BUTTERWICK LIMITED

England & Wales · Charity number 1044816

Details

Other names	BUTTERWICK, BUTTERWICK CHILDRENS HOSPICE, BUTTERWICK HOSPICE, BUTTERWICK HOSPICE AT BISHOP AUCKLAND, BUTTERWICK HOSPICE AT STOCKTON - BUTTERWICK HOSPICE AT BISHOP AUCKLAND, BUTTERWICK HOSPICE CARE, BUTTERWICK HOSPICE STOCKTON ON TEES
Status	Registered
Legal form	Charitable company
Company number	02979587
Registered	1995-03-07
Register	View on the Charity Commission register

Contact

Address	Butterwick Hospice Middlefield Road Stockton-On-Tees TS19 8XN
Phone	01642 607742
Email	edward.gorringe@butterwick.org.uk
Website	www.butterwick.org.uk

Activities

Objects: THE RELIEF OF SICKNESS AND IN PARTICULAR BY THE PROVISION OF PALLIATIVE CARE SERVICES RESIDENTIAL AND DAY CENTRE CARE FOR THE TERMINALLY ILL AND CHRONICALLY SICK AND THE ADVANCEMENT OF EDUCATION IN CONNECTION WITH THE CARE OF THE TERMINALLY ILL

Activities: The charity's activities are the operation and provision of palliative care facilities and services for patients suffering from life threatening and limiting illness; along with related education into palliative care.

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Classification

- **How:** Provides Services
- **What:** The Advancement Of Health Or Saving Of Lives
- **Who:** Children/young People, Elderly/old People, People With Disabilities

Geography

- Durham
- North Yorkshire
- Stockton-on-tees
- Sunderland

Finances

Period end	Income	Expenditure	Assets	Employees
2025-03-31	£3,597,566	£4,699,545	£1,557,857	102
2024-03-31	£3,157,937	£3,923,334	£2,659,836	93
2023-03-31	£2,823,194	£2,896,876	£3,425,233	107
2022-03-31	£3,283,963	£3,325,434	£3,498,915	95
2021-03-31	£4,395,750	£3,489,412	£3,540,386	121

Trustees

Name	Role	Appointed
Christopher James Holder		2025-03-24
Deborah Crewe		2021-12-13
Dr Brian Patrick Corbett		2022-07-11
Jacqueline Tough		2025-02-05
Karen Louise Ward Holder		2025-03-24
Prof Michael Bramble		2019-03-25
Simon Grant		2020-11-02
Yvonne Vivienne Evans		2021-12-13

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BUTTERWICK LIMITED

England & Wales - Charity number 1044816

Accounts

Registered number: 02979587
Charity number: 1044816

BUTTERWICK LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

BUTTERWICK LIMITED
(A company limited by guarantee)

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BUTTERWICK LIMITED

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2025

Trustees

Prof M Bramble
B Carr (resigned 25 November 2025)
Dr B P Corbett
D Crewe
Y V Evans
S R Grant
C J Holder (appointed 24 March 2025)
K L W Holder (appointed 24 March 2025)
J Tough (appointed 5 February 2025)

Company registered number

02979587

Charity registered number

1044816

Registered office

Butterwick Hospice, Middlefield Road, Stockton On Tees, Cleveland, TS19 8XN

Company secretary

S R Grant

Chief executive officer

E Gorringe

Independent auditors

Waltons Business Advisers Limited, Maritime House, Harbour Walk, The Marina, Hartlepool, TS24 0UX

Bankers

Barclays Bank plc, 49 High Street, Stockton on Tees, TS18 1AH

Solicitors

Knights PLC, Lakeside House, Kingfisher Way, Stockton on Tees, TS18 3NB

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2025

The Trustees present their annual report together with the audited financial statements of the charity and group for the year 1 April 2024 to 31 March 2025. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the charity qualify as small under section 383 of the Companies Act 2006, the group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

FOUNDER

The charity was founded by Mrs Mary Butterwick OBE who sadly died, aged 91, on 30th September 2015.

Mrs Butterwick's initial vision, personal self-sacrifice and tenacity, coupled with her close interest in the work of the Hospice which continued until her death, ensures her considerable legacy, in the charity which bears her family name, for the benefit of the community which we freely serve.

STRUCTURE, GOVERNANCE AND MANAGEMENT

• Governing document

Butterwick Limited is a charitable company limited by guarantee (incorporated October 1994) and as such is governed by a Memorandum and Articles of Association. It was registered by the Charity Commission on 7th March 1995, registration number 1044816.

• Methods of appointment or election of Trustees

The Trustees are drawn from a variety of disciplines with the aim of ensuring that the company has strong and informed leadership. During 2024-2025 six Trustees served throughout the year, one existing trustee resigned and three new trustees were appointed during the year. All trustees in office at the AGM stepped down and were re-appointed. In order to increase overall Trustee numbers and target specific expertise the organisation is in the process of recruiting additional Trustees.

When a vacancy occurs, the Chairman undertakes a skills audit to ascertain what particular expertise and background is desirable and the post is advertised through the normal recruitment channels to identify suitable candidates who are then interviewed and appointed, once due diligence checks have been carried out. We maintain a split of trustees with clinical and medical experience and business experience to ensure all aspects of the business are appropriately scrutinised.

Trustees are given a general induction on joining the Board, and regular refresher training to maintain statutory and mandatory requirements.

The Trustees receive formal papers and reports. They are kept abreast of news and developments within the wider charity and hospice world by the receipt of regular briefings and the circulation of relevant Charity Commission and other publications. Trustees are also given the opportunity of attending appropriate local and national seminars and conferences.

The Trustees continue to review the company's governance arrangements, including the term of office of trustees, and to consider models of best practice.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The Trustees have agreed to comply with the Charity Governance Code.

- **Organisational structure and decision-making policies**

The charity operates using the name Butterwick Hospice incorporating Butterwick Hospice, Stockton on Tees; Butterwick Hospice at Bishop Auckland and Butterwick House Children's Hospice.

The charity is organised so that the Trustees meet quarterly to manage its affairs; the Trustees receive quarterly written reports from the Chief Executive and the Senior Leadership Team, which incorporate management accounts and reports on the charity's activities and progress in meeting pre-identified objectives.

There are two sub-committees, chaired by Trustees which meet quarterly; the Business Committee, and the Quality, Safety and Risk Committee. The minutes of both committee meetings are circulated to all Trustees for consideration at their quarterly meetings.

The Business Committee has general oversight of non-clinical matters including Finance, Business Development, Retail, Human Resources, Voluntary Services, Health and Safety, Risk Management, Estates and Facilities. It is chaired by a Trustee, a Chartered Accountant, and typically a further two trustees are members. It is attended by the Chief Executive and People Director, members of the charity's non-clinical Senior Leadership team. A key role of the committee is to scrutinise the charity's budgets and recommend the same for approval by the Board. Secondly, the committee reviews the charity's detailed quarterly management accounts showing actual income and expenditure compared to budget, along with future projections.

The Quality, Safety and Risk Committee, which also acts as the Clinical Governance Committee, has general oversight of all matters of a clinical nature including patient related health, safety and risk management, quality, audit and the development, delivery and monitoring of patient services. It is chaired by a clinically qualified Trustee, attended typically by four additional Trustees with clinical expertise, the Chief Executive, and the Director of Care. This meeting is also attended by the clinical leads of both adult and children's services.

- **Changes during the year**

Hospice Services

During 2024-2025 we continued to deliver a range of services across our two sites, with steady growth across our Day Services, and highly valued support being provided to children and their families by Butterwick House, our Children's Inpatient Unit (CIPU). Our Family Support Service continued to work at full capacity, and our Home Care Service saw increased take up.

In 2024-2025 a major focus was placed on achieving the full opening of the Adult Inpatient Unit (AIPU) and the removal of the remaining conditions on patient numbers and complexity. Following an unannounced inspection in May 2024 the CQC issued a revised rating for the AIPU of Good across all domains, with an overall rating of Good. In July 2024 they also removed the final remaining conditions on patient numbers and complexity from both the AIPU and CIPU. This allowed us to increase patient numbers in AIPU to four from July 2024, and eight from November 2024; and to six children and young people in CIPU.

The continued collaboration with North Tees and Hartlepool NHS FT, highlighted in our previous reports, was instrumental in allowing us to achieve this major goal. We are proud of this partnership working, and the seamless pathway of care for those requiring ongoing palliative and / or end of life care we have created. Fully reopening the AIPU is the culmination of a number of years of hard work and credit must be given to the many colleagues, both in Butterwick and the Trust, for the support and expertise that has made this possible.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Our next priority is to ensure that as many as possible have the opportunity to benefit from hospice care and we are actively engaging with our NHS Integrated Care Board, Local Medical Committees and GP Practices to promote our services and attract referrals.

Retail

The two new shops opened at the beginning of 2024 steadily increased turnover during the year and are now established and profitable elements of our portfolio. The remainder of our shops are also trading profitably, although further growth is held back by difficulty in attracting volunteer shop staff.

Sales of gift-aided stock continue to increase, along with the sale of lottery tickets through our shops, both of these activities are facilitated by our Electronic Point of Sale system. In order to increase the overall profitability within Retail a review of central support costs was undertaken, this resulted in the removal of two posts in October 2025.

Butterwick Lotteries Limited and North East Hospices Lottery (NEHL)

The day-to-day management of the Butterwick lottery continues to be provided by Starvale Lotteries, a company with over 25 years' experience of the management, administration and development of lotteries.

Following a joint decision by all four member hospices, North East Hospice Lotteries (NEHL) ceased operations during the previous year with the last draw taking place on 29/3/24. Following closure of the company the residual assets were distributed equally between the member hospices; players having been encouraged to join the lottery of their local hospice.

- **Pay policy for key management personnel**

The charity is heavily dependent upon the skills, dedication and commitment of all its staff, including the senior staff team, who provide day to day direction, leadership and management to what is a substantial and complex organisation. The Trustees recognise the necessity of setting remuneration levels which enable the retention and, when necessary, the recruitment of suitably qualified staff taking into account, where applicable, local comparable posts.

A remuneration group has been established to review salaries and benefits and ensure equity of pay and conditions for every member of staff. When any post becomes vacant it is scrutinised to ensure its effectiveness and suitability in the organisation, salaries are reviewed and benchmarked in advance of any post being advertised. Salaries of senior staff are agreed by the Trustees following a benchmarking exercise.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

● Relationships with other charities and organisations

Within its charitable objectives and resources, the charity seeks to play a leading role within the local healthcare and voluntary sectors in the geographical and specialist areas in which it operates.

Over the last year, Butterwick Hospice has developed a good relationship with several other charities and organisations, and has contributed to sharing of good practice.

The charity in particular works closely and productively with the local NHS Integrated Care Board, the local NHS Foundation Trusts, with neighbouring hospices and other local charities. The charity is also a member of Hospices North East and North Cumbria (HNENC) a collaborative of the twelve independent hospices in the north east of England.

Within the Tees Valley regular meetings take place between the Chairs and Chief Executives of the Tees Valley Hospices, Butterwick, St Teresa's, Alice House and Teesside.

NT&H NHS FT continues to be a key partner, supporting the development of the AIPU and providing clinical staff and support services through a Service Level Agreement.

The charity continues to look for opportunities where we can work with local Universities and other education institutions in providing training, education and placement opportunities at both undergraduate and post graduate level to healthcare professionals.

Nationally, the charity works with Hospice UK, which is a national membership charity working on behalf of the hospice movement, and Together for Short Lives which is a membership charity working on behalf of children's hospices.

● Risk management

The charity routinely reviews its risk register and has aligned it with the best practice guidance produced by the Charity Commission. The charity has policies, procedures, systems and controls in place to mitigate operational risks.

Five key areas of risk have been identified which are subject to rigorous risk assessment and management:

- Governance including systems and processes
- Operational covering clinical and non-clinical
- Financial: including income generation, budgetary control, cashflow and insurance
- Regulation and Compliance relating to CQC, Health and Safety and legal requirements
- External including national pay bodies and IT operating systems

The Business Continuity Plan has been reviewed and updated. There are on call rotas in place that ensure that clinical and non-clinical staff are supported out of normal office hours.

A risk awareness culture is embedded within the day to day working methods and thinking of the charity's staff and volunteers and this is reflected in the role of the Quality and Compliance Manager who oversees all elements of risk management in collaboration with the Quality and Governance lead.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

OBJECTIVES AND ACTIVITIES

● Policies and objectives

The aims and objectives of the charity as set out in the Memorandum of Association (as amended in January 1995) are:

- Provision of palliative care and services for patients suffering from life threatening and limiting illness.
- The operation of facilities to provide palliative services for residential, day care and community.
- The advancement of education and training for all those concerned with the provision of palliative care, and for the general public.

The Trustees have considered the Charity Commission's guidance on public benefit when reviewing the company's aims and objectives and in planning future activities.

In meeting its charitable objectives:

Butterwick Hospice (BH) endeavours to freely provide an excellence in evidence-based specialist and holistic palliative care for all patients regardless of age or diagnosis; to be a centre of expertise and a specialist resource within the community as a whole. However, BH recognises that we need to approach and progress service improvements with a sense of urgency.

The care is provided by a skilled multidisciplinary team and is supported by a wider organisation of administrative, finance and business development staff and a dedicated team of volunteers.

In doing this the company operates in three distinct areas:

1. Butterwick Hospice, Stockton on Tees
2. Butterwick Hospice in Bishop Auckland
3. Butterwick House Children's Hospice, Stockton on Tees

In all areas of operation, the charity provides a comprehensive range of services to patients and their families including specialist medical and nursing care, complementary and other therapies, bereavement and spiritual support, and counselling.

The charity seeks to optimise the use of its facilities and make best use of the resources which it expends. Detailed records of patient related activity are maintained and the Trustees receive regular reports in this respect.

The charity continues to work closely with other healthcare providers (both voluntary organisations and the National Health Service) to ensure that its current services and developments align with national and locally identified priorities.

● Activities undertaken to achieve objectives

Butterwick Hospice, Stockton on Tees

This is an eight bedded adult in-patient unit and day services offering physiotherapy, complementary therapies and group work.

OBJECTIVES AND ACTIVITIES (continued)

Butterwick Hospice at Bishop Auckland

The Hospice in Bishop Auckland serves a mainly dispersed rural community, in doing so the charity has developed, in partnership with statutory and other voluntary bodies, services which meet these distinct needs.

The Hospice in Bishop Auckland serves the communities of Sedgefield, Wear Valley, Weardale and Teesdale, and as at the Stockton Hospice, provides an appointment-based Day Hospice service in Bishop Auckland.

Recognising the distinct healthcare needs of the area, the charity has also facilitated the delivery of specialist neurological services focused on patients, in particular those suffering from Multiple Sclerosis, and their carers.

The charity also operates a Home Care Service which supports patients, on a 24-hour basis, and their carers in their own homes.

The charity is working closely with the Integrated Care Board and other voluntary sector organisations to further address the palliative care needs in the area.

Butterwick House Children's Hospice

Butterwick House cares for children from birth, teenagers and young adults to a maximum age of twenty-five.

Based in Stockton-on-Tees, patients accessing Butterwick House are drawn from a wide geographical area from North Yorkshire in the South, Teesside, County Durham and Wearside in the North.

Butterwick House is a six bedded unit, four beds for children and two beds specifically designed for young adults aged 18 to 25 years, which primarily offers planned specialist respite care.

- **Staff and volunteers**

To enable The Charity to achieve its charitable objectives, including the generation of sufficient financial resources to fund its activities, the charity and its trading subsidiaries, as at 31st March 25, employed 102 staff. The charity additionally had the generous support of some 120 volunteers who assist in every area of the charity's activities.

The charity recognises and acknowledges that it is dependent upon staff and volunteers, who have the necessary training and expertise, if it is to meet the needs of the patients which it serves and their families and carers. To this end the charity invests both in initial induction training and ongoing continuing development for all staff and volunteers.

The charity is supported by volunteers in every area of its activities including clinical, support services and income generation. Their contribution to the work of the charity is considerable in financial terms. However, their greatest value is that they represent the community that supports Butterwick Hospice Care and for their dedication we offer our sincere thanks. Volunteer numbers have still not returned to the level enjoyed prior to the pandemic.

In many areas of the charity's work, the demands can be both emotionally and physically draining. Staff and volunteers are dedicated and habitually "go the extra mile" as is reflected in the many letters of appreciation which we receive. In supporting and equipping staff and volunteers to meet these demands, the charity provides a range of mechanisms ranging from informal peer support to Clinical Supervision.

All members of staff have an annual appraisal and regular one to one meetings which allows the opportunity to discuss work related issues, the needs of the charity and ongoing personal development.

OBJECTIVES AND ACTIVITIES (continued)

The charity is proud of the skills, dedication and loyalty of its staff and volunteers and grateful for their contribution to the charity meeting its charitable and operational objectives.

- **Main activities undertaken to further the charity's purposes for the public benefit**

The Trustees believe the charity provides a public benefit by offering palliative care to adults and children who are resident in the areas of Teesside, County Durham Wearside and North Yorkshire, and who are suffering from a life limiting illness. People access our services by means of referral by their GP, hospital consultant or clinical nurse specialist. Admission to our services is determined only by clinical and psychological need without reference to gender, race or faith. The Hospice's services are free of charge to patients and their families.

ACHIEVEMENTS AND PERFORMANCE

- **Quality**

The charity's services are registered with, and regulated by, the Care Quality Commission which carries out periodic unannounced Inspections of the three main sites on which care is delivered.

These Inspections are in-depth and rigorous. Following inspection, the Care Quality Commission publishes a report which is publicly available and to which there are links on the Hospices' website.

The five key domains that hospices are measured against are:
- Is the service safe
- Is the service effective
- Is the service caring
- Is the service responsive
- Is the service well led

The overall rating of Butterick House is currently Good.

The overall rating of Butterwick Hospice at Stockton is currently Good.

The overall rating of Butterwick Hospice at Bishop Auckland remains Unsatisfactory whilst we await a reinspection.

The day services at Butterwick Hospice Stockton and Bishop Auckland were de-registered with CQC in August 2024. A new registration for Home Care Services in Bishop Auckland was also granted by CQC in August 2024.

ACHIEVEMENTS AND PERFORMANCE (continued)

- **Summary of Patient Activity**

During 2024-2025 Butterwick Hospice Care provided 5 key services:

Adult Inpatient Unit (Stockton) (reopened in August 2023).
Children's Inpatient Unit (Butterwick House, Stockton)
Day Service (Stockton and Bishop Auckland)
Palliative Home Care Team (Bishop Auckland)
Family Support (Stockton and Bishop Auckland)

Adult In- patient unit
The Adult Inpatient Unit is an 8-bed unit, 6 of which have ensuite facilities, and 2 rooms have a shared bathroom close by.

Butterwick Hospice at Stockton aims to provide specialist palliative and end of life care primarily for adult patients living in the Stockton Borough Council geographical area, and also those people living within the Tees Valley areas.

At the beginning of 2024-2025, due to the conditions imposed following the CQC inspections, Butterwick Hospice was only able to admit 2 patients, who were stable, for end-of-life care. The patients also had to be known to the provider or to North Tees and Hartlepool NHS Foundation Trust (NT&H NHS FT) – with which Butterwick Hospice had established a good collaborative relationship.

Following an unannounced inspection by the Care Quality Commission in May 2024, the Adult Inpatient Unit was rated as good across all domains, and as a result of this all conditions were lifted. This meant that Butterwick Hospice could proactively work towards opening all 8 beds.

To ensure that the service remained safe, effective, caring, and responsive, a Mobilisation Plan was developed and implemented. This enabled the expansion from 2 non-complex end of life patients to a fully operational 8 bed specialist palliative care unit. From July 2024, 4 beds were open for end of life patients from North Tees Hospital. From October 2024, the admission criteria expanded to include patients who required symptom control, and patients from any setting – community or hospital. From November 2024, all 8 beds were open for admissions for patients who required specialist, and often complex, palliative care.

AIPU has successfully admitted and supported:
- Patients with complex pain that required significant titration of medications.
- Patients with significant complex wounds.
- Patients with active seizures – who required 3 or more syringe drivers.
- Patients with a history of substance misuse requiring management of methadone in addition to disease related pain management.
- Patients with complex social dynamics – including a patient of no fixed abode.
- Patients requiring complex IV therapies.

Through a Service Level Agreement with NT&H NHS FT, the AIPU is staffed by registered nurses and healthcare assistants seconded from ward 38, on a rolling 3 month rotation. Clinical Nurse Specialists and consultants provide clinical cover, and there is support from physiotherapy, occupational therapy, and chaplaincy as required.

AIPU receives support from other Butterwick Hospice services: Family Support; physiotherapy; and complementary therapy.

Out of hours, the AIPU is supported by the Urgent Care Centre, Community Care Practitioners, and the Palliative

ACHIEVEMENTS AND PERFORMANCE (continued)

Care Consultant. There is also a Manager and Senior Manager on call for Butterwick Hospice. Staffing is constantly reviewed to ensure that it is safe and meets the needs of the patients. A band 6 / sister post has recently been recruited to, and the recruitment of an additional health care assistant for the day shift is being progressed.

While much of the care provided to patients is by nurses, it is considered that this is a collaborative model of care, as opposed to a nursing or medical model of care.

The objectives are:

- To provide a 24 hour, 7 days a week inpatient service.
- To provide holistic multidisciplinary care, that meets the physical, emotional, spiritual and social needs of patients and, as relevant, their carers and relatives.
- To provide nursing care, counselling, advice, complementary therapies, and bereavement support to patients, their carers and relatives.
- In all cases to ensure patients, their carers, and relatives are supported by a team of skilled and appropriately trained staff and volunteers.

Activities during 2024-2025 were:

- 112 admissions
- 93 admissions for patients requiring end of life care.
- 19 admissions for symptom management
- 107 deaths (preferred place of care).
- 5 discharges (3 patients who had been on the care of the dying person document but recovered and were able to be discharged, and 2 patients who had been admitted for symptom management but who had deteriorated, but then were stabilised successfully and were well enough to be discharged).
- Average length of stay for end-of-life care was 7.5 days.
- Average length of stay for symptom management was 21 days.
- The majority of symptom management patients deteriorated over the course of their stay, and chose to remain in Butterwick Hospice for end-of-life care.
- Average bed occupancy was 55%

ACHIEVEMENTS AND PERFORMANCE (continued)

Palliative Home Care Team

The Service is for the provision of social, cultural, and personal care for adults who have a life limiting illness. This is a "sitting service" for people who are nearing the end of life and who wish to be cared for at home. The service is operational 7 days per week, and is provided by Health Care Assistants within the person's own home, and the focus is on providing support for the patient and respite for their family/carer.

Following consultation with CQC, Butterwick Hospice applied for the Home Care service to be deregulated for the treatment of disease, disorder, or injury, or diagnostic and screening procedures, this came into effect in August 2024. The Home Care service remains a CQC regulated service to provide personal care.

The objectives are:

- To provide social and practical support for the patient, and their family.
- To provide care that will maintain the patient's dignity and support a sense of wellbeing.
- To provide support for their family/carers as they are able to sleep, or go out, knowing that the patient is being well looked after.

Activities during 2024-2025 were:

- 24 patients were supported by the service in their own home.
- There were 328 episodes of care.
- There were 2,952 hours of care provided.

Future objectives are:

- To continue to review and refresh the recovery plan to ensure that all possible is being done to increase the caseload
- To review all current post code areas to ensure that all permitted areas are covered by the service.
- To widen referral sources by working with discharge co-ordinators, district nursing teams, and the ICB.

Day Care Services

Day Service – Stockton:

The Day Services are delivered on an appointment basis with complementary therapist, and physiotherapy input as required, services are delivered from appropriately and attractively furnished rooms.

According to their needs, people are offered one to one appointments for Complementary Therapy of Physiotherapy, or to participate in a wellbeing group session.

The objectives are:

- To provide a day hospice service three days each week (Monday, Wednesday and Friday).
- To provide holistic multidisciplinary care, that meets the physical, emotional, spiritual and social needs of patients and, as relevant, their carers and relatives.
- To provide physiotherapy, counselling, advice, complementary therapies, and bereavement support to patients, their carers and relatives.
- In all cases to ensure patients, their carers, and relatives are supported by a team of skilled and appropriately trained staff and volunteers.

ACHIEVEMENTS AND PERFORMANCE (continued)

Activities during 2024-2025 were:

- 554 patients attended the service.
- There were 1,112 episodes of care.
- There were 80 physiotherapy treatments provided.
- There were 468 complementary therapy treatments provided.
- There were 399 episodes of wellbeing group attendance.

Day Service – Bishop Auckland:

The Day Services are delivered on an appointment basis with care, complementary therapist, and physiotherapy input as required Services are delivered from appropriately and attractively furnished rooms, which were significantly refreshed and refurbished through a collaborative project with Trades4Care.

According to their needs people are offered one to one appointments for Complementary Therapy or Physiotherapy, or to participate in a wellbeing group session.

Following consultation with CQC, Butterwick Hospice applied for the Day Service to be deregulated, this came into effect in August 2024.

The objectives are:

- To provide a day hospice service three days each week (Tuesday, Wednesday, and Thursday).
- To provide holistic multidisciplinary care, that meets the physical, emotional, spiritual and social needs of patients and, as relevant, their carers and relatives.
- To provide physiotherapy, counselling, advice, complementary therapies, and bereavement support to patients, their carers and relatives.
- In all cases to ensure patients, their carers, and relatives are supported by a team of skilled and appropriately trained staff and volunteers.

Activities during 2024-2025 were:

- 524 patients attended the service.
- There were 1,273 episodes of care.
- There were 260 physiotherapy treatments provided.
- There were 261 complementary therapy treatments provided.
- There were 315 episodes of wellbeing group attendance.

The future objectives are:

- Develop and implement a wider variety of wellbeing/enablement groups.
- Continue to offer group wellbeing sessions in addition to complementary therapy and physiotherapy sessions.
- Continue with telephone assessment as this will enable patients to be seen based on needs. Priority will be given to patients who are considered to be palliative as opposed to curative.
- Continue to promote the Day Hospice with key stakeholders – for example: Macmillan, Join the Dots, Palliative Care NTH, MS Society.
- Involve the community – for example, volunteers supporting some of the arts and crafts group.
- Work with other charities with similar goals to provide joined up care.

ACHIEVEMENTS AND PERFORMANCE (continued)

Family Support

Family Support – Stockton:
The service offers counselling and emotional support to our patients, their families and carers, at all stages of their health journey as well as post-bereavement. The service also offers 1-1 counselling to adults in our community who have no connection to the hospice, and have a diagnosis of a life-limiting illness.

Bereavement counselling is available for adults and children aged 6+, following the loss of a loved one, due to a life-limiting illness. The service also offers two adult bereavement groups, one supporting those bereaved less than 10 months, and one supporting those bereaved more than 10 months.

The team consists of qualified and experienced counsellors, supported by a group of dedicated family support volunteers. The service also supports the supervised training practice of student counsellors, enrolled at university, and working towards their qualified status.

Appointments take place on a face-to-face basis, with the option for telephone or online counselling if this is more appropriate.

The objectives are:

- To provide a counselling and bereavement support service 5 days each week (Monday – Friday).
- To provide professional yet compassionate support, to improve emotional wellbeing when living with or bereaved by a life-limiting illness.
- To provide a confidential space where people feel safe to voice their thoughts and feelings.
- To provide support at the point it is needed, at any stage of a person's health journey, helping them adjust to living with an illness, and considering the impact of this on their life, both now and in the future.
- To provide bereavement support to adults and children, following the loss of a loved one from a life-limiting illness.

Activities during 2024-2025 were:

- 581 clients attended the service: 519 were adults and 62 were children.
- 1152 episodes of support.
- 1068 1to1 counselling sessions were provided: 836 were adults and 112 were children.
- 84 episodes of adult bereavement group sessions were attended.

Family Support – Bishop Auckland:

The service offers counselling and emotional support to our patients, their families and carers, at all stages of their health journey as well as post-bereavement. The service also offers 1-1 counselling to adults in our community who have no connection to the hospice, and have a diagnosis of a life-limiting illness.

Bereavement counselling is available for adults and children aged 6+, following the loss of a loved one, due to a life-limiting illness. The service also offers two adult bereavement groups, one supporting those bereaved less than 10 months, and one supporting those bereaved more than 10 months.

The team consists of qualified and experienced counsellors, supported by a group of dedicated family support volunteers. The service also supports the supervised training practice of student counsellors, enrolled at university, and working towards their qualified status.

Appointments take place on a face-to-face basis, with the option for telephone or online counselling if this is more appropriate.

ACHIEVEMENTS AND PERFORMANCE (continued)

The objectives are:

- To provide a counselling & bereavement support service 3 days each week (Tuesday, Wednesday and Thursday).
- To provide professional yet compassionate support, to improve emotional wellbeing when living with or bereaved by a life-limiting illness.
- To provide a confidential space where people feel safe to voice their thoughts and feelings.
- To provide support at the point it is needed, at any stage of a person's health journey, helping them adjust to living with an illness, and considering the impact of this on their life, both now and in the future.
- To provide bereavement support to adults and children, following the loss of a loved one from a life-limiting illness.

Activities during 2024-2025 were:

- 561 clients attended the service: 504 were adults and 57 were children.
- 1153 episodes of support.
- 1090 1to1 counselling sessions were provided: 981 were adults and 109 were children.
- 63 episodes of adult bereavement group sessions were attended.

Bereavement Group Support:

The bereavement social groups at Stockton and Bishop Auckland enjoy meeting up every month. The group members value the support and conversation in the safe environment created at Butterwick Hospice. They say that this group is reassuring for them as they adjust to living without the person that was of great importance to them. The group discusses and shares a diverse range of issues including, but not exclusive to, their experience of living while grieving. Two counsellors facilitate the group, offering empathic support, and assisting with the flow of conversation, ensuring that everyone feels included.

Feedback from this group:

- "Lifesaving – forever thankful."
- "I have made some amazing friends."
- "A chance to meet people in the same position as me and chat."
- "Enjoyed being here – it's a chance to relax and hear other people's views."
- "I enjoy the interaction with everybody. I want to continue to talk about how I am feeling."
- "Being able to smile and laugh."
- "Other people feel the same – it's not just me."
- "Wonderful discussion time with the opportunity to look at death's impact."

ACHIEVEMENTS AND PERFORMANCE (continued)

Bereavement Follow Up Service:

Butterwick Hospice provides a follow up bereavement support service to the families of patients who have died while accessing one of the clinical services.
A condolence card and letter are sent to bereaved families within the first 2 weeks following the death of the patient. The family is contacted again between 8 to 10 weeks later.
Families are informed that support can be provided, should they require it.
Between April 2024 and March 2025, follow up support was offered to 108 families.

Children's Inpatient Unit:

The Children's Inpatient Unit is a 6-bed unit – 4 rooms for children 0-17 years and 2 rooms for young people 18-25 years.

Butterwick House Children's Hospice at Stockton aims to provide specialist palliative and end of life care for infants, children, and young people with life-limiting conditions. It is a holistic service providing physical, emotional, and spiritual care to the whole family throughout their journey.

The objectives are:

- To provide a 24 hour, 7 days a week inpatient service.
- To provide short term respite care.
- To provide emergency and end of life care.
- To provide holistic multidisciplinary care, that meets the physical, emotional, spiritual and social needs of the children, and their families as a whole.
- To provide nursing care, counselling, advice, complementary therapies, and bereavement support to the children, their families, and carers.
- In all cases to ensure the children, their carers, and relatives are supported by a team of skilled and appropriately trained staff and volunteers.

Activities during 2024-2025 were:

- 19 children/young people on our caseload.
- 14 children / young people were admitted to the inpatient unit for respite care.
- 0 were admitted for end-of-life care.
- 0 were admitted for symptom control.
- There were 364 episodes of care/admissions.
- There was a total of 123 admissions.

Future objectives are:

- To consistently achieve an occupancy of 80%+
- To increase the caseload of children and young people
- To develop and implement a Mobilisation Plan to enable the CIPU to continue to evolve to ensure that the respite and palliative care needs of the community can be met and exceeded. A critical component of this will be the successful recruitment of registered nurses.

Financial review

• Overview

The Consolidated Statement of Financial Activities sets out the results of these activities directly carried out by Butterwick Limited (Butterwick Hospice: Butterwick Hospice at Stockton on Tees, Butterwick Hospice at Bishop Auckland and Butterwick House, Children's Hospice) as well as those of which Butterwick Limited is ultimately in control either as a corporate trustee (John Butterwick Trust Day Care Centre and Hospice) or as a parent company (Butterwick Lotteries Limited and Butterwick Hospice Retail Limited). The statement also includes the charity's share of the results of a joint venture, North East Hospices Lottery Limited, in which it has a 25% interest.

The Trust's function is to hold the properties at Stockton, all day-to-day running being handled by Butterwick Limited.

In the year ended 31 March 2025 the group operated at a deficit of £1,110,979 after depreciation against the budgeted deficit of £1,024,579. This compares to a deficit after depreciation of £765,397 in the previous year. The deficit reflected the continued reduction in statutory funding as a result of the closure of the Stockton Adult Inpatient Unit (AIPU), and the additional costs involved in reopening the unit.

• Income generation

Statutory Funding (NHS)

The operation of the charity is partly funded by NHS England and from the local NHS Integrated Care Board, with the majority of the funds being raised by fundraising activities, the securing of grants, the receipt of donations and legacies, and the operations of the subsidiary companies.

In the year a total of £1,506,466 was received from the NHS and Commissioning Authorities which equates to 42% of the Groups total income in the year. This compared to £1,195,081 in the previous year (38%).

Business Development

The Business Development team work across the wide geographical area from which the Hospices draw patients. The Business Development team are performance managed against an annual plan.

The charity does not use external professional fundraisers and does not buy, sell or share donor information with any third party. Strict policies and procedures are in place to ensure compliance with fundraising best practice and standards including data protection and the regularity and methods of maintaining contact with donors.

Income from donations and fundraising was £1,769,067 including legacies, this compares to £1,486,353 in 2023-2024.

The fundraising and publicity costs are £551,584 equating to 31.2% of gross fundraising income (2023-2024 37.9%).

Virtually all the charity's non-NHS income arises from fundraising and public activities including maintaining contact with our many committed supporters. The Hospice is very grateful for all the support it receives, particularly from the local communities we support.

• Trading subsidiaries

Butterwick Hospice Retail Limited

Butterwick Hospice Retail Limited is a wholly owned subsidiary which operates charity shops selling predominantly donated goods. It pays all its trading profits to the company by dividend.

In the year Butterwick Hospice Retail Limited generated insufficient profit to pay a dividend to the company,with the company only accounts showing a loss of £314,919. It did however sell items donated to the company which, including Gift Aid reclaimed, raised £210,402 for the charity (2023 -2024 £140,304).

Butterwick Lotteries Limited

Butterwick Lotteries Limited is a wholly owned subsidiary which operates lotteries on behalf of the charity. It pays all its trading profits to the charity by donation.

In the year ended 31 March 2025 Butterwick Lotteries Limited generated £115,345 profit for the charity (2023 - 2024 - £118,352). This reflects a continuing gradual decline in the number of lottery players.

Butterwick Lotteries Limited was also a member of North East Hospices Lottery Limited (NEHL) which ceased operations during 2024/25. NEHL's profits were paid equally under Gift Aid to four local North East Hospices including the Butterwick Hospice at Bishop Auckland. NEHL generated £10,825 for the charity in the period ended 31 March 2025 (2023 -2024 - £28,052).

• Going concern

The main risk to the Charity in fulfilling the defined objective is:

- Financial risk in terms of being able to generate sufficient income to cover expenditure and being able to pay its debts as they fall due

The risk reported in 2023-2024 in relation to CQC rating has been removed due to the revised rating of 'Good' received for Butterwick Hospice Stockton AIPU following the full CQC inspection in May 2024. Work continues to enhance our governance with the goal of further improving our rating.

In 2024-2025 the funding provided by the ICB for the AIPU was reduced by 75% for the period in which only 2 beds were available, full funding was only restored from 5th November 2024. The resulting shortfall was met from charitable reserves which therefore came under severe strain. A request was submitted to the ICB for additional funding in line with agreed reference costs from April 2025, along with one-off funding in 2024 -2025 to ensure sufficient working capital was retained going into 2025-2026. This request was partially successful in that the ICB substantially increased funding for 2025-2026 but were unable to provide any one-off funding in 2024-2025. Consequently, the hospice ended 2024-2025 with severely limited working capital. Agreement was reached with North Tees & Hartlepool NHS Foundation Trust to pay the charges due for services provided in relation to the AIPU a year in arrears, this provided necessary short-term liquidity.

The budget for 2025-2026 was negatively impacted by two primary factors, the changes to Employer NIC contained in the Autumn 2024 budget and the funding agreed for the year by the ICB. The increased NIC rate and reduced threshold both increased employment costs considerably, ICB funding was set at 80% of the reference costs discussed resulting in a shortfall against the expected income. The combination of these two factors meant that rather than the expected breakeven the budget for 2025-2026 was set with a deficit of £497K.

During 2025-2026 costs have been reviewed across the organisation with staff posts being removed from both

the Income Generation and Retail operations, these changes are not expected to impact materially on gross income and will therefore increase net income in both areas.

The full reopening and improved occupancy levels of the AIPU have significantly increased both activity levels at the hospice and engagement with our local community. This is leading to increased donations in the short-term and can be expected to impact positively on community fundraising over the next few years.

Work is also ongoing to review the services delivered by the hospice and prepare a range of options to be considered as income received has not been sufficient to sustain current service levels.

Taking into account the difficult funding environment for hospices nationally, and the particular challenges faced by Butterwick in relation to working capital, trustees are of the opinion that the charity is currently no longer a going concern. Advice on the financial position of the charity has been taken and discussions are ongoing with other parties with a view to securing the long term future of service provision.

- **Reserves**

The charitable group's reserves have been depleted as a result of operational deficits in past years coupled with capital expenditure.

At the year-end total group reserves were £1.56m with £731K of this restricted and £776K unrestricted.

Recognising our continued dependence upon unpredictable charitable activity and support the Trustees have concluded that it would be prudent at the current time, to incrementally create a reserve equating to a minimum of three months operational costs. Based on current expenditure levels, three months operational costs amounts to approximately £1.148m, at 31st March 2025 free reserves were a deficit of £732k. The trustees will continue to monitor this in the year 2025 – 2026.

A key priority for the Trustees is to build cash reserves in line with policies.

Future developments

The full reopening of the AIPU and the improvement in the related CQC rating from 'Unsatisfactory' to 'Good' mark a considerable step forward for the hospice. This was achieved through a great deal of sustained hard work and commitment, and with the valued assistance of our colleagues in North Tees & Hartlepool NHS Foundation Trust. Work continues to build upon this and further develop and enhance our services in the spirit of continuous improvement. It is essential that as many people as possible are given the option of benefiting from our services and we are committed to raising awareness and developing new referral pathways.

Having rejuvenated our services, we must now focus on financial sustainability and ensure the continued provision of excellent palliative and end of life care for our communities. It is essential that we ensure our structures are as efficient as possible, and that we maximise opportunities to build our income streams. The existing work on these areas will continue with the aim of controlling costs and increasing income in real terms year on year.

Our work with North Tees & Hartlepool NHS Foundation Trust was instrumental in reopening the AIPU and we intend to continue our collaboration to expand and develop the services offered. The Service Level Agreement with the Trust for the provision of staff and services to support the AIPU has worked well, and we intend to continue with and build upon this. The partnership has been beneficial to both parties and will be a key element in our plans going forward.

Similarly, our relationship with the North East & North Cumbria Integrated Care Board (ICB) has grown stronger with regular meetings and involvement by Butterwick in developing service and contract specifications. We have

now moved from grant funding to a contract basis, and although we have not yet achieved the funding level we had hoped for, we must recognise and thank the ICB for the very substantial increase given in 2025-2026. We look forward to exploring ways in which this can be increased further.

It is widely recognised that the whole hospice sector is currently under financial pressure with the vast majority using some element of reserves to maintain services. Intensive lobbying by Hospice UK has increased awareness of this issue and resulted in recognition by the government that the current situation is unsustainable. It is hoped that this will lead to increased funding, although the amount and timing of any decision is unclear.

This challenging environment for all hospices makes it all the more important that hospices work together to share best practice and influence commissioning arrangements. Butterwick is an active participant in Hospices North East & North Cumbria, a network of 12 independent hospices within the footprint of the North East & North Cumbria Integrated Commissioning Board. This group has setup a number of working groups across professional disciplines to share expertise and explore best practice.

