by two senior managers independent of the department under which the job will operate. Medical staff jobs are graded in line with the standards applicable within the NHS in Scotland.

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

(continued)

Once evaluated, the salary rate is determined by where the job is banded within the Hospice salary scales. These are similar in range but not tied to those operated within the NHS in Scotland. Staff will generally rise through the salary scale applicable to their job band, based on experience gained and the level of responsibility undertaken. Scale increments are not contractual. The Hospice regularly consults with colleague and charitable organisations to ensure that pay remains reasonably in line with that for similar healthcare activities with fundraising and administrative requirements.

The Hospice Board, acting on the advice of its Staff Governance and Audit Committees, reviews staff pay annually at 1 April each year. Consideration is given to incremental and cost of living increases, having regard to the affordability of any award within the funding available to the Hospice. In the light of recent changes in the NHS Agenda for Change scheme, the Hospice is undertaking a review of all staff terms and conditions to ensure that its pay structure remains sustainable and competitive for the future.

The pay of senior managers is determined using this system and is subject to specific review by the Hospice Board. The Hospice regards the Key Management Personnel referred to in note 13 to the Financial Statements as being the Chief Executive Officer and Lead Medical Consultant.

Monitoring Achievement

Each of the above Governance Groups receives and reviews appropriate statistical and financial reports to assist them assess progress and set action plans in each of their areas of responsibility. Such reports will include but are not limited to data on:

Clinical & Support Services Performance

- Patient referrals, discharges and deaths
- Bed availability, occupancy, and average patient stay
- Community nursing caseload
- Complaints and positive comments
- Accidents, incidents and infection control
- Clinical audits

Staff and Volunteering

- Staff and volunteer numbers and hours
- Absence
- HR issues
- Staff satisfaction surveys and trends

Fundraising

- Fundraiser and event cost efficiency against targets
- Contact and database management
- Lottery recruitment and player numbers against targets
- Retail point of sale data and profitability by outlet
- Overall cost of fundraising relative to income generated

Financial

- Income, costs and capital spend against budget and last year
- Investment risks and returns
- Cashflow requirements

The Board and all operational departments receive monthly financial statements and detailed financial analysis on a quarterly basis or on specific request.

Risk Management

- Risk assessment scoring
- Risk management action plans
- Accidents, incidents and infection control

**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 from an original volunteer led telephone support line in 1985, to the development of day services in 1986, outpatient and home care services in 1987, progressing to a fourteen bedded inpatient unit in 1989. Hospice services have grown organically, responding to need and opportunity.

We now 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.

The standard of our current care is recognised as very high, as evidenced by our consistently excellent assessments from Healthcare Improvement Scotland (HIS). There was, however, recognition that care experience can be hampered by the facilities. Patients and families had spoken to us about the distress they sometimes experienced at Carlton Place, with a lack of privacy and dignity and the challenges they faced with the impracticalities of its facilities. With this in mind, in 2011, the team commenced a significant project to design and build a new 21st century hospice for the people of Glasgow.

To fund this design and build project, the team planned and commenced a capital appeal for the overall project cost of £21m. As previously reported, the Capital appeal target was met in June 2018 and full migration to the new facility took place in the following Autumn.

Income generation via our two main streams for revenue funding remains challenging. Around 40% of total costs have historically been covered by NHS Greater Glasgow & Clyde, but, following the Government decision in Scotland to see the Health and Social Care sectors work more closely, commissioning and budgetary management was passed to one of a number of new Health and Social Care Partnerships (HSCP's). In our case, this is the Glasgow City HSCP who represent the two Integrated Boards with responsibilities in the Hospice's catchment area. 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 by the 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 the patients and families, reflecting the expectations of today and tomorrow's patients. A robust business strategy funds our clinical aspirations.

Our Clinical Strategy Vision and Values Vision & Values 2 (2014-2018) came to a successful end in April 2018 and since then, the Hospice team have had a clear focus on successfully maintaining care standards through our migration to the new Hospice. Now that that is complete, we are again developing a 3-5 year strategy, and are already working on new service developments and improvements which the increased level of facilities in Bellahouston will allow.

The essence of palliative care lies in the care which is delivered. The Hospice is committed to working in partnership with staff and volunteers, patients and their families, 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 the Hospice Mission statement, Values and Strategic aims have been modified and developed to be as follows:

Mission Statement

The Hospice's mission is to provide high quality, person centred care for all those affected by life limiting conditions.

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

(continued)

Hospice Values

We identified the following core values that are the foundations, the building blocks for our vision for future care

- Person centred compassionate care
- Value all as part of the hospice community
- Fairness and integrity
- Dignity and respect
- Striving for excellence

Strategic Aims 2018 – 2020

The five strategic clinical aims identified are presented in a circular format, giving no greater importance to any of the aims.

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

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

Strategy and developments in specific functional areas have been as follows:

Inpatient Unit

Our new inpatient unit has 16 en-suite, single rooms with one double bed settee in each room. These beds are divided between 2 areas, one with 6 beds and one with 10 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 centre 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.

To help support the most effective use of our inpatient facilities and new environment we have developed new information on our facilities, with support from partnership organisations.

In August 2018 it was agreed that a programme of Quality Improvement work should be developed to support the in-patient nursing team throughout the period of change, as they moved to the new Hospice and a new care environment in which individual patient rooms have replaced the traditional ward setting.

As part of the start-up work plan, it was agreed that Activity Tracking would be undertaken in the In-Patient wards to establish baseline data that would provide an evidence-based understanding of the in-patient nurses' activities and the influence of the new environment on their use of time and motion.

The aim of Activity Tracking has been to shine a light on how nurses spend their time on-shift and, from the data, to identify opportunities that would increase the proportion of direct care patients receive, as well as to support improvements in leadership, workforce planning, work processes and organizational culture which positively influence the quality of patient care. This project is ongoing and is influencing process improvements allowing us to increase the time our staff spend at the patients bed-side.

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

(continued)

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 15 years old, on an individual patient basis. This change in licence allowed us to successfully care for a 15 year-old and to support the individual and family in their preferred place of care which was in the Hospice. We are currently the only adult hospice in Scotland with this provision.

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

- the efficient and effective utilisation of inpatient beds
- efficient and effective patient-centred discharge planning
- patient centred drug administration using the patient's own drugs
- improving current processes to increase time spent at the bed-side
- offering age-appropriate care to Young Adults

Outpatient Services

Within our new outpatient department, we now have 4 consulting rooms, a well-equipped treatment room, 3 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 patients and carers. The service now includes medical and nurse-led outpatient clinics, twenty day-services places on three days every week, monthly carer support groups, access to art and creative writing, Chi Gung and complementary therapies for patients and carers. The innovative roll-out of a volunteer befriending service delivered in the patient's home – the "Carer's Choice" project allows carers to have a short break, supporting their ongoing resilience. Outpatient services are 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 the 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, partnering with external agencies such as Enable, MDUK and PAMIS, to develop our services based on the extended needs of our widening patient group. We are supporting a number of young adults with a diverse range of conditions who require palliative care, and although these numbers remain relatively small, our experience to date is that their care requires a high level of resource. We currently have young adults accessing a range of outpatient services including counselling, art, psychotherapy, creative art, nurse and medical symptom management clinics, complimentary therapies and hairdressing. The Young Adults Social Group has been given the opportunity to scope the needs of these and other young adults, and we are currently seeking additional support to fund the development of a Young People's Social and Therapeutic Group which will be the first of its kind within adult hospices in Scotland. 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.

We are now providing outreach clinics in both Castlemilk Health Centre and in the East Renfrewshire Health and Social Care Partnership (HSCP) building and these continue to evaluate well. These clinics complement the medical and nursing clinic provided within the hospice. This allows us to take services nearer to patients, work most effectively with our HSCP colleagues, and give our patients more choice as to where they can receive their care.