Addressing concerns about the going concern status of the charity is the immediate focus of trustees and active discussions are taking place with parties who may be able to assist Butterwick in continuing service provision in the longer term.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Waltons Business Advisers Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Prof M Bramble

Date: 19/3/26

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTERWICK LIMITED

UNQUALIFIED OPINION

We have audited the financial statements of Butterwick Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows 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 of the parent charitable company's affairs as at 31 March 2025 and of the Group'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 requirements of the Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

EMPHASIS OF MATTER

We draw attention to note 2.2 in the financial statements which explains that the accounts are prepared on the cessation basis.

The group is showing a deficit of £1,101,979, free reserves (before the reclassification of long term assets to current assets) have dropped from £320,986 to a deficit of £731,824 and group cash has fallen from £932,267 to £380,709.

This has not resulted in any amendment to the figures with no change in value to any assets or liabiliites. The long term fixed assets have been reclassified as current assets.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTERWICK LIMITED (CONTINUED)

OTHER INFORMATION

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

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent charitable company has not kept sufficient accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company'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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTERWICK LIMITED (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We gained an understanding of the legal and regulatory framework applicable to the charity and the area in which it operates, and considered the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material mistatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or international misrepresentations, or through collusion.

We identified the greatest potential for fraud in the following areas: recognition and completeness of income and posting of unusual journals. We discussed these risks with management and designed audit procredures to test the recognition and completeness of revenue. We reviewed journals posted around the year end to look for potential "window dressing".

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 auditors' report.

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 auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTERWICK LIMITED (CONTINUED)

USE OF OUR REPORT

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Waltons Business Advisers Limited

Waltons Business Advisers Limited
Maritime House
Harbour Walk
The Marina
Hartlepool
TS24 0UX

Date: 24/03/2026

Waltons Business Advisers Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

BUTTERWICK LIMITED

(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	4	**1,078,412**	**160,705**	**-**	**1,239,117**	*1,003,020*
Charitable activities	5	**-**	**1,506,466**	**-**	**1,506,466**	*1,195,081*
Other trading activities:	6					
Fundraising		**497,215**	**32,735**	**-**	**529,950**	*483,333*
Trading activities		**296,682**	**14,500**	**-**	**311,182**	*448,421*
Investments:	8					
Share of joint venture net income		**-**	**10,825**	**-**	**10,825**	*28,052*
Investments		**26**	**-**	**-**	**26**	*30*
TOTAL INCOME AND ENDOWMENTS		**1,886,835**	**1,710,731**	**-**	**3,597,566**	*3,157,937*
EXPENDITURE ON:						
Raising funds:	7,9					
Voluntary income		**551,584**	**-**	**-**	**551,584**	*562,985*
Fundraising trading		**800,830**	**-**	**-**	**800,830**	*719,032*
Charitable activities	10	**458,743**	**2,888,388**	**-**	**3,347,131**	*2,641,317*
TOTAL EXPENDITURE		**1,811,157**	**2,888,388**	**-**	**4,699,545**	*3,923,334*
NET INCOME/(EXPENDITURE)		**75,678**	**(1,177,657)**	**-**	**(1,101,979)**	*(765,397)*
Transfers between funds	23	**(1,118,796)**	**1,118,796**	**-**	**-**	*-*
NET MOVEMENT IN FUNDS		**(1,043,118)**	**(58,861)**	**-**	**(1,101,979)**	*(765,397)*
RECONCILIATION OF FUNDS:						
Total funds brought forward		**1,819,219**	**789,656**	**50,961**	**2,659,836**	*3,425,233*
TOTAL FUNDS CARRIED FORWARD		**776,101**	**730,795**	**50,961**	**1,557,857**	*2,659,836*

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2025

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

The notes on pages 32 to 56 form part of these financial statements.

BUTTERWICK LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 02979587

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2025

	Note		2025 £		*2024 £*
FIXED ASSETS					
Tangible assets	15		**-**		*2,337,727*
Investments	17		**-**		*4,626*
			-		*2,342,353*
CURRENT ASSETS					
Tangible assets	16	**2,296,912**		-	
Stocks	18	**10,803**		*5,494*	
Debtors	19	**406,175**		*318,752*	
Investments	20	**4,626**		-	
Cash at bank and in hand		**380,709**		*932,267*	
		3,099,225		*1,256,513*	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	21	**(1,541,368)**		*(873,273)*	
NET CURRENT ASSETS			**1,557,857**		*383,240*
Creditors: amounts falling due after more than one year	22		**-**		*(65,757)*
TOTAL NET ASSETS			**1,557,857**		*2,659,836*
CHARITY FUNDS					
Endowment funds	23		**50,961**		*50,961*
Restricted funds	23		**730,795**		*789,656*
Unrestricted funds	23		**776,101**		*1,819,219*
TOTAL FUNDS			**1,557,857**		*2,659,836*

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2025

The charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

S R Grant

Date: 19/3/26

The notes on pages 32 to 56 form part of these financial statements.

BUTTERWICK LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 02979587

CHARITY BALANCE SHEET
AS AT 31 MARCH 2025

	Note		2025 £		*2024 £*
FIXED ASSETS					
Tangible assets	15		**-**		*788,533*
Investments	17		**-**		*4,630*
			-		*793,163*
CURRENT ASSETS					
Fixed assets held for sale	16	**804,197**		-	
Stocks	18	**1,609**		*1,122*	
Debtors	19	**1,105,811**		*640,434*	
Investments	20	**4,630**		-	
Cash at bank and in hand		**270,048**		*813,175*	
		2,186,295		*1,454,731*	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	21	**(1,503,542)**		*(768,775)*	
NET CURRENT ASSETS			**682,753**		*685,956*
Creditors: amounts falling due after more than one year	22		**-**		*(65,757)*
TOTAL NET ASSETS			**682,753**		*1,413,362*
CHARITY FUNDS					
Restricted funds	23		**730,795**		*789,656*
Unrestricted funds	23		**(48,042)**		*623,706*
TOTAL FUNDS			**682,753**		*1,413,362*

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2025

The charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

S R Grant

Date: 19/3/26

The notes on pages 32 to 56 form part of these financial statements.

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

	2025 £	*2024* *£*
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash used in operating activities	**(431,205)**	*(19,521)*
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends, interests and rents from investments	**26**	*30*
Purchase of tangible fixed assets	**(75,883)**	*(27,160)*
Receipts from joint venture	**10,825**	*28,052*
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	**(65,032)**	*922*
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of borrowing	**(55,321)**	*(47,965)*
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	**(551,558)**	*(66,564)*
Cash and cash equivalents at the beginning of the year	**932,267**	*998,831*
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**380,709**	*932,267*

The notes on pages 32 to 56 form part of these financial statements

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

1. GENERAL INFORMATION

The charity is a company limited by guarantee and registered in England and Wales. The members of the charity are the Trustees named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The registered office address is:

Butterwick Hospice
Middlefield Road
Stockton on Tees
Cleveland
TS19 8XN

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Butterwick Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

The income and expenditure account for the year dealt with in the financial statements of the charity was a deficit of £730,609 *(2024: £497,595 deficit)*.

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Going concern

The Trustees, having made due and careful enquiry, are of the opinion that the charity is no longer a going concern.

The group is showing a deficit of £1,101,979, free reserves (before the reclassification of long term assets to current assets) have dropped from £320,986 to a deficit of £731,824 and group cash has fallen from £932,267 to £380,709.

The Trustees of Butterwick Limited have taken advice on the financial position of the charity and discussions are ongoing with other parties with a view to securing the long-term future of service provision. However it is clear that without intervention the Charity will run out of cash and cannot continue. For this reason a non going concern position has been adopted and the accounts are prepared on the cessation basis.

This has not resulted in any amendment to the figures with no change in value to any assets or liabiliites. The long term fixed assets have been reclassified as current assets.

2.3 Income

All 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.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Gifts donated for resale are included as income when they are sold. No amounts are included in the financial statements for services donated by volunteers.

Where goods are donated under the gift aid scheme the charity is not entitled to the income until the goods are sold and the donor has confirmed that they are gifting the proceeds. In this case the income is included as a donation rather than as a sale.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

2. ACCOUNTING POLICIES (CONTINUED)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- over 50 years
Long term leasehold property	- over 50 years, the period of the lease or until the first break clause
Short-term leasehold property	- over 5 years
Furniture & Equipment	- over 4 to 10 years
Motor vehicles	- over 5 years

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

Investments in joint ventures are stated at the amount of the Group's share of net assets. The consolidated statement of financial activities includes the Group's share of the joint ventures' net income or expenditure using the equity accounting basis. As the joint venture is a charity, the investment is presented within restricted funds.

2. ACCOUNTING POLICIES (CONTINUED)

2.7 Stocks

Stock of unsold donated goods are not valued for balance sheet purposes. Stocks of merchandise are valued at the lower of cost and net realisable value.

2.8 Debtors

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

2.9 Cash at bank and in hand

Cash at bank and 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.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.11 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

The charity contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payment obligations.

The contributions are recognised as an expense in the statement of financial activity when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the charity in independently administered funds.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. These estimates and judgments are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements the Trustees have used the cessation basis of accounting.

As explained in note 2.2 the Trustees have taken advice on the financial position of the charity and discussions are ongoing with other parties with a view to securing the long-term future of service provision. However it is clear that without intervention the Charity will run out of cash and cannot continue. For this reason a non going concern position has been adopted and the accounts are prepared on the cessation basis.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Donations	**621,552**	**-**	**621,552**	*350,474*
Legacies	**452,610**	**-**	**452,610**	*566,494*
Grants	**4,250**	**160,705**	**164,955**	*86,052*
	1,078,412	**160,705**	**1,239,117**	*1,003,020*
Total 2024	*943,578*	*59,442*	*1,003,020*	

5. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Stockton on Tees Hospice	**493,585**	**493,585**	*247,155*
Bishop Auckland Hospice	**550,525**	**550,525**	*529,859*
Childrens Hospice	**462,356**	**462,356**	*418,067*
	1,506,466	**1,506,466**	*1,195,081*
Total 2024	*1,195,081*	*1,195,081*	

6. FUNDRAISING INCOME

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Other charitable income	**221,480**	**32,735**	**254,215**	*208,197*
Bishop Auckland Hospice	**41,024**	**-**	**41,024**	*10,728*
Childrens Hospice	**-**	**-**	**-**	*15,455*
Lottery	**234,711**	**-**	**234,711**	*248,953*
Total 2025	**497,215**	**32,735**	**529,950**	*483,333*
Total 2024	*462,369*	*20,964*	*483,333*	

7. TRADING ACTIVITIES

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	Total funds 2024 £
Charity trading income				
Charity shops	**287,849**	**-**	**287,849**	*441,203*
Other trading activities	**23,333**	**-**	**23,333**	*7,218*
	311,182	**-**	**311,182**	*448,421*
Fundraising trading expenses				
Charity shops	**347,251**	**-**	**347,251**	*377,989*
Wages and salaries	**451,104**	**-**	**451,104**	*340,989*
Depreciation	**2,475**	**-**	**2,475**	*54*
	800,830	**-**	**800,830**	*719,032*
Net (expenditure)/income from trading activities	**(489,648)**	**-**	**(489,648)**	*(270,611)*
Total 2024	*(270,039)*	*(572)*	*(270,611)*	

The trading loss shown above does not include gift aided sales through the charity shops which are included within donations and directly attributed to the charity rather than the trading subsidiary. These donations would not exist without the shops and amount to £246,403 thus reducing the trading loss to £243,245.

8. INVESTMENT INCOME

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Share of joint venture net income	**-**	**10,825**	**10,825**	*28,052*
Investment income	**26**	**-**	**26**	*30*
	26	**10,825**	**10,851**	*28,082*
Total 2024	*30*	*28,052*	*28,082*	

9. COST OF RAISING FUNDS

	Unrestricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Fundraising	**79,225**	**79,225**	*110,664*
Lottery	**94,429**	**94,429**	*108,262*
Wages and salaries	**377,930**	**377,930**	*344,059*
Total 2025	**551,584**	**551,584**	*562,985*
Total 2024	*562,985*	*562,985*	

10. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Stockton on Tees Hospice	**312,818**	**1,846,411**	**2,159,229**	*1,598,677*
Bishop Auckland Hospice	**145,925**	**420,612**	**566,537**	*492,899*
Childrens Hospice	**-**	**621,365**	**621,365**	*549,741*
	458,743	**2,888,388**	**3,347,131**	*2,641,317*
Total 2024	*406,033*	*2,235,284*	*2,641,317*	

11. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2025 £	Support costs 2025 £	Total funds 2025 £	*Total funds 2024 £*
Stockton on Tees Hospice	**1,474,660**	**684,569**	**2,159,229**	*1,598,677*
Bishop Auckland Hospice	**338,039**	**228,498**	**566,537**	*492,899*
Childrens Hospice	**479,348**	**142,017**	**621,365**	*549,741*
	2,292,047	**1,055,084**	**3,347,131**	*2,641,317*
Total 2024	*1,608,337*	*1,032,980*	*2,641,317*	

11. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Stockton on Tees Hospice 2025 £	Bishop Auckland Hospice 2025 £	Childrens Hospice 2025 £	Total funds 2025 £	*Total funds 2024 £*
Wages and salaries	**380,056**	**307,865**	**462,886**	**1,150,807**	*974,557*
Patient care	**93,615**	**7,227**	**10,288**	**111,130**	*105,660*
Premises	**13,663**	**16,602**	**4,173**	**34,438**	*31,286*
Occupational health	**-**	**-**	**-**	**-**	*250*
Staff travel	**1,054**	**4,660**	**63**	**5,777**	*4,073*
Volunteer travel	**183**	**361**	**-**	**544**	*1,473*
Training & education	**4,982**	**236**	**1,938**	**7,156**	*2,275*
Clinical supervision	**-**	**1,088**	**-**	**1,088**	*1,550*
Administration costs	**8,703**	**-**	**-**	**8,703**	*25,710*
NHS charges	**972,404**	**-**	**-**	**972,404**	*461,503*
	1,474,660	**338,039**	**479,348**	**2,292,047**	*1,608,337*
Total 2024	*916,842*	*281,456*	*410,039*	*1,608,337*	

11. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Stockton on Tees Hospice 2025 £	Bishop Auckland Hospice 2025 £	Childrens Hospice 2025 £	Total funds 2025 £	*Total funds 2024 £*
Staff costs	**361,886**	**108,337**	**78,638**	**548,861**	*547,980*
Depreciation	**73,274**	**29,160**	**11,792**	**114,226**	*116,748*
Patient care	**2,723**	**-**	**-**	**2,723**	*1,327*
Patient Transport	**45**	**849**	**-**	**894**	*-*
Premises	**97,122**	**64,928**	**45,993**	**208,043**	*182,662*
Staff travel	**2,346**	**-**	**-**	**2,346**	*2,799*
Recruitment	**1,908**	**-**	**-**	**1,908**	*1,331*
Training & education	**7,030**	**31**	**-**	**7,061**	*8,809*
P.R. & Publicity	**-**	**-**	**110**	**110**	*-*
Administration costs	**18,534**	**330**	**-**	**18,864**	*3,810*
Bank charges	**4,867**	**-**	**-**	**4,867**	*14,276*
Telephone & fax	**5,012**	**2,619**	**66**	**7,697**	*8,337*
Printing postage & stationery	**5,490**	**421**	**249**	**6,160**	*5,279*
Insurance	**37,490**	**-**	**-**	**37,490**	*46,422*
IT & Internet costs	**43,740**	**13,472**	**5,169**	**62,381**	*53,053*
Equipment maintenance	**5,869**	**8,351**	**-**	**14,220**	*21,921*
Audit fees	**17,233**	**-**	**-**	**17,233**	*18,226*
	684,569	**228,498**	**142,017**	**1,055,084**	*1,032,980*
Total 2024	*681,835*	*211,443*	*139,702*	*1,032,980*	

Support costs which are split over more than one area have been split based on staff time.

During the year ended 31 March 2025, the charity incurred the following Governance costs:

£76,669 *(2024 - £66,312)* included within the table above in respect of Direct & Support costs - Stockton on Tees Hospice.

£15,242 *(2024 - £17,470)* included within the table above in respect of Direct & Support costs - Bishop Auckland Hospice.

£13,209 *(2024 - £15,141)* included within the table above in respect of Direct & Support costs - Childrens Hospice.

12. AUDITORS' REMUNERATION

	2025 £	2024 £
Fees payable to the group's auditor for the audit of the group's annual accounts	**13,880**	*13,220*
Fees payable to the charity's auditor in respect of:		
All non-audit services not included above	**5,410**	*5,140*

13. STAFF COSTS

	Group 2025 £	Group 2024 £	Charity 2025 £	Charity 2024 £
Wages and salaries	**2,224,110**	*1,954,356*	**1,795,675**	*1,622,090*
Social security costs	**177,921**	*142,880*	**146,710**	*120,710*
Contribution to defined contribution pension schemes	**126,671**	*110,349*	**110,276**	*101,457*
	2,528,702	*2,207,585*	**2,052,661**	*1,844,257*

The average number of persons employed by the charity during the year was as follows:

	Group 2025 No.	Group 2024 No.	Charity 2025 No.	Charity 2024 No.
Childrens Hospice	**14**	*13*	**14**	*13*
Stockton Adults	**49**	*46*	**49**	*46*
Bishop Auckland Hospice	**16**	*16*	**16**	*16*
Butterwick Lottery	**2**	*2*	**-**	-
Butterwick Retail	**21**	*16*	**-**	-
	102	*93*	**79**	*75*

13. STAFF COSTS (CONTINUED)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2025 No.	*Group 2024 No.*
In the band £60,001 - £70,000	**1**	-
In the band £80,001 - £90,000	**1**	-

Total remuneration of key management personnel in the year was £243,221 *(2024: £175,558)*

14. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits *(2024 - £NIL)*.

During the year ended 31 March 2025, no Trustee expenses have been incurred *(2024 - £NIL)*.

15. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Long-term leasehold property £	Short-term leasehold property £	Furniture and equipment £	Motor vehicles £	Total £
Cost						
At 1 April 2024	**1,074,026**	**2,899,520**	**35,105**	**1,340,227**	**31,397**	**5,380,275**
Additions	**5,176**	**-**	**-**	**70,707**	**-**	**75,883**
Transfer to current assets	**(1,079,202)**	**(2,899,520)**	**(35,105)**	**(1,410,934)**	**(31,397)**	**(5,456,158)**
At 31 March 2025	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation						
At 1 April 2024	**468,185**	**1,268,734**	**35,105**	**1,239,127**	**31,397**	**3,042,548**
Charge for the year	**24,823**	**59,909**	**-**	**31,966**	**-**	**116,698**
Transfer to current assets	**(493,008)**	**(1,328,643)**	**(35,105)**	**(1,271,093)**	**(31,397)**	**(3,159,246)**
At 31 March 2025	**-**	**-**	**-**	**-**	**-**	**-**
Net book value						
At 31 March 2025	**-**	**-**	**-**	**-**	**-**	**-**
At 31 March 2024	*605,841*	*1,630,786*	*-*	*101,100*	*-*	*2,337,727*

15. TANGIBLE FIXED ASSETS (CONTINUED)

Charity

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2024	**1,074,026**	**132,551**	**1,324,901**	**31,397**	**2,562,875**
Additions	**5,176**	**-**	**69,372**	**-**	**74,548**
Transfer to current assets	**(1,079,202)**	**(132,551)**	**(1,394,273)**	**(31,397)**	**(2,637,423)**
At 31 March 2025	**-**	**-**	**-**	**-**	**-**
Depreciation					
At 1 April 2024	**468,185**	**48,944**	**1,225,816**	**31,397**	**1,774,342**
Charge for the year	**24,823**	**4,570**	**29,491**	**-**	**58,884**
Transfer to current assets	**(493,008)**	**(53,514)**	**(1,255,307)**	**(31,397)**	**(1,833,226)**
At 31 March 2025	**-**	**-**	**-**	**-**	**-**
Net book value					
At 31 March 2025	**-**	**-**	**-**	**-**	**-**
At 31 March 2024	*605,841*	*83,607*	*99,085*	*-*	*788,533*

16. TANGIBLE CURRENT ASSETS

Group

	Freehold property £	Leasehold Property £	Furniture and equipment £	Total £
Value				
Reclassified from non current assets	**586,194**	**1,570,877**	**139,841**	**2,296,912**
At 31 March 2025	**586,194**	**1,570,877**	**139,841**	**2,296,912**
Net book value				
At 31 March 2025	**586,194**	**1,570,877**	**139,841**	**2,296,912**

Charity

	Freehold property £	Leasehold Property £	Furniture and equipment £	Total £
Value				
Reclassified from non current assets	**586,194**	**79,037**	**138,966**	**804,197**
At 31 March 2025	**586,194**	**79,037**	**138,966**	**804,197**
Net book value				
At 31 March 2025	**586,194**	**79,037**	**138,966**	**804,197**

17. FIXED ASSET INVESTMENTS

	Listed investments £	Investment in joint ventures £	Total £
Group			
At 1 April 2024	**4,625**	**1**	**4,626**
Transfer to current assets	**(4,625)**	**(1)**	**(4,626)**
At 31 March 2025	**-**	**-**	**-**

	Investments in subsidiary companies £	Listed investments £	Investment in joint ventures £	Total £
Charity				
At 1 April 2024	**4**	**4,625**	**1**	**4,630**
Transfer to current assets	**(4)**	**(4,625)**	**(1)**	**(4,630)**
At 31 March 2025	**-**	**-**	**-**	**-**

17. FIXED ASSET INVESTMENTS (CONTINUED)

PRINCIPAL SUBSIDIARIES

The following were subsidiary undertakings of the charity:

Names	Company number	Charity registration number	Basis of control	Holding
Butterwick Hospice Retail Limited	02775096		Shares	**100%**
Butterwick Lotteries Limited	03141067		Shares	**100%**
John Butterwick Trust Day Care Centre and Hospice		515705	Sole Trustee	**-%**

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £
Butterwick Hospice Retail Limited	**485,897**	**(800,816)**	**(314,919)**
Butterwick Lotteries Limited	**234,711**	**(119,366)**	**115,345**
John Butterwick Trust Day Care Centre and Hospice	**222**	**(56,673)**	**(56,451)**

The net assets of the subsidiaries at the 31 March 2025 were:

Names	Net assets/(liabilities) £
Butterwick Hospice Retail Limited	(659,958)
Butterwick Lotteries Limited	2
John Butterwick Trust Day Care Centre and Hospice	1,535,062

18. STOCKS

	Group 2025 £	*Group 2024 £*	Charity 2025 £	*Charity 2024 £*
Merchandise	**9,194**	*4,372*	**-**	*-*
Stamps	**801**	*314*	**801**	*314*
Fundraising stock	**808**	*808*	**808**	*808*
	10,803	*5,494*	**1,609**	*1,122*

19. DEBTORS

	Group 2025 £	*Group 2024 £*	Charity 2025 £	*Charity 2024 £*
Amounts owed by group undertakings	**-**	-	**-**	*385,564*
	-	-	**-**	*385,564*
Trade debtors	**83,647**	*96,291*	**74,238**	*78,764*
Amounts owed by group undertakings	**-**	-	**781,477**	*19,198*
Other debtors	**229,758**	*147,809*	**217,072**	*123,080*
Prepayments and accrued income	**92,770**	*74,652*	**33,024**	*33,828*
	406,175	*318,752*	**1,105,811**	*640,434*

20. CURRENT ASSET INVESTMENTS

	Group 2025 £	*Group 2024 £*	Charity 2025 £	*Charity 2024 £*
Group companies	**-**	-	**4**	-
Listed investments	**4,625**	-	**4,625**	-
Joint venture	**1**	-	**1**	-
	4,626	-	**4,630**	-

21. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2025 £	*Group 2024 £*	Charity 2025 £	*Charity 2024 £*
Bank loans	**60,436**	*50,000*	**60,436**	*50,000*
Trade creditors	**1,319,815**	*639,716*	**1,293,361**	*599,414*
Amounts owed to group undertakings	**3,876**	*3,882*	**47,281**	*47,486*
Other taxation and social security	**51,140**	*34,093*	**51,140**	*34,093*
Other creditors	**27,635**	*69,551*	**26,559**	*18,045*
Accruals and deferred income	**78,466**	*76,031*	**24,765**	*19,737*
	1,541,368	*873,273*	**1,503,542**	*768,775*

The bank loan consists of a bounce back loan and a fixed term loan. The fixed term loan is secured by way of a legal charge over the assets of the charity.

	Group 2025 £	*Group 2024 £*	Charity 2025 £	*Charity 2024 £*
Deferred income at 1 April 2024	**38,826**	*40,090*	**40,090**	*-*
Resources deferred during the year	**39,176**	*38,826*	**38,826**	*-*
Amounts released from previous periods	**(38,826)**	*(40,090)*	**(40,090)**	*-*
	39,176	*38,826*	**38,826**	*-*

Deferred income represents lottery payments received in advance.

22. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2025 £	*Group 2024 £*	Charity 2025 £	*Charity 2024 £*
Bank loans	**-**	*65,757*	**-**	*65,757*

23. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2024 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2025 £
Unrestricted funds					
General Funds	**2,164,254**	**1,166,227**	**(890,977)**	**(1,003,447)**	**1,436,057**
Funds within non charitable subsidiaries	**(345,035)**	**720,608**	**(920,180)**	**(115,349)**	**(659,956)**
	1,819,219	**1,886,835**	**(1,811,157)**	**(1,118,796)**	**776,101**
Endowment funds					
Endowment Funds	**50,961**	**-**	**-**	**-**	**50,961**
Restricted funds					
Bishop Auckland Hospice	**326,669**	**559,525**	**(412,525)**	**(150,092)**	**323,577**
Stockton on Tees Hospice	**90,038**	**616,527**	**(1,845,065)**	**1,183,461**	**44,961**
Children's Hospice	**29,321**	**462,356**	**(621,365)**	**157,750**	**28,062**
Dignity in Care Bishop Auckland Hospice	**27,925**	**-**	**(809)**	**-**	**27,116**
Dignity in Care Stockton on Tees Hospice	**47,812**	**-**	**(1,384)**	**-**	**46,428**
Outpatient Supportive Services Bishop Auckland	**267,890**	**-**	**(7,240)**	**-**	**260,650**
Funds in joint venture	**1**	**10,825**	**-**	**(10,825)**	**1**
Hospice UK Grant	**-**	**61,498**	**-**	**(61,498)**	**-**
	789,656	**1,710,731**	**(2,888,388)**	**1,118,796**	**730,795**
Total of funds	**2,659,836**	**3,597,566**	**(4,699,545)**	**-**	**1,557,857**

23. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2023 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 March 2024* £
Unrestricted funds					
General Funds	*2,624,154*	*1,097,280*	*(838,475)*	*(718,705)*	*2,164,254*
Funds within non charitable subsidiaries	*(133,628)*	*757,690*	*(849,575)*	*(119,522)*	*(345,035)*
	2,490,526	*1,854,970*	*(1,688,050)*	*(838,227)*	*1,819,219*
Endowment funds					
Endowment Funds	*50,961*	-	-	-	*50,961*
Restricted funds					
Bishop Auckland Hospice	*365,250*	*529,859*	*(370,799)*	*(197,641)*	*326,669*
Stockton on Tees Hospice	*89,316*	*326,789*	*(1,304,418)*	*978,351*	*90,038*
Children's Hospice	*75,226*	*418,267*	*(549,741)*	*85,569*	*29,321*
Dignity in Care Bishop Auckland Hospice	*29,627*	-	*(1,702)*	-	*27,925*
Dignity in Care Stockton on Tees Hospice	*49,196*	-	*(1,384)*	-	*47,812*
Outpatient Supportive Services Bishop Auckland	*275,130*	-	*(7,240)*	-	*267,890*
Funds in joint venture	*1*	*28,052*	-	*(28,052)*	*1*
	883,746	*1,302,967*	*(2,235,284)*	*838,227*	*789,656*
Total of funds	*3,425,233*	*3,157,937*	*(3,923,334)*	-	*2,659,836*

STATEMENT OF FUNDS (CONTINUED)

The **Bishop Auckland Hospice** fund operates to raise funds for the day to day running of a hospice at Bishop Auckland. A transfer has been made from this into general to fund the core team which is essential to ensure compliance and the safe provision of services.

The **Stockton on Tees Hospice** fund operates to raise funds for the day to day running of a hospice at Stockton on Tees. This is the largest cost and one of the primary charitable activities and income raised from unrestricted events and donations made without restrictions helps to fund this area.

The **Children's Hospice** fund operates to raise funds for the day to day running of the children's hospice at Stockton on Tees. This is partially funded by a grant from NHS England. A transfer has been made from unrestricted funds to help fund this area.

The **Dignity in Care** and **Outpatient Supportive Services** funds represent grants provided by the Department of Health to help fund improvements to the hospices. Fixed asset expenditure when incurred and depreciation of those assets is charged to the appropriate fund over the life of the asset.

The **Endowment fund** was created through the gift of the original hospice building. This was subsequently sold and the proceeds and related gains have been reinvested in the existing hospice premises.

The **Hospice UK grant** represents funds provided by the Department of Health and Social Care (DHSC) to support charitable hospices to improve or maintain their physical estate for best end of life care to patients and their families in a supportive and dignified physical environment.

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £
Current assets	**2,303,128**	**745,136**	**50,961**	**3,099,225**
Creditors due within one year	**(1,527,027)**	**(14,341)**	**-**	**(1,541,368)**
TOTAL	**776,101**	**730,795**	**50,961**	**1,557,857**

24. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2024 £	*Restricted funds 2024 £*	*Endowment funds 2024 £*	*Total funds 2024 £*
Tangible fixed assets	*1,498,233*	*788,533*	*50,961*	*2,337,727*
Fixed asset investments	*4,626*	*-*	*-*	*4,626*
Current assets	*1,245,670*	*10,843*	**-**	*1,256,513*
Creditors due within one year	*(863,553)*	*(9,720)*	**-**	*(873,273)*
Creditors due in more than one year	*(65,757)*	**-**	**-**	*(65,757)*
TOTAL	**1,819,219**	**789,656**	**50,961**	*2,659,836*

25. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2025 £	*Group 2024 £*
Net expenditure for the year (as per Statement of Financial Activities)	**(1,101,979)**	*(765,397)*
Adjustments for:		
Depreciation charges	**116,698**	*117,073*
Dividends, interests and rents from investments	**(26)**	*(30)*
Loss on the sale of fixed assets	**-**	*5,624*
Increase in stocks	**(5,309)**	*(2,447)*
Decrease/(increase) in debtors	**(87,423)**	*50,400*
Increase in creditors	**657,659**	*603,308*
Receipts from joint venture	**(10,825)**	*(28,052)*
Net cash used in operating activities	**(431,205)**	*(19,521)*

26. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2025 £	*Group 2024 £*
Cash in hand	**380,709**	*932,267*
Total cash and cash equivalents	**380,709**	*932,267*

27. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2024 £	Cash flows £	Other non-cash changes £	At 31 March 2025 £
Cash at bank and in hand	**932,267**	**(551,558)**	**-**	**380,709**
Bank loan within 1 year	**(50,000)**	**(3,845)**	**(6,591)**	**(60,436)**
Bank loan over 1 year	**(65,757)**	**59,166**	**6,591**	**-**
Liquid investments	**-**	**-**	**4,625**	**4,625**
	816,510	**(496,237)**	**4,625**	**324,898**

28. PENSION COMMITMENTS

The group contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund.

Some clinical staff are members of the NHS Pension Scheme and contributions are determined by the government actuary. The NHS Pension Scheme is an unfounded occupational scheme backed by the Exchequer.

The pension cost charge represents contributions payable by the group to the fund and amounted to £110,276 *(2024 - £110,349)*. Contributions totalling £14,390 *(2024 - £13,893)* payable to the fund at the balance sheet date and are included in creditors.

29. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

BUTTERWICK LIMITED

England & Wales - Charity number 1044816

Accounts

Registered number: 02979587
Charity number: 1044816

BUTTERWICK LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

BUTTERWICK LIMITED
(A company limited by guarantee)

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BUTTERWICK LIMITED
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2024

Trustees

Prof M Bramble
B Carr
Dr B P Corbett
D Crew
Y V Evans
S R Grant
T A Lenehan

Company registered number

02979587

Charity registered number

1044816

Registered office

Butterwick Hospice, Middlefield Road, Stockton On Tees, Cleveland, TS19 8XN

Company secretary

S R Grant

Chief executive officer

E Gorringe

Independent auditors

Waltons Business Advisers Limited, Maritime House, Harbour Walk, The Marina, Hartlepool, TS24 0UX

Bankers

Barclays Bank plc, 49 High Street, Stockton on Tees, TS18 1AH

Solicitors

Knights PLC, Lakeside House, Kingfisher Way, Stockton on Tees, TS18 3NB

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2024

The Trustees present their annual report together with the audited financial statements of the charity and group for the year 1 April 2023 to 31 March 2024. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the charity qualify as small under section 383 of the Companies Act 2006, the group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

FOUNDER

The charity was founded by Mrs Mary Butterwick OBE who sadly died, aged 91, on 30th September 2015.

Mrs Butterwick's initial vision, personal self-sacrifice and tenacity, coupled with her close interest in the work of the Hospice which continued until her death, ensures her considerable legacy, in the charity which bears her family name, for the benefit of the community which we freely serve.

STRUCTURE, GOVERNANCE AND MANAGEMENT

• Governing document

Butterwick Limited is a charitable company limited by guarantee (incorporated October 1994) and as such is governed by a Memorandum and Articles of Association. It was registered by the Charity Commission on 7th March 1995, registration number 1044816.

• Methods of appointment or election of Trustees

The Trustees are drawn from a variety of disciplines with the aim of ensuring that the company has strong and informed leadership. During 23-24 there were 7 Trustees all of which stepped down from their term of office in 23-24 and were re-appointed. In order to increase overall Trustee numbers and target specific expertise the organisation is in the process of recruiting additional Trustees.

When a vacancy occurs, the Chairman undertakes a skills audit to ascertain what particular expertise and background is desirable and the post is advertised through the normal recruitment channels to identify suitable candidates who are then interviewed and appointed, once due diligence checks have been carried out. We maintain a split of trustees with clinical and medical experience and business experience to ensure all aspects of the business are appropriately scrutinised.

Trustees are given a general induction on joining the Board, and regular refresher training to maintain statutory and mandatory requirements.

The Trustees receive formal papers and reports. They are kept abreast of news and developments within the wider charity and hospice world by the receipt of regular briefings and the circulation of relevant Charity Commission and other publications. Trustees are also given the opportunity of attending appropriate local and national seminars and conferences.

The Trustees continue to review the company's governance arrangements, including the term of office of trustees, and to consider models of best practice.

The Trustees have agreed to comply with the Charity Governance Code.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

• Organisational structure and decision-making policies

The charity operates using the name Butterwick Hospice incorporating Butterwick Hospice, Stockton on Tees; Butterwick Hospice at Bishop Auckland and Butterwick House Children's Hospice.

The charity is organised so that the Trustees meet quarterly to manage its affairs; the Trustees receive quarterly written reports from the Chief Executive and the Senior Leadership Team, which incorporate management accounts and reports on the charity's activities and progress in meeting pre-identified objectives.

There are two sub-committees, chaired by Trustees which meet quarterly; the Business Committee, and the Quality, Safety and Risk Committee. The minutes of both committee meetings are circulated to all Trustees for consideration at their quarterly meetings.

The Business Committee has general oversight of non-clinical matters including Finance, Business Development, Retail, Human Resources, Voluntary Services, Health and Safety, Risk Management, Estates and Facilities. It is chaired by a Trustee, a Chartered Accountant, and typically a further two trustees are members. It is attended by the Chief Executive, the Director of Finance and Business Services, Director of Income Generation and People Director, members of the charity's non-clinical Senior Leadership team. A key role of the committee is to scrutinise the charity's budgets and recommend the same for approval by the Board. Secondly, the committee reviews the charity's detailed quarterly management accounts showing actual income and expenditure compared to budget, along with future projections.

The Quality, Safety and Risk Committee, which also acts as the Clinical Governance Committee, has general oversight of all matters of a clinical nature including patient related health, safety and risk management, quality, audit and the development, delivery and monitoring of patient services. It is chaired by a clinically qualified Trustee, attended typically by four additional Trustees with clinical expertise, the Chief Executive, and the Director of Care. This meeting is also attended by the clinical leads of both adult and children's services.

• Changes during the year

Hospice Services

The acting Chief Executive, appointed in October 2022, was made substantive in April 2023 following the resignation of the previous post-holder.

Work on preparing to reopen the Adult Inpatient Unit (AIPU) continued at the beginning of the year, including the joint project with North Tees and Hartlepool NHS Foundation Trust (NT&H NHS FT) to develop and implement a model of care provision reflective of the needs of the local community.

The AIPU is a nurse led unit, with consultant oversight and support. Clinical Nurse Specialists, Registered Nurses, and Health Care Assistants are seconded from NT&H NHS FT to staff the AIPU.

The application to the Care Quality Commission (CQC), in March 2023, to vary one of the conditions in place on the registration was approved at the end of June 2023. This meant that the AIPU could admit 2 patients that were known to the provider or NT&H NHS FT for respite or non-complex end of life care. The first patient was welcomed to the reopened AIPU on 21st August 2023.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

A CQC inspection of the AIPU took place in May 2024, the result of which is still awaited. This followed a request in December 2023 to lift the remaining restriction on our AIPU services, in July 2024 the CQC confirmed that all restrictions had been lifted. From November 2024 the AIPU capacity has increased to a maximum of 8 patients.

Retail

Continued review of our shop portfolio led to the closure of our shops in Darlington (June 2023), and Bishop Auckland (January 2024), and the opening of two new locations, Bishop Auckland Retail Park (February 2024) and Redcar (March 2024). The shop in Bishop Auckland is our first larger store in an established retail site, this will act as a flagship shop and allow a greater range of goods to be sold.

Although we are still experiencing difficulty in attracting volunteers, we plan to increase retail profitability through utilising information from our recently implemented Electronic Point of Sale system and maximising the use of higher margin online sales channels.

Butterwick Lotteries Limited and North East Hospices Lottery (NEHL)

The day-to-day management of the Butterwick lottery continues to be provided by Starvale Lotteries, a company with over 25 years' experience of the management, administration and development of lotteries. In June 2023 a new prize structure was recommended and adopted incorporating a roll-over prize resulting in greater player participation and profitability.

Following a joint decision by all four member hospices, North East Hospice Lotteries (NEHL) ceased operations during the year with the last draw taking place on 29 March 2024. Following closure of the company any residual assets will be distributed equally between the member hospices; players have been encouraged to join the lottery of their local hospice.

- **Pay policy for key management personnel**

The charity is heavily dependent upon the skills, dedication and commitment of all its staff, including the senior staff team, who provide day to day direction, leadership and management to what is a substantial and complex organisation. The Trustees recognise the necessity of setting remuneration levels which enable the retention and, when necessary, the recruitment of suitably qualified staff taking into account, where applicable, local comparable posts.

A remuneration group has been established to review salaries and benefits and ensure equity of pay and conditions for every member of staff. When any post becomes vacant it is scrutinised to ensure its effectiveness and suitability in the organisation, salaries are reviewed and benchmarked in advance of any post being advertised. Salaries of senior staff are agreed by the Trustees following a benchmarking exercise.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

- **Relationships with other charities and organisations**

Within its charitable objectives and resources, the charity seeks to play a leading role within the local healthcare and voluntary sectors in the geographical and specialist areas in which it operates.

Over the last year, Butterwick Hospice has developed a good relationship with several other charities and organisations, and has contributed to sharing of good practice.

The charity in particular works closely and productively with the local NHS Integrated Care Board, the local NHS Foundation Trusts, with neighbouring hospices and other local charities. The charity is also a member of Hospices North East and North Cumbria (HNENC) a collaborative of the twelve independent hospices in the north east of England.

Within the Tees Valley regular meetings take place between the Chairs and Chief Executives of the Tees Valley Hospices, Butterwick, St Teresa's, Alice House and Teesside.

NT&H NHS FT continues to be a key partner, supporting the development of the AIPU and providing clinical staff and support services through a Service Level Agreement.

The charity continues to look for opportunities where we can work with local Universities and other education institutions in providing training, education and placement opportunities at both undergraduate and post graduate level to healthcare professionals.

Nationally, the charity works with Hospice UK, which is a national membership charity working on behalf of the hospice movement, and Together for Short Lives which is a membership charity working on behalf of children's hospices.

- **Risk management**

The charity routinely reviews its risk register and has aligned it with the best practice guidance produced by the Charity Commission. The charity has policies, procedures, systems and controls in place to mitigate operational risks.

Five key areas of risk have been identified which are subject to rigorous risk assessment and management:

- Governance including systems and processes
- Operational covering clinical and non-clinical
- Financial: including income generation, budgetary control, cashflow and insurance
- Regulation and Compliance relating to CQC, Health and Safety and legal requirements
- External including national pay bodies and IT operating systems

The Business Continuity Plan has been reviewed and updated. There are on call rotas in place that ensure that clinical and non-clinical staff are supported out of normal office hours.

A risk awareness culture is embedded within the day to day working methods and thinking of the charity's staff and volunteers and this is reflected in the role of the Quality and Compliance Manager who oversees all elements of risk management in collaboration with the Quality and Governance lead

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

OBJECTIVES AND ACTIVITIES

- **Policies and objectives**

The aims and objectives of the charity as set out in the Memorandum of Association (as amended in January 1995) are:

- Provision of palliative care and services for patients suffering from life threatening and limiting illness.
- The operation of facilities to provide palliative services for residential, day care and community.
- The advancement of education and training for all those concerned with the provision of palliative care, and for the general public.

The Trustees have considered the Charity Commission's guidance on public benefit when reviewing the company's aims and objectives and in planning future activities.

In meeting its charitable objectives:

Butterwick Hospice (BH) endeavours to freely provide an excellence in evidence-based specialist and holistic palliative care for all patients regardless of age or diagnosis; to be a centre of expertise and a specialist resource within the community as a whole. However, BH recognises that we need to approach and progress service improvements with a sense of urgency.

The care is provided by a skilled multidisciplinary team and is supported by a wider organisation of administrative, finance and business development staff and a dedicated team of volunteers.

In doing this the company operates in three distinct areas:

1. Butterwick Hospice, Stockton on Tees
2. Butterwick Hospice in Bishop Auckland
3. Butterwick House Children's Hospice, Stockton on Tees

In all areas of operation, the charity provides a comprehensive range of services to patients and their families including specialist medical and nursing care, complementary and other therapies, bereavement and spiritual support, and counselling.

The charity seeks to optimise the use of its facilities and make best use of the resources which it expends. Detailed records of patient related activity are maintained and the Trustees receive regular reports in this respect.

The charity continues to work closely with other healthcare providers (both voluntary organisations and the National Health Service) to ensure that its current services and developments align with national and locally identified priorities.

- **Activities undertaken to achieve objectives**

Butterwick Hospice, Stockton on Tees

This is an eight bedded inpatient unit (inpatient residential unit temporarily closed 1st February 2022 to 20th August 2023) and day care facilities. The reopening of the inpatient unit marks a major step forward for the organisation, day services continue to develop offering physiotherapy, complementary therapies and group work.

OBJECTIVES AND ACTIVITIES (continued)

Butterwick Hospice at Bishop Auckland

The Hospice in Bishop Auckland serves a mainly dispersed rural community, in doing so the charity has developed, in partnership with statutory and other voluntary bodies, services which meet these distinct needs.

The Hospice in Bishop Auckland serves the communities of Sedgefield, Wear Valley, Weardale and Teesdale, and as at the Stockton Hospice, provides an appointment-based Day Hospice service in Bishop Auckland. During the year the day care facilities gradually returned to pre-COVID patterns of working and reintroduced services suspended during the pandemic.

Recognising the distinct healthcare needs of the area, the charity has also facilitated the delivery of specialist neurological services focused on patients, in particular those suffering from Multiple Sclerosis, and their carers.

The charity also operates a Home Care Service which supports patients, on a 24-hour basis, and their carers in their own homes.

The charity is working closely with the Integrated Care Board and other voluntary sector organisations to further address the palliative care needs in the area.

Butterwick House Children's Hospice

Butterwick House cares for children from birth, teenagers and young adults to a maximum age of twenty-five.

Based in Stockton-on-Tees, patients accessing Butterwick House are drawn from a wide geographical area from North Yorkshire in the South, Teesside, County Durham and Wearside in the North.

Butterwick House is a six bedded unit, four beds for children and two beds specifically designed for young adults aged 18 to 25 years, which primarily offers planned specialist respite care.

- **Staff and volunteers**

To enable The Charity to achieve its charitable objectives, including the generation of sufficient financial resources to fund its activities, the charity and its trading subsidiaries, as at 31st March 24, employed 100 staff. The charity additionally had the generous support of some 120 volunteers who assist in every area of the charity's activities.

The charity recognises and acknowledges that it is dependent upon staff and volunteers, who have the necessary training and expertise, if it is to meet the needs of the patients which it serves and their families and carers. To this end the charity invests both in initial induction training and ongoing continuing development for all staff and volunteers.

The charity is supported by volunteers in every area of its activities including clinical, support services and income generation. Their contribution to the work of the charity is considerable in financial terms. However, their greatest value is that they represent the community that supports Butterwick Hospice Care and for their dedication we offer our sincere thanks. Volunteer numbers have still not returned to the level enjoyed prior to the pandemic.

In many areas of the charity's work, the demands can be both emotionally and physically draining. Staff and volunteers are dedicated and habitually "go the extra mile" as is reflected in the many letters of appreciation which we receive. In supporting and equipping staff and volunteers to meet these demands, the charity provides a range of mechanisms ranging from informal peer support to Clinical Supervision.

OBJECTIVES AND ACTIVITIES (continued)

All members of staff have an annual appraisal and regular one to one meetings which allows the opportunity to discuss work related issues, the needs of the charity and ongoing personal development.

The charity is proud of the skills, dedication and loyalty of its staff and volunteers and grateful for their contribution to the charity meeting its charitable and operational objectives.

- **Main activities undertaken to further the charity's purposes for the public benefit**

The Trustees believe the charity provides a public benefit by offering palliative care to adults and children who are resident in the areas of Teesside, County Durham Wearside and North Yorkshire, and who are suffering from a life limiting illness. People access our services by means of referral by their GP, hospital consultant or clinical nurse specialist. Admission to our services is determined only by clinical and psychological need without reference to gender, race or faith. The Hospice's services are free of charge to patients and their families.

ACHIEVEMENTS AND PERFORMANCE

- **Quality**

The charity's services are registered with, and regulated by, the Care Quality Commission which carries out periodic unannounced Inspections of the three main sites on which care is delivered.

These Inspections are in-depth and rigorous. Following inspection, the Care Quality Commission publishes a report which is publicly available and to which there are links on the Hospices' website.

The five key domains that hospices are measured against are:
- Is the service safe
- Is the service effective
- Is the service caring
- Is the service responsive
- Is the service well led

The overall rating of Butterick House is currently Good.

The overall rating of Butterwick Hospice at Stockton and Bishop Auckland remains Inadequate pending the outcome of a full inspection by CQC undertaken in May 2024.

The day services at Butterwick Hospice Stockton and Bishop Auckland were de-registered with CQC in August 2024. A new registration for Home Care Services in Bishop Auckland was also granted by CQC in August 2024.

ACHIEVEMENTS AND PERFORMANCE (continued)

- **Summary of Patient Activity**

During 2023-2024 Butterwick Hospice Care provided 5 key services:

Adult Inpatient Unit (Stockton) (reopened in August 2023).
Children's Inpatient Unit (Butterwick House, Stockton)
Day Service (Stockton and Bishop Auckland)
Palliative Home Care Team (Bishop Auckland)
Family Support (Stockton and Bishop Auckland)

Adult In- patient unit

The Adult Inpatient Unit is an 8-bed unit, 6 of which have ensuite facilities, and 2 rooms have a shared bathroom close by. Butterwick Hospice at Stockton aims to provide specialist palliative and end of life care primarily for adult patients living in the Stockton Borough Council geographical area.

Butterwick Hospice established a good collaborative relationship with North Tees and Hartlepool NHS FT, with the focus on re-opening the AIPU beds. An application was submitted to CQC in March 2023 to vary the conditions and this was authorised in June 2023. This enabled AIPU to also admit patients from North Tees and Hartlepool NHS FT that were receiving non-complex end of life care.

Through a Service Level Agreement with NT&H NHS FT, the AIPU is staffed by registered nurses and healthcare assistants seconded from the Trust on a rolling 3-month rotation. Clinical Nurse Specialists and consultants provide clinical cover.

The objectives are:

- To provide a 24 hour, 7 days a week inpatient service.
- To provide holistic multidisciplinary care, that meets the physical, emotional, spiritual and social needs of patients and, as relevant, their carers and relatives.
- To provide nursing care, counselling, advice, complementary therapies, and bereavement support to patients, their carers and relatives.
- In all cases to ensure patients, their carers, and relatives are supported by a team of skilled and appropriately trained staff and volunteers.

Activities during 2023-2024 (from re-opening on 21st August 2023) were:

- 52 admissions for patients requiring end of life care.
- 48 deaths (preferred place of care).
- 4 discharges (patients who had been on the care of the dying person document but recovered and were able to be discharged).
- Average length of stay was 6 days.

ACHIEVEMENTS AND PERFORMANCE (continued)

Palliative Home Care Team

The Service is for the provision of social, cultural, and personal care for adults who have a life limiting illness. This is a "sitting service" for people who are nearing the end of life and who wish to be cared for at home. The service is operational 7 days per week, and is provided by Health Care Assistants within the person's own home, and the focus is on providing support for the patient and respite for their family/carer.

The objectives are:

- To provide social and practical support for the patient, and their family.
- To provide care that will maintain the patient's dignity and support a sense of wellbeing.
- To provide support for their family/carers as they are able to sleep, or go out, knowing that the patient is being well looked after.

Activities during 2023-2024 were:

- 24 patients were supported by the service in their own home.
- There were 113 episodes of care.
- There were 907 hours of care provided.

Day Care Services

Day Service – Stockton:

The Day Services are delivered on an appointment basis with complementary therapist, and physiotherapy input as required, services are delivered from appropriately and attractively furnished rooms.

The objectives are:

- To provide a day hospice service three days each week (Monday, Wednesday and Friday).
- To provide holistic multidisciplinary care, that meets the physical, emotional, spiritual and social needs of patients and, as relevant, their carers and relatives.
- To provide physiotherapy, counselling, advice, complementary therapies, and bereavement support to patients, their carers and relatives
- In all cases to ensure patients, their carers, and relatives are supported by a team of skilled and appropriately trained staff and volunteers.

Activities during 2023-2024 were:

- 560 patients attended the service.
- There were 820 episodes of care.
- There were 93 physiotherapy treatments provided.
- There were 506 complementary therapy treatments provided.
- There were 221 episodes of wellbeing group attendance.

ACHIEVEMENTS AND PERFORMANCE (continued)

Day Service – Bishop Auckland:

The Day Services are delivered on an appointment basis with nursing, complementary therapist, and physiotherapy input as required Services are delivered from appropriately and attractively furnished rooms.

The objectives are:

- To provide a day hospice service three days each week (Tuesday, Wednesday, and Thursday).
- To provide holistic multidisciplinary care, that meets the physical, emotional, spiritual and social needs of patients and, as relevant, their carers and relatives.
- To provide physiotherapy, counselling, advice, complementary therapies, and bereavement support to patients, their carers and relatives.
- In all cases to ensure patients, their carers, and relatives are supported by a team of skilled and appropriately trained staff and volunteers.

Activities during 2023-2024 were:

- 557 patients attended the service.
- There were 1059 episodes of care.
- There were 77 physiotherapy treatments provided.
- There were 800 complementary therapy treatments provided.
- There were 182 episodes of wellbeing group attendance.

ACHIEVEMENTS AND PERFORMANCE (continued)

Family Support

Family Support – Stockton:
The service offers counselling and emotional support to our patients, their families and carers, at all stages of their health journey as well as post-bereavement. The service also offers 1-1 counselling to adults in our community who have no connection to the hospice, and have a diagnosis of a life-limiting illness.
Bereavement counselling is available for adults and children aged 6+, following the loss of a loved one, due to a life-limiting illness. The service also offers two adult bereavement groups, one supporting those bereaved less than 10 months, and one supporting those bereaved more than 10 months.
The team consists of qualified and experienced counsellors, supported by a group of dedicated family support volunteers. The service also supports the supervised training practice of student counsellors, enrolled at university, and working towards their qualified status.
Appointments take place on a face-to-face basis, with the option for telephone or online counselling if this is more appropriate.

The objectives are:

- To provide a counselling and bereavement support service 5 days each week (Mon – Fri).
- To provide professional yet compassionate support, to improve emotional wellbeing when living with or bereaved by a life-limiting illness.
- To provide a confidential space where people feel safe to voice their thoughts and feelings.
- To provide support at the point it is needed, at any stage of a person's health journey, helping them adjust to living with an illness, and considering the impact of this on their life, both now and in the future.
- To provide bereavement support to adults and children, following the loss of a loved one from a life-limiting illness.

Activities during 2023-2024 were:

- 565 clients attended the service: 501 were adults and 64 were children.
- 1046 episodes of support.
- 948 1to1 counselling sessions were provided: 836 were adults and 112 were children.
- 98 episodes of adult bereavement group sessions were attended.

ACHIEVEMENTS AND PERFORMANCE (continued)

Family Support – Bishop Auckland:

The service offers counselling and emotional support to our patients, their families and carers, at all stages of their health journey as well as post-bereavement. The service also offers 1-1 counselling to adults in our community who have no connection to the hospice, and have a diagnosis of a life-limiting illness.
Bereavement counselling is available for adults and children aged 6+, following the loss of a loved one, due to a life-limiting illness. The service also offers two adult bereavement groups, one supporting those bereaved less than 10 months, and one supporting those bereaved more than 10 months.
The team consists of qualified and experienced counsellors, supported by a group of dedicated family support volunteers. The service also supports the supervised training practice of student counsellors, enrolled at university, and working towards their qualified status.
Appointments take place on a face-to-face basis, with the option for telephone or online counselling if this is more appropriate.

The objectives are:

- To provide a counselling & bereavement support service 3 days each week (Tues/Wed/Thurs).
- To provide professional yet compassionate support, to improve emotional wellbeing when living with or bereaved by a life-limiting illness.
- To provide a confidential space where people feel safe to voice their thoughts and feelings.
- To provide support at the point it is needed, at any stage of a person's health journey, helping them adjust to living with an illness, and considering the impact of this on their life, both now and in the future.
- To provide bereavement support to adults and children, following the loss of a loved one from a life-limiting illness.

Activities during 2023-2024 were:

- 468 clients attended the service: 404 were adults and 64 were children.
- 1109 episodes of support.
- 1015 1to1 counselling sessions were provided: 723 were adults and 292 were children.
- 94 episodes of adult bereavement group sessions were attended.

Bereavement Group Support:

The bereavement social groups at Stockton and Bishop Auckland enjoy meeting up every month. The group members value the support and conversation in the safe environment created at Butterwick Hospice. They say that this group is reassuring for them as they adjust to living without the person that was of great importance to them. The group discusses and shares a diverse range of issues including, but not exclusive to, their experience of living while grieving. Two counsellors facilitate the group, offering empathic support, and assisting with the flow of conversation, ensuring that everyone feels included.

Feedback from this group:

- I love this group so much – I have made some amazing friends, and I never thought I would after losing my husband.
- Lifesaving – forever thankful.
- I was feeling a bit low this morning, but coming to this group this afternoon feels like a great big hug.
- I find the group so helpful – it is where I can be myself and show my tears to others who understand. It's a safe place to be vulnerable.

ACHIEVEMENTS AND PERFORMANCE (continued)

Bereavement Follow Up Service:

Butterwick Hospice provides a follow up bereavement support service to the families of patients who have died while accessing one of the clinical services.
A condolence card and letter are sent to bereaved families within the first 2 weeks following the death of the patient. The family is contacted again between 8 to 10 weeks later.
Families are informed that support can be provided, should they require it.
Between April 2023 and March 2024, follow up support was offered to 116 families – 111 adults and 5 children.

Children's Inpatient Unit:

The Children's Inpatient Unit is a 6-bed unit – 4 rooms for children 0-17 years and 2 rooms for young people 18-25 years.

Butterwick House Children's Hospice at Stockton aims to provide specialist palliative and end of life care for infants, children, and young people with life-limiting conditions. It is a holistic service providing physical, emotional, and spiritual care to the whole family throughout their journey.

The objectives are:

- To provide a 24 hour, 7 days a week inpatient service.
- To provide short term respite care.
- To provide emergency and end of life care.
- To provide holistic multidisciplinary care, that meets the physical, emotional, spiritual and social needs of the children, and their families as a whole.
- To provide nursing care, counselling, advice, complementary therapies, and bereavement support to the children, their families, and carers.
- In all cases to ensure the children, their carers, and relatives are supported by a team of skilled and appropriately trained staff and volunteers.

Activities during 2023-2024 were:

- 19 children/young people on our caseload.
- 15 children / young people were admitted to the inpatient unit for respite care.
- 0 were admitted for end-of-life care.
- 0 were admitted for symptom control.
- There were 275 episodes of care/admissions.
- There was a total of 105 admissions.

Financial review

- **Overview**

The Consolidated Statement of Financial Activities sets out the results of these activities directly carried out by Butterwick Limited (Butterwick Hospice: Butterwick Hospice at Stockton on Tees, Butterwick Hospice at Bishop Auckland and Butterwick House, Children's Hospice) as well as those of which Butterwick Limited is ultimately in control either as a corporate trustee (John Butterwick Trust Day Care Centre and Hospice) or as a parent company (Butterwick Lotteries Limited and Butterwick Hospice Retail Limited). The statement also includes the charity's share of the results of a joint venture, North East Hospices Lottery Limited, in which it has a 25% interest.

The Trust's function is to hold the properties at Stockton, all day-to-day running being handled by Butterwick Limited.

In the year ended 31 March 2024 the group operated at a deficit of £765,397 after depreciation against the budgeted deficit of £89,226. This compares to a deficit after depreciation of £73,682 in the previous year. The deficit reflected the continued reduction in statutory funding as a result of the closure of the Stockton Adult Inpatient Unit (AIPU), and the additional costs involved in reopening the unit.

A project with support from North Tees & Hartlepool Foundation NHS Trust led to the reopening of the AIPU in August 2023. This resulted in limited statutory funding in 2023/24, but with the expectation of full restoration during 2024/25.

- **Income generation**

Statutory Funding (NHS)

The operation of the charity is partly funded by NHS England and from the local NHS Integrated Care Board, with the majority of the funds being raised by fundraising activities, the securing of grants and by the receipt of donations and legacies, and the operations of the subsidiary companies.

In the year a total of £1,195,081 was received from the NHS Trust and Commissioning Authorities which equates to 38% of the group's total income in the year. This compared to £999,574 in the previous year (35%).

Business Development

The Business Development team work across the wide geographical area from which the Hospices draw patients. The Business Development team are performance managed against an annual plan.

The charity does not use external professional fundraisers and does not buy, sell or share donor information with any third party. Strict policies and procedures are in place to ensure compliance with fundraising best practice and standards including data protection and the regularity and methods of maintaining contact with donors.

Income from donations and fundraising was £1,486,353 including legacies, this compares to £1,419,507 in 2022/23.

The fundraising and publicity costs are £562,985 equating to 37.9% of gross fundraising income (2022/23 28.7%).

Virtually all the charity's non-NHS income arises from fundraising and public activities including maintaining contact with our many committed supporters. The Hospice is very grateful for all the support it receives, particularly from the local communities we support.

The Trustees are maintaining their investment in the Business Development team and associated costs, as they are confident that this will provide the return on investment required to support the charity and contribute to building a sustainable financial base to ensure the longer-term security of the Charity and the care it provides to its patients and families.

- **Trading subsidiaries**

Butterwick Hospice Retail Limited

Butterwick Hospice Retail Limited is a wholly owned subsidiary which operates charity shops selling predominantly donated goods. It pays all its trading profits to the company by dividend.

In the year Butterwick Hospice Retail Limited generated insufficient profit to pay a dividend to the company, it did however sell items donated to the company which, including Gift Aid reclaimed, raised £140,304 for the company (2022/23 £140,318).

Butterwick Lotteries Limited

Butterwick Lotteries Limited is a wholly owned subsidiary which operates lotteries on behalf of the charity. It pays all its trading profits to the charity by donation.

In the year ended 31 March 2024 Butterwick Lotteries Limited generated £118,352 profit for the charity (2022/23 - £120,730). This reflects a continuing gradual decline in the number of lottery players.

Butterwick Lotteries Limited also administers a lottery on behalf of North East Hospices Lottery Limited (NEHL). NEHL's profits are paid equally under Gift Aid to four local North East Hospices including the Butterwick Hospice at Bishop Auckland. NEHL generated £28,052 for the charity in the period ended 31 March 2024 (2022/23 - £51,413).

- **Going concern**

The main risks to the Charity in fulfilling the defined objectives are:

- CQC rating
- Financial risk in terms of being able to generate sufficient income to cover expenditure and being able to pay its debts as they fall due
- Staffing Recruitment and loss of key personnel

The Senior and Management Teams have progressed the action plan to ensure that the charity complies with regulations and continues to make improvements with the aim of further improving the CQC grading.

Day Care services not falling within the scope of CQC regulation have been deregistered to avoid unnecessary and inappropriate inspection.

Butterwick House has been rated as Good by CQC, Butterwick Hospice Stockton AIPU has now reopened and received a full CQC inspection in May 2024, a revised rating is still awaited. Following the inspection the CQC lifted all restrictions on our services.

In 2024/25 the funding provided by the ICB for the AIPU was reduced by 75% for the period in which only 2 beds were available, full funding was restored from 5th November 2024. The resulting shortfall has been met from charitable reserves which have therefore come under severe strain. A request has been submitted to the ICB for additional funding in line with agreed reference costs from April 2025, along with one off funding in 2024/25 to ensure sufficient working capital is retained going into 2025/26. If this request is unsuccessful Trustees will need to urgently reconsider service delivery. If it is successful trustees are confident that the enhanced funding will allow Butterwick to be sustainable from 2025/26 onwards.

The review of our retail model involving the rationalisation of our shop locations and the addition of larger units in more appropriate locations is expected to increase retail income in 2024/25 and beyond.

Although recruitment is generally still difficult all key positions are now filled and working well. The use of seconded staff from NT&H NHS FT for the AIPU has removed a major area of difficulty and provided an experienced and qualified team who have settled in well. Recruitment of clinical staff for the CIPU remains difficult, limiting our ability to increase patient numbers and income.

The Trustees have reviewed the cash position of the charity for the period to 31st December 2025 and detailed cash flow projections have been prepared and considered along with sensitivity analysis.

The charity has not had to rely on the authorised overdraft and has been able to manage payment of debts as they fall due through the funding received during the year.

After making enquiries, and subject to the provision of additional funding by the ICB, the Trustees have a reasonable expectation that the Charity has adequate reserves to continue in operational existence for the foreseeable future, although it is noted that addition to reserves is required to protect against the risk of unexpected costs. Please also see note 2.2 in the financial statements which gives further information about the expectations on going concern.

Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements.

- **Reserves**

The charitable group's reserves have been depleted as a result of operational deficits in past years coupled with capital expenditure.

At the year-end total group reserves were £2.66m with £790k of this restricted and £1.8m was unrestricted.

Recognising our continued dependence upon unpredictable charitable activity and support the Trustees have concluded that it would be prudent at the current time, to incrementally create a reserve equating to a minimum of three months operational costs. Based on current expenditure levels, three months operational costs amounts to approximately £948k, at 31st March 2024 free reserves were £382k. The Trustees will continue to monitor this in the year 2024/25.

A key priority for the Trustees is to build cash reserves in line with policies.

Future developments

The reopening of the AIPU in August 2023 marked a major step forward for Butterwick in restoring our services and reputation within the community. Very positively, the full inspection of the AIPU by the CQC in May 2024 led to the removal of all restrictions from the service, a report and revised overall rating are still awaited. We remain committed to achieving a minimum rating of 'Good' and will continue our work to ensure this should that be necessary.

Our work with North Tees & Hartlepool NHS Foundation Trust was instrumental in reopening the AIPU and we intend to continue our collaboration to expand and develop the services offered. The Service Level Agreement with the Trust for the provision of staff and services to support the AIPU has worked well and we intend to continue with and build upon this. The partnership has been beneficial to both parties and will be a key element in our plans going forward.

Our relationship with the North East & North Cumbria Integrated Care Board (ICB) has grown stronger with regular meetings and involvement by Butterwick in developing service and contract specifications. We have now moved from grant funding to a contract basis and have adopted the ICB service specification for Palliative & End of Life care services. Plans by the ICB to use a regional reference cost for the supply of services continue and we have requested that our funding is based on the agreed reference cost from 2025/26 onwards. If agreed this would move the funding of our services onto a much more transparent and solid foundation reflecting the actual costs involved.

Hospice generated income remains critical to supporting our work and we expect the investment in our income generation team during 2023/24 to pay dividends in 2024/25. A renewed focus on corporate support has led to increased income and we will be working hard to ensure we retain and build upon our new supporters. Good retention and an annual addition of new supporters will lead to a solid block of corporate funding.

Increased patient numbers across all of our services are a powerful driver of awareness in the community, this in turn becomes a key source of fundraising opportunities. The reopening of the AIPU will be a powerful driver of awareness raising, although the initial restrictions on patient numbers have meant that progress has been slow. Now that the restrictions have been lifted, we expect patient numbers to increase significantly and this will impact positively on community fundraising over the next few years.

The charity retail sector has been moving to a model of larger stores in more accessible locations with parking and other attractions on hand. The opening in February 2024 of the first such store for Butterwick in Bishop Auckland retail park has been successful and our intention is to open further such stores in strategic locations to sit alongside our existing shops providing a local presence and maintaining awareness. Online sales through a number of pre-owned clothing platforms offer the potential to increase margins, we will be increasing our online presence to maximise profitability from higher quality stock. We are committed to growing our retail operations into a major source of funding for the hospice.

It is widely recognised that the whole hospice sector is currently under financial pressure with the vast majority using some element of reserves to maintain services. Intensive lobbying by Hospice UK has increased awareness of this issue and resulted in recognition by the government that the current situation is unsustainable. It is hoped that this will lead to increased funding, although the amount and timing of any decision is unclear.

This makes it all the more important that hospices work together to share best practice and influence commissioning arrangements. Butterwick is an active participant in Hospices North East & North Cumbria, a network of 12 independent hospices within the footprint of the North East & North Cumbria Integrated Commissioning Board. This group has setup a number of working groups across professional disciplines to share expertise and explore best practice. The four hospices within the Tees Valley have also started meeting more regularly as a group to explore ways in which we can work more effectively together and speak with one voice. We expect collaboration to play an increasingly important role in the years to come.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Waltons Business Advisers Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Prof M Bramble

Date: 16/12/24

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTERWICK LIMITED

UNQUALIFIED OPINION

We have audited the financial statements of Butterwick Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2024 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows 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 of the parent charitable company's affairs as at 31 March 2024 and of the Group'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 requirements of the Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 2.2 in the financial statements, which indicates that additional funding is required from the ICB if the group is to continue as a going concern. As stated in note 2.2, these events or conditions, along with the other matters as set forth in the note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is apppropriate. Our evaluation of the Trustees' assessment of the Group's ability to continue to adopt the going concern basis of accounting included discussions with management and a review of the budgets and cash flows prepared for 2024/25 and 2025/26. These were compared to the results to March 2024 as well as post year end results. The budgets rely upon the additional funding from the ICB in relation to 2024/25 being received before 31 March 2025 and additional funding being agreed 2025/26. Without the additional funding in 2024/25 the group is predicted to run out of cash and to run into a negative free reserves position before 31 March 2025. If funding is received in 2024/25 challenges still remain as the Group will have to implement costs reduction plans to enable to it to return to a net surplus position allowing them to rebuild reserves.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTERWICK LIMITED (CONTINUED)

OTHER INFORMATION

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

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent charitable company has not kept sufficient accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company'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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTERWICK LIMITED (CONTINUED)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We gained an understanding of the legal and regulatory framework applicable to the charity and the area in which it operates, and considered the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material mistatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or international misrepresentations, or through collusion.

We identified the greatest potential for fraud in the following areas: recognition and completeness of income and posting of unusual journals. We discussed these risks with management and designed audit procredures to test the recognition and completeness of revenue. We reviewed journals posted around the year end to look for potential "window dressing".

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 auditors' report.

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 auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTERWICK LIMITED (CONTINUED)

USE OF OUR REPORT

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Waltons Business Advisers Limited

Waltons Business Advisers Limited
Maritime House
Harbour Walk
The Marina
Hartlepool
TS24 0UX

Date: 17 December 2024

Waltons Business Advisers Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

BUTTERWICK LIMITED

(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	4	**943,578**	**59,442**	-	**1,003,020**	*944,476*
Charitable activities	5	-	**1,195,081**	-	**1,195,081**	*999,574*
Other trading activities:	6					
Fundraising		**462,369**	**20,964**	-	**483,333**	*475,031*
Trading activities		**448,993**	**(572)**	-	**448,421**	*352,695*
Investments:	8					
Share of joint venture net income		-	**28,052**	-	**28,052**	*51,413*
Investments		**30**	-	-	**30**	*5*
TOTAL INCOME AND ENDOWMENTS		**1,854,970**	**1,302,967**	-	**3,157,937**	*2,823,194*
EXPENDITURE ON:						
Raising funds:	7,9					
Voluntary income		**562,985**	-	-	**562,985**	*407,749*
Fundraising trading		**719,032**	-	-	**719,032**	*524,879*
Charitable activities	10	**406,033**	**2,235,284**	-	**2,641,317**	*1,964,248*
TOTAL EXPENDITURE		**1,688,050**	**2,235,284**	-	**3,923,334**	*2,896,876*
NET INCOME/(EXPENDITURE)		**166,920**	**(932,317)**	-	**(765,397)**	*(73,682)*
Transfers between funds	21	**(838,227)**	**838,227**	-	-	-
NET MOVEMENT IN FUNDS		**(671,307)**	**(94,090)**	-	**(765,397)**	*(73,682)*

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
RECONCILIATION OF FUNDS:						
Total funds brought forward		**2,490,526**	**883,746**	**50,961**	**3,425,233**	*3,498,915*
TOTAL FUNDS CARRIED FORWARD		**1,819,219**	**789,656**	**50,961**	**2,659,836**	*3,425,233*

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

The notes on pages 32 to 55 form part of these financial statements.

BUTTERWICK LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 02979587

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2024

	Note		2024 £		*2023 £*
FIXED ASSETS					
Tangible assets	15		**2,337,727**		*2,433,264*
Investments	16		**4,626**		*4,626*
			2,342,353		*2,437,890*
CURRENT ASSETS					
Stocks	17	**5,494**		*3,047*	
Debtors	18	**318,752**		*369,152*	
Cash at bank and in hand		**932,267**		*998,831*	
		1,256,513		*1,371,030*	
Creditors: amounts falling due within one year	19	**(873,273)**		*(269,965)*	
NET CURRENT ASSETS			**383,240**		*1,101,065*
Creditors: amounts falling due after more than one year	20		**(65,757)**		*(113,722)*
TOTAL NET ASSETS			**2,659,836**		*3,425,233*
CHARITY FUNDS					
Endowment funds	21		**50,961**		*50,961*
Restricted funds	21		**789,656**		*883,746*
Unrestricted funds	21		**1,819,219**		*2,490,526*
TOTAL FUNDS			**2,659,836**		*3,425,233*

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2024

The charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Prof M Bramble

Date: 16/12/24

The notes on pages 32 to 55 form part of these financial statements.

BUTTERWICK LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 02979587

CHARITY BALANCE SHEET
AS AT 31 MARCH 2024

	Note		2024 £		*2023 £*
FIXED ASSETS					
Tangible assets	15		**788,533**		*823,053*
Investments	16		**4,630**		*4,630*
			793,163		*827,683*
CURRENT ASSETS					
Stocks	17	**1,122**		*1,044*	
Debtors	18	**640,434**		*588,685*	
Cash at bank and in hand		**813,175**		*856,319*	
		1,454,731		*1,446,048*	
Creditors: amounts falling due within one year	19	**(768,775)**		*(249,052)*	
NET CURRENT ASSETS			**685,956**		*1,196,996*
Creditors: amounts falling due after more than one year	20		**(65,757)**		*(113,722)*
TOTAL NET ASSETS			**1,413,362**		*1,910,957*
CHARITY FUNDS					
Restricted funds	21		**789,656**		*878,742*
Unrestricted funds	21		**623,706**		*1,032,215*
TOTAL FUNDS			**1,413,362**		*1,910,957*

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2024

The charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Prof M Bramble

Date: 16.12.24

The notes on pages 32 to 55 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	2024 £	*2023* *£*
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash used in operating activities	**(19,521)**	*14,551*
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends, interests and rents from investments	**30**	*5*
Purchase of tangible fixed assets	**(27,160)**	*(69,371)*
Receipts from joint venture	**28,052**	*36,277*
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	**922**	*(33,089)*
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of borrowing	**(47,965)**	*(42,111)*
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	**(66,564)**	*(60,649)*
Cash and cash equivalents at the beginning of the year	**998,831**	*1,059,480*
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**932,267**	*998,831*

The notes on pages 32 to 55 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. GENERAL INFORMATION

The charity is a company limited by guarantee and registered in England and Wales. The members of the charity are the Trustees named on page . In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The registered office address is:

Butterwick Hospice
Middlefield Road
Stockton on Tees
Cleveland
TS19 8XN

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Butterwick Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

The income and expenditure account for the year dealt with in the financial statements of the charity was a deficit of £497,595 (2023: £49,520 surplus).

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Going concern

As outlined in the Trustee Report, the Senior and Management Teams have progressed the action plan to ensure that the charity complies with regulations and continues to make improvements with the aim of further improving the CQC grading.

Butterwick Hospice Stockton AIPU has now reopened and received a full CQC inspection in May 2024, a revised rating is still awaited. Following the inspection the CQC lifted all restrictions on our services.

The review of our retail model, involving the rationalisation of our shop locations and the addition of larger units, reached a key stage during the year with the opening of our first large store in Bishop Auckland. Initial trading has been positive and is expected to be the foundation for increased retail income in 2024/25 and beyond.

In 2024/25 the funding provided by the ICB for the AIPU was reduced by 75% for the period in which only 2 beds were available, full funding was restored from 5th November 2024. The resulting shortfall has been met from charitable reserves which have therefore come under severe strain.

A request has been submitted to the ICB for additional funding in line with agreed reference costs from April 2025, along with one off funding in 2024/25 to ensure sufficient working capital is retained going into 2025/26. If the request is successful trustees are confident that the enhanced funding will allow Butterwick to be sustainable from 2025/26 onwards.

If the request is unsuccessful the cash position will become critical and Trustees will need to urgently consider the ongoing viability of the charity.

The Trustees have reviewed the cash position of the charity for the period to 31st December 2025 and detailed cash flow projections have been prepared and considered along with sensitivity analysis.

After making enquiries, and subject to the provision of the additional funding requested from the ICB, the Trustees have a reasonable expectation that the Charity will have adequate reserves to continue in operational existence for the foreseeable future, although it is noted that addition to reserves is required to protect against the risk of unexpected costs.

Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Income

All 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.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Gifts donated for resale are included as income when they are sold. No amounts are included in the financial statements for services donated by volunteers.

Where goods are donated under the gift aid scheme the charity is not entitled to the income until the goods are sold and the donor has confirmed that they are gifting the proceeds. In this case the income is included as a donation rather than as a sale.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

2.5 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

2. ACCOUNTING POLICIES (CONTINUED)

2.5 Tangible fixed assets and depreciation (continued)

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- over 50 years
Long term leasehold property	- over 50 years, the period of the lease or until the first break clause
Short-term leasehold property	- over 5 years
Furniture & Equipment	- over 4 to 10 years
Motor vehicles	- over 5 years

2.6 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

Investments in joint ventures are stated at the amount of the Group's share of net assets. The consolidated statement of financial activities includes the Group's share of the joint ventures' net income or expenditure using the equity accounting basis. As the joint venture is a charity, the investment is presented within restricted funds.

2.7 Stocks

Stock of unsold donated goods are not valued for balance sheet purposes. Stocks of merchandise are valued at the lower of cost and net realisable value.

2.8 Debtors

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

2.9 Cash at bank and in hand

Cash at bank and 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.

2.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2. ACCOUNTING POLICIES (CONTINUED)

2.11 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.12 Pensions

The charity contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payment obligations.

The contributions are recognised as an expense in the statement of financial activity when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the charity in independently administered funds.

2.13 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. These estimates and judgments are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements the Trustees have used the going concern basis of accounting.

As explained in note 2.2 the charity faces a number of challenges and has requested additional funding from the ICB.

If the request is successful trustees are confident that the enhanced funding will allow Butterwick to be sustainable from 2025/26 onwards.

If the request is unsuccessful the cash position will become critical and Trustees will need to urgently consider the ongoing viability of the charity.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Donations	**338,584**	**11,890**	**350,474**	*443,343*
Legacies	**566,494**	**-**	**566,494**	*398,211*
Grants	**38,500**	**47,552**	**86,052**	*102,922*
	943,578	**59,442**	**1,003,020**	*944,476*
Total 2023	*882,998*	*61,478*	*944,476*	

5. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Stockton on Tees Hospice	**247,155**	**247,155**	*119,108*
Bishop Auckland Hospice	**529,859**	**529,859**	*519,249*
Childrens Hospice	**418,067**	**418,067**	*361,185*
National Health Service England	**-**	**-**	*32*
	1,195,081	**1,195,081**	*999,574*
Total 2023	*999,574*	*999,574*	

Included within the balance above is £NIL (*2023:* £32) received from NHSE (National Health Service England).

The NHSE awarded funding to provide bed capacity and community support from November 2020 to March 2021 and then again from December 2021 to March 2022 for the same purpose.

6. FUNDRAISING INCOME

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Other charitable income	187,433	20,764	208,197	*160,284*
Bishop Auckland Hospice	10,728	-	10,728	*14,737*
Childrens Hospice	15,255	200	15,455	*8,828*
Lottery	248,953	-	248,953	*291,182*
Total 2024	462,369	20,964	483,333	*475,031*
Total 2023	*472,697*	*2,334*	*475,031*	

7. TRADING ACTIVITIES

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Charity trading income				
Charity shops	441,203	-	441,203	*334,435*
Other trading activities	7,790	(572)	7,218	*18,260*
	448,993	(572)	448,421	*352,695*
Fundraising trading expenses				
Charity shops	377,989	-	377,989	*232,910*
Wages and salaries	340,989	-	340,989	*291,049*
Depreciation	54	-	54	*920*
	719,032	-	719,032	*524,879*
Net (expenditure)/income from trading activities	(270,039)	(572)	(270,611)	*(172,184)*
Total 2023	*(174,895)*	*2,711*	*(172,184)*	

The £572 relates to a credit note issued for prior year aromatherapy services where the service was never delivered due to covid.