We have also formed a collaboration with Macmillan who are running weekly "Improving the cancer journey clinics" within our day service department. Patients from all our services are accessing this clinic and are benefiting from more rapid access to support with housing issues, benefits and help at home. This joint working allows people to be seen at the right time by the right people to support them in their cancer journey. This team also signposts people with non-malignant disease to the correct service. This service is currently being evaluated but already we have anecdotal evidence that it is benefiting our patients and families. As we move forward with this clinic, it is hoped that people from our local area will also attend the clinic, bringing a population unfamiliar with the benefits of our services into the Hospice building.

As a hospice, we recognised very quickly the benefit of being housed within extensive hospice grounds and a beautiful park, and the fact that it could support an overriding sense of tranquillity and calm for the patients, families, staff and volunteers. The benefits on health and well-being, from just being able to walk and enjoy all that nature has to offer, are well researched.

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

(continued)

A previous partnership with Glasgow Life, established whilst in Carlton Place, offered several opportunities to support health and wellbeing for all, one of these being that it offers over 40 free health walks (its Good Move programme) across Glasgow every week, led by volunteers, including two walks leaving from Bellahouston Sports Centre Café, currently facilitated on a Wednesday at 1.30pm and a Sunday at 11am. It was decided to establish a pilot Hospice Health Walk to be held between May and August 2019 facilitating 13 health walks during this period. These walks are supported by a new volunteer role within the Hospice - 'Hospice Walk Leader', by members of a walking steering group, and by day services staff. At present the walk is only open to day service patients. The results of this new initiative will be formally evaluated but the response so far has been very positive with one patient saying:

"Loved scenery, enjoyed company, enjoyed fresh air. Would not be able to walk that far. Loved getting out"

We have also established a relationship with a charity called "Cycling without Age" which organises volunteer facilitated trishaw outings for elderly or infirm members of the public. Its overall objectives are similar to those of our health walks. We have secured funding for two trishaws and are seeking appropriate volunteers to establish a "chapter" based at the Hospice.

Our present day services which runs on three days each week rarely attracts younger patients, so our family support team is working with the day service team to design a service model which will support young adults with malignant disease in a different way.

Generally, we are striving to ensure that our wonderful new facilities are used most effectively, allowing us to expand our services with the aim of becoming a true community hub..

Strategic aims and activity for Outpatient Services continue to include:

- delivery of a range of outpatient services tailored to the individual's need and preferences.
- continuing development of outreach clinics in city suburbs and in the Hospice
- raising the profile and promoting the full range of outpatient services

Community Services

This team supports patients 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 the clinical nurse specialists and medical consultant. The 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 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.

The 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 team now being part of the induction process for new community nurses in both areas.

More effective joint working in areas of deprivation, and plans to support several tests of change within East Renfrewshire, to assist people in our communities to achieve their preferred place of care.

The Team is now led by a nurse who successfully gained her Advanced Nurse Practitioner (ANP) qualification during the year. The introduction of this role will help to further develop the team's capacity and capabilities.

Strategic aims and activity of the Community 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 the Hospice team to ensure effective and efficient working
- effective support for complex and high dependency patients and families at home

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

(continued)

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. This 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

The family support services team offers care, information and support to patients and carers. Spiritual and religious support is offered by chaplaincy services. The new Hospice has a suite of 4 counselling rooms and a beautiful, adaptable children and young adults room, all within its own private area in the building.

- *The Extended Butterfly Project*

Big Lottery funding is providing almost £500,000 over three years to enable the Hospice to develop an extended children's bereavement service, which includes Young Adults from age 15 upward, and to develop the service for adults who support these young people. The project commenced in October 2016 and is actively co-producing services to meet identified needs.

The funding from the Big Lottery allowed us to develop our first drop in for young people. This was created in 2016 in response to the feedback received from the young people who attended the 'The Forward Looking To The New' (FLTTN) summer workshops. The FLTTN project has been led by a group of young people aged between 12 and 21. The project aim was to provide a platform for children and young people both pre and post bereavement who use the Butterfly Service (which is part of the Family Support Service) to explore and voice their thoughts on the transition of the Hospice from the historic Georgian building at Carlton Place to the modern 21st century new build in Bellahouston Park. This has been expressed through the creative arts, and the work produced has provided the content for an exhibition, which was held at the conclusion to 'The Year of The Young Person 2018'.

In 2018 we launched the pilot for a young person mentoring service aimed at pre/post bereaved young people to receive support from a mentor (either a peer volunteer or a volunteer with appropriate skills and experience). This was the first of its kind in Scotland and our learnings from this pilot are being used to inform how we take this innovative service forward.

Our adult monthly bereavement drop in has always operated as a short to medium term support for people who have been recently bereaved and is widely used by many Scottish hospices as a means of peer bereavement support. The drop in has offered informal support to newly bereaved people for a short period of time. Intended as short-term measure of support, we reviewed its benefits on our relocation and decided to change the format of this support. Based on requests from some bereaved clients who had been attending the group for an extended period, we set up a peer support group which meets monthly within the Hospice. A new bereavement drop-in is now in place with a new model of support to provide a drop in during the day and one in the evening, again supporting patient choice.

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. A new toolkit to support this approach was launched in May 2017 in East Renfrewshire and we have worked alongside the education department in the development of this programme, which we have now facilitated in our new premises.

Outwith the new Butterfly Project, strategic aims and activity for the Family Support Service continue to include:

- Development of innovative support models within and outwith the 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)

Widening Access to Hospice Services

The philosophy of widening access to Hospice services has developed considerably. The culturally sensitive services project, which began in 2009, has grown in strength, and the Hospice has begun to consider additional programmes which come under the auspices of "widening access".

Our Culturally Competent Palliative Care group focuses on bringing palliative care and the services of the Hospice to the ethnic minorities in South Glasgow, and to raise the profile of these services within these communities. This is achieved by continuous contact with community leaders, community groups, centres and places of worship, whilst having regard to the views of those who have had personal experience of the services. We are continuing to educate and develop our services, and staff, supported by our equality and diversity process. Partnership work with organisations such as The Council of Ethnic Minority Voluntary Sector Organisations (CEMVO) and other local community leads is helping us to scrutinize and develop practice across all departments in the organisation.

We have been working jointly with the Health Improvement Lead for Glasgow South to look at what approaches have already taken place around understanding and accessing palliative care services for under-represented groups and the way forward. Links have been made with the South Health Improvement Team which have resulted in a presentation on the scope of hospice services and our commitment to inclusion to a variety of community groups in Govanhill and Pollokshields. We have connected with Community Link Workers based in the 3 GP Practices within Govanhill Health Centre and are continuing to expand our networks within the most culturally diverse and deprived areas of our catchment area. This collaboration has led to the creation of a new volunteer role within the hospice to support community engagement. Key considerations for this role have been to recruit from the communities that are currently underrepresented in terms of access to hospice services.

The Learning Disabilities and Palliative Care Project came to a formal end in April 2015 but engagement work and raising awareness has continued. We continue to facilitate a key practitioners' network which focuses on continued education and sharing of best practice across our local NHS and beyond. We are developing a new initiative in partnership with Enable Scotland to facilitate joint learning for student nurses who are on placement in both organisations. This will raise awareness of the palliative care needs of people with learning disabilities and share practice learning opportunities across general and learning disability student nurses.

The Hospice's commitment to developing services for young adults is a key component of its strategic vision. Significant engagement work has continued over the past year with organisations already supporting young adults with palliative care needs. We have several young adults who access our services and have established a young adults Multidisciplinary Meeting, with the support of Consultant colleagues from the NHS. Our innovative way of developing relationships and partnership working is leading the way in young adult transition in Scotland and we are being recognised nationally as leaders in the field of transition.

Strategic aims and activity in Widening Access continue to include:

- Further Equality Analysis
- Culturally Competent Palliative Care
- Palliative Care for People with a Learning Disability
- Young Adult Service Development

Participation

The Hospice ensures the participation of people with personal experience in the commission, design, delivery, and evaluation of Hospice clinical services. A range of approaches are undertaken to engage in effective participation in the Hospice with the experience of the patient at the heart of these.