8. INVESTMENT INCOME

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Share of joint venture net income	-	**28,052**	**28,052**	*51,413*
Investment income	**30**	-	**30**	*5*
	30	**28,052**	**28,082**	*51,418*
Total 2023	*5*	*51,413*	*51,418*	

9. COST OF RAISING FUNDS

	Unrestricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Fundraising	**110,664**	**110,664**	*56,938*
Lottery	**108,262**	**108,262**	*138,897*
Wages and salaries	**344,059**	**344,059**	*211,914*
Total 2024	**562,985**	**562,985**	*407,749*
Total 2023	*407,749*	*407,749*	

10. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Stockton on Tees Hospice	**292,875**	**1,305,802**	**1,598,677**	*1,114,256*
Bishop Auckland Hospice	**113,158**	**379,741**	**492,899**	*411,644*
Childrens Hospice	-	**549,741**	**549,741**	*438,348*
	406,033	**2,235,284**	**2,641,317**	*1,964,248*
Total 2023	*351,381*	*1,612,867*	*1,964,248*	

11. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2024 £	Support costs 2024 £	Total funds 2024 £	*Total funds 2023 £*
Stockton on Tees Hospice	**916,842**	**681,835**	**1,598,677**	*1,114,256*
Bishop Auckland Hospice	**281,456**	**211,443**	**492,899**	*411,644*
Childrens Hospice	**410,039**	**139,702**	**549,741**	*438,348*
	1,608,337	**1,032,980**	**2,641,317**	*1,964,248*
Total 2023	*1,065,090*	*899,158*	*1,964,248*	

11. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Stockton on Tees Hospice 2024 £	Bishop Auckland Hospice 2024 £	Childrens Hospice 2024 £	Total funds 2024 £	*Total funds 2023 £*
Wages and salaries	**327,340**	**254,171**	**393,046**	**974,557**	*895,302*
Patient care	**77,768**	**16,538**	**11,354**	**105,660**	*124,383*
Premises	**21,324**	**5,806**	**4,156**	**31,286**	*10,086*
Occupational health	**-**	**-**	**250**	**250**	*731*
Staff travel	**1,831**	**2,230**	**12**	**4,073**	*3,303*
Volunteer travel	**437**	**1,036**	**-**	**1,473**	*1,169*
Recruitment	**-**	**-**	**-**	**-**	*767*
Training & education	**929**	**125**	**1,221**	**2,275**	*2,270*
Clinical supervision	**-**	**1,550**	**-**	**1,550**	*2,540*
Administration costs	**25,710**	**-**	**-**	**25,710**	*8,101*
NHS charges	**461,503**	**-**	**-**	**461,503**	*-*
Exceptional expenses	**-**	**-**	**-**	**-**	*16,438*
	916,842	**281,456**	**410,039**	**1,608,337**	*1,065,090*
Total 2023	*360,033*	*318,230*	*386,827*	*1,065,090*	

11. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Stockton on Tees Hospice 2024 £	Bishop Auckland Hospice 2024 £	Childrens Hospice 2024 £	Total funds 2024 £	*Total funds 2023 £*
Staff costs	**352,007**	**110,902**	**85,071**	**547,980**	*435,093*
Depreciation	**76,459**	**28,773**	**11,516**	**116,748**	*109,935*
Patient care	**1,327**	**-**	**-**	**1,327**	*409*
Premises	**94,757**	**47,665**	**40,240**	**182,662**	*173,768*
Staff travel	**2,799**	**-**	**-**	**2,799**	*4,234*
Volunteer travel	**-**	**-**	**-**	**-**	*218*
Recruitment	**1,331**	**-**	**-**	**1,331**	*1,081*
Training & education	**8,571**	**238**	**-**	**8,809**	*9,892*
Administration costs	**3,658**	**152**	**-**	**3,810**	*6,945*
Bank charges	**14,276**	**-**	**-**	**14,276**	*16,805*
Telephone & fax	**5,619**	**2,661**	**57**	**8,337**	*9,625*
Printing postage & stationery	**4,494**	**482**	**303**	**5,279**	*3,654*
Insurance	**46,422**	**-**	**-**	**46,422**	*37,325*
IT & Internet costs	**38,650**	**11,888**	**2,515**	**53,053**	*57,864*
Equipment maintenance	**13,239**	**8,682**	**-**	**21,921**	*17,809*
Audit fees	**18,226**	**-**	**-**	**18,226**	*14,501*
	681,835	**211,443**	**139,702**	**1,032,980**	*899,158*
Total 2023	*754,223*	*93,414*	*51,521*	*899,158*	

Support costs which are split over more than one area have been split based on staff time.

During the year ended 31 March 2024, the charity incurred the following Governance costs:

£66,312 (2023 - £99,328) included within the table above in respect of Direct & Support costs - Stockton on Tees Hospice.

£17,470 (2023 - £NIL) included within the table above in respect of Direct & Support costs - Bishop Auckland Hospice.

£15,141 (2023 - £NIL) included within the table above in respect of Direct & Support costs - Childrens Hospice.

12. AUDITORS' REMUNERATION

	2024 £	2023 £
Fees payable to the group's auditor for the audit of the group's annual accounts	**13,220**	*12,470*
Fees payable to the charity's auditor in respect of:		
All non-audit services not included above	**5,140**	*5,300*

13. STAFF COSTS

	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Wages and salaries	**1,954,356**	*1,649,207*	**1,622,090**	*1,354,364*
Social security costs	**142,880**	*115,836*	**120,710**	*97,179*
Contribution to defined contribution pension schemes	**110,349**	*68,315*	**101,457**	*61,371*
	2,207,585	*1,833,358*	**1,844,257**	*1,512,914*

The average number of persons employed by the charity during the year was as follows:

	Group 2024 No.	Group 2023 No.	Charity 2024 No.	Charity 2023 No.
Childrens Hospice	**13**	*19*	**13**	*19*
Stockton Adults	**46**	*49*	**46**	*49*
Bishop Auckland Hospice	**16**	*18*	**16**	*18*
Butterwick Lottery	**2**	*5*	**-**	*-*
Butterwick Retail	**16**	*16*	**-**	*-*
	93	*107*	**75**	*86*

No employee received remuneration amounting to more than £60,000 in either year.

Total remuneration of key management personnel in the year was £175,558 (2023: £200,476).

14. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits *(2023 - £NIL)*.

During the year ended 31 March 2024, no Trustee expenses have been incurred *(2023 - £NIL)*.

15. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Long-term leasehold property £	Short-term leasehold property £	Furniture and equipment £	Motor vehicles £	Total £
Cost						
At 1 April 2023	1,074,026	2,899,520	35,105	1,313,067	40,562	5,362,280
Additions	-	-	-	27,160	-	27,160
Disposals	-	-	-	-	(9,165)	(9,165)
At 31 March 2024	1,074,026	2,899,520	35,105	1,340,227	31,397	5,380,275
Depreciation						
At 1 April 2023	443,847	1,208,823	35,105	1,206,303	34,938	2,929,016
Charge for the year	24,338	59,911	-	32,824	-	117,073
On disposals	-	-	-	-	(3,541)	(3,541)
At 31 March 2024	468,185	1,268,734	35,105	1,239,127	31,397	3,042,548
Net book value						
At 31 March 2024	605,841	1,630,786	-	101,100	-	2,337,727
At 31 March 2023	*630,179*	*1,690,697*	-	*106,764*	*5,624*	*2,433,264*

15. TANGIBLE FIXED ASSETS (CONTINUED)

Charity

	Freehold property £	Long-term leasehold property £	Furniture and equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2023	**1,074,026**	**132,551**	**1,297,741**	**31,397**	**2,535,715**
Additions	**-**	**-**	**27,160**	**-**	**27,160**
At 31 March 2024	**1,074,026**	**132,551**	**1,324,901**	**31,397**	**2,562,875**
Depreciation					
At 1 April 2023	**443,847**	**44,372**	**1,193,046**	**31,397**	**1,712,662**
Charge for the year	**24,338**	**4,572**	**32,770**	**-**	**61,680**
At 31 March 2024	**468,185**	**48,944**	**1,225,816**	**31,397**	**1,774,342**
Net book value					
At 31 March 2024	**605,841**	**83,607**	**99,085**	**-**	**788,533**
At 31 March 2023	*630,179*	*88,179*	*104,695*	*-*	*823,053*

16. FIXED ASSET INVESTMENTS

Group	Listed investments £	Investment in joint ventures £	Total £
Cost			
At 1 April 2023	4,625	1	4,626
At 31 March 2024	4,625	1	4,626

charity	Investments in subsidiary companies £	Listed investments £	Investment in joint ventures £	Total £
Cost				
At 1 April 2023	4	4,625	1	4,630
At 31 March 2024	4	4,625	1	4,630

16. FIXED ASSET INVESTMENTS (CONTINUED)

PRINCIPAL SUBSIDIARIES AND JOINT VENTURES

The following were subsidiary undertakings of the charity:

Names	Company number	Charity registration number	Basis of control	Holding
Butterwick Hospice Retail Limited	02775096		Shares	100%
Butterwick Lotteries Limited	03141067		Shares	100%
John Butterwick Trust Day Care Centre and Hospice		515705	Sole Trustee	-%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £
Butterwick Hospice Retail Limited	**508,737**	**(720,146)**	**(211,409)**
Butterwick Lotteries Limited	**248,953**	**(130,601)**	**118,352**
John Butterwick Trust Day Care Centre and Hospice	**53**	**(56,446)**	**(56,393)**

The net assets of the subsidiaries at the 31 March 2024 were:

Names	Net assets/(liabilities) £
Butterwick Hospice Retail Limited	(345,037)
Butterwick Lotteries Limited	2
John Butterwick Trust Day Care Centre and Hospice	1,591,513

The following was a joint venture of the charity:

Name	Holding
North East Hospices Lottery Limited	**25%**

North East Hospices Lottery Limited's principal activity is the operation of a lottery. It has agreed to pay all of its trading profits equally to the four hospices which own it.

17. STOCKS

	Group 2024 £	*Group 2023 £*	Charity 2024 £	*Charity 2023 £*
Merchandise	**4,372**	*2,003*	**-**	*-*
Stamps	**314**	*236*	**314**	*236*
Fundraising stock	**808**	*808*	**808**	*808*
	5,494	*3,047*	**1,122**	*1,044*

18. DEBTORS

	Group 2024 £	*Group 2023 £*	Charity 2024 £	*Charity 2023 £*
Amounts owed by group undertakings	**-**	*-*	**385,564**	*-*
	-	*-*	**385,564**	*-*
Trade debtors	**96,291**	*182,431*	**78,764**	*170,789*
Amounts owed by group undertakings	**-**	*-*	**19,198**	*289,187*
Other debtors	**147,809**	*100,956*	**123,080**	*82,718*
Prepayments and accrued income	**74,652**	*85,765*	**33,828**	*45,991*
	318,752	*369,152*	**640,434**	*588,685*

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2024 £	*Group 2023 £*	Charity 2024 £	*Charity 2023 £*
Bank loans	**50,000**	*50,000*	**50,000**	*50,000*
Trade creditors	**639,716**	*58,794*	**599,414**	*41,615*
Amounts owed to group undertakings	**3,882**	-	**47,486**	*42,429*
Other taxation and social security	**34,093**	*28,777*	**34,093**	*28,777*
Other creditors	**69,551**	*38,651*	**18,045**	*37,930*
Accruals and deferred income	**76,031**	*93,743*	**19,737**	*48,301*
	873,273	*269,965*	**768,775**	*249,052*

The bank loan consists of a bounce back loan and a fixed term loan. The fixed term loan is secured by way of a legal charge over the assets of the charity.

	Group 2024 £	*Group 2023 £*	*Charity 2023 £*
Deferred income at 1 April 2023	**40,090**	*50,148*	-
Resources deferred during the year	**38,826**	*40,090*	-
Amounts released from previous periods	**(40,090)**	*(50,148)*	-
	38,826	*40,090*	-

Deferred income represents Lottery payments received in advance.

20. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2024 £	*Group 2023 £*	Charity 2024 £	*Charity 2023 £*
Bank loans	**65,757**	*113,722*	**65,757**	*113,722*

21. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2023 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2024 £
Unrestricted funds					
General Funds	2,624,154	1,097,280	(838,475)	(718,705)	2,164,254
Funds within non charitable subsidiaries	(133,628)	757,690	(849,575)	(119,522)	(345,035)
	2,490,526	1,854,970	(1,688,050)	(838,227)	1,819,219
Endowment funds					
Endowment Funds	50,961	-	-	-	50,961
Restricted funds					
Bishop Auckland Hospice	365,250	529,859	(370,799)	(197,641)	326,669
Stockton on Tees Hospice	89,316	326,789	(1,304,418)	978,351	90,038
Children's Hospice	75,226	418,267	(549,741)	85,569	29,321
Dignity in Care Bishop Auckland Hospice	29,627	-	(1,702)	-	27,925
Dignity in Care Stockton on Tees Hospice	49,196	-	(1,384)	-	47,812
Outpatient Supportive Services Bishop Auckland	275,130	-	(7,240)	-	267,890
Funds in joint venture	1	28,052	-	(28,052)	1
	883,746	1,302,967	(2,235,284)	838,227	789,656
Total of funds	3,425,233	3,157,937	(3,923,334)	-	2,659,836

21. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2022 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 March 2023* £
Unrestricted funds					
General Funds	*2,641,926*	*964,977*	*(594,102)*	*(388,647)*	*2,624,154*
Funds within non charitable subsidiaries	*(61,538)*	*740,707*	*(689,907)*	*(122,890)*	*(133,628)*
	2,580,388	*1,705,684*	*(1,284,009)*	*(511,537)*	*2,490,526*
Endowment funds					
Endowment Funds	*50,961*	-	-	-	*50,961*
Restricted funds					
Bishop Auckland Hospice	*371,280*	*542,986*	*(342,415)*	*(206,601)*	*365,250*
Stockton on Tees Hospice	*92,347*	*121,474*	*(822,646)*	*698,141*	*89,316*
Children's Hospice	*40,527*	*401,637*	*(438,348)*	*71,410*	*75,226*
Dignity in Care Bishop Auckland Hospice	*30,461*	-	*(834)*	-	*29,627*
Dignity in Care Stockton on Tees Hospice	*50,580*	-	*(1,384)*	-	*49,196*
Outpatient Supportive Services Bishop Auckland	*282,370*	-	*(7,240)*	-	*275,130*
Funds in joint venture	*1*	*51,413*	-	*(51,413)*	*1*
	867,566	*1,117,510*	*(1,612,867)*	*511,537*	*883,746*
Total of funds	*3,498,915*	*2,823,194*	*(2,896,876)*	-	*3,425,233*

STATEMENT OF FUNDS (CONTINUED)

The **Bishop Auckland Hospice** fund operates to raise funds for the day to day running of a hospice at Bishop Auckland. A transfer has been made from this into general to fund the core team which is essential to ensure compliance and the safe provision of services.

The **Stockton on Tees Hospice** fund operates to raise funds for the day to day running of a hospice at Stockton on Tees. This is the largest cost and one of the primary charitable activities and income raised from unrestricted events and donations made without restrictions helps to fund this area.

The **Children's Hospice** fund operates to raise funds for the day to day running of the children's hospice at Stockton on Tees. This is partially funded by a grant from NHS England. A transfer has been made from unrestricted funds to help fund this area.

The **Dignity in Care** and **Outpatient Supportive Services** funds represent grants provided by the Department of Health to help fund improvements to the hospices. Fixed asset expenditure when incurred and depreciation of those assets is charged to the appropriate fund over the life of the asset.

The **Endowment fund** was created through the gift of the original hospice building. This was subsequently sold and the proceeds and related gains have been reinvested in the existing hospice premises.

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Tangible fixed assets	1,498,233	788,533	50,961	2,337,727
Fixed asset investments	4,626	-	-	4,626
Current assets	1,245,670	10,843	-	1,256,513
Creditors due within one year	(863,553)	(9,720)	-	(873,273)
Creditors due in more than one year	(65,757)	-	-	(65,757)
TOTAL	1,819,219	789,656	50,961	2,659,836

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	Unrestricted funds 2023 £	*Restricted funds 2023* £	*Endowment funds 2023* £	*Total funds 2023* £
Tangible fixed assets	*1,559,252*	*823,051*	*50,961*	*2,433,264*
Fixed asset investments	*4,626*	-	-	*4,626*
Current assets	*1,290,564*	*80,466*	-	*1,371,030*
Creditors due within one year	*(250,194)*	(19,771)	-	*(269,965)*
Creditors due in more than one year	(113,722)	-	-	*(113,722)*
TOTAL	2,490,526	883,746	50,961	*3,425,233*

23. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2024 £	*Group 2023* £
Net expenditure for the period (as per Statement of Financial Activities)	**(765,397)**	*(73,682)*
Adjustments for:		
Depreciation charges	**117,073**	*111,405*
Dividends, interests and rents from investments	**(30)**	*(5)*
Loss on the sale of fixed assets	**5,624**	-
Decrease/(increase) in stocks	**(2,447)**	*2,308*
Decrease/(increase) in debtors	**50,400**	*(3,046)*
Increase in creditors	**603,308**	*13,848*
Receipts from joint venture	**(28,052)**	*(51,413)*
Joint venture debtor movement	**-**	*15,136*
Net cash provided by/(used in) operating activities	**(19,521)**	*14,551*

24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2024 £	*Group 2023 £*
Cash in hand	**932,267**	*998,831*
Total cash and cash equivalents	**932,267**	*998,831*

25. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2023 £	Cash flows £	At 31 March 2024 £
Cash at bank and in hand	**998,831**	**(66,564)**	**932,267**
Bank loan within 1 year	**(50,000)**	**-**	**(50,000)**
Bank loan over 1 year	**(113,722)**	**47,965**	**(65,757)**
	835,109	**(18,599)**	**816,510**

26. CAPITAL COMMITMENTS

	Group 2024 £	*Group 2023 £*	Charity 2024 £	*Charity 2023 £*
Contracted for but not provided in these financial statements				
Acquisition of intangible assets	**-**	*6,363*	**-**	*6,363*

27. PENSION COMMITMENTS

The group contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund.

Some clinical staff are members of the NHS Pension Scheme and contributions are determined by the government actuary. The NHS Pension Scheme is an unfounded occupational scheme backed by the Exchequer.

The pension cost charge represents contributions payable by the group to the fund and amounted to £110,349 (*2023 - £68,315*). Contributions totalling £13,893 (*2023- £14,261*) payable to the fund at the balance sheet date and are included in creditors.

28. RELATED PARTY TRANSACTIONS

During the year Butterwick Lotteries Limited provided managment services amounting to £nil (2023 - £18,225) to North East Hospices Lottery Limited on an arms length commercial basis.

At 31 March 2024, £nil (*2023 - £625*) was due to Butterwick Limited from Eastern Ravens Trust, a company with a director in common.

BUTTERWICK LIMITED

England & Wales - Charity number 1044816

Accounts

Registered number: 02979587
Charity number: 1044816

BUTTERWICK LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

BUTTERWICK LIMITED
(A company limited by guarantee)

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BUTTERWICK LIMITED

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2023

Trustees

J P Bury, Chairman (resigned 24 August 2022)
Prof M Bramble
B Carr
Dr B P Corbett (appointed 11 July 2022)
D Crew
Y V Evans
S R Grant
T A Lenehan
L Cooke (resigned 25 May 2022)
P Walker (resigned 13 May 2022)

Company registered number

02979587

Charity registered number

1044816

Registered office

Butterwick Hospice, Middlefield Road, Stockton On Tees, Cleveland, TS19 8XN

Company secretary

S R Grant

Chief executive officer

E Gorringe (appointed 24 October 2022)

Independent auditors

Waltons Business Advisers Limited, Maritime House, Harbour Walk, The Marina, Hartlepool, TS24 0UX

Bankers

Barclays Bank plc, 49 High Street, Stockton on Tees, TS18 1AH

Solicitors

Knights PLC, Lakeside House, Kingfisher Way, Stockton on Tees, TS18 3NB

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

The Trustees present their annual report together with the audited financial statements of the charity and group for the year 1 April 2022 to 31 March 2023. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the charity qualify as small under section 383 of the Companies Act 2006, the group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

FOUNDER

The charity was founded by Mrs Mary Butterwick OBE who sadly died, aged 91, on 30th September 2015.

Mrs Butterwick's initial vision, personal self-sacrifice and tenacity, coupled with her close interest in the work of the Hospice which continued until her death, ensures her considerable legacy, in the charity which bears her family name, for the benefit of the community which we freely serve.

STRUCTURE, GOVERNANCE AND MANAGEMENT

● Governing document

Butterwick Limited is a charitable company limited by guarantee (incorporated October 1994) and as such is governed by a Memorandum and Articles of Association. It was registered by the Charity Commission on 7th March 1995, registration number 1044816.

● Methods of appointment or election of Trustees

The Trustees are drawn from a variety of disciplines with the aim of ensuring that the company has strong and informed leadership. During 22-23 there were 7 Trustees all of which stepped down from their term of office in 22-23 and were re-appointed. In order to increase overall Trustee numbers and target specific expertise the organisation is in the process of recruiting additional Trustees.

When a vacancy occurs, the Chairman undertakes a skills audit to ascertain what particular expertise and background is desirable and the post is advertised through the normal recruitment channels to identify suitable candidates who are then interviewed and appointed, once due diligence checks have been carried out. We maintain a split of trustees with clinical and medical experience and business experience to ensure all aspects of the business are appropriately scrutinised.

Trustees are given a general induction on joining the Board, and regular refresher training to maintain statutory and mandatory requirements.

The Trustees receive formal papers and reports. They are kept abreast of news and developments within the wider charity and hospice world by the receipt of regular briefings and the circulation of relevant Charity Commission and other publications. Trustees are also given the opportunity of attending appropriate local and national seminars and conferences.

The Trustees continue to review the company's governance arrangements, including the term of office of trustees, and to consider models of best practice.

The Trustees have agreed to comply with the Charity Governance Code.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

● Organisational structure and decision-making policies

The charity operates using the name Butterwick Hospice Care incorporating Butterwick Hospice, Stockton on Tees; Butterwick Hospice at Bishop Auckland and Butterwick House Children's Hospice.

The charity is organised so that the Trustees meet quarterly to manage its affairs; the Trustees receive quarterly written reports from the Chief Executive and the Senior Leadership Team, which incorporate management accounts and reports on the charity's activities and progress in meeting pre-identified objectives.

There are two sub-committees, chaired by Trustees which meet quarterly; the Business Committee, and the Quality, Safety and Risk Committee. The minutes of both committee meetings are circulated to all Trustees for consideration at their quarterly meetings.

The Business Committee has general oversight of non-clinical matters including Finance, Business Development, Retail, Human Resources, Voluntary Services, Health and Safety, Risk Management, Estates and Facilities. It is chaired by a Trustee, a Chartered Accountant, and typically a further two trustees are members. It is attended by the Chief Executive, the Director of Finance and Business Services, Director of Income Generation and HR Manager, members of the charity's non-clinical Senior Leadership team. A key role of the committee is to scrutinise the charity's budgets and recommend the same for approval by the Board. Secondly, the committee reviews the charity's detailed quarterly management accounts showing actual income and expenditure compared to budget, along with future projections.

The Quality, Safety and Risk Committee, which also acts as the Clinical Governance Committee, has general oversight of all matters of a clinical nature including patient related health, safety and risk management, quality, audit and the development, delivery and monitoring of patient services. It is chaired by a clinically qualified Trustee, attended typically by four additional Trustees with clinical expertise, the Chief Executive, and the Director of Care. This meeting is also attended by the clinical leads of both adult and children's services, the compliance manager, and the quality and governance lead.

● Changes during the year

Hospice Services

An acting Chief Executive was appointed in October 2022 and made substantive in April 2023 following the resignation of the previous post-holder.

Work on preparing to reopen the Adult Inpatient Unit (AIPU) continued throughout the year, including a key project with North Tees and Hartlepool NHS Foundation Trust (NT&H NHS FT) to develop and implement a model of care provision that was reflective of the needs of the local community.

In order to achieve this Butterwick Hospice applied to the Care Quality Commission (CQC), in March 2023, to vary one of the conditions in place on the registration. At the end of June Butterwick Hospice was notified that the application had been approved, which meant that the AIPU could admit 2 patients that were known to the provider or NT&H NHS FT for respite or non-complex end of life care.

The AIPU is a nurse led unit, with consultant oversight and support. Clinical Nurse Specialists, Registered Nurses, and Health Care Assistants have been seconded from NT&H NHS FT to staff the AIPU, and these staff were in place for their induction from 14th August 2023.

The first patient was welcomed to the reopened AIPU on 21st August 2023.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

An application to vary the previous CQC restrictions on Butterwick House (Stockton), our Childrens Inpatient Unit, was submitted in March 2022. The notice of decision came into effect on 8th September 2022 and allowed an increase in admissions from 2 children to 4 at any one time – and one of the children could be a new referral not previously known to the provider.

A CQC inspection of Butterwick House took place in August 2022 resulting in an overall rating of Good.

Retail:

During the year the charity shops continued to recover from the impact of COVID, although recruitment of volunteers still remains a challenge. A review of operations in 21/22 had led to the closure of the central warehouse in February 2022, this was completed successfully reducing retail overheads in 22/23.

A review of profitability led to the closure of two shops, one in Yarm and one in Stockton, in June 2022. Plans are in place to introduce larger stores in established retail sites, these will act as flagship shops and allow a greater range of goods to be sold. The lease on the first such shop was signed in November 2023 with an opening date in early 2024.

Butterwick Lotteries Limited and North East Hospices Lottery (NEHL)

In August 2022 day-to-day management of the Butterwick Lottery was outsourced to Starvale Lotteries, a company with over 25 years experience of the management, administration and development of lotteries. This provided robust structures and dedicated professional expertise to ensure the lottery was appropriately run and benefits maximised.

In June 2023 a new prize structure was recommended and adopted incorporating a roll-over prize resulting in greater player participation and profitability.

- **Pay policy for key management personnel**

The charity is heavily dependent upon the skills, dedication and commitment of all its staff, including the senior staff team, who provide day to day direction, leadership and management to what is a substantial and complex organisation. The Trustees recognise the necessity of setting remuneration levels which enable the retention and, when necessary, the recruitment of suitably qualified staff taking into account, where applicable, local comparable posts.

A remuneration group has been established to review salaries and benefits and ensure equity of pay and conditions for every member of staff. When any post becomes vacant it is scrutinised to ensure its effectiveness and suitability in the organisation, salaries are reviewed and benchmarked in advance of any post being advertised. Salaries of senior staff are agreed by the Trustees following a benchmarking exercise.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

● Relationships with other charities and organisations

Within its charitable objectives and resources, the charity seeks to play a leading role within the local healthcare and voluntary sectors in the geographical and specialist areas in which it operates.

Over the last year, Butterwick Hospice Care has developed a good relationship with several other charities and organisations, and has contributed to sharing of good practice.

The charity in particular works closely and productively with the local NHS Integrated Care Board, the local NHS Foundation Trusts, with neighbouring hospices and other local charities. The charity is also a member of Hospices North East and North Cumbria (HNENC) a collaborative of the twelve independent hospices in the north east of England.

The charity continues to look for opportunities where we can work with local Universities and other education institutions in providing training, education and placement opportunities at both undergraduate and post graduate level to healthcare professionals.

Butterwick Hospice Care collaborated with Teesside University resulting in 2 dietetic students commencing a 13-week placement from the end of May 2022. The students supported Butterwick with the development of nutritionally balanced menus for the in-patient units and also ensured that the soft and pureed diets were suitable for children.

Nationally, in particular, the charity works with Hospice UK, which is a national membership charity working on behalf of the hospice movement and Together for Short Lives which is a membership charity working on behalf of children's hospices.

● Risk management

The charity routinely reviews its risk register and has aligned it with the best practice guidance produced by the Charity Commission. The charity has policies, procedures, systems and controls in place to mitigate operational risks.

Five key areas of risk have been identified which are subject to rigorous risk assessment and management:

- Governance including systems and processes
- Operational covering clinical and non-clinical
- Financial: including income generation, budgetary control, cashflow and insurance
- Regulation and Compliance relating to CQC, Health and Safety and legal requirements
- External including national pay bodies and IT operating systems

The Business Continuity Plan has been reviewed and updated. There are on call rotas in place that ensure that clinical and non-clinical staff are supported out of normal office hours.

A risk awareness culture is embedded within the day to day working methods and thinking of the charity's staff and volunteers and this is reflected in the role of the Quality and Compliance Manager who oversees all elements of risk management in collaboration with the Quality and Governance lead.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

OBJECTIVES AND ACTIVITIES

● Policies and objectives

The aims and objectives of the charity as set out in the Memorandum of Association (as amended in January 1995) are:

- Provision of palliative care and services for patients suffering from life threatening and limiting illness.
- The operation of facilities to provide palliative services for residential, day care and community.
- The advancement of education and training for all those concerned with the provision of palliative care, and for the general public.

The Trustees have considered the Charity Commission's guidance on public benefit when reviewing the company's aims and objectives and in planning future activities.

In meeting its charitable objectives:

Butterwick Hospice Care endeavours to freely provide an excellence in evidence-based specialist and holistic palliative care for all patients regardless of age or diagnosis; to be a centre of expertise and a specialist resource within the community as a whole. However, BHC recognises that we need to approach and progress service improvements with a sense of urgency.

The care is provided by a skilled multidisciplinary team and is supported by a wider organisation of administrative, finance and business development staff and a dedicated team of volunteers.

In doing this the company operates in three distinct areas:

1. Butterwick Hospice, Stockton on Tees (In patient unit closed 1st February 2022 to 20th August 2023 but all other adult services remained operative)
2. Butterwick Hospice in Bishop Auckland
3. Butterwick House Children's Hospice, Stockton on Tees

In all areas of operation, the charity provides a comprehensive range of services to patients and their families including specialist medical and nursing care, complementary and other therapies, bereavement and spiritual support, and counselling.

The charity seeks to optimise the use of its facilities and make best use of the resources which it expends. Detailed records of patient related activity are maintained and the Trustees receive regular reports in this respect.

The charity continues to work closely with other healthcare providers (both voluntary organisations and the National Health Service) to ensure that its current services and developments align with national and locally identified priorities.

● Activities undertaken to achieve objectives

Butterwick Hospice, Stockton on Tees

This is an eight bedded in-patient unit (in-patient residential unit temporarily closed 1st February 2022 to 20th August 2023) and day care facilities. While the inpatient unit remained closed the day care facilities gradually returned to pre-COVID patterns of working and reintroduced services suspended during the pandemic.

OBJECTIVES AND ACTIVITIES (continued)

Butterwick Hospice at Bishop Auckland

The Hospice in Bishop Auckland serves a mainly dispersed rural community, in doing so the charity has developed, in partnership with statutory and other voluntary bodies, services which meet these distinct needs.

The Hospice in Bishop Auckland serves the communities of Sedgefield, Wear Valley, Weardale and Teesdale, and as at the Stockton Hospice, provides an appointment-based Day Hospice service in Bishop Auckland. During the year the day care facilities gradually returned to pre-COVID patterns of working and reintroduced services suspended during the pandemic.

Recognising the distinct healthcare needs of the area, the charity has also facilitated the delivery of specialist neurological services focused on patients, in particular those suffering from Multiple Sclerosis, and their carers.

The charity also operates a Home Care Service which supports patients, on a 24-hour basis, and their carers in their own homes.

The charity is working closely with the Integrated Care Board and other voluntary sector organisations to further address the palliative care needs in the area.

Butterwick House Children's Hospice

Butterwick House cares for children from birth, teenagers and young adults to a maximum age of twenty-five.

Based in Stockton-on-Tees, patients accessing Butterwick House are drawn from a wide geographical area from North Yorkshire in the South, Teesside, County Durham and Wearside in the North.

Butterwick House is a six bedded unit, four beds for children and two beds specifically designed for young adults aged 18 to 25 years, which primarily offers planned specialist respite care.

- **Staff and volunteers**

To enable The Charity to achieve its charitable objectives, including the generation of sufficient financial resources to fund its activities, the charity and its trading subsidiaries, as at 31st March 2023, employed 93 staff. The charity additionally had the generous support of some 120 volunteers who assist in every area of the charity's activities.

The charity recognises and acknowledges that it is dependent upon staff and volunteers, who have the necessary training and expertise, if it is to meet the needs of the patients which it serves and their families and carers. To this end the charity invests both in initial induction training and ongoing continuing development for all staff and volunteers.

The charity is supported by volunteers in every area of its activities including clinical, support services and income generation. Their contribution to the work of the charity is considerable in financial terms. However, their greatest value is that they represent the community that supports Butterwick Hospice Care and for their dedication we offer our sincere thanks. The charity has seen a significant reduction in the number of volunteers as a consequence of the pandemic.

In many areas of the charity's work, the demands can be both emotionally and physically draining. Staff and volunteers are dedicated and habitually "go the extra mile" as is reflected in the many letters of appreciation which we receive. In supporting and equipping staff and volunteers to meet these demands, the charity provides a range of mechanisms ranging from informal peer support to Clinical Supervision.

OBJECTIVES AND ACTIVITIES (continued)

All members of staff have an annual appraisal and regular one to one meetings which allows the opportunity to discuss work related issues, the needs of the charity and ongoing personal development.

The charity is proud of the skills, dedication and loyalty of its staff and volunteers and grateful for their contribution to the charity meeting its charitable and operational objectives.

● Main activities undertaken to further the charity's purposes for the public benefit

The Trustees believe the charity provides a public benefit by offering palliative care to adults and children who are resident in the areas of Teesside, County Durham Wearside and North Yorkshire, and who are suffering from a life limiting illness. People access our services by means of referral by their GP, hospital consultant or clinical nurse specialist. Admission to our services is determined only by clinical and psychological need without reference to gender, race or faith. The Hospice's services are free of charge to patients and their families.

ACHIEVEMENTS AND PERFORMANCE

● Quality

The charity's services are registered with, and regulated by, the Care Quality Commission which carries out periodic unannounced Inspections of the three main sites on which care is delivered.

These Inspections are in-depth and rigorous. Following inspection, the Care Quality Commission publishes a report which is publicly available and to which there are links on the Hospices' website.

In August 2022 Butterwick House received an unannounced comprehensive inspection by CQC.

The five key domains that hospices are measured against are:
- Is the service safe
- Is the service effective
- Is the service caring
- Is the service responsive
- Is the service well led

The outcome of the report was pleasing with an overall rating of Good being given to the service.

The registration of Butterwick Hospice Stockton remained dormant while the Inpatient unit was closed, and that of Butterwick Hospice (in Bishop Auckland) remained dormant while service provision was reviewed.

ACHIEVEMENTS AND PERFORMANCE (continued)

- **Summary of Patient Activity**

During 2022-2023 Butterwick Hospice Care provided 5 key services:

Adult In-patient Unit (Stockton) (Closed throughout the financial year, reopened in August 2023).
Children's In-patient Unit (Butterwick House, Stockton)
Day Service (Stockton and Bishop Auckland)
Palliative Home Care Team (Bishop Auckland)
Family Support (Stockton and Bishop Auckland)

Adult In- patient unit

The Adult In-patient Unit is an 8-bed unit, all with ensuite facilities.
Butterwick Hospice Care at Stockton aims to provide specialist palliative and end of life care primarily for adult patients living in the Stockton Borough Council geographical area.

Following the decision to temporarily close the unit as of 31 January 2022 it remained closed during the financial year 2022-2023, reopening in August 2023.

Palliative Care Home Team

The Team supported a total of 15 patients in their own homes, providing a total of 280 hours of care on 39 separate occasions.

Day Care Services

Day Service – Stockton:

The Day Services are delivered on an appointment basis with complementary therapist, and physiotherapy input as required, services are delivered from appropriately and attractively furnished rooms.

The objectives are:

- To provide a day hospice service two days each week (Monday and Friday).
- To provide holistic multidisciplinary care, that meets the physical, emotional, spiritual and social needs of patients and, as relevant, their carers and relatives.
- To provide physiotherapy, counselling, advice, complementary therapies, and bereavement support to patients, their carers and relatives
- In all cases to ensure patients, their carers, and relatives are supported by a team of skilled and appropriately trained staff and volunteers.

Activity during 2022-2023 was:

260 patients attended the service.
There were 366 episodes of care.
There were 142 physiotherapy treatments provided.
There were 151 complementary therapy treatments provided.
There were 73 episodes of Wellbeing Group attendance.

Day Service – Bishop Auckland:

The Day Services are delivered on an appointment basis with nursing, complementary therapist, and

ACHIEVEMENTS AND PERFORMANCE (continued)

physiotherapy input as required Services are delivered from appropriately and attractively furnished rooms.

The objectives are:

- To provide a day hospice service three days each week (Tuesday, Wednesday, and Friday).
- To provide holistic multidisciplinary care, that meets the physical, emotional, spiritual and social needs of patients and, as relevant, their carers and relatives.
- To provide physiotherapy, counselling, advice, complementary therapies, and bereavement support to patients, their carers and relatives.
- In all cases to ensure patients, their carers, and relatives are supported by a team of skilled and appropriately trained staff and volunteers.

Activity during 2022-2023 was:

260 patients attended the service.
There were 1166 episodes of care.
There were 293 physiotherapy treatments provided.
There were 873 complementary therapy treatments provided.

Family Support

Family Support – Stockton:
The Service offers emotional and psychological support to patients, as well as their families, and carers.

Family Support consists of qualified and experienced counsellors, supported by a team of dedicated volunteers.

The Service also supports and supervises the training practice of student counsellors, who are attending university, and working towards their qualified status.

The objectives are:

- To provide a compassionate and practical service.
- To provide people with a confidential space in which they can safely share their thoughts and feelings.
- To provide support to people at any stage of their cancer journey – from the beginnings of the initial shock of their diagnosis, throughout their treatment, and whatever lies beyond.
- To provide support for those who have been bereaved, where death of a significant person has been through cancer or other life limiting illness.
- To provide 1to1 counselling for children and young people, both pre and post bereavement, where emotions are seen to be affecting their day-to-day life.

Activity during 2022-2023 was:

663 clients accessed bereavement support / counselling (pre or post death).
154 telephone support calls were undertaken.
154 telephone support calls were undertaken.
37 group sessions were attended.

Family Support – Bishop Auckland:

The Service offers emotional and psychological support to patients, as well as their families, and carers.
Family Support consists of qualified and experienced counsellors, supported by a team of dedicated volunteers.

ACHIEVEMENTS AND PERFORMANCE (continued)

The Service also supports and supervises the training practice of student counsellors, who are attending university, and working towards their qualified status.

The objectives are:

- To provide a compassionate and practical service.
- To provide people with a confidential space in which they can safely share their thoughts and feelings.
- To provide support to people at any stage of their cancer journey – from the beginnings of the initial shock of their diagnosis, throughout their treatment, and whatever lies beyond.
- To provide support for those who have been bereaved, where death of a significant person has been through cancer or other life limiting illness.
- To provide 1to1 counselling for children and young people, both pre and post bereavement, where emotions are seen to be affecting their day-to-day life.

Activity during 2022-2023 was:

765 clients accessed bereavement support / counselling (pre or post death).
92 telephone support calls were undertaken.
35 video sessions were provided.
356 children accessed the service.
22 group sessions were attended.

Children's In-patient Unit:

The Children's In-patient Unit is a 6-bed unit – 4 rooms for children 0-17 years and 2 rooms for young people 18-25 years.

Butterwick House Children's Hospice at Stockton aims to provide specialist palliative and end of life care for infants, children, and young people with life-limiting conditions. It is a holistic service providing physical, emotional, and spiritual care to the whole family throughout their journey.

The objectives are:

- To provide a 24 hour, 7 days a week in-patient service.
- To provide short term respite care.
- To provide emergency and end of life care.
- To provide holistic multidisciplinary care, that meets the physical, emotional, spiritual and social needs of the children, and their families as a whole.
- To provide nursing care, counselling, advice, complementary therapies, and bereavement support to the children, their families, and carers.
- In all cases to ensure the children, their carers, and relatives are supported by a team of skilled and appropriately trained staff and volunteers.

Activity during 2022-2023 was:

14 children / young people were admitted to the in-patient unit for respite care.
0 were admitted for end-of-life care.
0 were admitted for symptom control.
There were 272 episodes of care/admissions.
There was a total of 142 nights of care provided.

Financial review

- **Overview**

The Consolidated Statement of Financial Activities sets out the results of these activities directly carried out by Butterwick Limited (Butterwick Hospice: Butterwick Hospice at Stockton on Tees, Butterwick Hospice at Bishop Auckland and Butterwick House, Children's Hospice) as well as those of which Butterwick Limited is ultimately in control either as a corporate trustee (John Butterwick Trust Day Care Centre and Hospice) or as a parent company (Butterwick Lotteries Limited and Butterwick Hospice Retail Limited). The statement also includes the charity's share of the results of a joint venture, North East Hospices Lottery Limited, in which it has a 25% interest.

The Trust's function is to hold the properties at Stockton, all day-to-day running being handled by Butterwick Limited.

In the year ended 31 March 2023 the group operated at a deficit of £73,682 after depreciation against the budgeted deficit of £55,072 This compares to a deficit after depreciation of £41,171 in the previous year. The deficit reflected the continued reduction in statutory funding as a result of the ongoing closure of the Stockton Adult Inpatient Unit (AIPU).

A project with support from North Tees & Hartlepool Foundation NHS Trust led to the reopening of the AIPU in August 2023. This resulted in increased statutory funding in 2023-2024 and the expectation of full restoration in 2024-2025.

- **Income generation**

Statutory Funding (NHS)

The operation of the charity is partly funded by NHS England and from the local NHS Integrated Care Board, with the majority of the funds being raised by fundraising activities, the securing of grants and by the receipt of donations and legacies, and the operations of the subsidiary companies.

In the year a total of £999,574 was received from the NHS Trust and Commissioning Authorities which equates to 35% of the Groups total income in the year. This compared to £1,123,216 in the previous year (34%).

Business Development

The Business Development team work across the wide geographical area from which the Hospices draw patients. The Business Development team are performance managed against an annual plan.

The charity does not use external professional fundraisers and does not buy, sell or share donor information with any third party. Strict policies and procedures are in place to ensure compliance with fundraising best practice and standards including data protection and the regularity and methods of maintaining contact with donors.

Income from donations and fundraising was £1,419,507 including legacies, this compares to £1,609,433 in 2021-2022 (£1,106,836 excluding COVID 19 grants received).

The fundraising and publicity costs are £407,749 equating to 28.7% of gross fundraising income (2021-2022 30%).

Virtually all the charity's non-NHS income arises from fundraising and public activities including maintaining contact with our many committed supporters. The Hospice is very grateful for all the support it receives,

particularly from the local communities we support.

The Trustees are maintaining their investment in the Business Development team and associated costs, as they are confident that this will provide the return on investment required to support the charity and contribute to building a sustainable financial base to ensure the longer-term security of the Charity and the care it provides to its patients and families.

- **Trading subsidiaries**

Butterwick Hospice Retail Limited

Butterwick Hospice Retail Limited is a wholly owned subsidiary which operates charity shops selling predominantly donated goods. It pays all its trading profits to the company by dividend.

In the year Butterwick Hospice Retail Limited generated insufficient profit to pay a dividend to the company, it did however sell items donated to the company which, including Gift Aid reclaimed, raised £140,318 for the company (2021-2022 £67,510). This increased amount reflected a focus by management on maximising the use of Gift Aid.

Butterwick Lotteries Limited

Butterwick Lotteries Limited is a wholly owned subsidiary which operates lotteries on behalf of the charity. It pays all its trading profits to the charity by donation.

In the year ended 31 March 2023 Butterwick Lotteries Limited generated £120,730 profit for the charity (2021-2022 - £145,036). This reflects a continuing gradual decline in the number of lottery players.

Butterwick Lotteries Limited also administers a lottery on behalf of North East Hospices Lottery Limited (NEHL). NEHL’s profits are paid equally under Gift Aid to four local North East Hospices including the Butterwick Hospice at Bishop Auckland. NEHL generated £51,413 for the charity in the year ended 31 March 2023 (2021-2022 - £66,434).

● **Going concern**

The main risks to the charity in fulfilling the defined objectives are:

- CQC rating
- Financial risk in terms of being able to generate sufficient income to cover expenditure and being able to pay its debts as they fall due
- Staffing Recruitment and loss of key personnel

The Senior and Management Teams have progressed the action plan to ensure that the charity complies with regulations and continues to make improvements with the aim of further improving the CQC grading.

Day Care services not falling within the scope of CQC regulation have been removed from our registration to avoid unnecessary and inappropriate inspection.

Butterwick House has been rated as Good by CQC and Butterwick Hospice Stockton AIPU has now reopened giving the opportunity of a re-inspection and potentially revised rating.

The reopening of the AIPU has greatly increased fundraising opportunities, particularly with corporate supporters, many of whom have rejoined as official partners. Investment in a full strength and experienced income generation team will use this foundation to increase voluntary income during 2023-2024.

The review of our retail model involving the rationalisation of our shop locations and the addition of larger units in more appropriate locations is expected to increase retail income in 2024-2025 and beyond.

Income from the ICB was partly restored in 2023-2024 following the reopening of the AIPU, full restoration is expected in 2024-2025 when the ICB intend to move from a grant arrangement to a commissioned model based on established reference costs for an agreed service model.

Although recruitment is generally still difficult all key positions are now filled and working well. The use of seconded staff from NT&H NHS FT for the AIPU has removed a major area of difficulty and provided an experienced and qualified team who have settled in well.

The Trustees have reviewed the cash position of the charity for the period to 31st December 2024 and detailed cash flow projections have been prepared and considered along with sensitivity analysis.

The charity has not had to rely on the authorised overdraft and has been able to manage payment of debts as they fall due through the funding received during the year.

After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate reserves to continue in operational existence for the foreseeable future, although it is noted that addition to reserves is required to protect against the risk of unexpected costs.

Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements.

- **Reserves**

The charitable group's reserves have been depleted as a result of operational deficits in past years coupled with capital expenditure.

At the year-end total group reserves were £3.4m with 884K of this restricted and £2.5m was unrestricted.

Recognising our continued dependence upon unpredictable charitable activity and support the Trustees have concluded that it would be prudent at the current time, to incrementally create a reserve equating to a minimum of three months operational costs. Based on current expenditure levels, three months operational costs amounts to approximately £740k at 31st March 2023 free reserves were £927k. The trustees will continue to monitor this in the year 2023 – 2024.

A key priority for the Trustees is to build cash reserves in line with policies.

Future developments

The reopening of the AIPU in August 2023 marked a major step forward for Butterwick in restoring our services and reputation within the community. Restrictions still remain on the services we can deliver, including patient numbers, but our main priority in 2023-2024 will be working with CQC to lift these and improve our rating for the AIPU to Good.

Opening the unit would not have been possible without the support and expertise provided by North Tees & Hartlepool NHS Foundation Trust. We have entered into a Service Level Agreement with the Trust for the provision of staff and services to support the unit and look forward to working closely with them to explore ways in which patient care can be further enhanced. This partnership is beneficial to both parties and a key element in our plans going forward.

In July 2022 the NHS Clinical Commissioning Groups that previously provided funding to Butterwick were replaced by a much larger structure, the North East & North Cumbria Integrated Care Board (ICB). The ICB has been reviewing hospice funding in the light of NHS guidance in relation to the overall funding of end-of-life services. The intention of the ICB is to move to a new system of funding in 2024-2025, with hospices being commissioned to provide services against a national service specification, this will replace current grant funding arrangements. With the use of a regional reference cost for the supply of services this is expected to move the funding of our services onto a much more transparent and solid foundation reflecting the actual costs involved.

Hospice generated income will still be critical to supporting our work and in early 2023-2024 several appointments of experienced staff were made to bring our income generation team up to full strength. The reopening of the AIPU has provided an excellent platform on which to relaunch Butterwick to our corporate partners and community supporters. The initial reaction has been very positive and encouraging with many previous supporters and partners returning and a reinvigorated programme of fundraising events and activities in place. It is particularly pleasing to see the involvement of several generations of the Butterwick family in promoting the hospice as well as our other existing and new hospice ambassadors. We are confident that these foundations will lead to sustained growth in income generation over the coming years.

Our retail activities have been consolidated with the closure of several shops, the development of our staff teams, and investment in an electronic point of sale system (EPOS). The EPOS system allows better control of stock and real time information on sales, this will give better visibility of shop performance and earlier identification of trends leading to improved margins. The system also streamlines and simplifies the administration of gift aid and the sale of lottery tickets to shoppers with very positive growth already evidenced in 2023-2024. The charity retail sector has been moving to a model of larger stores in more accessible locations with parking and other attractions on hand. In November 2023 we signed the lease on the first such store for Butterwick in Bishop Auckland. Our intention is to open further such stores in strategic locations to sit alongside our existing shops providing a local presence and maintaining awareness. We are committed to growing our

retail operations into a major source of funding for the hospice.

It is widely recognised that the whole hospice sector is currently under financial pressure with the vast majority using some element of reserves to maintain services. This makes it all the more important that hospices work together to share best practice and influence commissioning arrangements. Butterwick is an active participant in Hospices North East & North Cumbria, a network of 11 independent hospices within the footprint of the North East & North Cumbria Integrated Commissioning Board. This group has engaged with the ICB at all levels and raised awareness of both the challenges and opportunities facing the sector. The four hospices within the Tees Valley have also started meeting more regularly as a group to explore ways in which we can work more effectively together and speak with one voice. We expect collaboration to play an increasingly important role in the years to come.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Waltons Business Advisers Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Prof M Bramble

Date: 15/12/2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTERWICK LIMITED

UNQUALIFIED OPINION

We have audited the financial statements of Butterwick Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows 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 of the parent charitable company's affairs as at 31 March 2023 and of the Group'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 requirements of the Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTERWICK LIMITED (CONTINUED)

OTHER INFORMATION

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

We have nothing to report in this regard.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- the parent charitable company has not kept sufficient accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company'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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We gained an understanding of the legal and regulatory framework applicable to the charity and the area in which it operates, and considered the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material mistatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or international misrepresentations, or through collusion.

We identified the greatest potential for fraud in the following areas: recognition and completeness of income and posting of unusual journals. We discussed these risks with management and designed audit procredures to test the recognition and completeness of revenue. We reviewed journals posted around the year end to look for potential "window dressing".

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 auditors' report.

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 auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTERWICK LIMITED (CONTINUED)

USE OF OUR REPORT

This report is made solely to the charitable company's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Waltons Business Advisers Limited

Waltons Business Advisers Limited
Maritime House
Harbour Walk
The Marina
Hartlepool
TS24 0UX

20 December 2023

Waltons Business Advisers Limited are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

BUTTERWICK LIMITED

(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	4	**882,998**	**61,478**	**-**	**944,476**	*1,094,978*
Charitable activities	5	**-**	**999,574**	**-**	**999,574**	*1,123,216*
Other trading activities:	6					
Fundraising		**472,697**	**2,334**	**-**	**475,031**	*514,455*
Trading activities		**349,984**	**2,711**	**-**	**352,695**	*482,165*
Investments:	8					
Share of joint venture net income		**-**	**51,413**	**-**	**51,413**	*66,434*
Investments		**5**	**-**	**-**	**5**	*1*
Other income	9	**-**	**-**	**-**	**-**	*2,714*
TOTAL INCOME AND ENDOWMENTS		**1,705,684**	**1,117,510**	**-**	**2,823,194**	*3,283,963*
EXPENDITURE ON:						
Raising funds:	6,7					
Voluntary income		**407,749**	**-**	**-**	**407,749**	*474,126*
Fundraising trading		**524,879**	**-**	**-**	**524,879**	*537,729*
Charitable activities	11	**351,381**	**1,612,867**	**-**	**1,964,248**	*2,313,579*
TOTAL EXPENDITURE		**1,284,009**	**1,612,867**	**-**	**2,896,876**	*3,325,434*
NET INCOME/(EXPENDITURE)		**421,675**	**(495,357)**	**-**	**(73,682)**	*(41,471)*
Transfers between funds	22	**(511,537)**	**511,537**	**-**	**-**	*-*
NET MOVEMENT IN FUNDS		**(89,862)**	**16,180**	**-**	**(73,682)**	*(41,471)*

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
RECONCILIATION OF FUNDS:						
Total funds brought forward		**2,580,388**	**867,566**	**50,961**	**3,498,915**	*3,540,386*
TOTAL FUNDS CARRIED FORWARD		**2,490,526**	**883,746**	**50,961**	**3,425,233**	*3,498,915*

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

The notes on pages 29 to 54 form part of these financial statements.

BUTTERWICK LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 02979587

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

	Note		2023 £		*2022* *£*
FIXED ASSETS					
Tangible assets	16		**2,433,264**		*2,475,298*
Investments	17		**4,626**		*4,626*
			2,437,890		*2,479,924*
CURRENT ASSETS					
Stocks	18	**3,047**		*5,355*	
Debtors	19	**369,152**		*366,106*	
Cash at bank and in hand		**998,831**		*1,059,480*	
		1,371,030		*1,430,941*	
Creditors: amounts falling due within one year	20	**(269,965)**		*(256,117)*	
NET CURRENT ASSETS			**1,101,065**		*1,174,824*
Creditors: amounts falling due after more than one year	21		**(113,722)**		*(155,833)*
TOTAL NET ASSETS			**3,425,233**		*3,498,915*
CHARITY FUNDS					
Endowment funds	22		**50,961**		*50,961*
Restricted funds	22		**883,746**		*867,566*
Unrestricted funds	22		**2,490,526**		*2,580,388*
TOTAL FUNDS			**3,425,233**		*3,498,915*

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Prof M Bramble

Date: 18/12/2023

The notes on pages 29 to 54 form part of these financial statements.

BUTTERWICK LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 02979587

CHARITY BALANCE SHEET
AS AT 31 MARCH 2023

	Note		2023 £		*2022* *£*
FIXED ASSETS					
Tangible assets	16		**823,053**		*808,828*
Investments	17		**4,630**		*4,630*
			827,683		*813,458*
CURRENT ASSETS					
Stocks	18	**1,044**		*1,129*	
Debtors	19	**588,685**		*495,827*	
Cash at bank and in hand		**856,319**		*917,272*	
		1,446,048		*1,414,228*	
Creditors: amounts falling due within one year	20	**(249,052)**		*(215,719)*	
NET CURRENT ASSETS			**1,196,996**		*1,198,509*
Creditors: amounts falling due after more than one year	21		**(113,722)**		*(155,833)*
TOTAL NET ASSETS			**1,910,957**		*1,856,134*
CHARITY FUNDS					
Restricted funds	22		**878,742**		*867,566*
Unrestricted funds	22		**1,032,215**		*988,568*
TOTAL FUNDS			**1,910,957**		*1,856,134*

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The charity was entitled to exemption from audit under section 477 of the Companies Act 2006.

The members have not required the entity to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

However, an audit is required in accordance with section 151 of the Charities Act 2011.

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Prof M Bramble

Date: 15.12.23

The notes on pages 29 to 54 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	*2022 £*
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash used in operating activities	**14,551**	*(131,304)*
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends, interests and rents from investments	**5**	*1*
Purchase of tangible fixed assets	**(69,371)**	*(12,138)*
Receipts from joint venture	**36,277**	*66,013*
NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES	**(33,089)**	*53,876*
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayments of borrowing	**(42,111)**	*(44,167)*
New secured loans	**-**	*200,000*
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	**(60,649)**	*78,405*
Cash and cash equivalents at the beginning of the year	**1,059,480**	*981,075*
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**998,831**	*1,059,480*

The notes on pages 29 to 54 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. GENERAL INFORMATION

The charity is a company limited by guarantee and registered in England and Wales. The members of the charity are the Trustees named on page . In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The registered office address is:

Butterwick Hospice
Middlefield Road
Stockton on Tees
Cleveland
TS19 8XN

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Butterwick Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

The income and expenditure account for the year dealt with in the financial statements of the charity was £49,520 (2022: £76,466).

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Going concern

As explained in the trustees' report, work has continued on the action plan to fully reopen the Hospice and to maximise funding opportunities.

Butterwick House has been rated as Good by CQC and Butterwick Hospice Stockton AIPU has now reopened giving the opportunity of a re-inspection and potentially revised rating.

The reopening of the AIPU has greatly increased fundraising opportunities, particularly with corporate supporters, many of whom have rejoined as official partners. Investment in a full strength and experienced income generation team will use this foundation to increase voluntary income during 2023/24.

The review of our retail model involving the rationalisation of our shop locations and the addition of larger units in more appropriate locations is expected to increase retail income in 2024/25 and beyond.

Income from the ICB was partly restored in 2023/24 following the reopening of the AIPU, full restoration is expected in 2024/25 when the ICB intend to move from a grant arrangement to a commissioned model based on established reference costs for an agreed service model.

The Trustees have reviewed the cash position of the charity for the period to 31st December 2024 and detailed cash flow projections have been prepared and considered along with sensitivity analysis.

The charity has not had to rely on the authorised overdraft and has been able to manage payment of debts as they fall due through the funding received during the year.

After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate reserves to continue in operational existence for the foreseeable future, although it is noted that addition to reserves is required to protect against the risk of unexpected costs.

Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements.

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Income

All 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.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Gifts donated for resale are included as income when they are sold. No amounts are included in the financial statements for services donated by volunteers.

Where goods are donated under the gift aid scheme the charity is not entitled to the income until the goods are sold and the donor has confirmed that they are gifting the proceeds. In this case the income is included as a donation rather than as a sale.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the consolidated statement of financial activities as the related expenditure is incurred.

2. ACCOUNTING POLICIES (CONTINUED)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- over 50 years
Long term leasehold property	- over 50 years, the period of the lease or until the first break clause
Short-term leasehold property	- over 5 years
Furniture & Equipment	- over 4 to 10 years
Motor vehicles	- over 5 years

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as ‘Gains/(Losses) on investments’ in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

Investments in joint ventures are stated at the amount of the Group's share of net assets. The consolidated statement of financial activities includes the Group's share of the joint ventures' net income or expenditure using the equity accounting basis. As the joint venture is a charity, the investment is presented within restricted funds.

2.8 Stocks

Stock of unsold donated goods are not valued for balance sheet purposes. Stocks of merchandise are valued at the lower of cost and net realisable value.

2.9 Debtors

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

2.10 Cash at bank and in hand

Cash at bank and 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.

2. ACCOUNTING POLICIES (CONTINUED)

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.12 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Pensions

The charity contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payment obligations.

The contributions are recognised as an expense in the statement of financial activity when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the charity in independently administered funds.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. These estimates and judgments are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements the Trustees have used the going concern basis of accounting.

As explained in note 2.2 above the charity faces a number of challenges. These include the impact of Covid-19 which has reduced income and the disappointing CQC inspection results.

In the current year the charity secured a five year bank loan allowing them to stabilise the cash position. Cashflow forecasts have been prepared including modeling the impact of different scenarios. These show even in a worse case reduction of income that the charity will be able to continue.

Taken alltogether this has enabled the charity to continue and for the Trustees to be confident that the going concern basis of accounting remains appropriate.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Donations	**407,291**	**36,052**	**443,343**	*399,388*
Legacies	**398,211**	**-**	**398,211**	*535,120*
Other Covid-19 grants	**-**	**-**	**-**	*28,003*
Grants	**77,496**	**25,426**	**102,922**	*132,467*
	882,998	**61,478**	**944,476**	*1,094,978*
Total 2022	*977,628*	*117,350*	*1,094,978*	

5. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Stockton on Tees Hospice	**119,108**	**119,108**	*309,406*
Bishop Auckland Hospice	**519,249**	**519,249**	*495,631*
Childrens Hospice	**361,185**	**361,185**	*307,651*
National Health Service England	**32**	**32**	*10,528*
	999,574	**999,574**	*1,123,216*
Total 2022	*1,123,216*	*1,123,216*	

Included within the balance above is £32 (*2022:* £10,528) received from NHSE (National Health Service England).

The NHSE awarded funding to provide bed capacity and community support from November 2020 to March 2021 and then again from December 2021 to March 2022 for the same purpose.

6. FUNDRAISING INCOME

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Other charitable income	**157,950**	**2,334**	**160,284**	*192,460*
Bishop Auckland Hospice	**14,737**	**-**	**14,737**	*403*
Childrens Hospice	**8,828**	**-**	**8,828**	*1,823*
Lottery	**291,182**	**-**	**291,182**	*319,769*
Total 2023	**472,697**	**2,334**	**475,031**	*514,455*
Total 2022	*505,273*	*9,182*	*514,455*	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

7. TRADING ACTIVITIES

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Charity trading income				
Charity shops	**334,435**	**-**	**334,435**	*466,748*
Other trading activities	**15,549**	**2,711**	**18,260**	*15,417*
	349,984	**2,711**	**352,695**	*482,165*
Fundraising trading expenses				
Charity shops	**232,910**	**-**	**232,910**	*251,543*
Wages and salaries	**291,049**	**-**	**291,049**	*285,984*
Depreciation	**920**	**-**	**920**	*203*
	524,879	**-**	**524,879**	*537,730*
Net (expenditure)/income from trading activities	**(174,895)**	**2,711**	**(172,184)**	*(55,565)*
Total 2022	*55,565*	-	*55,565*	

8. INVESTMENT INCOME

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Share of joint venture net income	-	**51,413**	**51,413**	*66,434*
Investment income	**5**	-	**5**	*1*
	5	**51,413**	**51,418**	*66,435*
Total 2022	*1*	*66,434*	*66,435*	

9. OTHER INCOMING RESOURCES

	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Recycling and miscellaneous income	-	-	*1,126*
Coronavirus job retention scheme funding	-	-	*1,588*
	-	-	*2,714*
Total 2022	*2,714*	*2,714*	

10. COST OF RAISING FUNDS

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Fundraising	**56,938**	-	**56,938**	*94,661*
Lottery	**138,897**	-	**138,897**	*122,940*
Wages and salaries	**211,914**	-	**211,914**	*256,524*
Total 2023	**407,749**	-	**407,749**	*474,125*
Total 2022	*472,875*	*1,250*	*474,125*	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

11. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Stockton on Tees Hospice	**290,226**	**824,030**	**1,114,256**	*1,276,982*
Bishop Auckland Hospice	**61,155**	**350,489**	**411,644**	*502,658*
Childrens Hospice	-	**438,348**	**438,348**	*533,939*
	351,381	**1,612,867**	**1,964,248**	*2,313,579*
Total 2022	*292,428*	*2,021,151*	*2,313,579*	

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2023 £	Support costs 2023 £	Total funds 2023 £	*Total funds 2022 £*
Stockton on Tees Hospice	**360,033**	**754,223**	**1,114,256**	*1,276,982*
Bishop Auckland Hospice	**318,230**	**93,414**	**411,644**	*502,658*
Childrens Hospice	**386,827**	**51,521**	**438,348**	*533,939*
	1,065,090	**899,158**	**1,964,248**	*2,313,579*
Total 2022	*1,471,246*	*842,333*	*2,313,579*	

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Stockton on Tees Hospice 2023 £	Bishop Auckland Hospice 2023 £	Childrens Hospice 2023 £	Total funds 2023 £	*Total funds 2022 £*
Wages and salaries	**267,128**	**258,772**	**369,402**	**895,302**	*1,311,163*
Patient Care	**59,245**	**52,335**	**12,803**	**124,383**	*123,871*
Patient Transport	**-**	**-**	**-**	**-**	*449*
Premises	**6,899**	**181**	**3,006**	**10,086**	*4,924*
Occupational Health	**-**	**-**	**731**	**731**	*325*
Staff Travel	**1,058**	**2,245**	**-**	**3,303**	*6,831*
Volunteer Travel	**-**	**1,169**	**-**	**1,169**	*311*
Recruitment	**184**	**38**	**545**	**767**	*2,235*
Training & Education	**980**	**950**	**340**	**2,270**	*6,870*
Clinical Supervision	**-**	**2,540**	**-**	**2,540**	*1,840*
Administration Costs	**8,101**	**-**	**-**	**8,101**	*-*
Exceptional Covid Expenses	**-**	**-**	**-**	**-**	*12,427*
Exceptional Expenses	**16,438**	**-**	**-**	**16,438**	*-*
	360,033	**318,230**	**386,827**	**1,065,090**	*1,471,246*
Total 2022	*741,821*	*337,803*	*391,622*	*1,471,246*	

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Stockton on Tees Hospice 2023 £	Bishop Auckland Hospice 2023 £	Childrens Hospice 2023 £	Total funds 2023 £	*Total funds 2022 £*
Staff costs	**435,093**	**-**	**-**	**435,093**	*442,904*
Depreciation	**73,876**	**28,535**	**7,524**	**109,935**	*122,562*
Patient Care	**409**	**-**	**-**	**409**	*1,018*
Premises	**92,073**	**40,581**	**41,114**	**173,768**	*134,813*
Staff Travel	**4,234**	**-**	**-**	**4,234**	*4,553*
Volunteer Travel	**218**	**-**	**-**	**218**	*293*
Recruitment	**1,081**	**-**	**-**	**1,081**	*542*
Training & Education	**9,892**	**-**	**-**	**9,892**	*3,839*
Administration Costs	**6,945**	**-**	**-**	**6,945**	*4,561*
Bank Charges	**16,805**	**-**	**-**	**16,805**	*3,687*
Telephone & Fax	**6,256**	**3,303**	**66**	**9,625**	*10,781*
Printing postage & stationery	**2,853**	**643**	**158**	**3,654**	*4,020*
Insurance	**37,325**	**-**	**-**	**37,325**	*31,827*
IT & Internet costs	**42,869**	**12,336**	**2,659**	**57,864**	*45,121*
Equipment maintenance	**9,793**	**8,016**	**-**	**17,809**	*16,333*
Audit fees	**14,501**	**-**	**-**	**14,501**	*15,479*
	754,223	**93,414**	**51,521**	**899,158**	*842,333*
Total 2022	*535,161*	*164,855*	*142,317*	*842,333*	

Support costs which are split over more than one area have been split based on staff time.

During the year ended 31 March 2023, the charity incurred the following Governance costs:

£99,328 (2022 - £66,480) included within the table above in respect of Direct & Support costs - Stockton on Tees Hospice.

£nil (2022 - £11,800) included within the table above in respect of Direct & Support costs - Bishop Auckland Hospice.

£nil (2022 - £17,834) included within the table above in respect of Direct & Support costs - Childrens Hospice.

13. AUDITORS' REMUNERATION

	2023 £	2022 £
Fees payable to the group's auditor for the audit of the group's annual accounts	**12,470**	*12,225*
Fees payable to the charity's auditor in respect of:		
All non-audit services not included above	**5,300**	*5,040*

14. STAFF COSTS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Wages and salaries	**1,649,207**	*2,104,529*	**1,354,364**	*1,791,245*
Social security costs	**115,836**	*143,079*	**97,179**	*125,928*
Contribution to defined contribution pension schemes	**68,315**	*48,967*	**61,371**	*41,947*
	1,833,358	*2,296,575*	**1,512,914**	*1,959,120*

The average number of persons employed by the charity during the year was as follows:

	Group 2023 No.	Group 2022 No.	Charity 2023 No.	Charity 2022 No.
Childrens Hospice	**19**	*13*	**19**	*13*
Stockton Adults	**49**	*62*	**49**	*62*
Bishop Auckland Hospice	**18**	*20*	**18**	*20*
Butterwick Lottery	**5**	*5*	**-**	*-*
Butterwick Retail	**16**	*17*	**-**	*-*
	107	*117*	**86**	*95*

No employee received remuneration amounting to more than £60,000 in either year.

Total remuneration of key management personnel in the year was £200,476 (2022: £261,343).

15. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits *(2022 - £NIL)*.

During the year ended 31 March 2023, no Trustee expenses have been incurred *(2022 - £NIL)*.

16. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Long-term leasehold property £	Short-term leasehold property £	Furniture and Equipment £	Motor vehicles £	Total £
Cost						
At 1 April 2022	**1,074,026**	**2,899,520**	**35,105**	**1,245,118**	**40,562**	**5,294,331**
Additions	**-**	**-**	**-**	**69,371**	**-**	**69,371**
Disposals	**-**	**-**	**-**	**(1,422)**	**-**	**(1,422)**
At 31 March 2023	**1,074,026**	**2,899,520**	**35,105**	**1,313,067**	**40,562**	**5,362,280**
Depreciation						
At 1 April 2022	**421,127**	**1,148,912**	**35,105**	**1,179,624**	**34,265**	**2,819,033**
Charge for the year	**22,720**	**59,911**	**-**	**28,101**	**673**	**111,405**
On disposals	**-**	**-**	**-**	**(1,422)**	**-**	**(1,422)**
At 31 March 2023	**443,847**	**1,208,823**	**35,105**	**1,206,303**	**34,938**	**2,929,016**
Net book value						
At 31 March 2023	**630,179**	**1,690,697**	**-**	**106,764**	**5,624**	**2,433,264**
At 31 March 2022	*652,899*	*1,750,608*	*-*	*65,494*	*6,297*	*2,475,298*

16. TANGIBLE FIXED ASSETS (CONTINUED)

Charity

	Freehold property £	Long-term leasehold property £	Furniture and Equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2022	**1,074,026**	**132,551**	**1,228,370**	**31,397**	**2,466,344**
Additions	**-**	**-**	**69,371**	**-**	**69,371**
At 31 March 2023	**1,074,026**	**132,551**	**1,297,741**	**31,397**	**2,535,715**
Depreciation					
At 1 April 2022	**421,127**	**39,800**	**1,165,192**	**31,397**	**1,657,516**
Charge for the year	**22,720**	**4,572**	**27,854**	**-**	**55,146**
At 31 March 2023	**443,847**	**44,372**	**1,193,046**	**31,397**	**1,712,662**
Net book value					
At 31 March 2023	**630,179**	**88,179**	**104,695**	**-**	**823,053**
At 31 March 2022	*652,899*	*92,751*	*63,178*	*-*	*808,828*

17. FIXED ASSET INVESTMENTS

Group	Listed investments £	Investment in joint ventures £	Total £
Cost			
At 1 April 2022	**4,625**	**1**	**4,626**
At 31 March 2022	**4,625**	**1**	**4,626**

Charity	Investments in subsidiary companies £	Listed investments £	Investment in joint ventures £	Total £
Cost				
At 1 April 2022	**4**	**4,625**	**1**	**4,630**
At 31 March 2022	**4**	**4,625**	**1**	**4,630**

17. FIXED ASSET INVESTMENTS (CONTINUED)

PRINCIPAL SUBSIDIARIES AND JOINT VENTURES

The following were subsidiary undertakings of the charity:

Names	Company number	Charity registration number	Basis of control	Holding
Butterwick Hospice Retail Limited	02775096		Shares	100%
Butterwick Lotteries Limited	03141067		Shares	100%
John Butterwick Trust Day Care Centre and Hospice		515705	Sole Trustee	-%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £
Butterwick Hospice Retail Limited	**449,525**	**(521,613)**	**(72,088)**
Butterwick Lotteries Limited	**291,182**	**(170,452)**	**120,730**
John Butterwick Trust Day Care Centre and Hospice	**3,302**	**(59,719)**	**(56,417)**

The net assets of the subsidiaries at the 31 March 2023 were:

Names	Net assets £
Butterwick Hospice Retail Limited	(133,628)
Butterwick Lotteries Limited	2
John Butterwick Trust Day Care Centre and Hospice	1,647,906

The following was a joint venture of the charity:

Name	Holding
North East Hospices Lottery Limited	**25**%

North East Hospices Lottery Limited's principal activity is the operation of a lottery. It has agreed to pay all of its trading profits equally to the four hospices which own it.

18. STOCKS

	Group 2023 £	*Group 2022 £*	Charity 2023 £	*Charity 2022 £*
Merchandise	**2,003**	*4,226*	**-**	*-*
Stamps	**236**	*321*	**236**	*321*
Fundraising stock	**808**	*808*	**808**	*808*
	3,047	*5,355*	**1,044**	*1,129*

19. DEBTORS

	Group 2023 £	*Group 2022 £*	Charity 2023 £	*Charity 2022 £*
Trade debtors	**182,431**	*49,308*	**170,789**	*37,771*
Amounts owed by group undertakings	**-**	*-*	**289,187**	*197,005*
Other debtors	**100,956**	*240,776*	**82,718**	*225,555*
Prepayments and accrued income	**85,765**	*76,022*	**45,991**	*35,496*
	369,152	*366,106*	**588,685**	*495,827*

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2023 £	*Group 2022 £*	Charity 2023 £	*Charity 2022 £*
Bank loans	**50,000**	*50,000*	**50,000**	*50,000*
Trade creditors	**58,794**	*50,174*	**41,615**	*22,514*
Amounts owed to group undertakings	**-**	*-*	**42,429**	*46,228*
Other taxation and social security	**28,777**	*29,534*	**28,777**	*29,534*
Other creditors	**38,651**	*41,918*	**37,930**	*41,481*
Accruals and deferred income	**93,743**	*84,491*	**48,301**	*25,962*
	269,965	*256,117*	**249,052**	*215,719*

The bank loan consists of a bounce back loan and a fixed term loan. The fixed term loan is secured by way of a legal charge over the assets of the charity.

	Group 2023 £	*Group 2022 £*	Charity 2023 £	*Charity 2022 £*
Deferred income at 1 April 2022	**50,148**	*56,798*	**-**	*6,600*
Resources deferred during the year	**40,090**	*50,148*	**-**	*-*
Amounts released from previous periods	**(50,148)**	*(56,798)*	**-**	*(6,600)*
	40,090	*50,148*	**-**	*-*

Deferred income represents Lottery payments received in advance.

21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2023 £	*Group 2022 £*	Charity 2023 £	*Charity 2022 £*
Bank loans	**113,722**	*155,833*	**113,722**	*155,833*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

22. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2022 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2023 £
Unrestricted funds					
General Funds	**2,641,926**	**964,977**	**(594,102)**	**(388,647)**	**2,624,154**
Funds within non charitable subsidiaries	**(61,538)**	**740,707**	**(689,907)**	**(122,890)**	**(133,628)**
	2,580,388	**1,705,684**	**(1,284,009)**	**(511,537)**	**2,490,526**
Endowment funds					
Endowment Funds	**50,961**	**-**	**-**	**-**	**50,961**
Restricted funds					
Bishop Auckland Hospice	**371,280**	**542,986**	**(342,415)**	**(206,601)**	**365,250**
Stockton on Tees Hospice	**92,347**	**121,474**	**(822,646)**	**698,141**	**89,316**
Children's Hospice	**40,527**	**401,637**	**(438,348)**	**71,410**	**75,226**
Dignity in Care Bishop Auckland Hospice	**30,461**	**-**	**(834)**	**-**	**29,627**
Dignity in Care Stockton on Tees Hospice	**50,580**	**-**	**(1,384)**	**-**	**49,196**
Outpatient Supportive Services Bishop Auckland	**282,370**	**-**	**(7,240)**	**-**	**275,130**
Funds in joint venture	**1**	**51,413**	**-**	**(51,413)**	**1**
	867,566	**1,117,510**	**(1,612,867)**	**511,537**	**883,746**
Total of funds	**3,498,915**	**2,823,194**	**(2,896,876)**	**-**	**3,425,233**

22. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2021 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 March 2022* £
Unrestricted funds					
General Funds	*2,565,525*	*1,085,529*	*(591,295)*	*(417,833)*	*2,641,926*
Funds within non charitable subsidiaries	*4*	*882,252*	*(711,738)*	*(232,056)*	*(61,538)*
	2,565,529	*1,967,781*	*(1,303,033)*	*(649,889)*	*2,580,388*
Endowment funds					
Endowment Funds	*50,961*	*-*	*-*	*-*	*50,961*
Restricted funds					
Bishop Auckland Hospice	*395,699*	*575,384*	*(429,472)*	*(170,331)*	*371,280*
Stockton on Tees Hospice	*118,159*	*333,390*	*(1,036,831)*	*677,629*	*92,347*
Children's Hospice	*37,168*	*328,273*	*(533,939)*	*209,025*	*40,527*
Dignity in Care Bishop Auckland Hospice	*31,295*	*-*	*(834)*	*-*	*30,461*
Dignity in Care Stockton on Tees Hospice	*51,964*	*-*	*(1,384)*	*-*	*50,580*
Outpatient Supportive Services Bishop Auckland	*289,610*	*-*	*(7,240)*	*-*	*282,370*
Funds in joint venture	*1*	*66,434*	*-*	*(66,434)*	*1*
National Health Service England	*-*	*12,701*	*(12,701)*	*-*	*-*
	923,896	*1,316,182*	*(2,022,401)*	*649,889*	*867,566*
Total of funds	*3,540,386*	*3,283,963*	*(3,325,434)*	*-*	*3,498,915*

STATEMENT OF FUNDS (CONTINUED)

The **Bishop Auckland Hospice** fund operates to raise funds for the day to day running of a hospice at Bishop Auckland. A transfer has been made from this into general to fund the core team which is essential to ensure compliance and the safe provision of services.
Included within the income for this fund is £46,677 from Bishop Auckland and Shildon Area Action Partnership.

The **Stockton on Tees Hospice** fund operates to raise funds for the day to day running of a hospice at Stockton on Tees. This is the largest cost and one of the primary charitable activities and income raised from unrestricted events and donations made without restrictions helps to fund this area.

The **Children's Hospice** fund operates to raise funds for the day to day running of the children's hospice at Stockton on Tees. This is partially funded by a grant from NHS England. A transfer has been made from unrestricted funds to help fund this area.

The **Dignity in Care** and **Outpatient Supportive Services** funds represent grants provided by the Department of Health to help fund improvements to the hospices. Fixed asset expenditure when incurred and depreciation of those assets is charged to the appropriate fund over the life of the asset.

The **NHSE** awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the Covid-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

The **endowment fund** was created through the gift of the original hospice building. This was subsequently sold and the proceeds and related gains have been reinvested in the existing hospice premises.

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	**1,559,252**	**823,051**	**50,961**	**2,433,264**
Fixed asset investments	**4,626**	**-**	**-**	**4,626**
Current assets	**1,290,564**	**80,466**	**-**	**1,371,030**
Creditors due within one year	**(250,194)**	**(19,771)**	**-**	**(269,965)**
Creditors due in more than one year	**(113,722)**	**-**	**-**	**(113,722)**
TOTAL	**2,490,526**	**883,746**	**50,961**	**3,425,233**

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2022 £	*Restricted funds 2022* £	*Endowment funds 2022* £	*Total funds 2022* £
Tangible fixed assets	*1,615,509*	*808,828*	*50,961*	*2,475,298*
Fixed asset investments	*4,625*	*1*	-	*4,626*
Current assets	*1,357,685*	*73,256*	-	*1,430,941*
Creditors due within one year	*(241,598)*	(14,519)	-	*(256,117)*
Creditors due in more than one year	(155,833)	-	-	*(155,833)*
TOTAL	2,580,388	867,566	50,961	*3,498,915*

24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2023 £	*Group 2022* £
Net expenditure for the year (as per Statement of Financial Activities)	**(73,682)**	*(41,471)*
Adjustments for:		
Depreciation charges	**111,405**	*122,765*
Dividends, interests and rents from investments	**(5)**	*(1)*
Loss on the sale of fixed assets	**-**	*1,033*
Decrease/(increase) in stocks	**2,308**	*(1,061)*
Increase in debtors	**(3,046)**	*(54,751)*
Increase/(decrease) in creditors	**13,848**	*(91,805)*
Receipts from joint venture	**(51,413)**	*(66,434)*
Joint venture debtor movement	**15,136**	*421*
Net cash provided by/(used in) operating activities	**14,551**	*(131,304)*

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2023 £	*Group 2022 £*
Cash in hand	**998,831**	*1,059,480*
Total cash and cash equivalents	**998,831**	*1,059,480*

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	**1,059,480**	**(60,649)**	**998,831**
Bank loan within 1 year	**(50,000)**	**-**	**(50,000)**
Bank loan over 1 year	**(155,833)**	**42,111**	**(113,722)**
	853,647	**(18,538)**	**835,109**

27. CAPITAL COMMITMENTS

	Group 2023 £	*Group 2022 £*	Charity 2023 £	*Charity 2022 £*
Contracted for but not provided in these financial statements				
Acquisition of intangible assets	**6,363**	-	**6,363**	-

28. PENSION COMMITMENTS

The group contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund.

Some clinical staff are members of the NHS Pension Scheme and contributions are determined by the government actuary. The NHS Pension Scheme is an unfounded occupational scheme backed by the Exchequer.

The pension cost charge represents contributions payable by the group to the fund and amounted to £68,315 (*2022 - £*48,967). Contributions totalling £14,261 (*2022- £1*4,261) payable to the fund at the balance sheet date and are included in creditors.

29. RELATED PARTY TRANSACTIONS

During the year Butterwick Lotteries Limited provided managment services amounting to £18,225 (2022 - £31,788) to North East Hospices Lottery Limited on an arms length commercial basis.

At 31 March 2023, £625 (*2022* - £625) was due to Butterwick Limited from Eastern Ravens Trust, a company with a director in common.