Benefits of participation include that patients and families feel informed and involved; their views and experiences are considered and valued; they are able to influence their journey of care; they can express satisfaction or dissatisfaction with their care; and they know they can influence planning and delivery of Hospice services. Participation allows poor experiences of care to be identified at an early stage, and remedial action taken, reducing or eliminating formal complaints. Hospice services and service developments are continuously developed to be patient and family focused and in response to expressed need. This also provides positive feedback for staff supporting their well-being and job satisfaction.

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

(continued)

The Hospice Participation Steering Group and Hospice Participation Forum joined in conversation to develop 'Together as One', the Hospice Participation and Engagement Strategy which is directing the organisational path for participation.

To highlight the work of the participation group and demonstrate the importance the hospice gives participation a participation newsletter is now distributed across our community, including health and social care networks.

We have participated in a series of National Awareness raising campaigns with events held at a variety of venues including, Govanhill Health Centre, Govanhill Housing Association Centre, Barrhead Health and Care Centre and Eastwood Health and Care Centre. These events are often complemented by newspaper articles, radio interviews and social media posts, with excellent joint working between our clinical, volunteering, fundraising and communication teams. These events are often complemented by newspaper articles, radio interviews and social media posts, with excellent joint working between our clinical, volunteering, fundraising and communication teams.

Strategic aims and activity around Participation include engagement with patients, families, professionals and public to:

- increase awareness of Hospice and palliative care services,
- promote an openness about death, dying and bereavement
- develop clinical services in co-production with these stakeholders
- ensure ready availability of information on Hospice services in accessible formats

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 the strategic documents which are driving change and fully utilise the expert knowledge, skills and experience residing in the Hospice team to lead improvement within palliative care in Scotland and beyond. We are focussing on developing leadership, management and talent, acquiring commercial capacity, releasing community potential, promoting healthy learning, life and work and growing an innovation hub. Examples of this work include providing placement opportunities for students with additional learning needs from Clyde College and for interns on Project Search. These projects contribute to preparing people with significant disabilities for success in integrated successful employment. We are the first hospice across Scotland to engage with the Project Search initiative. We have delivered Voices training for staff and volunteers involved in engagement and participation, aimed at developing effective public involvement to improve person-centred services. We continue to work in partnership with NHS Greater Glasgow and Clyde (NHS GGC) to deliver a palliative care module accredited by Caledonian and are active members of the Communications group, rolling out foundation to advanced communication skills education across care settings in NHS GGC.

"Getting it right for every child" (GIRFEC) was introduced by the Scottish Government in 2008. This imposes a range of duties that public services, including health and education, must undertake to support children and families. The Hospice team supported by the GIRFEC lead for Glasgow City's Education Department have developed the GIRFEC capability of the Hospice, supporting us to extend its principles beyond children to our adult service users as well.

The Hospice Lead Consultant has led a group to consider the implications of the GDPR requirements as they affect the Hospice. Work continues to ensure that all staff have a robust understanding of how this legislation impacts our processes and roles within the hospice.

We continue to be viewed as a centre 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.

The Prince and Princess of Wales Hospice Brand and identity, track record, history, new facility, location, accessibility, car parking privacy, facilities (disabled access) and amenities provide ideal opportunities for corporates/organisations to address and meet their corporate social responsibility (CSR) requirements and an opportunity for individual clients/customers to give something back by hiring our facilities.

We want our new home in Bellahouston Park to become part of our community and "Events with a Conscience" gives people an alternative venue choice for corporate requirements, knowing that 100% of the surplus from events are invested by the Hospice to support the care of patients and families.

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

(continued)

Research

Research within palliative and hospice care has been raised on the national agenda with the "Strategic Framework for Action on Palliative and End of Life Care 2015" document. We have a seat on the national steering group for research which supports the implementation of this framework.

Part of delivering high quality palliative care across all settings is maintaining most up to date practice though awareness of and involvement in research. The 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 the Hospice. This has informed the internal and external research currently being conducted. We are supporting a large 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.

Information Management

The E-health Group ensures that the e-health systems of the organisation are robust and developed in line with national guidance. As new systems are put in place, the Hospice is increasingly able to link into NHS electronic systems for retrieval of results, electronic referrals, access to other clinical information and ordering clinical and facilities stores.

Clinical Administration staff support all aspects of Clinical Activity, including correspondence, patient record management and assisting with the routing of enquiries from patients and families to relevant care staff. The team have been instrumental in improving the archiving of records, the transition to a paper-lite patient records system, and the administration necessary to meet the requirements of GDPR.

• Support Services

The Support Services team, including information and communication technology, reception, catering, domestics, porters, transport and maintenance staff support all departments in their function in relation to delivering care for patients and carers. Support services are often the first face of the hospice and offering excellent hospitality is essential in their everyday role.

The reception team, which is well supported by volunteers, continues to ensure that every patient and visitor to the Hospice feels valued and welcomed. Our new Hospice includes a much wider range of dining options, an extended café, and dining rooms as well as new areas within the Education suite and clinical facilities. Management and staff in our kitchen has been strengthened to cater for the increasing demand from these areas, and new and improved menus have been introduced. The Portering team assist Scottish Ambulance Service with the safe transportation of patients to and from the Hospice. During the year, 67 inpatient transfers were made, including many with complex needs, as well as a regular service provided to users of outpatient and day services.

The Hospice continues to ensure that its IT systems are robust and fit for purpose, giving adequate access to the wide range of information and governance necessary at both strategic and operational levels for the provision of Hospice services. There has been a well-publicised increase in cyber-attacks which have targeted healthcare providers, and the Hospice continues to review its procedures to optimise protection.

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

(continued)

• **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.

Strategic aims and activity in HR and Volunteer Services include:

- Recruitment and Retention, ensuring that the Hospice is recognised both internally and externally so that people want to be involved through work or volunteering. Policies and procedures are reviewed to ensure they are supportive to individuals in our workforce.
- Workforce Development, identifying the skills, knowledge and behaviours that are needed by our workforce to deliver services both now and in the future and how these will be resourced.
- Workforce Engagement, through the Joint Consultative Group, staff forums and a range of other activities

• **Communications**

Successful press and PR campaigns continue to boost the Hospice's profile at home and overseas, resulting in increased awareness of services and fundraising. The team played a significant role in supporting the successful Capital Appeal and continues to support many aspects of Hospice activity, from the information available to service users and the public, recruitment processes, to support for our ongoing fundraising. Professional presentation is essential to ensure that knowledge of the Hospice services and support is shared as widely as possible. A review of the emphasis of the Hospice website is underway. A major upgrade of our branding under the banner "We are Glasgow's Hospice" has been a great success.

• **The New Hospice Facility in Bellahouston Park**

After a long period of design, fundraising and construction, the new Hospice was formally opened on 30th October 2018 by the Rt. Hon. Lord Provost of Glasgow and Lady Clark, after whose late husband and Glasgow businessman, Sir Arnold Clark, the building is named. The facility was fully commissioned at that point and our full Hospice activities transferred immediately. The building has received widespread acclaim, particularly from patients and relatives, but also from the professional caring community and those involved with building developments nationwide. The Board, management, staff and volunteers are delighted with and proud of this new facility and look forward to providing the Hospice's services from it long into the future. So, it is worth recalling the underlying reasons for the project and our call for support from the City and people of Glasgow, at home and beyond.

The Prince & Princess of Wales Hospice has always been renowned for its excellent care. Recent years have seen the Hospice being awarded top marks in every aspect of care assessed by Healthcare Improvement Scotland. While our property in Carlton Place served us well for over thirty years, we had been running out of space resulting in difficulties in delivering the kind of care that we sought to provide for our patients and their families. Planning regulations and listed building status mean that Carlton Place could not be adapted any further to improve patient care and choice. Following a robust research and scoping exercise, it was decided that the best and only solution for the long term care of our patients and their families, was to create a purpose-built Hospice on a new site.