BUTTERWICK LIMITED

England & Wales - Charity number 1044816

Accounts

Registered number: 02979587
Charity number: 1044816

BUTTERWICK LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

BUTTERWICK LIMITED

(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2022

Trustees

J P Bury, Chairman (resigned 24 August 2022)
Prof M Bramble
B Carr
Dr B P Corbett (appointed 11 July 2022)
D Crew (appointed 13 December 2021)
Y V Evans (appointed 13 December 2021)
S R Grant
T A Lenehan (appointed 13 December 2021)
L Cooke (resigned 25 May 2022)
P Walker (resigned 13 May 2022)
Dr P McGowan (resigned 19 September 2021)
B I McLain (resigned 31 August 2021)
P Hinton (resigned 14 June 2021)
N Marshall (resigned 15 April 2021)

Company registered number

02979587

Charity registered number

1044816

Registered office

Butterwick Hospice, Middlefield Road, Stockton On Tees, Cleveland, TS19 8XN

Company secretary

S R Grant

Chief executive officer

D Jones

Independent auditors

Waltons Business Advisers Limited, Maritime House, Harbour Walk, The Marina, Hartlepool, TS24 0UX

Bankers

Barclays Bank plc, 49 High Street, Stockton on Tees, TS18 1AH

Solicitors

Knights PLC, Lakeside House, Kingfisher Way, Stockton on Tees, TS18 3NB

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the audited financial statements of the charity and group for the year 1 April 2021 to 31 March 2022. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the charity qualify as small under section 383 of the Companies Act 2006, the group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

FOUNDER

The charity was founded by Mrs Mary Butterwick OBE who sadly died, aged 91, on 30th September 2015.

Mrs Butterwick's initial vision, personal self-sacrifice and tenacity, coupled with her close interest in the work of the Hospice which continued until her death, ensures her considerable legacy, in the charity which bears her family name, for the benefit of the community which we freely serve.

STRUCTURE, GOVERNANCE AND MANAGEMENT

- **Governing document**

Butterwick Limited is a charitable company limited by guarantee (incorporated October 1994) and as such is governed by a Memorandum and Articles of Association. It was registered by the Charity Commission on 7th March 1995, registration number 1044816.

- **Methods of appointment or election of Trustees**

The Trustees are drawn from a variety of disciplines with the aim of ensuring that the company has strong and informed leadership. During 21-22 there were 9 Trustees all of which stepped down from their term of office in 21-22 and were re-appointed.

When a vacancy occurs, the Chairman undertakes a skills audit to ascertain what particular expertise and background is desirable and the post is advertised through the normal recruitment channels to identify suitable candidates who are then interviewed and appointed, once due diligence checks have been carried out. We maintain a split of trustees with clinical and medical experience and business experience to ensure all aspects of the business are appropriately scrutinised.

Trustees are given a general induction on joining the Board, and regular refresher training to maintain statutory and mandatory requirements.

The Trustees receive formal papers and reports. They are kept abreast of news and developments within the wider charity and hospice world by the receipt of regular briefings and the circulation of relevant Charity Commission and other publications. Trustees are also given the opportunity of attending appropriate local and national seminars and conferences.

The Trustees continue to review the company's governance arrangements, including the term of office of trustees, and to consider models of best practice.

The Trustees have agreed to comply with the Charity Governance Code.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

• Organisational structure and decision-making policies

The charity operates using the name Butterwick Hospice Care incorporating Butterwick Hospice, Stockton on Tees; Butterwick Hospice at Bishop Auckland and Butterwick House Children's Hospice.

The charity is organised so that the Trustees meet quarterly to manage its affairs; the Trustees receive quarterly written reports from the Chief Executive and the Senior Leadership Team, which incorporate management accounts and reports on the charity's activities and progress in meeting pre-identified objectives.

The Business Committee has general oversight of non-clinical matters including Finance, Business Development, Retail, Human Resources, Voluntary Services, Health and Safety, Risk Management, Estates and Facilities. It is chaired by a Trustee, a Chartered Accountant, and typically a further four trustees are members. It is attended by the Chief Executive, the Director of Finance and Business Services, the Director of Income Generation and HR Manager, and members of the charity's non-clinical Senior Leadership team. Due to a recent resignation, currently there is a vacancy for a Trustee on the Business Committee. A key role of the committee is to scrutinise the charity's budgets and recommend the same for approval by the Board. Secondly, the committee reviews the charity's detailed quarterly management accounts showing actual income and expenditure compared to budget, along with future projections.

The Quality, Safety and Risk Committee, which also acts as the Clinical Governance Committee, has general oversight of all matters of a clinical nature including patient related health, safety and risk management, quality, audit and the development, delivery and monitoring of patient services. It is chaired by a clinically qualified Trustee, attended typically by four additional Trustees with clinical expertise, the Chief Executive, and the Director of Care. This meeting is also attended by the clinical leads of both adult and children's services, the compliance manager, and the quality and governance lead.

Due to a resignation during the year the organisation are in the process of appointing a new clinical Trustee.

• Changes during the year

Hospice Services

The Hospice had an original Inspection in November 2019 which resulted in Childrens' services being put into "special measures" and a subsequent inspection in May 2021 identified that the Hospice still needed to improve its structure and processes. As a consequence, between May 21 and January 2022 a new Quality and Governance Lead post was filled with interim support and then filled permanently in February 2022.

Due to a resignation, a New Director of Care was appointed from September 2021 and comes from a clinical background with experience of supporting organisations through CQC inspections.

The Managerial leadership of clinical departments has changed during the year as follows:

- A new Clinical Lead for Adult Services was appointed and commenced work in May 2022.
- A new Clinical Lead for Children's Services was appointed and commenced work in November 2021.

CQC inspected the Hospice in September 2021 – 4 days after the Director of Care came into post. The reports identified that improvements had been made since the last inspections, but concerns remained with regards to the rate of progress. An improvement plan was put in place and monitored closely.

CQC inspected the Hospice again 1st and 2nd February 2022. The reports evidenced significant improvements

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

with regards to Butterwick House (Childrens Hospice). Overall, the rating was Requires Improvement (RI) (Good x3 domains and RI x 2 domains). An application has been made to CQC to have all restrictions lifted from Butterwick House.

However, for Butterwick Hospice (Bishop Auckland) the rating was inadequate (Good x1 domain, RI x1 domain, and Inadequate x3 domains).

The Adults unit was temporarily closed at this time so no rating was made.

The report on actions has been submitted to CQC, and an improvement plan is being progressed. This has been progressed through the Clinical Review Working Group – which has now transferred into the Moving to Good Committee.

The business plan that was developed in 19/20 ensured that the organisation could continue to deliver services to the community at a sustainable cost and although this was impacted by the pressures that COVID 19 put upon trading activities and fundraising, the organisation still managed to continue to deliver core services.

As a direct consequence of the Omicron variant of COVID, the NHSE awarded funding to allow the hospice to make available bed capacity and community support during 20/21 and then again from December 21 through to March 2022, to provide support to people with complex needs in the context of the COVID-19.

The funding that Butterwick Hospice Care received in respect of this for 20/21 was a total value of £502,597 and this funding was administered through Hospice UK. The amount received during 21/22 was £10,528.

As a consequence of the CQC ratings and subsequent temporary closure of the In-patient unit, during 21/22 the CCG made a discretionary decision to withdraw £119K of funding for adult services at Stockton. In addition, they have taken the decision to withdraw all adult funding for 22/23, so the remaining adult services that the hospice continue to supply will have a requirement to be funded from fundraising activities.

Retail:

Since the pandemic, retail outlets are operating at between 70%-75% of pre-covid levels of trading. A business review of outlets is currently underway with a view to developing a strategic operational plan.

During 21/22 all of the retail outlets achieved self-sufficiency which identified that there was no longer a requirement for a warehouse facility to support these outlets. The decision was therefore taken to close the warehouse and relocate staff to an alternative location.

Butterwick Hospice Retail Limited are incredibly thankful to the landlord of the warehouse who has supported the hospice over a number of years.

Butterwick Lotteries Limited and North East Hospices Lottery (NEHL)

Both Lotteries applied for a larger remote lottery licence with the Gambling Commission and have been awarded this. During the year a full review of policies and procedures was undertaken and the website and terms and conditions updated accordingly.

A security audit was undertaken in October 21 for NEHL against ISO 27001 and it was identified that there were 14 minor non-conformities which have been fully addressed.

Butterwick Lotteries Limited security audit was undertaken in December 21 and identified 6 areas for improvement which have also been fully addressed

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The post of Membership Team Manager is currently vacant

- **Pay policy for key management personnel**

The charity is heavily dependent upon the skills, dedication and commitment of all its staff, including the senior staff team, who provide day to day direction, leadership and management to what is a substantial and complex organisation. The Trustees recognise the necessity of setting remuneration levels which enable the retention and, when necessary, the recruitment of suitably qualified staff taking into account, where applicable, local comparable posts.

A remuneration group has been established to review salaries and benefits and ensure equity of pay and conditions for every member of staff. When any post becomes vacant it is scrutinised to ensure its effectiveness and suitability in the organisation, salaries are reviewed and benchmarked in advance of any post being advertised. Salaries of senior staff are agreed by the Trustees following a benchmarking exercise.

- **Relationships with other charities and organisations**

Within its charitable objectives and resources, the charity seeks to play a leading role within the local healthcare and voluntary sectors in the geographical and specialist areas in which it operates.

Over the last year, Butterwick Hospice Care has developed a good relationship with several other charities and organisations, and has contributed to sharing of good practice.

The charity in particular works closely and productively with the local NHS Clinical Commissioning Groups, the local NHS Foundation Trust, with neighbouring hospices and other local charities. The charity is also a member of Hospices North East (HNE) a collaborative of the nine independent hospices in the north east of England.

The charity continues to look for opportunities where we can work with local Universities and other education institutions in providing training, education and placement opportunities at both undergraduate and post graduate level to healthcare professionals.

Butterwick Hospice Care has worked with Teesside University and has 2 dietetic students commencing a 13 week placement from the end of May 2022. These students will support Butterwick with the development of nutritionally balanced menus for the in-patient units – and also ensure that the soft and pureed diets are suitable for the children.

Nationally, in particular, the charity works with Hospice UK, which is a national membership charity working on behalf of the hospice movement and Together for Short Lives which is a membership charity working on behalf of children's hospices.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

• Risk management

The charity routinely reviews its risk register and has aligned it with the best practice guidance produced by the Charity Commission. The charity has policies, procedures, systems and controls in place to mitigate operational risks.

Five key areas of risk have been identified which are subject to rigorous risk assessment and management:

- Governance including systems and processes
- Operational covering clinical and non-clinical
- Financial: including income generation, budgetary control and insurance
- Regulation and Compliance relating to CQC, Health and Safety and legal requirements
- External including national pay bodies and IT operating systems

The Business Continuity Plan has been reviewed and updated. There are on call rotas in place that ensure that clinical and non-clinical staff are supported out of normal office hours.

A risk awareness culture is embedded within the day to day working methods and thinking of the charity's staff and volunteers and this is reflected in the role of the Quality and Compliance Manager who oversees all elements of risk management in collaboration with the Quality and Governance lead.

OBJECTIVES AND ACTIVITIES

• Policies and objectives

The aims and objectives of the charity as set out in the Memorandum of Association (as amended in January 1995) are:

- Provision of palliative care and services for patients suffering from life threatening and limiting illness.
- The operation of facilities to provide palliative services for residential, day care and community.
- The advancement of education and training for all those concerned with the provision of palliative care, and for the general public.

The Trustees have considered the Charity Commission's guidance on public benefit when reviewing the company's aims and objectives and in planning future activities.

In meeting its charitable objectives:

Butterwick Hospice Care endeavours to freely provide an excellence in evidence-based specialist and holistic palliative care for all patients regardless of age or diagnosis; to be a centre of expertise and a specialist resource within the community as a whole. However, BHC recognises that we need to approach and progress service improvements with a sense of urgency.

The care is provided by a skilled multidisciplinary team and is supported by a wider organisation of administrative, finance and business development staff and a dedicated team of volunteers.

In doing this the company operates in three distinct areas:

1. Butterwick Hospice, Stockton on Tees (In patient unit temporarily closed since 1st February 2022 but all other adult services remain operative)

OBJECTIVES AND ACTIVITIES (continued)

2. Butterwick Hospice in Bishop Auckland
3. Butterwick House Children's Hospice, Stockton on Tees

In all areas of operation, the charity provides a comprehensive range of services to patients and their families including specialist medical and nursing care, complementary and other therapies, bereavement and spiritual support, and counselling.

The charity seeks to optimise the use of its facilities and make best use of the resources which it expends. Detailed records of patient related activity are maintained, and the Trustees receive regular reports in this respect.

The charity continues to work closely with other healthcare providers (both voluntary organisations and the National Health Service) to ensure that its current services and developments align with national and locally identified priorities.

- **Activities undertaken to achieve objectives**

Butterwick Hospice, Stockton on Tees

This is an eight bedded in-patient unit (in-patient residential unit temporarily closed since 1st February 2022) and day care facilities. With the onset of the pandemic the day services switched to a Covid responsive appointment-based day hospice service for adult patients drawn mainly from the borough of Stockton on Tees, a largely urban area, but additionally to a lesser degree from the more rural adjacent County Durham.

Butterwick Hospice at Bishop Auckland

The Hospice in Bishop Auckland serves a mainly dispersed rural community, in doing so the charity has developed, in partnership with statutory and other voluntary bodies, services which meet these distinct needs.

The Hospice in Bishop Auckland serves the communities of Sedgefield, Wear Valley, Weardale and Teesdale, and as at the Stockton Hospice, provides an appointment-based Day Hospice service in Bishop Auckland. Since February 2022 the Day Service has introduced some sessions that still adhere to covid precautions, but also provide patients with the opportunity for social interaction that they have said that they have missed.

Recognising the distinct healthcare needs of the area, the charity has also developed specialist neurological services focused on patients, in particular those suffering from Multiple Sclerosis, and their carers.

The charity also operates a Home Care Service which supports patients, on a 24-hour basis, and their carers in their own homes.

The charity is working closely with the local Clinical Commissioning Groups and other voluntary sector organisations to further address the palliative care needs in the area.

Butterwick House Children's Hospice

Butterwick House cares for children from birth, teenagers and young adults to a maximum age of twenty-five.

Based in Stockton-on-Tees, patients accessing Butterwick House are drawn from a wide geographical area from North Yorkshire in the South, Teesside, County Durham and Wearside in the North.

Butterwick House is a six bedded unit, four beds for children and two beds specifically designed for young

OBJECTIVES AND ACTIVITIES (continued)

adults aged 18 to 25 years, which primarily offers planned specialist respite care, as crisis and terminal care is not permitted due to the conditions imposed by CQC. An application has been made to CQC to have the restrictions lifted from Butterwick House.

- **Staff and volunteers**

To enable the charity to achieve its charitable objectives, including the generation of sufficient financial resources to fund its activities, the charity and its trading subsidiaries, as at 31st March 22, employed 104 staff and an additional 25 bank staff who cover staff holidays and sickness. The charity additionally had the generous support of some 109 volunteers who assist in every area of the charity's activities.

The charity recognises and acknowledges that it is dependent upon staff and volunteers, who have the necessary training and expertise, if it is to meet the needs of the patients which it serves and their families and carers. To this end the charity invests both in initial induction training and ongoing continuing development for all staff and volunteers.

The charity is supported by volunteers in every area of its activities including clinical, support services and income generation. Their contribution to the work of the charity is considerable in financial terms. However, their greatest value is that they represent the community that supports Butterwick Hospice Care and for their dedication we offer our sincere thanks. The charity has seen a significant reduction in the number of volunteers as a consequence of the pandemic.

In many areas of the charity's work, the demands can be both emotionally and physically draining. Staff and volunteers are dedicated and habitually "go the extra mile" as is reflected in the many letters of appreciation which we receive. In supporting and equipping staff and volunteers to meet these demands, the charity provides a range of mechanisms ranging from informal peer support to Clinical Supervision.

All members of staff have an annual appraisal and regular one to one meetings which allows the opportunity to discuss work related issues, the needs of the charity and ongoing personal development.

The charity is proud of the skills, dedication and loyalty of its staff and volunteers and grateful for their contribution to the charity meeting its charitable and operational objectives.

- **Main activities undertaken to further the charity's purposes for the public benefit**

The Trustees believe the charity provides a public benefit by offering palliative care to adults and children who are resident in the areas of Teesside, County Durham Wearside and North Yorkshire, and who are suffering from a life limiting illness. People access our services by means of referral by their GP, hospital consultant or clinical nurse specialist. Admission to our services is determined only by clinical and psychological need without reference to gender, race or faith. The Hospice's services are free of charge to patients and their families.

ACHIEVEMENTS AND PERFORMANCE

- **Quality**

The charity's services are registered with, and regulated by, the Care Quality Commission (CQC) which carries out periodic unannounced Inspections of the three main sites on which care is delivered.

These Inspections are in-depth and rigorous. Following inspection, the CQC publishes a report which is publicly available and to which there are links on the Hospices' website.

ACHIEVEMENTS AND PERFORMANCE (continued)

During 2021/22 all Butterwick Hospices were inspected by CQC, with reports published:
September Inspection: published 15/11/21
February Inspection: published 5/5/22

The five key domains that hospices are measured against are:

- Is the service safe
- Is the service effective
- Is the service caring
- Is the service responsive
- Is the service well led

The outcome of the Bishop Auckland report was disappointing for the charity with an overall rating of "Inadequate".

The outcome of the Butterwick House report was disappointing but also evidenced the significant amount of work that had been completed and the progress that had been achieved. The overall rating was "Requires Improvement", with the domain ratings being good for 3 domains, and requires improvement for 2 domains.

The ratings have resulted in the charity remaining with conditions being in place and continuing to work to a detailed action plan to improve the elements identified as not meeting requirements. The management and staff are working closely with CQC, local CCGs and the local Foundation Trust to implement a range of measures to improve the safety, effectiveness and responsiveness of the services.

An application has been made to have the restrictions lifted on Butterwick House which supports children.

ACHIEVEMENTS AND PERFORMANCE (continued)

- **Summary of Patient Activity**

During 2021-2022 Butterwick Hospice Care provided 5 key services:

Adult In-patient Unit (Stockton)
Children's In-patient Unit (Butterwick House, Stockton)
Day Service (Stockton and Bishop Auckland)
Palliative Home Care Team (Bishop Auckland)
Family Support (Stockton and Bishop Auckland)

The impact of the coronavirus pandemic and the outcome of the CQC inspections had a significant impact on the delivery of services during 2021-2022.

Adult Hospice Service

Inpatients

The Adult In-patient Unit is an 8-bed unit, all with ensuite facilities.
Butterwick Hospice Care at Stockton aims to provide specialist palliative and end of life care primarily for adult patients living in the Stockton Borough Council geographical area.

The objectives are (prior to temporary closure of the Adult In-patient Unit):

To provide a 24 hour, 7 days a week in-patient service.
To provide short term respite care.
To provide holistic multidisciplinary care, which meets the physical, emotional, spiritual and social needs of patients and, as relevant, their carers and relatives.
To provide nursing care, counselling, advice, complementary therapies, and bereavement support to patients, their carers and relatives.

In all cases to ensure patients, their carers, and relatives are supported by a team of skilled and appropriately trained staff and volunteers.

Due to the conditions imposed following the CQC inspections, Butterwick House Children's Service was able to admit 2 patients, who were stable, for respite care. The patients also had to be known to the provider.

Activity during 2021-2022 was:

From the activity reported from 2020-2021, 7 patients had died.
7 patients were admitted to the in-patient unit for respite care.
0 were admitted for end-of-life care.
0 were admitted for symptom control.
There were 20 episodes of care/admissions.
There was a total of 62 days of care provided.
The caseload had reduced to 4 patients by December 2021, and the decision was made to temporarily close the unit as of 31 January 2022.

Palliative Care Home Team

The Team supported a total of 67 patients in their own homes, providing a total of 3,808 hours of care on 714 separate occasions.

ACHIEVEMENTS AND PERFORMANCE (continued)

Day Care
Stockton

Day Service – Stockton:

The Day Services are delivered on an appointment basis with nursing, complementary therapist, and physiotherapy input as required Services are delivered from appropriately and attractively furnished rooms.

The objectives are:

To provide a day hospice service two days each week (Monday and Friday).
To provide holistic multidisciplinary care, which meets the physical, emotional, spiritual and social needs of patients and, as relevant, their carers and relatives.
To provide nursing care, counselling, advice, complementary therapies, and bereavement support to patients, their carers and relatives.

In all cases to ensure patients, their carers, and relatives are supported by a team of skilled and appropriately trained staff and volunteers.

Activity during 2021-2022 was:

51 patients attended the service.
There were 614 episodes of care.
There were 49 physiotherapy treatments provided.
There were 295 complementary therapy treatments provided.

The objectives are:

To provide a day hospice service three days each week (Tuesday, Wednesday, and Friday).
To provide holistic multidisciplinary care, which meets the physical, emotional, spiritual and social needs of patients and, as relevant, their carers and relatives.
To provide nursing care, counselling, advice, complementary therapies, and bereavement support to patients, their carers and relatives.
In all cases to ensure patients, their carers, and relatives are supported by a team of skilled and appropriately trained staff and volunteers.

Bishop Auckland

The Day Services are delivered on an appointment basis with nursing, complementary therapist, and physiotherapy input as required Services are delivered from appropriately and attractively furnished rooms.

Activity during 2021-2022 was:

91 patients attended the service.
There were 2063 episodes of care.
There were 263 physiotherapy treatments provided.
There were 917 complementary therapy treatments provided. .

ACHIEVEMENTS AND PERFORMANCE (continued)

Family Support
Family Support – Stockton:

The Service offers emotional and psychological support to patients, as well as their families, and carers.
Family Support consists of qualified and experienced counsellors, supported by a team of dedicated volunteers.
The Service also supports and supervises the training practice of student counsellors, who are attending university, and working towards their qualified status.

During the pandemic, the Family Support team transitioned from face-to-face working to remote working – either telephone or online link.

This transition started to be reversed in the latter part of 2021-2022, with most appointments returning to face-to-face, although the option for telephone and online support is still available if required.

The objectives are:

To provide a compassionate and practical service.
To provide people with a confidential space in which they can safely share their thoughts and feelings.
To provide support to people at any stage of their cancer journey – from the beginnings of the initial shock of their diagnosis, throughout their treatment, and whatever lies beyond.
To provide support for those who have been bereaved, where death of a significant person has been through cancer or other life limiting illness.
To provide 1 to1 counselling for children and young people, both pre and post bereavement, where emotions are seen to be affecting their day-to-day life.

Activity during 2021-2022 was:

136 clients accessed bereavement support / counselling (pre or post death).
152 1 to1 contacts were provided.
862 telephone support calls were undertaken.
62 video sessions were provided.

In Bishop Auckland:

The Service offers emotional and psychological support to patients, as well as their families, and carers.
Family Support consists of qualified and experienced counsellors, supported by a team of dedicated volunteers.

The Service also supports and supervises the training practice of student counsellors, who are attending university, and working towards their qualified status.

During the pandemic, the Family Support team transitioned from face-to-face working to remote working – either telephone or online link.

This transition started to be reversed in the latter part of 2021-2022, with most appointments returning to face-to-face, although the option for telephone and online support is still available if required.

The objectives are:

To provide a compassionate and practical service.
To provide people with a confidential space in which they can safely share their thoughts and feelings.
To provide support to people at any stage of their cancer journey – from the beginnings of the initial shock of their diagnosis, throughout their treatment, and whatever lies beyond.

ACHIEVEMENTS AND PERFORMANCE (continued)

To provide support for those who have been bereaved, where death of a significant person has been through cancer or other life limiting illness.
To provide 1to1 counselling for children and young people, both pre and post bereavement, where emotions are seen to be affecting their day-to-day life.

Activity during 2021-2022 was:

182 clients accessed bereavement support / counselling (pre or post death).
126 1to1 contacts were provided.
126 telephone support calls were undertaken.
49 video sessions were provided.
389 school visits were provided.
72 children accessed the service.
502 hours of support were provided.

Children's Hospice

The Children's In-patient Unit is a 6-bed unit – 4 rooms for children 0-17 years and 2 rooms for young people 18-25 years.

Butterwick House Children's Hospice at Stockton aims to provide specialist palliative and end of life care for infants, children, and young people with life-limiting conditions. It is a holistic service providing physical, emotional, and spiritual care to the whole family throughout their journey.

The objectives are:

To provide a 24 hour, 7 days a week in-patient service.
To provide short term respite care.
To provide emergency and end of life care.
To provide holistic multidisciplinary care, which meets the physical, emotional, spiritual and social needs of the children, and their families as a whole.
To provide nursing care, counselling, advice, complementary therapies, and bereavement support to the children, their families, and carers.
In all cases to ensure the children, their carers, and relatives are supported by a team of skilled and appropriately trained staff and volunteers.

Following CQC imposed conditions, Butterwick Hospice Care was able to admit 2 patients, who were stable, for respite care. The patients also had to be known to the provider.

Activity during 2021-2022 was:

16 children / young people were admitted to the in-patient unit for respite care.
0 were admitted for end-of-life care.
0 were admitted for symptom control.
There were 91 episodes of care/admissions.
There was a total of 206 nights of care provided.

ACHIEVEMENTS AND PERFORMANCE (continued)

Financial review

- **Overview**

The Consolidated Statement of Financial Activities sets out the results of these activities directly carried out by Butterwick Limited (Butterwick Hospice Care: Butterwick Hospice at Stockton on Tees, Butterwick Hospice at Bishop Auckland and Butterwick House, Children's Hospice) as well as those of which Butterwick Limited is ultimately in control either as a corporate trustee (John Butterwick Trust Day Care Centre and Hospice) or as a parent company (Butterwick Lotteries Limited and Butterwick Hospice Retail Limited). The statement also includes the charity's share of the results of a joint venture, North East Hospices Lottery Limited, in which it has a 25% interest.

The Trust's function is to hold the properties at Stockton, all day to day running being handled by Butterwick Limited.

In the year ended 31 March 2022 the group operated at a deficit of £41k after depreciation which is an improvement on the budgeted expectation of a deficit of £185K. This compares to a surplus of £906K in the previous year, after depreciation. The surplus in 20/21 was as a direct consequence of the business review that took place along with the receipt of a number of large legacies. The expectation was that 21/22 would result in a £185K deficit which would be funded from the previous year surplus.

An End of Life (EOL) project is currently being developed, supported by stakeholder involvement and until the exact model of delivery is defined and costed, an interim budget has been prepared without the inclusion of the adult in-patient end of life provision. The interim budget expectation for 22/23 is that Butterwick Limited will be close to break even. This interim budget takes a cautionary view on receipt of legacies. Once the EOL project has been defined this will be incorporated into the budget along with associated funding.

- **Income generation**

Statutory Funding (NHS)

The operation of the charity is partly funded by NHS England and from the local NHS Clinical Commissioning Groups (CCG), with the majority of the funds being raised by fundraising activities, the securing of grants and by the receipt of donations and legacies, and the operations of the subsidiary companies.

The CCG's have been amalgamated into a new funding body Integrated Care Boards.

In the year a total of £1,123,216 was received from the NHS Trust and Commissioning Authorities (and includes £10,528 from NHSE as administered by Hospice UK) which equates to 34% of the Groups total income in the year. This compared to £1,789,450 in the previous year (40.7%). However, of this £1,789,450, £502,597 was from NHSE as administered through Hospice UK for the provision of bed capacity and community support during COVID 19.

Business Development

The Business Development team work across the wide geographical area from which the Hospices draw patients. The Business Development team are performance managed against an annual plan, which during the pandemic, was focused on Trust and Grant applications, whilst there was a restriction on events.

The charity does not use external professional fundraisers and does not buy, sell or share donor information

with any third party. Strict policies and procedures are in place to ensure compliance with fundraising best practice and standards including data protection and the regularity and methods of maintaining contact with donors.

Income from donations, and fundraising was £1,609,433 including legacies and covid 19 grants. This compares to a gross Fundraising income excluding Legacies and covid 19 grants in 21/22 of £1,046,310 (2021 £1,088,346) and expenditure in 21/22 of £474,126

The fundraising and publicity costs are 30% of gross fundraising income excluding covid 19 grants, (20/21 33%).

Virtually all the charity's non-NHS income arises from fundraising and public activities including maintaining contact with some 38,000 supporters. The Hospice is very grateful for all the support it receives and is very dependant on local support. This support is required more than ever during the Pandemic.

The Trustees are maintaining their investment in the Business Development team and associated costs, as they are confident that this will provide the return on investment required to support the charity and contribute to building a sustainable financial base to ensure the longer-term security of the Charity and the care it provides to its patients and families.

- **Trading subsidiaries**

Butterwick Hospice Retail Limited

Butterwick Hospice Retail Limited is a wholly owned subsidiary which operates charity shops selling predominantly donated goods. It pays all its trading profits to the company by dividend.

In the year Butterwick Hospice Retail Limited contributed £nil, compared to £166,653 in the previous year. In addition it sold items donated to the company which raised gift aid to the value of £67,510 (20/21 £25,000)

Since the pandemic, retail outlets are operating at around 70%-75% of pre-covid levels. This is being addressed by developing a strategic operational plan for the retail outlets.

Butterwick Lotteries Limited

Butterwick Lotteries Limited is a wholly owned subsidiary which operates lotteries on behalf of the charity. It pays all its trading profits to the charity by donation.

In the year ended 31 March 2022 Butterwick Lotteries Limited generated £145,036 profit for the charity (20/21 £140,809).

Butterwick Lotteries Limited also administers a lottery on behalf of North East Hospices Lottery Limited (NEHL). NEHL's profits are paid equally under Gift Aid to four local North East Hospices including the Butterwick Hospice at Bishop Auckland. NEHL generated £66,434 for the charity in the period ended 31 March 2022 (year ended 31 March 2021 £64,428).

- **Going concern**

The main risks to the charity in fulfilling the defined objectives are:

- CQC rating
- Financial risk in terms of being able to generate sufficient income to cover expenditure
- Staffing Recruitment and loss of key personnel

The Senior and Management Teams have progressed the action plan to ensure that the charity complies with regulations and continues to make improvements with the aim of improving the CQC grading.

The charity has not had to rely on the authorised overdraft and has been able to manage payment of debts as they fall due through the funding received during the year.

The Trustees have reviewed the cash position of the charity for the period to 31st March 2024 and detailed cash flow projections have been prepared and considered along with sensitivity analysis. These show the charity continuing to meet payments as they fall due without use of the overdraft facilty.

The Trustees acknowledge that the pandemic is continuing to present challenges but with the regular cash flow monitoring and mitigation plans this has significantly reduced the financial risk.

After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate reserves to continue in operational existence for the foreseeable future, although it is noted that addition to reserves is required to protect against the risk of unexpected costs.

Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements.

- **Reserves**

The charitable group's reserves have been depleted as a result of operational deficits in past years coupled with capital expenditure. In 20/21 there was an opportunity to add to reserves.

Recognising our continued dependence upon unpredictable charitable activity and support, along with the implications of COVID19 the Trustees have concluded that it would be prudent at the current time, to incrementally create a reserve equating to a minimum of three months operational costs. Based on current expenditure levels, three months operational costs amounts to approximately £900,000.

At the year-end total group reserves were £3.5m of which £2.6m was unrestricted. Unrestricted free reserves were £960k.

A key priority for the Trustees is to build cash reserves in line with policies.

FUTURE DEVELOPMENTS

The charity had identified a number of areas to explore potential service development or improvement, however with the impact of Covid19 on delivery of all services the charity is reviewing service delivery in line with government restrictions and is aligning services to respond to changing needs and delivery methods required to provide healthcare during such challenging times. The demand for services has not reduced, however the way in which services can be delivered has changed significantly and at present the Management Team and Trustees are ensuring services are maintained in the most relevant form to the patients.

The charity recognises that future services need to be re-aligned to the needs of the community. Work is being undertaken to explore opportunities to work in partnership with other clinical institutions where this is deemed to be appropriate and where there is a distinct benefit to the community, as well as ensuring that services are sustainable and resilient.

Finance

The team have continued to achieve improved reporting times in accordance with the requirements set out in the 5 year strategic plan and finance plan. This has given Management a clear understanding of the current financial restraints within the charity and helped them ensure that the charity continues to have the capacity and resources to meet demand so that it can continue to deliver a quality and safe service to its patients. This timely information has been vital during the pandemic.

Cash flows have been extended and developed to include sensitivity analysis over a longer period which enables plans to be put in place where there is suggestion of pinch points.

In the coming year finance will continue to work closely with individual departments to provide them with analytical data to enhance the delivery of their services in relation to demand and care requirements. This will inform any strategic plans for the future.

The charity will continue to work with community services to ensure that where we can, we work in partnership to deliver, more efficient and cost-effective healthcare

Workforce

The year 2021-2022 has been a challenging year. The pandemic required service delivery patterns to be revised, staffing structures and skills base to be reviewed regularly to ensure services were compliant with frequently changing guidelines and restrictions in how services can be delivered. These changes required service reviews and restructures right across the hospice taking account of the financial situation, the CQC report and the impact of the Covid 19 pandemic.

The key reviews and restructures are complete, and the on-going reviews will continue to be undertaken in light of Covid 19 and to meet CQC regulations.

As a result of the above service reviews and the air of uncertainty that the Covid 19 pandemic brought with it the charity did, on top of the lost revenue, loose staff and volunteers, some of which were employed in senior service critical positions.

In addition to the links already in place with North Tees and Hartlepool Hospital for training opportunities for clinical staff the charity is forging links with local training providers of funded management and other training, local colleges and universities for the provision of student placements which will give students the valuable experience they need and also give them an insight into the hospice and the opportunities that are available.

The charity also intends to utilise the services and benefits of its membership of the Teesside Chamber of Commerce to a greater effect which will add additional support to our aims and objectives.

FUTURE DEVELOPMENTS (continued)

The Hospice is committed to putting initiatives in place to improve staff retention and work is ongoing on a salary bandings and benefits review. A staff survey was undertaken in October 2020, the results of which have been analysed and actions identified, the employee exit interview form has been reviewed and now captures more detailed and appropriate information. This will help to identify common trends and areas for improvement.

The employee development and training processes and requirements have been reviewed and management Level 3 and 5 training has been offered for those employees with responsibility for staff, these courses commence in 2022, this will in turn, feed into succession planning for the organisation.

The Covid 19 pandemic has resulted in a decrease in the number of volunteers and a more robust and far-reaching volunteer recruitment campaign is to be undertaken.

Governance

The charity recently recruited additional Trustees to strengthen the governance of the organisation. Further work is being undertaken to review the governance structure to ensure transparency and openness.

Communication

The charity is building on its links with Hospices North East Collaborative to strengthen the voice of hospice care in the north east and at a more local level is working with local stakeholders to increase engagement and awareness of hospice services.

Full details of these policies are available from the charity's offices.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and the charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

As a result of a change in auditors' name, from 1 March 2022 Waltons Clark Whitehill Limited became Waltons Business Advisers Limited.

The auditors, Waltons Business Advisers Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

Prof M Bramble

Date: 4/10/22

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTERWICK LIMITED

UNQUALIFIED OPINION

We have audited the financial statements of Butterwick Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows 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 of the parent charitable company's affairs as at 31 March 2022 and of the Group'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 requirements of the Companies Act 2006 and the Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTERWICK LIMITED (CONTINUED)

OTHER INFORMATION

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

We have nothing to report in this regard.

OPINION 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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTERWICK LIMITED (CONTINUED)

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company'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 Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

We gained an understanding of the legal and regulatory framework applicable to the charity and the area in which it operates, and considered the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material mistatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We identified that the greatest potential for fraud in the following areas: recognition and completeness of income and posting of unusual journals. We discussed these risks with management and designed audit procedures to the test the recognition and completeness of revenue. We reviewed journals posted around the year end to look for potential "window dressing".

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 auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTERWICK LIMITED (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, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

H O'Driscoll FCA (senior statutory auditor)
for and on behalf of
Waltons Business Advisers Limited
Maritime House
Harbour Walk
The Marina
Hartlepool
TS24 0UX

Date: 23 October 2022

BUTTERWICK LIMITED

(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	4	**977,628**	**117,350**	**-**	**1,094,978**	*1,209,945*
Charitable activities	5	**-**	**1,123,216**	**-**	**1,123,216**	*1,789,450*
Other trading activities:	6					
Fundraising		**505,273**	**9,182**	**-**	**514,455**	*474,862*
Trading activities		**482,165**	**-**	**-**	**482,165**	*301,587*
Investments:	8					
Share of joint venture net income		**-**	**66,434**	**-**	**66,434**	*64,428*
Investments		**1**	**-**	**-**	**1**	*5*
Other income	9	**2,714**	**-**	**-**	**2,714**	*555,473*
TOTAL INCOME AND ENDOWMENTS		**1,967,781**	**1,316,182**	**-**	**3,283,963**	*4,395,750*
EXPENDITURE ON:						
Raising funds:						
Voluntary income		**472,876**	**1,250**	**-**	**474,126**	*467,081*
Fundraising trading		**537,729**	**-**	**-**	**537,729**	*515,260*
Charitable activities	11	**292,428**	**2,021,151**	**-**	**2,313,579**	*2,507,071*
TOTAL EXPENDITURE		**1,303,033**	**2,022,401**	**-**	**3,325,434**	*3,489,412*
NET INCOME/(EXPENDITURE)		**664,748**	**(706,219)**	**-**	**(41,471)**	*906,338*
Transfers between funds	22	**(649,889)**	**649,889**	**-**	**-**	*-*
NET MOVEMENT IN FUNDS		**14,859**	**(56,330)**	**-**	**(41,471)**	*906,338*

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
RECONCILIATION OF FUNDS:						
Total funds brought forward		**2,565,529**	**923,896**	**50,961**	**3,540,386**	*2,634,048*
TOTAL FUNDS CARRIED FORWARD		**2,580,388**	**867,566**	**50,961**	**3,498,915**	*3,540,386*

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

The notes on pages 29 to 53 form part of these financial statements.

BUTTERWICK LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 02979587

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note		2022 £		2021 £
FIXED ASSETS					
Tangible assets	16		**2,475,298**		*2,586,958*
Investments	17		**4,626**		*4,626*
			2,479,924		*2,591,584*
CURRENT ASSETS					
Stocks	18	**5,355**		*4,294*	
Debtors	19	**366,106**		*311,355*	
Cash at bank and in hand		**1,059,480**		*981,075*	
		1,430,941		*1,296,724*	
Creditors: amounts falling due within one year	20	**(256,117)**		*(305,422)*	
NET CURRENT ASSETS			**1,174,824**		*991,302*
Creditors: amounts falling due after more than one year	21		**(155,833)**		*(42,500)*
TOTAL NET ASSETS			**3,498,915**		*3,540,386*
CHARITY FUNDS					
Endowment funds	22		**50,961**		*50,961*
Restricted funds	22		**867,566**		*923,896*
Unrestricted funds	22		**2,580,388**		*2,565,529*
TOTAL FUNDS			**3,498,915**		*3,540,386*

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Prof M Bramble

Date: 4/10/22

The notes on pages 29 to 53 form part of these financial statements.

BUTTERWICK LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 02979587

CHARITY BALANCE SHEET
AS AT 31 MARCH 2022

	Note		2022 £		*2021 £*
FIXED ASSETS					
Tangible assets	16		**808,828**		*863,913*
Investments	17		**4,630**		*4,630*
			813,458		*868,543*
CURRENT ASSETS					
Stocks	18	**1,129**		*981*	
Debtors	19	**495,827**		*552,692*	
Cash at bank and in hand		**917,272**		*674,852*	
		1,414,228		*1,228,525*	
Creditors: amounts falling due within one year	20	**(215,719)**		*(274,900)*	
NET CURRENT ASSETS			**1,198,509**		*953,625*
Creditors: amounts falling due after more than one year	21		**(155,833)**		*(42,500)*
TOTAL NET ASSETS			**1,856,134**		*1,779,668*
CHARITY FUNDS					
Restricted funds	22		**859,285**		*923,896*
Unrestricted funds	22		**996,849**		*855,772*
TOTAL FUNDS			**1,856,134**		*1,779,668*

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Prof M Bramble

Date: 4/10/22

The notes on pages 29 to 53 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash used in operating activities	**(131,304)**	*912,079*
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends, interests and rents from investments	**1**	*5*
Purchase of tangible fixed assets	**(12,138)**	*(7,290)*
Receipts from joint venture	**66,013**	*66,941*
NET CASH PROVIDED BY INVESTING ACTIVITIES	**53,876**	*59,656*
CASH FLOWS FROM FINANCING ACTIVITIES		
New unsecured loans	**-**	*50,000*
Repayments of borrowing	**(44,167)**	*-*
New secured loans	**200,000**	*-*
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	**78,405**	*1,021,735*
Cash and cash equivalents at the beginning of the year	**981,075**	*(40,660)*
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**1,059,480**	*981,075*

The notes on pages 29 to 53 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. GENERAL INFORMATION

The charity is a company limited by guarantee and registered in England and Wales. The members of the charity are the Trustees named on page . In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The registered office address is:

Butterwick Hospice
Middlefield Road
Stockton on Tees
Cleveland
TS19 8XN

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Butterwick Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

The income and expenditure account for the year dealt with in the financial statements of the charity was £76,466 (2021: £926,726).