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

(continued)

Our new Hospice sits in 7.46 acres of ground in Bellahouston Park and is truly a 21st century state-of-the-art building for Glasgow that will now allow us to lower our age limit to 15 years and above. Amongst its facilities are:

- A model of care using the Scandinavian "Sengetun" method which is a community approach putting the patient and family first. This is a proven model of care which builds a familiar environment ensuring comfort and privacy and we have brought this concept and developed it for use within a hospice setting. This building is the first Hospice of its kind in the UK, if not the world, and will revolutionise palliative care as we know it.
- 16 private rooms, all en-suite, and each with its own private outside terrace, thereby enabling patients to be taken outside, even in their beds, if they so wish.
- Accommodation within each room for a family member to stay overnight if desired.
- 2 family suites which allow whole families to stay overnight but still be close at hand if they are needed.
- Age appropriate lounges for all our patients. For example there is a young people's lounge for this age group and other lounge areas for the more mature patient.
- Communal dining areas which enable patients and their families to eat together and spend some family time together. There are also areas where patients and, if they wish, their families can eat together but which have complete privacy. This is particularly important for patients who may have difficulty eating and who find it embarrassing to do so in company.
- A total of 8 rooms which are available for complementary therapy, consultation and intervention.
- Seasonal gardens where patients always see colour, no matter the time of year that they are in the Hospice. Additionally there are a number of courtyard gardens and other garden areas for patients and families to enjoy.
- Extended amenities for our Day Care and Home Care patients which enable more people to benefit from the array of therapies that we provide.

In August 2016, following a rigorous tendering and subsequent value engineering process, the Hospice, through its subsidiary, Hospice Developments Limited, entered a £16.4 million design and build contract for the construction of the new Hospice and its associated groundworks and landscaping with Balfour Beatty, an international contractor with a strong Scottish base of high repute. The design and build contract format, coupled with the advanced stage to which design had already been taken, greatly reduced risks to the Hospice of cost over-run. The Hospice management team took direct responsibility for the procurement and installation of fittings and equipment after construction. Disciplined purchasing and project management brought the project to completion within the original budget, with an under-spend of about 1%.

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

(continued)

• Income Generation

The New Hospice project had an overall budget cost of approximately £21 million. At the outset of the project, the Hospice Board were confident that £5 million should be funded from Revenue Reserves, and a Capital Appeal Fundraising Team was formed specifically for the task of raising the additional £15 million for the project. Over a period of five years, the team worked with high net wealth individuals and corporate supporters in Scotland, and with the expatriate communities in London, New York and beyond. Additionally, during the course of the Appeal, the Hospice Board decided that all Revenue surpluses, beyond those required to maintain core reserves of 6 months' expenditure, should be designated towards the Capital Appeal, and in June 2018, the Board was delighted to announce that the target commitments of £21m had been achieved. Thanks are repeated to all who provided this vital financial support, from those who texted a single £5 donation to the several individuals and organisations whose donations extended to six-figure sums. The new Hospice includes a modern feature to recognise these contributions.

The Hospice continues to review the likely costs of running the new facility and providing the planned extension of services. 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

Now that the Capital Appeal targets have been met and the Appeal closed, the attention in our fundraising efforts has been on our ongoing fundraising. The team has been strengthened and refreshed and significant emphasis continues on developing contacts made through the Capital Appeal as well as widening the general supporter base across all aspects of our fundraising. Successful events have been organised with the expatriate community in London and work continues to develop interesting contacts in New York. 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.

New Business Development

Since 2017, the Hospice has been working with the Langside College campus of Glasgow Clyde College on a project to provide students of the College with meaningful work experience opportunities. After a significant process of business planning, a new charity "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 the 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 profits to be Gift Aided to the Hospice. Work is also progressing on developing the offering in our new café, and publicising our educational suite as available for a wide range of conferences and smaller events.

Supporter Relations

This team is tasked with improving and maintaining relationships with the wide range of our present and potential supporters, with managing our contacts database, and providing assistance to our fundraising and campaign teams. Since its creation in 2016, we have seen positive benefits from this work.

The charity sector in general is facing significant economic challenges, and in particular, something of a backlash against instances of canvassing activity by some major national charities. The Hospice has never used any of the practices which have been rightly criticised in these instances. In May 2018, the GDPR came into effect, and all Hospice teams continue to review their activities to ensure compliance with these Regulations. Charity fundraising will only survive if charities are allowed to make new contacts and generate new supporters. Our main emphasis remains on establishing supporter relationships on a personal level, and we therefore make limited use of electronic contact, ensuring that there is clear legitimate interest for both parties in any approach made. Our systems ensure that all approaches are sympathetic, sensitive and limited in number and repetition. No complaints were received in 2019-20 (2018-19: none) arising from fundraising activity, and indeed, we receive compliments for the sensitivity of with which we carry out this important area of our work.

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

(continued)

Retail

The 2019/20 financial year ended with our shop stock at 17 units. A new shop has been leased in the Gorbals area and opened in Autumn 2019. 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 opening of a specialist furniture outlet. The management of the retail function now involves active supervision at shop level with KPI's and more training opportunities for shop staff.

Lottery

The Hospice lottery continues to provide an important income stream for our fundraising, and, being significantly based on door-to-door canvassing and collection, provides an important contact for areas of the community which are sometimes harder to reach by other methods. Nonetheless, we continued to actively persuade players to convert to electronic membership, chiefly by direct debit payment. Lottery members were stalwart supporters of our Capital Appeal as well as regularly participants in our twice-yearly prize draws. Development of our website has made electronic membership more accessible. We continue in our efforts to grow our supporter base more widely but increasing competition from national lotteries, who provide a lower percentage of turnover for good causes, means that increasing player numbers is challenging.

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

(continued)

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 26, to the detailed budgets prepared for the following financial year 2020-21 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 slightly more than £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) which has regard to the policy outlined in Memorandum of Understanding (MOU) between the independent Scottish Hospices and the Joint Integrated Board which oversees the activities of the HSCPs in Scotland. This replaces funding previously received from NHS Greater Glasgow & Clyde. 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 financial specifics of each Hospice's funding are laid out in each SLA. 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 3 percent has been agreed for 2020-21. Nonetheless, this funding historically has not included any recurring element for capital expenditure, or projects such as bereavement, art or music, nor for many other aspects of holistic care chosen to be provided by the Hospice and enjoyed by our patients and families.

In 2019-20, HSCP funding of £2,153,872 (2018-19: £2,082,594) was received. Funding included free issue pharmaceuticals and supplies valued at £116,618 (2018-19: £104,774). Contributions by Glasgow City HSCP amounted to over 40% of the incurred costs of direct patient care, broadly similar to 2018-19.

In April 2019, the rate of employer contributions to the NHS pension fund was increased significantly. The independent hospices have been in discussion with the Scottish Government regarding this additional unwelcome cost, and it is hoped that funding will be increased accordingly. It is less clear, however, that acceptable support will be available to help hospices meet the financial challenge presented by the considerable increases in pay implied in the new NHS pay arrangements. This matter also remains under discussion, but indicative funding conditions would themselves impose unviable additional costs on many in the sector, including the Hospice. Clearly, we recognise the wider financial pressures being experienced within Health and Social care organisations, but the Board also recognises its responsibility to manage the organisation within achievable income budgets.

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. This total is now around £3 million annually. 2019-20 was again a successful year for our fundraising, securing necessary ongoing funding remains a challenging task.

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

(continued)

The Hospice benefits greatly from the service of a large number of volunteers in a variety of capacities.

Result for the Year

In 2019-20, the Hospice again recorded an operating deficit. The operating deficit for the year was £869,918 (2018-19 £112,805), a significant reason for the large increase in the deficit was our unrealised loss on our investment portfolios. All investments across the world were adversely impacted by the global pandemic, Covid 19. The unrealised loss on our portfolios amounted to £512,927 of our operating deficit. 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 £218,748 was considerably lower than in the previous year (2018-19 £634,415) and below our long term average. All these sources brought the deficit for the year to £651,126 (2018-19 Surplus £436,419). Undoubtedly the operating costs of a much larger building with extended services will be higher in the future, but efforts are well underway to further strengthen income generation, and the Board are confident that the balance of income and expenditure on normal operating activities will start to recover soon. 2019-20 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 (about £2.5 million) 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 the Operating Result remains negative and significant cost pressure remains. At 31 March 2020, the General Reserve stood at £4,751,468 (2019 £5,249,767). Full analysis of the reserves of the Hospice and their purposes is on pages 30 to 32 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 2019/20 the Board decided to move £4million of cash holdings into two separate £2million investment portfolios to be managed by professional investment advisors, namely, Quilter Cheviot and Brewin Dolphin. The investment was made with the long-term view of capital growth of the investments and to generate dividend income which would be reinvested into the portfolios. With the global pandemic, Covid 19, occurring during March 2020 this adversely impacted our investment portfolios value at our balance sheet date of 31st March 2020. With our long-term view on investments and with strong investment managers we look forward to a brighter future for our portfolios.

Subsequently our investments have bounced back and at present have recouped all losses and are now showing a slight 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.

We have a long standing relationship with Wylie and Bisset LLP and have asked that they retender for the audit along with a shortlist of other reputable audit firms.

The appointment of our auditors for 2020-21 financial year will be approved via a special resolution at a board meeting within this financial year.

This Report was approved by the trustees on 25th November 2020 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 2020**

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 2020 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 2020 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the report and financial statements, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 2020**
(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 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 set out on page 21, 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.

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 auditor's report.

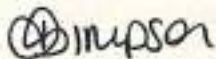
**THE PRINCE & PRINCESS OF WALES HOSPICE
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES
AND MEMBERS OF THE PRINCE & PRINCESS OF WALES HOSPICE
FOR THE YEAR ENDED 31 MARCH 2020**

(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.



Jenny Simpson
Senior Statutory Auditor
For and on behalf of Wylie & Bisset (Audit) Ltd

168 Bath Street
Glasgow
G2 4TP

Date: 26th November 2020

Wylie & Bisset (Audit) 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 2020**

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Income and endowments from:							
Donations and legacies	5	1,268,203	-	1,268,203	1,653,136	778,731	2,431,867
Charitable activities	6	2,133,814	141,141	2,274,955	2,063,025	193,324	2,256,349
Other trading activities	7	2,944,214	-	2,944,214	2,983,934	-	2,983,934
Investments	8	41,907	-	41,907	36,010	-	36,010
Other Incoming Resources	9	94,755	-	94,755	51,906	-	51,906
Total income		6,482,893	141,141	6,624,034	6,788,011	972,055	7,760,066
Expenditure on:							
Raising funds:							
Other trading activities	10	2,265,543	-	2,265,543	2,292,868	91,024	2,383,892
Charitable activities	11	4,326,067	175,776	4,501,843	4,754,339	185,586	4,939,925
Total Expenditure		6,591,610	175,776	6,767,386	7,047,207	276,610	7,323,817
Net income/(expenditure) and net movement in funds before gains and losses on investments		(108,717)	(34,635)	(143,352)	(259,195)	695,445	436,249
Realised Gains on Investments		5,153	-	5,153	-	-	-
Unrealised(Losses)/gains on investments	16	(512,927)	-	(512,927)	170	-	170
Net income/(expenditure)		(616,491)	(34,635)	(651,126)	(259,026)	695,445	436,419
Transfers between funds	19	-	-	-	687,707	(687,707)	-
Net movement in funds		(616,491)	(34,635)	(651,126)	428,681	7,738	436,419
Funds reconciliation							
Total Funds brought forward		25,208,968	86,917	25,295,885	24,780,287	79,179	24,859,466
Total Funds carried forward	19	24,592,477	52,282	24,644,759	25,208,968	86,917	25,295,885

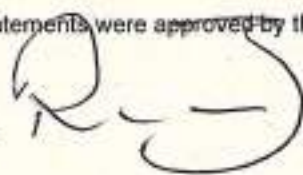
The Statement of Financial Activities includes all gains and losses recognised in the year. All income and expenditure derive from continuing activities.

**THE PRINCE & PRINCESS OF WALES HOSPICE
CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2020**

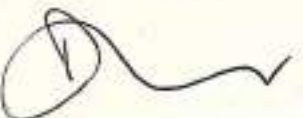
	Note	2020	2019
		£	£
Fixed assets:			
Tangible assets	15	19,791,009	19,909,201
Investments	16	3,404,342	892
Total Fixed Assets		23,195,351	19,910,093
Current assets:			
Debtors	17	476,241	638,531
Stock		14,861	18,058
Short term deposits	22	924,398	2,115,959
Cash at bank and in hand	22	1,715,425	4,030,572
		3,130,925	6,803,120
Liabilities:			
Creditors falling due within one year	18	1,681,517	1,417,328
Net Current Assets		1,449,408	5,385,792
Total Assets less Current Liabilities		24,644,759	25,295,885
Reserves:			
Restricted funds			
General	19	52,282	86,917
Unrestricted Funds			
Designated income funds	19		
Fixed asset reserve		19,791,009	19,909,201
Service development reserve			
New Hospice development project			
Other service developments		50,000	50,000
Other unrestricted funds	19		
General reserve		4,751,468	5,249,767
Total funds		24,644,759	25,295,885

These financial statements were approved by the board on 25 November 2020 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 2020**

	Note	Unrestricted Funds 2020 £	Restricted Funds 2020 £	Total Funds 2020 £	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total Funds 2019 £
Income and endowments from:							
Donations and legacies	5	1,247,023	-	1,247,023	1,653,136	778,731	2,431,867
Charitable activities	6	2,100,269	141,141	2,241,410	2,063,025	183,324	2,256,349
Other trading activities	7	2,875,437	-	2,875,437	2,944,756	-	2,944,756
Investments	8	105,526	-	105,526	50,126	-	50,126
Other Incoming Resources	9	94,755	-	94,755	51,906	-	51,906
Total Income		6,423,012	141,141	6,564,153	6,762,949	972,055	7,735,004
Expenditure on:							
Raising funds							
Other trading activities	10	2,200,761	-	2,200,761	2,269,806	91,024	2,360,830
Charitable activities	11	4,265,588	175,776	4,441,364	4,752,339	185,586	4,937,925
Total Expenditure		6,466,349	175,776	6,642,125	7,022,145	276,610	7,298,755
Net income/(expenditure) and net movement in funds before gains and losses on investments		(43,337)	(34,635)	(77,972)	(259,196)	695,445	436,249
Realised Gains on Investments		5,153	-	5,153	-	-	-
Unrealised (Losses)/gains on investments	16	(512,927)	-	(512,927)	170	-	170
Net income/(expenditure)		(551,111)	(34,835)	(585,746)	(259,026)	695,445	436,419
Transfers between funds	19	-	-	-	687,707	(687,707)	-
Net movement in funds		(551,111)	(34,835)	(585,746)	428,681	7,738	436,419
Funds reconciliation							
Total Funds brought forward		25,208,968	86,917	25,295,885	24,780,287	79,179	24,859,466
Total Funds carried forward	19	24,657,857	52,282	24,710,139	25,208,968	86,917	25,295,885

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 2020

	Note	2020	2019
		£	£
Fixed assets:			
Tangible assets	15	19,841,009	108,332
Investments	16	3,405,343	1,893
Total Fixed Assets		23,246,352	110,225
Current assets:			
Debtors	17	557,736	20,816,922
Short term deposits	22	924,398	2,115,959
Cash at bank and in hand	22	1,629,775	3,110,193
		3,111,909	26,043,074
Liabilities:			
Creditors falling due within one year	18	1,648,122	857,414
Net Current Assets		1,463,787	25,185,660
Total Assets less Current Liabilities		24,710,139	25,295,885
Reserves:			
Restricted funds			
General	19	52,282	86,917
Unrestricted Funds			
Designated income funds	19		
Fixed asset reserve		19,841,009	19,909,201
Service development reserve			
New Hospice development project			
Other service developments		50,000	50,000
Other unrestricted funds	19		
General reserve		4,766,848	5,249,767
Total funds		24,710,139	25,295,885

These financial statements were approved by the board on 25 November 2020 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 2020