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Going concern

As anticipated there has been a continued reduction in income and fundraising opportunities during 2021/22, as an ongoing consequence of the pandemic and associated Government restrictions.

Nevertheless, as described in the Trustees' report, the Trustees have reviewed the cash position of the charity for the period to March 2024 and detailed cash flow projections have been prepared. These cash flow predictions show the charity continuing to make all payments as they fall due and without the use of the overdraft facility.

The business plan, that was prepared prior to the national pandemic, is currently being delivered with a view to making significant savings and there is a process of continual review to ensure that targets are achieved.

At the current time the Adult unit is closed and there are restrictions in place on the Children's unit. This has led to reduced income but also to reduced costs. Trustees are looking at alternative possibilities for the Adult unit and will not take on any commitments that cannot be fully funded.

The charity is reliant on the continued support of our bank to assist with cashflow and is providing the bank with regular updates to ensure that this support continues. As part of this, the bank agreed to a new five-year loan which has stabilised the cash flow position during the implementation of the action plan.

The Trustees believe that the charity is well placed to manage its financial risks with plans in place to ensure that the charity continues in operational existence for the foreseeable future.

Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Income

All 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.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Gifts donated for resale are included as income when they are sold. No amounts are included in the financial statements for services donated by volunteers.

Where goods are donated under the gift aid scheme the charity is not entitled to the income until the goods are sold and the donor has confirmed that they are gifting the proceeds. In this case the income is included as a donation rather than as a sale.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the consolidated statement of financial activities as the related expenditure is incurred.

2. ACCOUNTING POLICIES (CONTINUED)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- over 50 years
Long term leasehold property	- over 50 years, the period of the lease or until the first break clause
Short-term leasehold property	- over 5 years
Furniture & Equipment	- over 4 to 10 years
Motor vehicles	- over 5 years

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

Investments in joint ventures are stated at the amount of the Group's share of net assets. The consolidated statement of financial activities includes the Group's share of the joint ventures' net income or expenditure using the equity accounting basis. As the joint venture is a charity, the investment is presented within restricted funds.

2.8 Stocks

Stock of unsold donated goods are not valued for balance sheet purposes. Stocks of merchandise are valued at the lower of cost and net realisable value.

2.9 Debtors

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

2.10 Cash at bank and in hand

Cash at bank and 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.

2. ACCOUNTING POLICIES (CONTINUED)

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.12 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Pensions

The charity contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payment obligations.

The contributions are recognised as an expense in the statement of financial activity when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the charity in independently administered funds.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. These estimates and judgments are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements the Trustees have used the going concern basis of accounting.

As explained in note 2.2 above the charity faces a number of challenges. These include the impact of Covid-19 which has reduced income and the disappointing CQC inspection results.

In the current year the charity secured a five year bank loan allowing them to stabilise the cash position. Cashflow forecasts have been prepared including modeling the impact of different scenarios. These show even in a worse case reduction of income that the charity will be able to continue.

Taken alltogether this has enabled the charity to continue and for the Trustees to be confident that the going concern basis of accounting remains appropriate.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Donations	**395,130**	**4,258**	**399,388**	*407,197*
Legacies	**535,120**	**-**	**535,120**	*320,774*
Other Covid-19 grants	**28,003**	**-**	**28,003**	*275,687*
Grants	**19,375**	**113,092**	**132,467**	*206,287*
	977,628	**117,350**	**1,094,978**	*1,209,945*
Total 2021	*1,021,475*	*188,470*	*1,209,945*	

5. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Stockton on Tees Hospice	**309,406**	**309,406**	*492,954*
Bishop Auckland Hospice	**495,631**	**495,631**	*487,529*
Childrens Hospice	**307,651**	**307,651**	*306,370*
National Health Service England	**10,528**	**10,528**	*502,597*
	1,123,216	**1,123,216**	*1,789,450*
Total 2021	*1,789,450*	*1,789,450*	

Included within the balance above is £10,528 (*2021: £502,597*) received from NHSE (National Health Service England).

The NHSE awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the Covid-19 situation and to provide bed capacity and community support from November 2020 to March 2021 and then again from December 2021 to March 2022 for the same purpose.

6. FUNDRAISING INCOME

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Other charitable income	**183,278**	**9,182**	**192,460**	*158,916*
Bishop Auckland Hospice	**403**	**-**	**403**	*3,989*
Childrens Hospice	**1,823**	**-**	**1,823**	*2,227*
Lottery	**319,769**	**-**	**319,769**	*309,730*
Total 2022	**505,273**	**9,182**	**514,455**	*474,862*
Total 2021	*468,300*	*6,562*	*474,862*	

7. TRADING ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Charity trading income				
Charity shops	**466,748**	**-**	**466,748**	*279,683*
Other trading activities	**15,417**	**-**	**15,417**	*21,904*
	482,165	**-**	**482,165**	*301,587*
Fundraising trading expenses				
Charity shops	**251,543**	**-**	**251,543**	*216,839*
Wages and salaries	**285,984**	**-**	**285,984**	*298,140*
Depreciation	**203**	**-**	**203**	*281*
	537,730	**-**	**537,730**	*515,260*
Net (expenditure)/income from trading activities	**(55,565)**	**-**	**(55,565)**	*(213,673)*
Total 2021	*(216,652)*	*2,979*	*(213,673)*	

8. INVESTMENT INCOME

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Share of joint venture net income	-	**66,434**	**66,434**	*64,428*
Investment income	**1**	-	**1**	*5*
	1	**66,434**	**66,435**	*64,433*
Total 2021	*5*	*64,428*	*64,433*	

9. OTHER INCOMING RESOURCES

	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Recycling and miscellaneous income	**1,126**	**1,126**	*7,260*
Coronavirus job retention scheme funding	**1,588**	**1,588**	*548,213*
	2,714	**2,714**	*555,473*
Total 2021	*555,473*	*555,473*	

10. COST OF RAISING FUNDS

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Fundraising	**93,411**	**1,250**	**94,661**	*50,660*
Lottery	**122,940**	**-**	**122,940**	*120,836*
Wages and salaries	**256,524**	**-**	**256,524**	*295,585*
Total 2022	**472,875**	**1,250**	**474,125**	*467,081*
Total 2021	*466,162*	*919*	*467,081*	

11. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Stockton on Tees Hospice	**227,316**	**1,049,666**	**1,276,982**	*1,397,625*
Bishop Auckland Hospice	**65,112**	**437,546**	**502,658**	*528,508*
Childrens Hospice	-	**533,939**	**533,939**	*580,938*
	292,428	**2,021,151**	**2,313,579**	*2,507,071*
Total 2021	*279,956*	*2,227,115*	*2,507,071*	

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	*Total funds 2021 £*
Stockton on Tees Hospice	**741,821**	**535,161**	**1,276,982**	*1,397,625*
Bishop Auckland Hospice	**337,803**	**164,855**	**502,658**	*528,508*
Childrens Hospice	**391,622**	**142,317**	**533,939**	*580,938*
	1,471,246	**842,333**	**2,313,579**	*2,507,071*
Total 2021	*1,708,913*	*798,158*	*2,507,071*	

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Stockton on Tees Hospice 2022 £	Bishop Auckland Hospice 2022 £	Childrens Hospice 2022 £	Total funds 2022 £	*Total funds 2021 £*
Wages and salaries	**651,578**	**277,509**	**382,076**	**1,311,163**	*1,501,520*
Patient Care	**66,201**	**51,505**	**6,165**	**123,871**	*102,366*
Patient Transport	**317**	**-**	**132**	**449**	*2,738*
Premises	**3,660**	**-**	**1,264**	**4,924**	*2,357*
Occupational Health	**-**	**-**	**325**	**325**	*105*
Staff Travel	**1,564**	**5,267**	**-**	**6,831**	*4,869*
Volunteer Travel	**214**	**97**	**-**	**311**	*95*
Recruitment	**1,357**	**578**	**300**	**2,235**	*950*
Training & Education	**4,503**	**1,007**	**1,360**	**6,870**	*8,789*
Clinical Supervision	**-**	**1,840**	**-**	**1,840**	*1,600*
Exceptional Covid Expenses	**12,427**	**-**	**-**	**12,427**	*83,524*
	741,821	**337,803**	**391,622**	**1,471,246**	*1,708,913*
Total 2021	*900,759*	*380,539*	*427,615*	*1,708,913*	

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Stockton on Tees Hospice 2022 £	Bishop Auckland Hospice 2022 £	Childrens Hospice 2022 £	Total funds 2022 £	*Total funds 2021 £*
Staff costs	**289,439**	**65,500**	**87,965**	**442,904**	*404,126*
Depreciation	**85,693**	**29,682**	**7,187**	**122,562**	*123,261*
Patient Care	**69**	**-**	**949**	**1,018**	*513*
Premises	**65,745**	**34,458**	**34,610**	**134,813**	*113,353*
Staff Travel	**4,553**	**-**	**-**	**4,553**	*3,947*
Volunteer Travel	**293**	**-**	**-**	**293**	*-*
Recruitment	**542**	**-**	**-**	**542**	*-*
Training & Education	**3,839**	**-**	**-**	**3,839**	*4,175*
Administration Costs	**1,262**	**3,132**	**167**	**4,561**	*8,404*
Bank Charges	**3,687**	**-**	**-**	**3,687**	*5,431*
Telephone & Fax	**7,365**	**3,332**	**84**	**10,781**	*11,671*
Printing postage & stationery	**3,050**	**513**	**457**	**4,020**	*3,444*
Insurance	**18,354**	**5,359**	**8,114**	**31,827**	*30,178*
IT & Internet costs	**28,188**	**14,149**	**2,784**	**45,121**	*47,964*
Equipment maintenance	**7,603**	**8,730**	**-**	**16,333**	*26,710*
Audit fees	**15,479**	**-**	**-**	**15,479**	*14,981*
	535,161	**164,855**	**142,317**	**842,333**	*798,158*
Total 2021	*496,866*	*147,969*	*153,323*	*798,158*	

Support costs which are split over more than one area have been split based on staff time.

During the year ended 31 March 2022, the charity incurred the following Governance costs:

£66,480 (2021 - £49,810) included within the table above in respect of Direct & Support costs - Stockton on Tees Hospice.

£11,800 (2021 - £22,865) included within the table above in respect of Direct & Support costs - Bishop Auckland Hospice.

£17,834 (2021 - £45,729) included within the table above in respect of Direct & Support costs - Childrens Hospice.

13. AUDITORS' REMUNERATION

	2022 £	2021 £
Fees payable to the group's auditor for the audit of the group's annual accounts	**12,225**	*11,985*
Fees payable to the charity's auditor in respect of:		
All non-audit services not included above	**5,040**	*4,723*

14. STAFF COSTS

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Wages and salaries	**2,104,529**	*2,306,485*	**1,791,245**	*1,974,687*
Social security costs	**143,079**	*130,445*	**125,928**	*113,584*
Contribution to defined contribution pension schemes	**48,967**	*62,441*	**41,947**	*53,712*
	2,296,575	*2,499,371*	**1,959,120**	*2,141,983*

The average number of persons employed by the charity during the year was as follows:

	Group 2022 No.	Group 2021 No.	Charity 2022 No.	Charity 2021 No.
Childrens Hospice	**13**	*16*	**13**	*16*
Stockton Adults	**62**	*76*	**62**	*76*
Bishop Auckland Hospice	**20**	*29*	**20**	*29*
Butterwick Lottery	**5**	*7*	**-**	-
Butterwick Retail	**17**	*19*	**-**	-
	117	*147*	**95**	*121*

No employee received remuneration amounting to more than £60,000 in either year.

Total remuneration of key management personnel in the year was £261,343 (2021: £233,718).

15. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits *(2021 - £NIL)*.

During the year ended 31 March 2022, no Trustee expenses have been incurred *(2021 - £NIL)*.

16. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Long-term leasehold property £	Short-term leasehold property £	Furniture and Equipment £	Motor vehicles £	Total £
Cost						
At 1 April 2021	**1,074,026**	**2,899,520**	**97,016**	**1,238,305**	**40,562**	**5,349,429**
Additions	**-**	**-**	**-**	**12,541**	**-**	**12,541**
Disposals	**-**	**-**	**(61,911)**	**(5,728)**	**-**	**(67,639)**
At 31 March 2022	**1,074,026**	**2,899,520**	**35,105**	**1,245,118**	**40,562**	**5,294,331**
Depreciation						
At 1 April 2021	**397,598**	**1,089,002**	**97,016**	**1,144,739**	**34,116**	**2,762,471**
Charge for the year	**23,529**	**59,910**	**-**	**39,177**	**149**	**122,765**
On disposals	**-**	**-**	**(61,911)**	**(4,292)**	**-**	**(66,203)**
At 31 March 2022	**421,127**	**1,148,912**	**35,105**	**1,179,624**	**34,265**	**2,819,033**
Net book value						
At 31 March 2022	**652,899**	**1,750,608**	**-**	**65,494**	**6,297**	**2,475,298**
At 31 March 2021	*676,428*	*1,810,518*	*-*	*93,566*	*6,446*	*2,586,958*

16. TANGIBLE FIXED ASSETS (CONTINUED)

Charity

	Freehold property £	Long-term leasehold property £	Furniture and Equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2021	**1,074,026**	**132,551**	**1,216,232**	**31,397**	**2,454,206**
Additions	**-**	**-**	**12,541**	**-**	**12,541**
Disposals	**-**	**-**	**(403)**	**-**	**(403)**
At 31 March 2022	**1,074,026**	**132,551**	**1,228,370**	**31,397**	**2,466,344**
Depreciation					
At 1 April 2021	**397,598**	**35,229**	**1,126,069**	**31,397**	**1,590,293**
Charge for the year	**23,529**	**4,571**	**39,123**	**-**	**67,223**
At 31 March 2022	**421,127**	**39,800**	**1,165,192**	**31,397**	**1,657,516**
Net book value					
At 31 March 2022	**652,899**	**92,751**	**63,178**	**-**	**808,828**
At 31 March 2021	*676,428*	*97,322*	*90,163*	*-*	*863,913*

17. FIXED ASSET INVESTMENTS

Group	Listed investments £	Investment in joint ventures £	Total £
Cost			
At 1 April 2021	4,625	1	4,626
At 31 March 2022	4,625	1	4,626

Charity	Investments in subsidiary companies £	Listed investments £	Investment in joint ventures £	Total £
Cost				
At 1 April 2021	4	4,625	1	4,630
At 31 March 2022	4	4,625	1	4,630

17. FIXED ASSET INVESTMENTS (CONTINUED)

PRINCIPAL SUBSIDIARIES AND JOINT VENTURES

The following were subsidiary undertakings of the charity:

Names	Company number	Charity registration number	Basis of control	Holding
Butterwick Hospice Retail Limited	02775096		Shares	100%
Butterwick Lotteries Limited	03141067		Shares	100%
John Butterwick Trust Day Care Centre and Hospice		515705	Sole Trustee	-%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £
Butterwick Hospice Retail Limited	**475,785**	**(537,327)**	**(61,542)**
Butterwick Lotteries Limited	**319,991**	**(177,510)**	**142,481**
John Butterwick Trust Day Care Centre and Hospice	**103**	**(56,498)**	**(56,395)**

The net assets of the subsidiaries at the 31 March 2022 were:

Names	Net assets £
Butterwick Hospice Retail Limited	(61,540)
Butterwick Lotteries Limited	2
John Butterwick Trust Day Care Centre and Hospice	1,704,323

The following was a joint venture of the charity:

Name	Holding
North East Hospices Lottery Limited	**25%**

North East Hospices Lottery Limited's principal activity is the operation of a lottery. It has agreed to pay all of its trading profits equally to the four hospices which own it.

18. STOCKS

	Group 2022 £	*Group 2021 £*	Charity 2022 £	*Charity 2021 £*
Merchandise	**4,226**	*3,313*	**-**	*-*
Stamps	**321**	*353*	**321**	*353*
Fundraising stock	**808**	*628*	**808**	*628*
	5,355	*4,294*	**1,129**	*981*

19. DEBTORS

	Group 2022 £	*Group 2021 £*	Charity 2022 £	*Charity 2021 £*
Trade debtors	**49,308**	*60,528*	**37,771**	*51,606*
Amounts owed by group undertakings	**-**	*422*	**197,005**	*300,601*
Other debtors	**240,776**	*146,933*	**225,555**	*132,361*
Prepayments and accrued income	**76,022**	*103,472*	**35,496**	*68,124*
	366,106	*311,355*	**495,827**	*552,692*

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	*Group 2021 £*	Charity 2022 £	*Charity 2021 £*
Bank loans	**50,000**	*7,500*	**50,000**	*7,500*
Trade creditors	**50,174**	*101,037*	**22,514**	*86,969*
Amounts owed to group undertakings	**-**	*-*	**46,228**	*46,930*
Other taxation and social security	**29,534**	*35,349*	**29,534**	*35,349*
Other creditors	**41,918**	*70,716*	**41,481**	*70,684*
Accruals and deferred income	**84,491**	*90,820*	**25,962**	*27,468*
	256,117	*305,422*	**215,719**	*274,900*

The bank loan consists of a bounce back loan and a fixed term loan. The fixed term loan is secured by way of a legal charge over the assets of the charity.

	Group 2022 £	*Group 2021 £*	Charity 2022 £	*Charity 2021 £*
Deferred income at 1 April 2021	**56,798**	*63,833*	**6,600**	*6,600*
Resources deferred during the year	**50,148**	*56,798*	**-**	*6,600*
Amounts released from previous periods	**(56,798)**	*(63,833)*	**(6,600)**	*(6,600)*
	50,148	*56,798*	**-**	*6,600*

Deferred income represents Lottery payments received in advance.

21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2022 £	*Group 2021 £*	Charity 2022 £	*Charity 2021 £*
Bank loans	**155,833**	*42,500*	**155,833**	*42,500*

22. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Unrestricted funds					
General Funds	2,565,525	1,085,529	(591,295)	(417,833)	2,641,926
Funds within non charitable subsidiaries	4	882,252	(711,738)	(232,056)	(61,538)
	2,565,529	1,967,781	(1,303,033)	(649,889)	2,580,388
Endowment funds					
Endowment Funds	50,961	-	-	-	50,961
Restricted funds					
Bishop Auckland Hospice	395,699	575,384	(429,472)	(170,331)	371,280
Stockton on Tees Hospice	118,159	333,390	(1,036,831)	677,629	92,347
Children's Hospice	37,168	328,273	(533,939)	209,025	40,527
Dignity in Care Bishop Auckland Hospice	31,295	-	(834)	-	30,461
Dignity in Care Stockton on Tees Hospice	51,964	-	(1,384)	-	50,580
Outpatient Supportive Services Bishop Auckland	289,610	-	(7,240)	-	282,370
Funds in joint venture	1	66,434	-	(66,434)	1
National Health Service England	-	12,701	(12,701)	-	-
	923,896	1,316,182	(2,022,401)	649,889	867,566
Total of funds	3,540,386	3,283,963	(3,325,434)	-	3,498,915

22. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2020 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 March 2021* £
Unrestricted funds					
General Funds	*1,520,535*	*1,338,174*	*(563,152)*	*269,968*	*2,565,525*
Funds within non charitable subsidiaries	*5*	*1,005,687*	*(698,226)*	*(307,462)*	*4*
	1,520,540	*2,343,861*	*(1,261,378)*	*(37,494)*	*2,565,529*
Endowment funds					
Endowment Funds	*50,961*	-	-	-	*50,961*
Restricted funds					
Bishop Auckland Hospice	*457,744*	*547,713*	*(462,692)*	*(147,066)*	*395,699*
Stockton on Tees Hospice	*144,471*	*594,743*	*(672,349)*	*51,294*	*118,159*
Children's Hospice	*78,004*	*342,408*	*(580,938)*	*197,694*	*37,168*
Dignity in Care Bishop Auckland Hospice	*32,129*	-	*(834)*	-	*31,295*
Dignity in Care Stockton on Tees Hospice	*53,348*	-	*(1,384)*	-	*51,964*
Outpatient Supportive Services Bishop Auckland	*296,850*	-	*(7,240)*	-	*289,610*
Funds in joint venture	*1*	*64,428*	-	*(64,428)*	*1*
National Health Service England	-	*502,597*	*(502,597)*	-	-
	1,062,547	*2,051,889*	*(2,228,034)*	*37,494*	*923,896*
Total of funds	*2,634,048*	*4,395,750*	*(3,489,412)*	-	*3,540,386*

STATEMENT OF FUNDS (CONTINUED)

The **Bishop Auckland Hospice** fund operates to raise funds for the day to day running of a hospice at Bishop Auckland. A transfer has been made from this into general to fund the core team which is essential to ensure compliance and the safe provision of services.
Included within the income for this fund is £46,677 from Bishop Auckand and Shildon Area Action Partnership.

The **Stockton on Tees Hospice** fund operates to raise funds for the day to day running of a hospice at Stockton on Tees. This is the largest cost and one of the primary charitable activities and income raised from unrestricted events and donations made without restrictions helps to fund this area.

The **Children's Hospice** fund operates to raise funds for the day to day running of the children's hospice at Stockton on Tees. This is partially funded by a grant from NHS England. A transfer has been made from unrestricted funds to help fund this area.

The **Dignity in Care** and **Outpatient Supportive Services** funds represent grants provided by the Department of Health to help fund improvements to the hospices. Fixed asset expenditure when incurred and depreciation of those assets is charged to the appropriate fund over the life of the asset.

The **NHSE** awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the Covid-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

The **endowment fund** was created through the gift of the original hospice building. This was subsequently sold and the proceeds and related gains have been reinvested in the existing hospice premises.

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	1,615,509	808,828	50,961	2,475,298
Fixed asset investments	4,625	1	-	4,626
Current assets	1,357,685	73,256	-	1,430,941
Creditors due within one year	(241,598)	(14,519)	-	(256,117)
Creditors due in more than one year	(155,833)	-	-	(155,833)
TOTAL	2,580,388	867,566	50,961	3,498,915

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2021 £	*Restricted funds 2021* £	*Endowment funds 2021* £	*Total funds 2021* £
Tangible fixed assets	*1,672,084*	*863,913*	*50,961*	*2,586,958*
Fixed asset investments	*4,625*	*1*	-	*4,626*
Current assets	*1,231,032*	*65,692*	-	*1,296,724*
Creditors due within one year	*(299,712)*	(5,710)	-	*(305,422)*
Creditors due in more than one year	(42,500)	-	-	*(42,500)*
TOTAL	2,565,529	923,896	50,961	*3,540,386*

24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2022 £	*Group 2021* £
Net income/expenditure for the year (as per Statement of Financial Activities)	**(41,471)**	*906,338*
Adjustments for:		
Depreciation charges	**122,765**	*123,541*
Dividends, interests and rents from investments	**(1)**	*(5)*
Loss on the sale of fixed assets	**1,033**	-
Increase in stocks	**(1,061)**	*(123)*
Decrease/(increase) in debtors	**(54,751)**	*60,350*
Decrease in creditors	**(91,805)**	*(111,081)*
Receipts from joint venture	**(66,434)**	*(64,428)*
Joint venture debtor movement	**421**	*(2,513)*
Net cash provided by/(used in) operating activities	**(131,304)**	*912,079*

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2022 £	*Group 2021 £*
Cash in hand	**1,059,480**	*981,075*
Total cash and cash equivalents	**1,059,480**	*981,075*

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2021 £	Cash flows £	New loan finance £	At 31 March 2022 £
Cash at bank and in hand	**981,075**	**78,405**	**-**	**1,059,480**
Bank loan within 1 year	**(7,500)**	**-**	**(42,500)**	**(50,000)**
Bank loan over 1 year	**(42,500)**	**-**	**(113,333)**	**(155,833)**
	931,075	**78,405**	**(155,833)**	**853,647**

27. CONTINGENT LIABILITIES

During the year the group has received grants which must be repaid if not fully utilised.

Contingent liabilities exist at the year end in respect of:

J G W Patterson Foundation	£5,000 until October 2022
J G W Patterson Foundation	£10,000 until March 2023
Bishop Auckland and Shildon Area Action Partnership	£22,093 until March 2023

28. PENSION COMMITMENTS

The group contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund.

Some clinical staff are members of the NHS Pension Scheme and contributions are determined by the government actuary. The NHS Pension Scheme is an unfounded occupational scheme backed by the Exchequer.

The pension cost charge represents contributions payable by the group to the fund and amounted to £48,967 (*2021 - £62,441*). Contributions totalling £14,261 (*2021- £19,131*) payable to the fund at the balance sheet date and are included in creditors.

29. RELATED PARTY TRANSACTIONS

During the year Butterwick Lotteries Limited provided managment services amounting to £31,788 (2021 - £32,599) to North East Hospices Lottery Limited on an arms length commercial basis.

At 31 March 2022, £625 (*2021 - £1,500*) was due to Butterwick Limited from Eastern Ravens Trust, a company with a director in common.

BUTTERWICK LIMITED

England & Wales - Charity number 1044816

Accounts

Registered number: 02979587
Charity number: 1044816

BUTTERWICK LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

BUTTERWICK LIMITED
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 MARCH 2021

Trustees

B S Blakey (resigned 9 December 2020)
J P Bury, Chairman
P Walker
L Cooke
B I McLain
Prof M Bramble
C Pitcher (resigned 3 August 2020)
B M Hart (resigned 18 May 2020)
P Hinton (resigned 14 June 2021)
N Marshall (resigned 15 April 2021)
Dr P McGowan
B Carr
S R Grant (appointed 2 November 2020)

Company registered number

02979587

Charity registered number

1044816

Registered office

Butterwick Hospice, Middlefield Road, Stockton On Tees, Cleveland, TS19 8XN

Company secretary

V T Harrison

Chief executive officer

D Jones

Independent auditors

Waltons Clark Whitehill Limited, Maritime House, Harbour Walk, The Marina, Hartlepool, TS24 0UX

Bankers

Barclays Bank plc, 49 High Street, Stockton on Tees, TS18 1AH

Solicitors

Archers Law LLP, Lakeside House, Kingfisher Way, Stockton on Tees, TS18 3NB

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2021

The Trustees present their annual report together with the audited financial statements of the charity for the year 1 April 2020 to 31 March 2021. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Since the group and the charity qualify as small under section 383 of the Companies Act 2006, the group strategic report required of medium and large companies under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 has been omitted.

FOUNDER

The charity was founded by Mrs Mary Butterwick OBE who sadly died, aged 91, on 30th September 2015.

Mrs Butterwick's initial vision, personal self-sacrifice and tenacity, coupled with her close interest in the work of the Hospice which continued until her death, ensures her considerable legacy, in the charity which bears her family name, for the benefit of the community which we freely serve.

STRUCTURE, GOVERNANCE AND MANAGEMENT

- **Governing document**

Butterwick Limited is a charitable company limited by guarantee (incorporated October 1994) and as such is governed by a Memorandum and Articles of Association. It was registered by the Charity Commission on 7th March 1995, registration number 1044816.

- **Methods of appointment or election of Trustees**

The Trustees are drawn from a variety of disciplines with the aim of ensuring that the company has strong and informed leadership. During the financial year 20-21 three Trustees resigned, including a long-standing Trustee with a strong financial background. We have since replaced this finance expertise with the recruitment of a new Financial Trustee who is equally qualified.

When a vacancy occurs, the Chairman undertakes a skills audit to ascertain what particular expertise and background is desirable and the post is advertised through the normal recruitment channels to identify suitable candidates who are then interviewed and appointed. We maintain a split of trustees with clinical and medical experience and business experience to ensure all aspects of the business are appropriately scrutinised.

Trustees are given a general induction on joining the Board, and regular refresher training to maintain statutory and mandatory requirements.

The Trustees receive formal papers and reports. They are kept abreast of news and developments within the wider charity and hospice world by the receipt of regular briefings and the circulation of relevant Charity Commission and other publications. Trustees are also given the opportunity of attending appropriate local and national seminars and conferences.

The Trustees continue to review the company's governance arrangements, including the term of office of trustees, and to consider models of best practice.

The Trustees have agreed to comply with the Charity Governance Code.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

- **Organisational structure and decision-making policies**

The charity operates using the name Butterwick Hospice Care incorporating Butterwick Hospice, Stockton on Tees; Butterwick Hospice at Bishop Auckland and Butterwick House Children's Hospice.

The charity is organised so that the Trustees meet quarterly to manage its affairs; the Trustees receive quarterly written reports from the Chief Executive and the Senior Leadership Team, which incorporate management accounts and reports on the charity's activities and progress in meeting pre-identified objectives.

There are two sub-committees, chaired by Trustees which meet quarterly; the Business Committee, and the Quality, Safety and Risk Committee. The minutes of both committee meetings are circulated, together with supporting documentation, to all Trustees for consideration at their quarterly meetings.

The Business Committee has general oversight of non-clinical matters including Finance, Business Development, Retail, Human Resources, Voluntary Services, Health and Safety, Risk Management, Estates and Facilities. It is chaired by a Trustee, a Chartered Accountant, and a further four trustees are members. It is attended by the Chief Executive, the Director of Finance and Business Services, Director of Income Generation and HR Manager, members of the charity's non-clinical Senior Leadership team. A key role of the committee is to scrutinise the charity's budgets and recommend the same for approval by the Board. Secondly, the committee reviews the charity's detailed quarterly management accounts showing actual income and expenditure compared to budget, along with future projections.

The Quality, Safety and Risk Committee, which also acts as the Clinical Governance Committee, has general oversight of all matters of a clinical nature including patient related health, safety and risk management, quality, audit and the development, delivery and monitoring of patient services. It is chaired by a clinically qualified Trustee, attended by four additional Trustees with clinical expertise, the Chief Executive, the Director of Care, a Hospice Physician and the clinical leads of both adult and children's services, the quality and compliance manager and the lead for clinical governance.

- **Changes during the year**

Work on the governance structure within Butterwick Hospice Care started during 2018 with the intention of completion during 2019, however in November 2019 the charity received an unannounced inspection of all three hospices by CQC. The outcome of the inspection was not favourable and we received 'Inadequate' for Adult and Children's services at Stockton and 'Requires Improvement' for services at Bishop Auckland, resulting in services being put into 'Special Measures'. From the point of inspection, the senior and management teams have worked closely with CQC to develop and implement action plans to bring services in line with required standards. The CQC inspection feedback has resulted in the structure being realigned and policies and procedures being updated and improved. A subsequent CQC inspection of children's services identified that the structure required further work and stronger clinical governance input. This post was advertised and proved difficult to recruit to resulting in very slow progress in improving governance requirements. The hospice had a very challenging year responding to the CQC report and the Covid pandemic which saw a number of staff returning to NHS services in what are perceived as more stable employment roles compared to a charity A subsequent inspection in May 2021 confirmed that progress had not been made to the meet the expectation of CQC and a further warning notice was issued for the Hospice to improve its structure and processes. Significant work has been undertaken to achieve this and a successful appointment has been made to the role of Clinical Governance lead.

In addition, the structure of non-clinical services has been further refined with the introduction of the role of Operations Manager, Quality and Compliance Manager and specific administration support to enable the charity to stay abreast of changing needs in relation to risk management and overall compliance and to continue to

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

ensure good governance and strong lines of accountability are embedded into day to day operations The role of the Quality and Compliance manager is crucial in working in collaboration with the Clinical Governance Lead to strengthen the governance structure and to ensure consistent standardised approach to meeting regulatory and best practice requirements.

The Fundraising Team were re-established as Business Development and are led by a Director of Income Generation with the support of a Business Development Manager. The retail function is also overseen by the Director of Income Generation

In 19/20 Butterwick Hospice Care put together a business plan to review all services to ensure that they deliver safe services to our patients within our community at a sustainable cost. As a consequence, significant cost savings were identified and in 20/21 the organisation has seen these identified cost savings come to fruition.

However, during early 2020, the world was hit by the Covid-19 pandemic, which impacted significantly on all aspects of life. The effects of this pandemic had a significant impact on all retail and event income for the charity. The charity adopted a number of measures to mitigate where possible against the impact of the Covid-19 trading restrictions including utilising the 'furlough' scheme, application for a government bounce back loan and refocussing our fundraising efforts from events to grants and corporate support.

During the pandemic we made our beds available to NHS patients to help relieve the pressure from the NHS, so that they could provide care for Covid patients.

The NHSE awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020, to provide support to people with complex needs in the context of the Covid-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

The funding that Butterwick Hospice Care received in respect of this was a total value of £502,597 and this funding was administered through Hospice UK.

Our business Interruption insurance policy also covered some of the disruption to our retail trading activities to the value of £132,561 and we made applications for retail support grants from the Local Authorities to help with continued costs during the restriction periods.

The pandemic resulted in significant disruption to services across the whole of the organisation. Initially some services stopped completely and other areas had to adapt quickly to the increased demands in relation to infection prevention and control and social distancing.

Our outreach services have been moved to within our Hospice environment during the pandemic and our day care services remodelled to reflect that group activities could no longer take place. Counselling services adapted by providing telephone and video link support to clients, and front-line in-patient care has had to adapt to more restrictive service delivery, reduced visiting and changes to patient need.

The impact on services has been significant and services have still not returned to pre-pandemic capacity.

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

- **Pay policy for key management personnel**

The charity is heavily dependent upon the skills, dedication and commitment of all its staff, including the senior staff team, who provide day to day direction, leadership and management to what is a substantial and complex organisation. The Trustees recognise the necessity of setting remuneration levels which enable the retention and, when necessary, the recruitment of suitably qualified staff taking into account, where applicable, local comparable posts.

A remuneration group has been established to review salaries and benefits and ensure equity of pay and conditions for every member of staff. When any post becomes vacant it is scrutinised to ensure its effectiveness and suitability in the organisation, salaries are reviewed and benchmarked in advance of any post being advertised. Salaries of senior staff are agreed by the Trustees following a benchmarking exercise.

- **Relationships with other charities and organisations**

Within its charitable objectives and resources, the charity seeks to play a leading role within the local healthcare and voluntary sectors in the geographical and specialist areas in which it operates.

The charity in particular works closely and productively with the local NHS Clinical Commissioning Groups, the local NHS Foundation Trust, with neighbouring hospices and other local charities. The charity is also a member of Hospices North East (HNE) a collaborative of the nine independent hospices in the north east of England.

The charity works with local Universities and other education institutions in providing training, education and placement opportunities at both undergraduate and post graduate level to healthcare professionals.

Nationally, in particular, the charity works with Hospice UK, which is a national membership charity working on behalf of the hospice movement and Together for Short Lives which is a membership charity working on behalf of children's hospices.

- **Risk management**

The charity routinely revisits its risk register and has aligned it with the best practice guidance produced by the Charity Commission. The charity has policies, procedures, systems and controls in place to mitigate operational risks.

Five key areas of risk have been identified which are subject to rigorous risk assessment and management:

- Governance including systems and processes
- Operational covering clinical and non-clinical
- Financial: including income generation, budgetary control and insurance
- Regulation and Compliance relating to CQC, Health and Safety and legal requirements
- External including national pay bodies and IT operating systems

Business Continuity plans are in place and are currently being updated in light of lessons learned, the charity also undertakes major incident scenario planning.

A risk awareness culture is embedded within the day to day working methods and thinking of the charity's staff and volunteers and this is reflected in the role of the Quality and Compliance Manager who oversees all elements of risk management in collaboration with the Clinical Governance lead.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

OBJECTIVES AND ACTIVITIES

• Policies and objectives

The aims and objectives of the charity as set out in the Memorandum of Association (as amended in January 1995) are:

- Provision of palliative care and services for patients suffering from life threatening and limiting illness.
- The operation of facilities to provide palliative services for residential, day care and community.
- The advancement of education and training for all those concerned with the provision of palliative care, and for the general public.

The Trustees have considered the Charity Commission's guidance on public benefit when reviewing the company's aims and objectives and in planning future activities.

In meeting its charitable objectives:

Butterwick Hospice Care endeavours to freely provide an excellence in evidence-based specialist and holistic palliative care for all patients regardless of age or diagnosis; to be a centre of expertise and a specialist resource within the community as a whole.

The care is provided by a skilled multidisciplinary team and is supported by a wider organisation of administrative, finance and business development staff and a dedicated team of volunteers.

In doing this the company operates in three distinct areas:

1. Butterwick Hospice, Stockton on Tees
2. Butterwick Hospice at Bishop Auckland
3. Butterwick House Children's Hospice

In all areas of operation, the charity provides a comprehensive range of services to patients and their families including specialist medical and nursing care, complementary and other therapies, bereavement and spiritual support, counselling and benefits advice.

The charity seeks to optimise the use of its facilities and make best use of the resources which it expends. Detailed records of patient related activity are maintained and the Trustees receive regular reports in this respect.

The charity continues to work closely with other healthcare providers (both voluntary organisations and the National Health Service) to ensure that its current services and developments align with national and locally identified priorities.

• Activities undertaken to achieve objectives

Butterwick Hospice, Stockton on Tees

This is an eight bedded in-patient unit and with the onset of the pandemic the day services switched to a Covid responsive appointment-based day hospice service for adult patients drawn mainly from the borough of Stockton on Tees, a largely urban area, but additionally to a lesser degree from the more rural adjacent County Durham.

OBJECTIVES AND ACTIVITIES (continued)

Butterwick Hospice at Bishop Auckland

The Hospice in Bishop Auckland serves a mainly dispersed rural community, in doing so the charity has developed, in partnership with statutory and other voluntary bodies, services which meet these distinct needs.

The Hospice in Bishop Auckland serves the communities of Sedgefield, Wear Valley, Weardale and Teesdale, and as at the Stockton Hospice provides an appointment-based Day Hospice service in Bishop Auckland.

Recognising the distinct healthcare needs of the area, the charity has also developed specialist neurological services focused on patients, in particular those suffering from Multiple Sclerosis, and their carers.

The charity also operates a Palliative Home Care Team which supports patients, on a 24-hour basis, and their carers in their own homes.

The charity is working closely with the local Clinical Commissioning Groups and other voluntary sector organisations to further address the palliative care needs in the area.

Butterwick House Children's Hospice

Butterwick House cares for children from birth, teenagers and young adults to a maximum age of twenty- five.

Based in Stockton-on-Tees, patients accessing Butterwick House are drawn from a wide geographical area from North Yorkshire in the South, Teesside, County Durham and Wearside in the North.

Butterwick House is a six bedded unit, four beds for children and two beds specifically designed for young adults aged 18 to 25, with day care facilities, which primarily offers planned specialist respite care but also crisis and terminal care as necessary.

- **Staff and volunteers**

To enable it to achieve its charitable objectives, including the generation of sufficient financial resources to fund its activities, the charity and its trading subsidiaries, as at 31st March 21, employed 132 staff and an additional 26 bank staff who cover staff holidays and sickness. The charity additionally had the generous support of some 395 volunteers who assist in every area of the charity's activities.

During 20-21 the charity undertook a review of all services in line with the business plan and identified the necessity to restructure several services and service support areas. As part of that review structured consultations took place, in accordance with statutory regulations and alongside Unions, to ensure that affected staff members had opportunities to contribute to those decisions. The outcome of these consultations was that some staff were offered alternative roles and/or a change in hours, whilst 6 members of staff took voluntary redundancy. In addition, another 14 staff members were made redundant as a result of the reviews.

The charity recognises and acknowledges that it is dependent upon staff and volunteers, who have the necessary training and expertise, if it is to meet the needs of the patients which it serves and their families and carers. To this end the charity invests both in initial induction training and ongoing continuing development for all staff and volunteers.

The charity is supported by volunteers in every area of its activities including clinical, support services and income generation. Their contribution to the work of the charity is considerable in financial terms. However, their greatest value is that they represent the community that supports Butterwick Hospice Care and for their dedication we offer our sincere thanks.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

OBJECTIVES AND ACTIVITIES (continued)

The charity is accredited with "Investors in People" and have achieved the Disability Confident Level 2 Standard.

In many areas of the charity's work, the demands can be both emotionally and physically draining. Staff and volunteers are dedicated and habitually "go the extra mile" as is reflected in the many letters of appreciation which we receive. In supporting and equipping staff and volunteers to meet these demands, the charity provides a range of mechanisms ranging from informal peer support to Clinical Supervision.

All members of staff have an annual appraisal and regular one to one meetings which allows the opportunity to discuss work related issues, the needs of the charity and ongoing personal development.