	Note	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Cash flows from operating activities:					
Net cash provided by (used in) operating activities	21	741,665	1,321,698	1,913,606	(3,195,018)
Cash flows from investing activities:					
Purchase of tangible fixed assets		(379,056)	(137,982)	(4,804,201)	(41,548)
Sale of Tangible Fixed Assets				2,114,210	2,114,210
Investments added		(4,118,968)	(4,118,968)	-	-
Sale of investments		207,744	207,744	-	-
Gift Aid donation		-	13,622	-	14,115
Investment income received		41,907	41,907	36,010	36,010
Net cash (used in) provided by investing activities		(4,248,373)	(3,993,677)	(2,653,981)	2,122,787
Change in cash and cash equivalents in the year		(3,506,708)	(2,671,979)	(740,375)	(1,072,231)
Cash and cash equivalents brought forward	22	6,146,531	5,226,152	6,886,906	6,298,383
Cash and cash equivalents carried forward	22	2,639,823	2,554,173	6,146,531	5,226,152

THE PRINCE & PRINCESS OF WALES HOSPICE
STATEMENT OF HOSPICE RESERVES
FOR THE YEAR ENDED 31 MARCH 2020

	Restricted Funds						Unrestricted Funds				Total Funds
	General						Designated Funds		Fixed Asset Reserve		
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 2020
(Continued)

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 £	Capital Appeal £	Capital Development Project £	For other Service Extension £	Fixed Asset Reserve £	General Reserve £	Total Funds £	
At 1 April 2018	11,816	13,106	42,506	-	11,751	-	3,211,046	50,000	19,252,964	2,266,277	24,792,103	
Income	-	19,569	173,755	-	-	778,731	-	-	-	6,788,181	7,760,236	
Expenditure	(6,453)	(21,259)	(161,332)	-	3,458	(91,024)	-	-	-	(7,047,207)	(7,323,817)	
Surplus (Deficit)	(6,453)	(1,690)	12,423	-	3,458	687,707	-	-	-	(259,026)	436,419	
Transfers:												
Capital Expenditure	-	-	-	-	-	(687,707)	(3,211,046)	-	3,702,376	196,377	-	
Depreciation	-	-	-	-	-	-	-	-	(159,031)	159,031	-	
Sale of Property	-	-	-	-	-	-	-	-	(2,887,108)	2,887,108	-	
Designations in	-	-	-	-	-	-	-	-	-	-	-	
Designations out	-	-	-	-	-	-	-	-	-	-	-	
Net Movement	-	-	-	-	-	(687,707)	(3,211,046)	-	656,237	3,242,516	-	
At 31 March 2019	5,363	11,416	54,929	-	15,209	-	-	50,000	19,909,201	5,249,767	25,295,885	

**THE PRINCE & PRINCESS OF WALES HOSPICE
STATEMENT OF HOSPICE RESERVES
FOR THE YEAR ENDED 31 MARCH 2020
(Continued)**

Reserve Policies and Analysis

As explained in the Directors' Report, the Hospice has recently completed the construction of a new hospice facility on the south side of Glasgow and which will replace the old Hospice building on Carlton Place. The Directors' policies for reserve retention reflect the substantial demands of that project and related service developments as follows:

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 £5,363 was brought forward from 2018-19 to be spent on the cost of equipment improvements. We also received further grants totalling £21,000 during 2019/20 for equipment improvements. Of these funds, £8,305 was spent, leaving a balance of £18,058 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. £16,603 was received from Shared Care Scotland during the year. This was added to the sum of £11,416 which was brought forward from 2018-19. £18,308 was spent leaving a balance of £9,711 to be carried forward to the coming financial year.
- In 2016-17, the Hospice was awarded funding for three years 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. Funding for the present Extension project is received quarterly in advance. During the financial year, £87,538 was received, of which £126,280 was spent by 31 March 2020, together with the surplus of £54,929 brought forward at March 2019, this left a balance of £16,187 to be carried forward to the coming financial year.
- In 2016-17, £33,070 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 2019, a balance of £15,209 was held to fund future similar projects which are expected to take place in the coming financial year. During 2019/20 £7,683 was spent and the balance of £7,526 retained for 2020/21.

**THE PRINCE & PRINCESS OF WALES HOSPICE
STATEMENT OF HOSPICE RESERVES
FOR THE YEAR ENDED 31 MARCH 2020**

(Continued)

Unrestricted Funds - Designated Funds

Designation of funds is based on the overall group position. Details of the designated funds are as follows:

Designated Service Development Reserve – New Hospice Development Project

A necessary part of a successful capital fundraising appeal is the underlying commitment of the organisation to the project, financially represented by its willingness to commit a significant portion of its reserves to the project. The budget for the total capital cost of the Hospice's Development Project, and the costs of fundraising over a number of years was set at £21 million. In 2011-12, the Hospice Board committed a sum of £3 million of Reserves to that purpose, and a further £8.9 million was designated towards the project between 2012-13 and 2017-18. Expenditure on the project fully absorbed all funds held in the Restricted Fund for this development, and the balance of expenditure was charged against the Designated Fund. The final expenditures in 2018-19 fully absorbed the balance of £3,211,046 brought forward, leaving a balance of £237,926 to be funded from General Reserve during the year. The final cost outturn for the completed project was within budget by around 1%.

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 £50,000 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.

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 decrease of £498,299 in General Reserve. The operating costs of the new facility will take some time to establish with the accuracy available for the previous facility, adjustments to staffing levels required for service extension, and the future pay rates required to attract appropriate staff, 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 2020**

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 26, to the detailed budgets prepared for the following financial year 2019-20, 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 2020**

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 2020**

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 2020 the charity had 52 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 2020**

3. Financial activities of subsidiaries

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

	2020	2019
	£	£
Turnover	50,601	39,178
Cost of sales	(31,028)	(19,099)
Administration costs	(5,951)	(5,964)
Profit before taxation	<u>13,622</u>	<u>14,115</u>
Taxation	-	-
Donation to parent company	<u>13,622</u>	<u>14,115</u>
 The assets and liabilities of the Hospice Enterprises Limited were:		
Fixed assets	-	-
Current assets	65,774	557,256
Current liabilities	(64,774)	(556,256)
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 £13,622 (2019: £14,115). 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:

	2020	2019
	£	£
Income from donations & grants	21,179	21,567
Income from charitable activities	33,546	8,935
Income from trading activities	18,176	7,156
	<u>72,901</u>	<u>37,658</u>
Expenditure on charitable activities	(59,257)	(15,403)
Expenditure on other trading activities	(29,803)	(21,478)
(Deficit)/Surplus	<u>(16,159)</u>	<u>777</u>
Taxation	-	-
Funded by Parent Company	<u>(16,159)</u>	<u>777</u>
 The assets and liabilities of Beauty with a Conscience (SCIO) were:		
	2020	2019
	£	£
Current assets	15,627	42,875
Current liabilities	(31,009)	(42,098)
Total net assets	<u>(15,382)</u>	<u>777</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 2020**

3. Financial activities of subsidiaries

(continued)

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

	2020	2019
	£	£
Turnover including interest receivable	19,850,914	-
Costs	19,800,869	-
Net (loss)/profit	<u>50,045</u>	-
Taxation	-	-
Donation to Parent Company	<u>50,045</u>	-
 The assets and liabilities of the Hospice Developments Limited were:		
Fixed assets	-	19,800,869
Current assets	318,886	515,518
Current liabilities	(318,885)	(20,316,386)
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 (2018-19: £nil). It is the charity's policy to not pay expenses to trustees.

Total donations by Directors, senior management and their families amounted to £23,749 (2018-19 £68,987).

During the year no Director, senior manager or their families had any personal interest in any contract or transaction entered into by the charity (2018-19: 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 2020**

5. Income from donations and legacies

	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Donations				
Capital Appeal	-	-	778,731	778,731
Others	1,049,455	1,028,275	1,018,721	1,018,721
	<u>1,049,455</u>	<u>1,028,275</u>	<u>1,797,452</u>	<u>1,797,452</u>
Legacies	218,748	218,748	634,415	634,415
	<u>1,268,203</u>	<u>1,247,023</u>	<u>2,431,867</u>	<u>2,431,867</u>

6. Income from charitable activities

	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Specialist Palliative Care				
NHS/HSCP	2,153,872	2,153,872	2,082,594	2,082,594
Beauty With a Conscience	33,545	-	-	-
Grants received	87,538	87,538	173,755	173,755
	<u>2,274,955</u>	<u>2,241,410</u>	<u>2,256,349</u>	<u>2,256,349</u>

Income from charitable activities includes £2,153,872 (2019: £2,082,594) received from Glasgow City Health and Social Care Partnership towards running costs of the Hospice services. There are no unfulfilled conditions or contingencies associated with these government grants.

7. Income from other trading activities

	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Events & fundraising Income	1,116,189	1,116,189	1,156,752	1,156,752
Lottery income	836,909	836,909	859,975	859,975
Trading Income	922,339	922,339	928,029	928,029
Retail income	68,777	-	39,178	-
	<u>2,944,214</u>	<u>2,875,437</u>	<u>2,983,934</u>	<u>2,944,756</u>

8. Investment income

	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Hospice Enterprises Limited	-	13,622	-	14,115
Hospice Developments Limited	-	50,045	-	-
Dividend income	29,239	29,239	-	-
Interest from short term deposits	12,668	12,622	36,010	36,010
	<u>41,907</u>	<u>105,528</u>	<u>36,010</u>	<u>50,126</u>

**THE PRINCE & PRINCESS OF WALES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

9. Other income - Group & Charity

	2020 £	2019 £
Student education	-	1,000
Kitchen and café income	94,755	50,906
	<u>94,755</u>	<u>51,906</u>

10. Raising funds – expenditure on other trading activities

	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Direct costs of fundraising events	461,024	461,024	461,649	461,649
Lottery prizes and expenses	402,538	402,538	432,396	432,396
Costs of trading activity	754,551	754,551	750,230	750,230
Costs of retail activity	64,782	-	23,062	-
Expenditure on capital appeal	-	-	91,024	91,024
Other fundraising costs	582,648	582,648	625,531	625,531
	<u>2,265,543</u>	<u>2,200,761</u>	<u>2,383,892</u>	<u>2,360,830</u>

11. Analysis of expenditure on charitable activities

Specialist Palliative Care	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Staff Costs	3,274,655	3,252,834	3,191,385	3,191,385
Depreciation	256,219	256,219	159,031	159,031
Governance costs (note 12)	33,312	29,768	32,369	30,369
Support costs (note 12)	186,837	186,837	177,757	177,757
Other	750,820	715,706	606,485	606,485
	<u>4,501,843</u>	<u>4,441,364</u>	<u>4,167,027</u>	<u>4,165,027</u>
Loss on Sale of Hospice Property	-	-	687,108	687,108
Costs of Sale of Hospice Property	-	-	85,790	85,790
	<u>4,501,843</u>	<u>4,441,364</u>	<u>4,939,925</u>	<u>4,937,925</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	2020 Total allocated £	Governance related £	Other support costs £	Basis of apportionment
Staff costs	207,597	20,760	186,837	Staff time
Total	<u>207,597</u>	<u>20,760</u>	<u>186,837</u>	

**THE PRINCE & PRINCESS OF WALES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

Cost type	2019 Total allocated £	Governance related £	Other support costs £	Basis of apportionment
Staff costs	197,508	19,751	177,757	Staff time
Total	197,508	19,751	177,757	

Governance costs:	2020 £	2019 £
Auditor's remuneration	12,552	12,618
Support costs (see above)	20,760	19,751
	33,312	32,369

Breakdown of governance and support costs by activity:

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

	Support costs	Governance	2019 £
Specialist palliative care	177,757	32,369	210,126

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

	Group 2020 £	Group 2019 £
Salaries	3,625,934	3,651,405
Social Security costs	295,057	323,613
Employer's Pension costs	339,920	267,465
	4,260,911	4,242,483
Key management personnel remuneration	280,253	261,332

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:

	2020 £	2019 £
£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 2020**

	No.	No.
The average weekly number of persons, by headcount, employed by the charity during the year was:	154	164

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

This is stated after charging:	2020	2019
	£	£
Depreciation	256,219	159,031
Loss on disposal of Hospice property	-	772,898
External auditors' remuneration	9,009	9,418
Other services		
Subsidiary audit fee	2,000	2,000
Subsidiary Independent examination	1,543	-
Non-audit services	1,350	1,200

15a. Tangible Fixed Assets – Group

	Heritable Property £	Equipment & Vehicles £	New Hospice £	Total £
Cost or valuation				
At 1 April 2019	151,041	294,147	19,800,869	20,246,057
Additions	-	138,027	-	138,027
Transfers	-	909,936	(909,936)	-
Disposals	-	-	-	-
At 31 March 2020	151,041	1,342,110	18,890,933	20,384,084
Depreciation				
At 1 April 2019	96,522	240,334	-	336,856
Charge for the year	6,395	249,824	-	256,219
Eliminated on disposals	-	-	-	-
At 31 March 2020	102,917	490,158	-	593,075
Net book value				
At 31 March 2020	48,124	851,952	18,890,933	19,791,009
At 31 March 2019	54,519	53,813	19,800,869	19,909,201

**THE PRINCE & PRINCESS OF WALES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

15b. Tangible Fixed Assets - Company

	Heritable Property £	Equipment & Vehicles £	New Hospice £	Total £
Cost or valuation				
At 1 April 2019	151,041	294,147	-	445,188
Additions	-	1,047,963	18,940,933	19,988,896
Disposals	-	-	-	-
At 31 March 2020	151,041	1,342,110	18,940,933	20,434,084
Depreciation				
At 1 April 2019	96,522	240,334	-	336,856
Charge for the year	6,395	249,824	-	256,219
Eliminated on disposals	-	-	-	-
At 31 March 2020	102,917	490,158	-	593,075
Net book value				
At 31 March 2020	48,124	851,952	18,940,933	19,841,009
At 31 March 2019	54,519	53,813	-	108,332

16. Fixed Asset Investments

<i>Group & Company</i>	2020 £	2019 £
Listed investments at cost:		
At 1 April 2019	722	722
Additions	4,118,968	-
Disposals	(202,591)	-
At 31 March 2020	3,917,099	722
Change in market value of listed investments:		
At 1 April 2019	170	-
Unrealised Gain/(Loss) in year	(512,927)	170
At 31 March 2020	(512,757)	170
Market value at 31 March	3,404,342	892
<i>Company</i>		
Unlisted investments at cost:		
At 1 April 2019	1,001	1,001
Additions	-	-
At 31 March 2020	1,001	1,001
Total investments	3,405,343	1,893

**THE PRINCE & PRINCESS OF WALES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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 £13,622 in 2019-20 (2018-19 £14,115), all of which was gifted to the parent charity. The company therefore made neither a profit or loss during the year (2018-19 £nil). At 31 March 2020, it had net assets of £1,000 (2019 £1,000).

Beauty with a Conscience made a deficit of £16,159 in the period to March 2020.

Hospice Developments Limited made a profit of £50,045 2019-20 (2018-19 £nil) all of which was gifted to the parent charity. The company therefore made neither a profit or loss during the year (2018-19 £nil). At 31 March 2020, it had net assets of £1 (2019 £1).

17. Debtors	Group 2020	Charity 2020	Group 2019	Charity 2019
	£	£	£	£
Event income receivable	64,575	64,575	120,968	120,968
Income tax recoverable	82,794	82,794	92,517	92,517
Other debtors and prepayments	328,872	326,220	386,716	290,709
Hospice Enterprises Ltd	-	63,501	-	556,256
Beauty with a Conscience	-	20,666	38,330	-
Hospice Developments Limited	-	-	-	19,756,472
	<u>476,241</u>	<u>557,736</u>	<u>638,531</u>	<u>20,816,922</u>

18. Creditors: amounts falling due within one year

	Group 2020	Charity 2020	Group 2019	Charity 2019
	£	£	£	£
New Hospice project	318,885	-	559,914	-
Sundry creditors & accrued charges	664,938	653,323	573,457	573,457
Deferred Income	621,558	621,558	192,557	192,557
Taxation and social security	76,136	76,136	79,129	79,129
Hospice Developments Ltd	-	297,105	-	-
Beauty with a Conscience	-	-	12,271	12,271
	<u>1,681,517</u>	<u>1,648,122</u>	<u>1,417,328</u>	<u>857,414</u>

Deferred Income comprises:

	Other Incomes	Lottery Subscriptions	Event Incomes	Total
	£	£	£	£
At 1 April 2019	-	77,982	114,575	192,557
Released to Income	-	(77,982)	(114,575)	(192,557)
Received and deferred	541,749	79,809	-	621,558
At 31 March 2020	<u>541,749</u>	<u>79,809</u>	<u>-</u>	<u>621,558</u>

THE PRINCE & PRINCESS OF WALES HOSPICE
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2020

19. Analysis of charitable funds - Group

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

THE PRINCE & PRINCESS OF WALES HOSPICE
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 31 MARCH 2020

19. Analysis of charitable funds – Group(Cont)

Analysis of Fund Movements	As at 1 April 2018	Income	Expenditure	Transfer	Gains/(Losses)	As at 31 March 2019
	£	£	£	£	£	£
Unrestricted Funds:						
Fixed Assets	19,252,964	-	-	656,237	-	19,909,201
New Hospice development project	3,211,046	-	-	(3,211,046)	-	-
Other service developments	50,000	-	-	-	-	50,000
Total designated funds	22,514,010	-	-	(2,554,809)	-	19,959,201
General funds	2,266,277	6,788,011	(7,047,207)	3,242,516	170	5,249,767
Total Unrestricted funds	24,780,287	6,788,011	(7,047,207)	687,707	170	25,208,968
Restricted funds						
General	79,179	193,324	(185,586)	-	-	86,917
Capital Appeal Fund	-	778,731	(91,024)	(687,707)	-	-
Total restricted funds	79,179	972,055	(276,610)	(687,707)	-	86,917
TOTAL FUNDS	24,859,466	7,760,066	(7,323,817)	-	170	25,295,885

20. Net assets over funds – group

	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

**THE PRINCE & PRINCESS OF WALES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

	Unrestricted Funds £	Designated Funds £	Restricted Funds £	Total 2019 £
Tangible Fixed assets	-	19,909,201	-	19,909,201
Fixed Asset Investments	892	-	-	892
Debtors	638,531	-	-	638,531
Stock	18,058	-	-	18,058
Bank & Cash	6,009,614	50,000	86,917	6,146,531
Creditors	(1,417,328)	-	-	(1,417,328)
	<u>5,249,767</u>	<u>19,959,201</u>	<u>86,917</u>	<u>25,295,885</u>

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

	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Net income for the year	(651,126)	(585,746)	436,419	436,419
Adjustments for:				
Loss/(Gains) on investments	507,774	507,774	(170)	(170)
Investment Income received	(41,907)	(105,528)	(36,010)	(50,126)
Depreciation charges	256,219	256,219	159,031	159,031
Loss on sale of Hospice property	-	-	687,108	687,108
Costs of sale of Hospice property	-	-	85,790	85,790
Decrease (increase) in Stock	3,197	-	(6,206)	-
Decrease (increase) in debtors	162,289	458,271	355,529	(4,750,247)
Increase (decrease) in creditors	505,219	790,708	232,115	237,177
Net cash provided (used) by operating activities	<u>741,665</u>	<u>1,321,698</u>	<u>1,913,606</u>	<u>(3,195,018)</u>

22. Analysis of cash and cash equivalents

	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
Short term deposits	924,398	924,398	2,115,959	2,115,959
Cash at bank and in hand	1,715,425	1,629,775	4,030,572	3,110,193
Total cash and cash equivalents	<u>2,639,823</u>	<u>2,554,173</u>	<u>6,146,531</u>	<u>5,226,152</u>

**THE PRINCE & PRINCESS OF WALES HOSPICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

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:

	2020	2019
	£	£
Within one year	54,156	41,277
Between two and five years	294,461	425,148
In over five years	139,585	155,127
	<u>488,202</u>	<u>621,552</u>

24. Redundancies

During the financial year redundancy payments totalling £42,911 were distributed, this was in the main due to streamlining at management level. 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 £210,000 at year-end rates and membership (2019 £150,000). 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 3.0% and 13.5% of an employee's basic salary, resulting in an annual commitment of approximately £150,000 at year-end rates and membership (2019 £122,000). 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 50 and 51 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**

	2020	2019	2018	2017	2016
	£	£	£	£	£
Expenditure:					
Workforce	3,738,463	3,681,503	3,553,851	3,492,545	3,464,193
Depreciation	256,219	159,031	195,695	197,659	278,716
Other charitable expenses	844,942	749,728	806,672	820,659	879,470
Total expenditure	4,839,624	4,590,262	4,556,218	4,510,863	4,622,379
Net Operating incomes:					
Retail contribution	246,576	297,477	230,279	287,265	347,099
Lottery contribution	434,371	429,405	496,625	506,699	472,880
Fundraising events	655,165	695,103	559,026	445,332	635,667
Donations	768,493	691,468	638,142	499,463	643,379
Grants received	87,538	193,324	214,608	46,261	26,687
Non-group investment income	41,907	36,010	51,584	127,535	137,095
(Loss)/gain on investments	(512,927)	170	1,421	5,250	13,545
Other	94,755	51,906	39,848	52,418	41,415
	1,815,878	2,394,863	2,231,533	1,970,223	2,317,767
NHS/HSCP	2,153,872	2,082,594	2,148,812	2,149,521	2,119,116
Total operating income	3,969,750	4,477,457	4,380,345	4,119,744	4,436,883
(Deficit)/Surplus on operations	(869,874)	(112,805)	(175,873)	(391,119)	(185,496)
Legacies	218,748	634,415	1,120,708	182,748	2,285,582
	(651,126)	521,610	944,835	(208,371)	2,100,086
Exceptional Investment Gain	-	-	-	-	-
Capital Appeal	-	687,707	1,323,236	3,054,816	1,462,303
Disposal of Carlton Place	-	(772,898)	-	-	-
(Deficit)/Surplus for year	(651,126)	436,419	2,268,071	2,846,445	3,562,389
Number of staff Headcount	157	164	163	162	159

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

	2020	2019	2018	2017	2016
	£	£	£	£	£
Tangible assets:					
Fixed assets	19,791,009	19,909,201	19,252,964	7,314,765	4,774,261
Investments	3,404,342	892	722	62,159	56,909
	<u>23,195,351</u>	<u>19,910,093</u>	<u>19,253,686</u>	<u>7,376,924</u>	<u>4,831,170</u>
Current assets:					
Debtors & Stock	491,102	656,589	1,005,911	1,060,959	1,166,075
Short term deposits	924,398	2,115,959	6,885,532	16,186,540	15,155,169
Cash on hand	1,715,425	4,030,572	1,374	3,266	2,797
	<u>3,130,925</u>	<u>6,803,120</u>	<u>7,892,817</u>	<u>17,250,765</u>	<u>16,324,041</u>
Current liabilities:					
Sundry creditors	1,681,517	1,417,328	2,287,037	2,036,294	1,410,261
	<u>1,681,517</u>	<u>1,417,328</u>	<u>2,287,037</u>	<u>2,036,294</u>	<u>1,410,261</u>
Net current assets	1,449,408	5,385,752	5,605,780	15,214,471	14,913,780
	<u>24,644,759</u>	<u>25,295,885</u>	<u>24,859,466</u>	<u>22,591,395</u>	<u>19,744,950</u>
Accumulated funds					
Restricted income funds	52,282	86,917	79,179	94,193	39,744
Capital Appeal Fund	-	-	-	2,543,185	2,126,937
Unrestricted Funds					
Designated income funds					
Fixed asset reserve	19,791,009	19,909,201	19,252,964	7,314,765	4,774,261
Service Development					
New Hospice	-	-	3,211,046	10,352,292	10,352,292
Other Service	50,000	50,000	50,000	50,000	50,000
Other unrestricted funds:					
General Reserve	4,751,468	5,249,767	2,266,677	2,236,960	2,401,716
	<u>24,644,759</u>	<u>25,295,885</u>	<u>24,859,466</u>	<u>22,591,395</u>	<u>19,744,950</u>