The charity is proud of the skills, dedication and loyalty of its staff and volunteers and grateful for their contribution to the charity meeting its charitable and operational objectives.

- **Main activities undertaken to further the charity's purposes for the public benefit**

The Trustees believe the charity provides a public benefit by offering palliative care to adults and children who are resident in the areas of Teesside, County Durham, Wearside and North Yorkshire, and who are suffering from a life limiting illness. People access our services by means of referral by their GP, hospital consultant or clinical nurse specialist. Admission to our services is determined only by clinical and psychological need without reference to gender, race or faith. The Hospice's services are free of charge to patients and their families.

ACHIEVEMENTS AND PERFORMANCE

- **Quality**

The charity's services are registered with, and regulated by, the Care Quality Commission which carries out periodic unannounced inspections of the three main sites on which care is delivered.

These inspections are in-depth and rigorous. Following inspection, the Care Quality Commission publishes a report which is publicly available and to which there are links on the Hospices' website.

During 2019/20 all three Butterwick Hospices were inspected by CQC, with reports published in February and March 2020.

The five key domains that hospices are measured against are:

- Is the service safe?
- Is the service effective?
- Is the service caring?
- Is the service responsive?
- Is the service well led?

The outcome of the report was disappointing for the charity with overall ratings of 'Inadequate' for both Stockton Hospice and Butterwick House Children's Hospice. Bishop Auckland Hospice received 'Requires Improvement'. The ratings have resulted in the charity being in special measures and working to a detailed action plan to improve the elements identified as not meeting requirements. The management and staff are working closely with CQC, local CCGs and the local Foundation Trust to implement a range of measures to improve the safety, effectiveness and responsiveness of the services.

ACHIEVEMENTS AND PERFORMANCE (continued)

- **Summary of Patient Activity**

During 20/21 the impact of the pandemic has resulted in a significant reduction in patient numbers across all but one service. In addition, the impact of increased scrutiny and restrictions by CQC has meant that some services have not operated at full capacity.

Through its various services the charity delivered care to over 524 patients in the year. These 524 patients received a total of 6,662 episodes of care. Each episode of care can vary in duration.

Despite the reduction in patient numbers, the episodes of care per person has proportionally increased in comparison to the previous year.

Adult Hospice Service

Inpatients

In the year 14 adult patients were admitted to the in-patient unit.

Of these 14 patients, 8 were admitted for end of life care and 6 for respite care, in total spending 25 days on the unit.

In the year, of the total 14 admissions, 6 patients were discharged.

Palliative Care Home Team

The Team supported a total of 75 patients in their own homes, providing a total of 5,949 hours of care on 742 separate occasions.

Day Care
Stockton

In total 15 patients attended the Day Hospice on 125 occasions. These patients received a range of services and therapies including 13 physiotherapy treatment sessions and 63 complementary therapy treatments.

Bishop Auckland

A total of 66 patients attended the Day Hospice services on a total of 1364 occasions.
These included Physiotherapy which was accessed by 28 patients in the year who received 104 sessions of treatment and Complementary therapies which were accessed by 41 patients who received 335 sessions of therapy.

Family Support

The teams in Stockton and Bishop Auckland provide bereavement support and counselling both pre-death and post-death to patients and their carers.

In Stockton:

193 clients accessed Family Support services receiving the following episodes of care:
17 'one to one' contacts were provided
2610 telephone support calls were provided
35 video Session were provided

ACHIEVEMENTS AND PERFORMANCE (continued)

In Bishop Auckland:

116 clients accessed Family Support services receiving the following episodes of care:
51 'one to one' contacts were provided
41 school visits were provided
1205 telephone support calls were provided
12 video Session were provided.

The bereavement support service especially provided for children from Bishop Auckland Hospice continues to grow rapidly. In the year 23 children accessed the service. These children received 91 sessions of support each of a minimum of one-hour duration.

Children's Hospice

Within Butterwick House Children's Hospice, 22 children and their families received a total of 344 nights/days of care.

Financial review

- **Overview**

The Consolidated Statement of Financial Activities sets out the results of these activities directly carried out by Butterwick Limited (Butterwick Hospice Care: Butterwick Hospice at Stockton on Tees, Butterwick Hospice at Bishop Auckland and Butterwick House, Children's Hospice) as well as those of which Butterwick Limited is ultimately in control either as a corporate trustee (John Butterwick Trust Day Care Centre and Hospice) or as a parent company (Butterwick Lotteries Limited and Butterwick Hospice Retail Limited). The statement also includes the charity's share of the results of a joint venture, North East Hospices Lottery Limited, in which it has a 25% interest.

The Trust's function is to hold the properties at Stockton, all day to day running being handled by Butterwick Limited.

In the year ended 31 March 2021 the group operated at a surplus of £906,338 after depreciation. This compares to a deficit of £190,428 in the previous year (after depreciation).

The business plan was agreed in 19/20 with the aim of bringing Butterwick Limited back to a balanced budget by end of March 2020 but although the business plan has been successful in achieving a significant cost reduction the impact of the pandemic on fundraising and trading activity income has caused additional challenges. NHSE funding administered through Hospice UK has helped to mitigate some of this loss of income and the receipt of large legacies, towards the end of the year, has provided surplus net income to replenish the unrestricted reserves balance shortfall and to cover the anticipated deficit of £184,818 in 21/22. This predicted shortfall in 21/22 will be as a result of the time it will take to bring trading activities back to full trading.

By 22/23 the expectation is that Butterwick Limited will be in a position where services are being provided at a sustainable cost and there will be an ability to make a contribution to reserves each year to ensure that longer term there are sufficient reserves to protect the charity against unforeseen events.

To assist with the recovery Butterwick Limited re-financed by reducing their agreed overdraft level and obtaining a loan facility of £200,000. All charity regulations in relation to borrowing were followed and affordability checked. This provides Butterwick Limited with a more robust financial operating model. The Loan facility was finalised in 21/22.

- **Income generation**

Statutory Funding (NHS)

The operation of the charity is partly funded by NHS England and from the local NHS Clinical Commissioning Groups, with the majority of the funds being raised by fundraising activities, the securing of grants and by the receipt of donations and legacies, and the operations of the subsidiary companies.

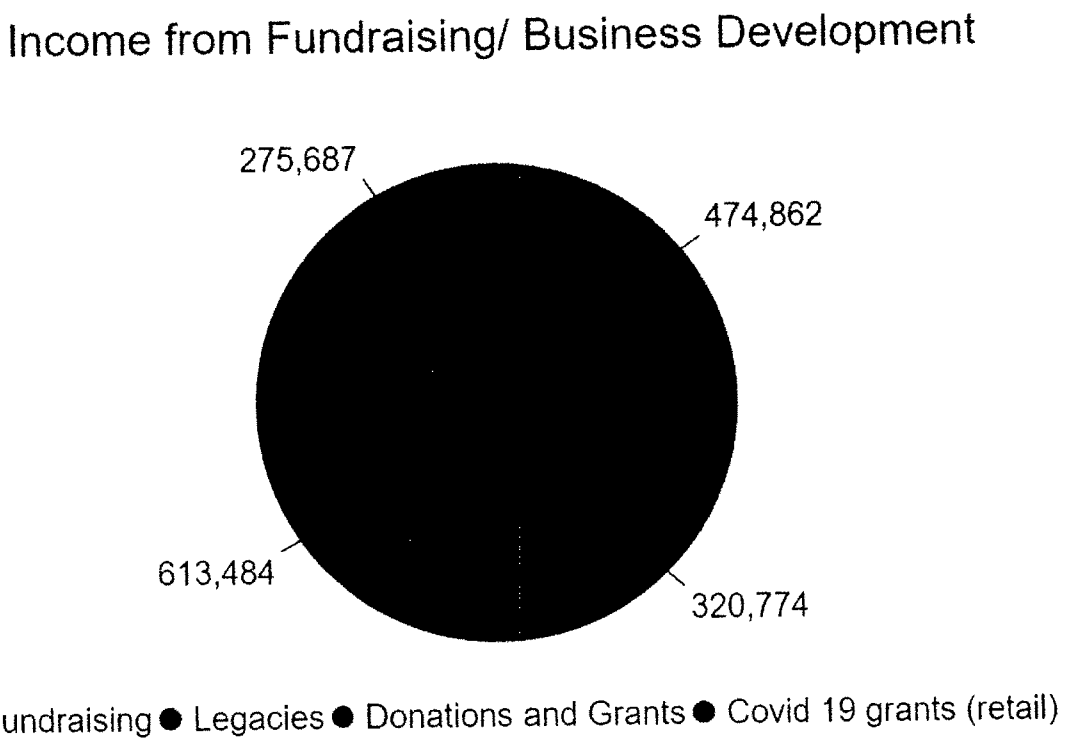
In the year a total of £1,789,450 was received from the NHS Trust and Commissioning Authorities (and includes £502,597 from NHSE as administered by Hospice UK) which equates to 40.7% of the Groups total income in the year. This compared to £1,478,093 in the previous year (34.8%).

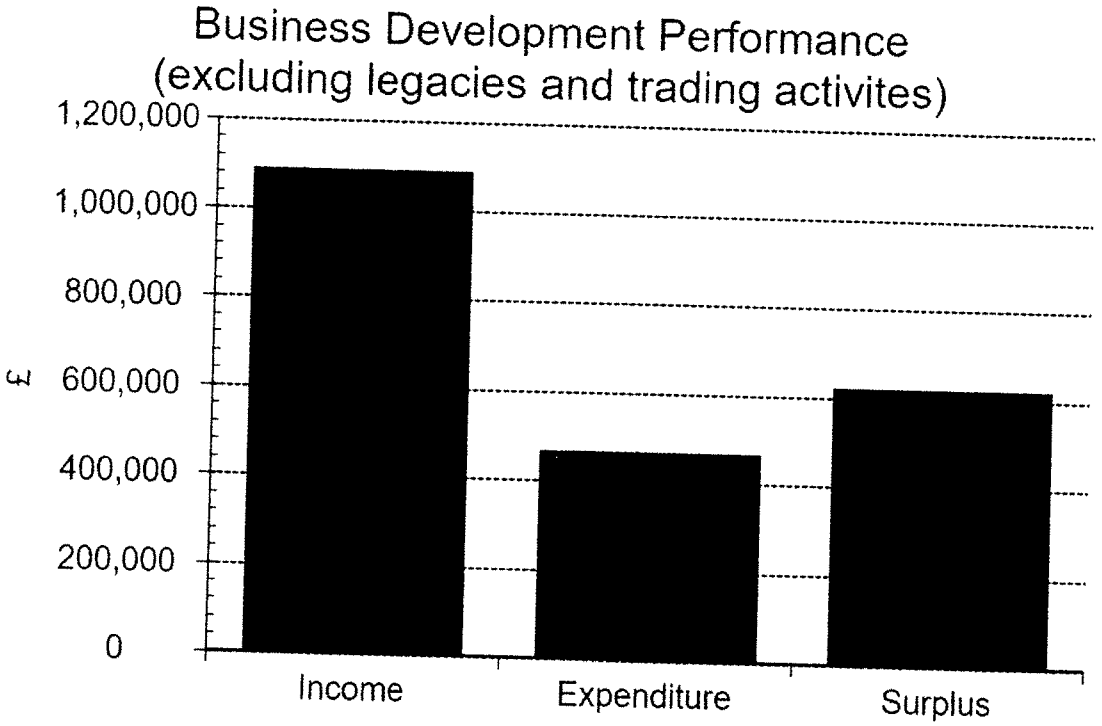
Business Development

The Business Development team work across the wide geographical area from which the Hospices draw patients. The Business Development team are performance managed against an annual plan, which during the pandemic, was focused on Trust and Grant applications, whilst there was a restriction on events.

The charity does not use external professional fundraisers and does not buy, sell or share donor information with any third party. Strict policies and procedures are in place to ensure compliance with fundraising best practice and standards including data protection and the regularity and methods of maintaining contact with donors.

Business Development performance, in the year, can be summarised as follows:



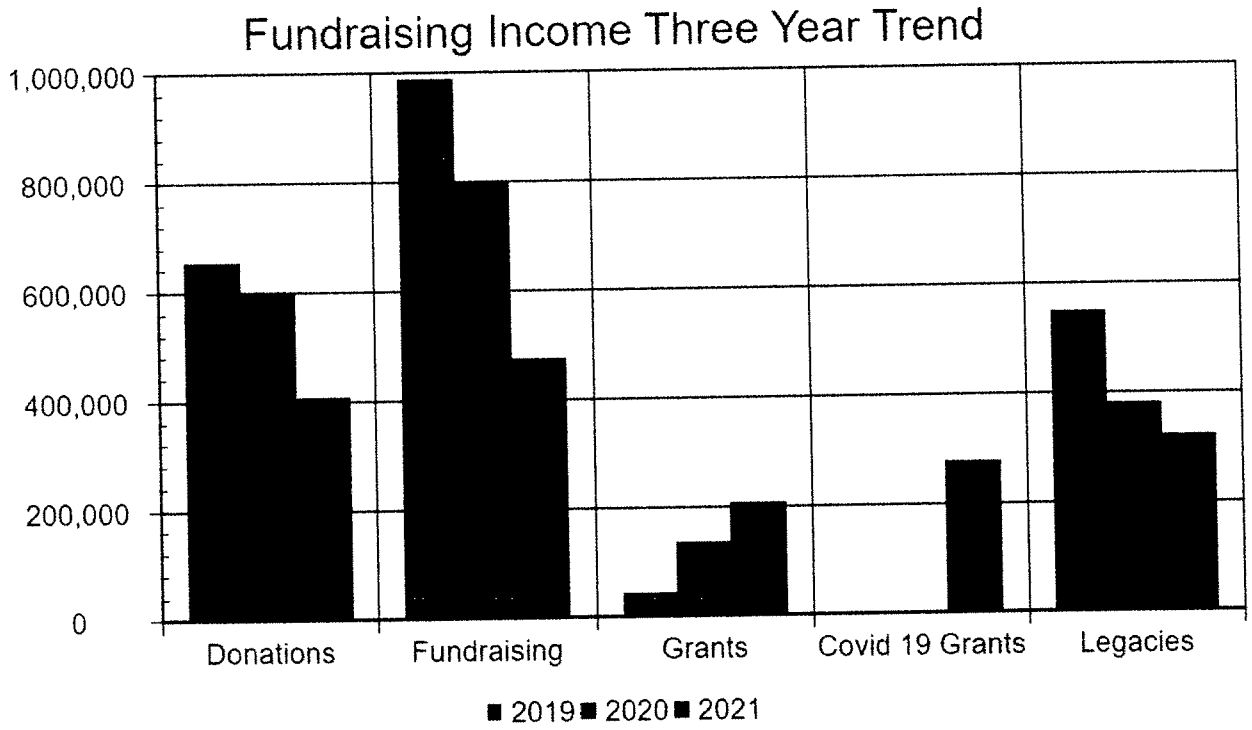


The Income excludes Legacies and Covid19 Retail Grants. This compares to a gross Fundraising income excluding Legacies in 19/20 of £1,533,548 and expenditure in 19/20 of £643,253

The fundraising and publicity costs are 33% of gross fundraising income excluding Covid-19 grants, (19/20 33%).

Virtually all the charity's non-NHS income arises from fundraising and public activities including maintaining contact with some 38,000 supporters. The Hospice is very grateful for all the support it receives and is very dependant on local support. This support is required more than ever during the Pandemic.

The following graph tracks Fundraising income activity over the past three years.



The Trustees are maintaining their investment in the Business Development team and associated costs, as they are confident that this will provide the return on investment required to support the charity and contribute to building a sustainable financial base to ensure the longer-term security of the Charity and the care it provides to its patients and families.

- **Trading subsidiaries**

Butterwick Hospice Retail Limited

Butterwick Hospice Retail Limited is a wholly owned subsidiary which operates charity shops selling predominantly donated goods. It pays all its trading profits to the company by dividend.

In the year Butterwick Hospice Retail Limited contributed £166,653, compared to £99,921 in the previous year. In addition it sold items donated to the company which raised gift aid to the value of £25,000 (19/20 31,948).

The Government announced immediate closure of all retail premises with effect from 24th March 2020 as a result of Covid-19 and despite re-opening when restrictions ended there were subsequent compulsory national and regional closures. This caused significant loss of income. During the year, we received £275,687 Covid-19 grant support from Local Government and an insurance pay out for retail business interruption of £132,561. In addition, the coronavirus job retention scheme was utilised.

Butterwick Lotteries Limited

Butterwick Lotteries Limited is a wholly owned subsidiary which operates lotteries on behalf of the charity. It pays all its trading profits to the charity by donation.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

In the year ended 31 March 2021 Butterwick Lotteries Limited generated £140,809 profit for the charity (19/20 - £191,252).

Butterwick Lotteries Limited also administers a lottery on behalf of North East Hospices Lottery Limited (NEHL). NEHL's profits are paid equally under Gift Aid to four local North East Hospices including the Butterwick Hospice at Bishop Auckland. NEHL generated £64,428 for the charity in the year ended 31 March 2021 (year ended 31 March 2020 £77,174).

- **Going concern**

The main risks to the Charity in fulfilling the defined objectives are:

- CQC rating
- Financial risk in terms of being able to generate sufficient income to cover expenditure

The Senior and Management Teams have progressed the action plan to ensure that the charity complies with regulations and continues to make improvements with the aim of improving the CQC grading.

The Trustees have reviewed the cash position of the charity for the period to 31st March 2023 and detailed cash flow projections have been prepared and considered along with sensitivity analysis.

The charity converted the overdraft into a commercial 5 year loan in 21/22, but retained a small working overdraft facility, providing the charity with more security around its finances.

The Trustees acknowledge that the pandemic is continuing to present challenges but with the restructure in finances and the completion of the review of services in accordance with the business plan, this has significantly reduced the previous financial risk.

After making enquiries, the Trustees have a reasonable expectation that the Charity has adequate reserves to continue in operational existence for the foreseeable future. Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements.

- **Reserves**

The charitable group's reserves have been depleted as a result of operational deficits in past years coupled with capital expenditure. In 20/21 there has been an opportunity to add to reserves, although it is recognised that some of these reserves will need to be utilised to cover expenditure in 21/22 as the Charity recovers from the effects of the pandemic.

At the year-end total group reserves were £3,540,386 of which £2,565,529 was unrestricted. Unrestricted free reserves were £888,820.

Recognising our continued dependence upon unpredictable charitable activity and support, along with the implications of Covid-19 the Trustees have concluded that it would be prudent at the current time, to incrementally create a reserve equating to a minimum of three months operational costs. Based on current expenditure levels, three months operational costs amounts to approximately £900,000. At 31st March 2021 free reserves fell short of this figure but the expectation is that with effect from 22/23 the Charity can make contributions to the reserve each year until that level of reserve is achieved.

A key priority for the Trustees is to build cash reserves in line with policies.

FUTURE DEVELOPMENTS

The charity had identified number of areas to explore potential service development or improvement, however with the impact of Covid-19 on delivery of all services the charity is reviewing service delivery in line with government restrictions and are aligning services to respond to changing needs and delivery methods required to provide healthcare during such challenging times. The demand for services has not reduced, however the way in which services can be delivered has changed significantly and at present the Management Team and Trustees are ensuring services are maintained in the most relevant form to the patients .

Family support

Pre and post bereavement support is a vital service which the Hospice offers. Again, the impact of Covid-19 has curtailed potential developments and the service are reviewing how the face to face services can be updated to offer access through technology and digital communications.

Daycare

Daycare services for the foreseeable future will not be possible in traditional formats, i.e. group and social environments. The services have been revised to enable care and support to the patients in a mixture of formats, exploring the use of technology and digital communications to enable support for more of the most vulnerable patients

Finance

The team have continued to achieve improved reporting times in accordance with the requirements set out in the 5 year strategic plan and finance plan. This has given Management a clear understanding of the current financial restraints within the charity and helped them ensure that the charity continues to have the capacity and resources to meet demand so that it can continue to deliver a quality and safe service to its patients. This timely information has been vital during the pandemic.

Finance have been instrumental in working with the Senior Leadership Team and individual departments to monitor the progress of the business plan and ensuring that sustainable savings were achieved.

In the coming year finance will continue to work closely with individual departments to provide them with analytical data to enhance the delivery of their services in relation to demand and care requirements.

The charity will continue to work with community services to ensure that where we can, we work in partnership to deliver, more efficient and cost effective healthcare.

Workforce

The year 2020-2021 has been a challenging year. The pandemic required service delivery patterns to be revised, staffing structures and skills base to be reviewed regularly to ensure services were compliant with frequently changing guidelines and restrictions in how services can be delivered. These changes required service reviews and restructures right across the hospice taking account of the financial situation, the CQC report and the impact of the Covid-19 pandemic.

The key reviews and restructures are complete and the on going reviews will continue to be undertaken in light of Covid-19 and to meet CQC regulations.

As a result of the above service reviews and the air of uncertainty that the Covid-19 pandemic brought with it the charity did, on top of the lost revenue, loose staff and volunteers, some of which were employed in senior service critical positions. Due to a very robust recruitment campaign the charity has been able to fill those positions and are in the process of reopening services.

FUTURE DEVELOPMENTS (continued)

By achieving this an air of optimism has emerged throughout the workforce and also a belief that the charity will emerge from these unprecedented times stronger than ever and better equipped to deal with, and overcome, any future challenges that may come its way.

In addition to the links already in place with North Tees and Hartlepool Hospital for training opportunities for clinical staff the charity is forging links with local training providers of funded management and other training, local colleges and universities for the provision of student placements which will give students the valuable experience they need and also give them an insight into the hospice and the opportunities that are available.

The charity also intends to utilise the services and benefits of its membership of the Teesside Chamber of Commerce to a greater effect which will add additional support to our aims and objectives.

The Hospice is committed to putting initiatives in place to improve staff retention and work is ongoing on a salary bandings and benefits review. A staff survey was undertaken in October 2020, the results of which have been analysed and actions identified, the employee exit interview form has been reviewed and now captures more detailed and appropriate information. This will help to identify common trends and areas for improvement.

The employee development and training processes and requirements have been reviewed and management Level 3 and 5 training has been offered for those employees with responsibility for staff, these courses commence in 2021, this will in turn, feed into a succession planning for the organisation.

The charity is also looking to implement an apprenticeship scheme, however due to Covid 19 this has paused and will be reinstated in 2021. During 2020 the hospices first apprentice in a number of years successfully completed their apprenticeship and was employed by the hospice in a suitable role. The implementation of the above is the result of investment in an additional position of Training Co-Ordinator within the Human Resources team.

The Covid-19 pandemic has resulted in a decrease in the number of volunteers and a more robust and far reaching volunteer recruitment campaign is to be undertaken.

Governance

The charity recently recruited additional Trustees to strengthen the governance of the organisation. Further work is being undertaken to review the governance structure to ensure transparency and openness.

Communication

The charity is building on its links with Hospices North East Collaborative to strengthen the voice of hospice care in the north east and at a more local level is working with local stakeholders to increase engagement and awareness of hospice services.

Full details of these policies are available from the charity's offices.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the charity for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the charity and of their incoming resources and application of resources, including their income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charity and the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the charity and 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charitable group's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable group's auditors are aware of that information.

Auditors

The auditors, Waltons Clark Whitehill Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:

J P Bury
(Chair of Trustees)
Date: 4th October 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTERWICK LIMITED

UNQUALIFIED OPINION

We have audited the financial statements of Butterwick Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows 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 charity's and of the parent charitable company's affairs as at 31 March 2021 and of the charity'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 requirements of the Companies Act 2006 and the Charities Act 2011.

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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTERWICK LIMITED (CONTINUED)

OTHER INFORMATION

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

We have nothing to report in this regard.

OPINION 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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, 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; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTERWICK LIMITED (CONTINUED)

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the charity's and the parent charitable company'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 the parent charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

We gained an understanding of the legal and regulatory framework applicable to the charity and the area in which it operates, and considered the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material mistatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We identified that the greatest potential for fraud in the following areas: recognition and completeness of income and posting of unusual journals. We discussed these risks with management and designed audit procedures to the test the recognition and completeness of revenue. We reviewed journals posted around the year end to look for potential "window dressing".

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 auditors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTERWICK LIMITED (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, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

H O'Driscoll FCA (senior statutory auditor)
for and on behalf of
Waltons Clark Whitehill Limited
Maritime House
Harbour Walk
The Marina
Hartlepool
TS24 0UX

Date: 12 October 2021

BUTTERWICK LIMITED

(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	4	**1,021,475**	**188,470**	**-**	**1,209,945**	*1,112,852*
Charitable activities	5	**-**	**1,789,450**	**-**	**1,789,450**	*1,478,093*
Other trading activities:						
Fundraising	6	**468,300**	**6,562**	**-**	**474,862**	*799,004*
Trading activities	7	**298,608**	**2,979**	**-**	**301,587**	*748,389*
Investments:	8					
Share of joint venture net income		**-**	**64,428**	**-**	**64,428**	*77,174*
Investments		**5**	**-**	**-**	**5**	*37*
Other income	9	**555,473**	**-**	**-**	**555,473**	*29,926*
TOTAL INCOME AND ENDOWMENTS		**2,343,861**	**2,051,889**	**-**	**4,395,750**	*4,245,475*
EXPENDITURE ON:						
Raising funds:						
Voluntary income	10	**466,162**	**919**	**-**	**467,081**	*643,253*
Fundraising trading	7	**515,260**	**-**	**-**	**515,260**	*626,159*
Charitable activities	11	**279,956**	**2,227,115**	**-**	**2,507,071**	*3,166,491*
TOTAL EXPENDITURE		**1,261,378**	**2,228,034**	**-**	**3,489,412**	*4,435,903*
NET INCOME/(EXPENDITURE)		**1,082,483**	**(176,145)**	**-**	**906,338**	*(190,428)*
Transfers between funds	22	**(37,494)**	**37,494**	**-**	**-**	*-*
NET MOVEMENT IN FUNDS		**1,044,989**	**(138,651)**	**-**	**906,338**	*(190,428)*

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
RECONCILIATION OF FUNDS:						
Total funds brought forward		**1,520,540**	**1,062,547**	**50,961**	**2,634,048**	*2,824,476*
TOTAL FUNDS CARRIED FORWARD		**2,565,529**	**923,896**	**50,961**	**3,540,386**	*2,634,048*

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

The notes on pages 28 to 51 form part of these financial statements.

BUTTERWICK LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 02979587

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2021

	Note		2021 £		*2020 £*
FIXED ASSETS					
Tangible assets	16		**2,586,958**		*2,703,209*
Investments	17		**4,626**		*4,626*
			2,591,584		*2,707,835*
CURRENT ASSETS					
Stocks	18	**4,294**		*4,171*	
Debtors	19	**311,355**		*371,705*	
Cash at bank and in hand		**981,075**		*110,735*	
		1,296,724		*486,611*	
Creditors: amounts falling due within one year	20	**(305,422)**		*(560,398)*	
NET CURRENT ASSETS / LIABILITES			**991,302**		*(73,787)*
Creditors: amounts falling due after more than one year	21		**(42,500)**		-
TOTAL NET ASSETS			**3,540,386**		*2,634,048*
CHARITY FUNDS					
Endowment funds	22		**50,961**		*50,961*
Restricted funds	22		**923,896**		*1,062,547*
Unrestricted funds	22		**2,565,529**		*1,520,540*
TOTAL FUNDS			**3,540,386**		*2,634,048*

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2021

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

J P Bury
(Chair of Trustees)
Date: 4th October 2021

The notes on pages 28 to 51 form part of these financial statements.

BUTTERWICK LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 02979587

CHARITY BALANCE SHEET
AS AT 31 MARCH 2021

	Note		2021 £		*2020 £*
FIXED ASSETS					
Tangible assets	16		**863,913**		*924,543*
Investments	17		**4,630**		*4,631*
			868,543		*929,174*
CURRENT ASSETS					
Stocks	18	**981**		*846*	
Debtors	19	**552,692**		*386,791*	
Cash at bank and in hand		**674,852**		*8,372*	
		1,228,525		*396,009*	
Creditors: amounts falling due within one year	20	**(274,900)**		*(508,241)*	
NET CURRENT ASSETS / LIABILITES			**953,625**		*(112,232)*
Creditors: amounts falling due after more than one year	21		**(42,500)**		-
TOTAL NET ASSETS			**1,779,668**		*816,942*
CHARITY FUNDS					
Restricted funds			**923,896**		*1,062,547*
Unrestricted funds			**855,772**		*(245,605)*
TOTAL FUNDS			**1,779,668**		*816,942*

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

J P Bury
(Chair of Trustees)
Date: 4th October 2021

The notes on pages 28 to 51 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash used in operating activities	**912,079**	*(41,554)*
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends, interests and rents from investments	**5**	*37*
Purchase of tangible fixed assets	**(7,290)**	*(18,443)*
Receipts from joint venture	**66,941**	*80,387*
NET CASH PROVIDED BY INVESTING ACTIVITIES	**59,656**	*61,981*
CASH FLOWS FROM FINANCING ACTIVITIES		
New unsecured loans	**50,000**	-
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	**1,021,735**	*20,427*
Cash and cash equivalents at the beginning of the year	**(40,660)**	*(61,087)*
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**981,075**	*(40,660)*

The notes on pages 28 to 51 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1. GENERAL INFORMATION

The charity is a company limited by guarantee and registered in England and Wales. The members of the charity are the Trustees named on page . In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

The registered office address is:

Butterwick Hospice
Middlefield Road
Stockton on Tees
Cleveland
TS19 8XN

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Butterwick Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the charity and its subsidiary undertakings. The results of the subsidiaries are consolidated on a line by line basis.

The charity has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

The income and expenditure account for the year dealt with in the financial statements of the charity was £962,726 (2020: a deficit of £134,055).

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Going concern

There has been significant reduction in income and fundraising opportunities during 2020/21, as a direct consequence of the pandemic and associated Government restrictions. This is also expected to impact fundraising and trading in 2021/22. It is recognised that the national pandemic continues to cause considerable uncertainty.

Nevertheless, as described in the Trustees' report, the Trustees have reviewed the cash position of the charity for the period to March 2023 and detailed cash flow projections have been prepared. These cash flow predictions include assumptions based around current Covid-19 restrictions and the subsequent impact on income levels.

The business plan, that was prepared prior to the national pandemic, is currently being delivered with a view to making significant savings and there is a process of continual review to ensure that targets are achieved. Due to the continued uncertainty of the implications of Covid-19, on both income and costs, where there is a risk of underachievement against targets, alternative actions are being introduced and further service reviews being undertaken, to mitigate further losses.

The charity is reliant on the continued support of our bank to assist with cashflow and we are providing the bank with regular updates to ensure that this support continues. As part of this, the bank has agreed to a new five-year loan which will stabilise the cash flow position during the implementation of the action plan.

The Trustees believe that the charity is well placed to manage its financial risks with plans in place to ensure that the charity continues in operational existence for the foreseeable future.

Accordingly, the Trustees continue to adopt the going concern basis in preparing the financial statements

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Income

All 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.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Gifts donated for resale are included as income when they are sold. No amounts are included in the financial statements for services donated by volunteers.

Where goods are donated under the gift aid scheme the charity is not entitled to the income until the goods are sold and the donor has confirmed that they are gifting the proceeds. In this case the income is included as a donation rather than as a sale.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the consolidated statement of financial activities as the related expenditure is incurred.

2. ACCOUNTING POLICIES (CONTINUED)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- over 50 years
Long term leasehold property	- over 50 years, the period of the lease or until the first break clause
Furniture & Equipment	- over 4 to 10 years
Motor vehicles	- over 5 years

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

Investments in joint ventures are stated at the amount of the charity's share of net assets. The consolidated statement of financial activities includes the charity's share of the joint ventures' net income or expenditure using the equity accounting basis. As the joint venture is a charity, the investment is presented within restricted funds.

2.8 Stocks

Stock of unsold donated goods are not valued for balance sheet purposes. Stocks of merchandise are valued at the lower of cost and net realisable value.

2.9 Debtors

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

2.10 Cash at bank and in hand

Cash at bank and 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.

2. ACCOUNTING POLICIES (CONTINUED)

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

2.12 Financial instruments

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.13 Pensions

The charity contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the charity has no further payment obligations.

The contributions are recognised as an expense in the statement of financial activity when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the charity in independently administered funds.

2.14 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. These estimates and judgments are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements the Trustees have used the going concern basis of accounting.

As explained in note 2.2 above the charity faces a number of challenges. These include the impact of Covid-19 which has reduced income and the disappointing CQC inspection results.

Since the year end the charity has secured a five year bank loan and has benefitted from government assistance in the form of Covid retail grants in the retail subsidiary and job retention scheme funding across the group. They have also received support from NHSE administered by Hospice UK.

Taken alltogether this has enabled the charity to continue and for the Trustees to be confident that the going concern basis of accounting remains appropriate.

Butterwick Retail Limited was in receipt of £160k of government funding in respect of the Covid-19 Small Business Grant Fund. The Trustees have made the decision to recognise this in the financial year to March 2021. In making this decision they have considered eligibility for the grant and probability of receipt.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Donations	**379,114**	**28,083**	**407,197**	*600,568*
Legacies	**286,983**	**33,791**	**320,774**	*378,308*
Other Covid-19 grants	**275,687**	**-**	**275,687**	*-*
Grants	**79,691**	**126,596**	**206,287**	*133,976*
	1,021,475	**188,470**	**1,209,945**	*1,112,852*
Total 2020	*767,847*	*345,005*	*1,112,852*	

5. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Stockton on Tees Hospice	**492,954**	**492,954**	*513,145*
Bishop Auckland Hospice	**487,529**	**487,529**	*490,072*
Childrens Hospice	**306,370**	**306,370**	*474,876*
National Health Service England	**502,597**	**502,597**	-
	1,789,450	**1,789,450**	*1,478,093*
Total 2020	*1,478,093*	*1,478,093*	

Included within the balance above is £502,597 received from NHSE (National Health Service England).

The NHSE awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the Covid-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

6. FUNDRAISING INCOME

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Other charitable income	**158,438**	**478**	**158,916**	*279,266*
Bishop Auckland Hospice	**132**	**3,857**	**3,989**	*90,123*
Childrens Hospice	**-**	**2,227**	**2,227**	*40,213*
Lottery	**309,730**	**-**	**309,730**	*389,402*
Total 2021	**468,300**	**6,562**	**474,862**	*799,004*
Total 2020	*719,610*	*79,394*	*799,004*	

7. TRADING ACTIVITIES

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Charity trading income				
Charity shops	**279,683**	**-**	**279,683**	*721,059*
Other trading activities	**18,925**	**2,979**	**21,904**	*27,330*
	298,608	**2,979**	**301,587**	*748,389*
Fundraising trading expenses				
Charity shops	**216,839**	**-**	**216,839**	*305,104*
Wages and salaries	**298,140**	**-**	**298,140**	*320,639*
Depreciation	**281**	**-**	**281**	*416*
	515,260	**-**	**515,260**	*626,159*
Net (expenditure)/income from trading activities	**(216,652)**	**2,979**	**(213,673)**	*122,230*
Total 2020	*106,302*	*15,928*	*122,230*	

8. INVESTMENT INCOME

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Share of joint venture net income	**-**	**64,428**	**64,428**	*77,174*
Investment income	**5**	**-**	**5**	*37*
	5	**64,428**	**64,433**	*77,211*
Total 2020	*37*	*77,174*	*77,211*	

9. OTHER INCOMING RESOURCES

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Recycling and miscellaneous income	**7,260**	**7,260**	*890*
Coronavirus job retention scheme funding	**548,213**	**548,213**	*29,036*
	555,473	**555,473**	*29,926*
Total 2020	*29,926*	*29,926*	

10. COST OF RAISING FUNDS

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Fundraising	**49,741**	**919**	**50,660**	*147,685*
Lottery	**120,836**	**-**	**120,836**	*129,709*
Wages and salaries	**295,585**	**-**	**295,585**	*365,859*
Total 2021	**466,162**	**919**	**467,081**	*643,253*
Total 2020	*631,701*	*11,552*	*643,253*	

11. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Stockton on Tees Hospice	**221,295**	**1,176,330**	**1,397,625**	*1,674,169*
Bishop Auckland Hospice	**58,661**	**469,847**	**528,508**	*722,322*
Childrens Hospice	**-**	**580,938**	**580,938**	*770,000*
	279,956	**2,227,115**	**2,507,071**	*3,166,491*
Total 2020	*632,346*	*2,534,145*	*3,166,491*	

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2021 £	Support costs 2021 £	Total funds 2021 £	*Total funds 2020 £*
Stockton on Tees Hospice	**900,759**	**496,866**	**1,397,625**	*1,674,169*
Bishop Auckland Hospice	**380,539**	**147,969**	**528,508**	*722,322*
Childrens Hospice	**427,615**	**153,323**	**580,938**	*770,000*
	1,708,913	**798,158**	**2,507,071**	*3,166,491*
Total 2020	*2,379,442*	*787,049*	*3,166,491*	

Analysis of direct costs

	Stockton on Tees Hospice 2021 £	Bishop Auckland Hospice 2021 £	Childrens Hospice 2021 £	Total funds 2021 £	*Total funds 2020 £*
Wages and salaries	**757,767**	**328,261**	**415,492**	**1,501,520**	*2,155,175*
Patient Care	**51,138**	**43,574**	**7,654**	**102,366**	*182,503*
Patient Transport	**1,362**	**651**	**725**	**2,738**	*10,175*
Premises	**2,104**	**8**	**245**	**2,357**	*4,916*
Occupational Health	**-**	**-**	**105**	**105**	*531*
Staff Travel	**441**	**4,331**	**97**	**4,869**	*7,005*
Volunteer Travel	**95**	**-**	**-**	**95**	*9,339*
Recruitment	**571**	**240**	**139**	**950**	*4,283*
Training & Education	**4,720**	**1,393**	**2,676**	**8,789**	*3,190*
Clinical Supervision	**-**	**1,600**	**-**	**1,600**	*2,325*
Exceptional Covid Expenses	**82,561**	**481**	**482**	**83,524**	*-*
	900,759	**380,539**	**427,615**	**1,708,913**	*2,379,442*
Total 2019	*1,239,593*	*519,256*	*620,593*	*2,379,442*	

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Stockton on Tees Hospice 2021 £	Bishop Auckland Hospice 2021 £	Childrens Hospice 2021 £	Total funds 2021 £	*Total funds 2020 £*
Staff costs	**237,901**	**61,049**	**105,176**	**404,126**	*409,315*
Depreciation	**85,197**	**29,591**	**8,473**	**123,261**	*133,765*
Patient Care	**513**	**-**	**-**	**513**	*-*
Premises	**59,880**	**21,839**	**31,634**	**113,353**	*119,294*
Staff Travel	**3,947**	**-**	**-**	**3,947**	*6,859*
Volunteer Travel	**-**	**-**	**-**	**-**	*21*
Recruitment	**-**	**-**	**-**	**-**	*67*
Training & Education	**4,175**	**-**	**-**	**4,175**	*7,257*
Administration Costs	**8,404**	**-**	**-**	**8,404**	*(24,820)*
Bank Charges	**5,431**	**-**	**-**	**5,431**	*5,737*
Telephone & Fax	**7,861**	**3,728**	**82**	**11,671**	*10,352*
Printing postage & stationery	**2,426**	**458**	**560**	**3,444**	*9,980*
Insurance	**18,605**	**7,015**	**4,558**	**30,178**	*25,972*
IT & Internet costs	**32,620**	**12,504**	**2,840**	**47,964**	*44,361*
Equipment maintenance	**14,925**	**11,785**	**-**	**26,710**	*25,892*
Audit fees	**14,981**	**-**	**-**	**14,981**	*12,997*
	496,866	**147,969**	**153,323**	**798,158**	*787,049*
Total 2019	*434,576*	*203,066*	*149,407*	*787,049*	

During the year ended 31 March 2021, the charity incurred the following Governance costs:

£49,810 (2020 - £60,735) included within the table above in respect of Direct & Support costs - Stockton on Tees Hospice.

£22,865 (2020 - £40,642) included within the table above in respect of Direct & Support costs - Bishop Auckland Hospice.

£45,729 (2020 - £36,134) included within the table above in respect of Direct & Support costs - Childrens Hospice.

13. AUDITORS' REMUNERATION

	2021 £	2020 £
Fees payable to the group's auditor for the audit of the group's annual accounts	**11,985**	*11,985*
Fees payable to the charity's auditor in respect of:		
All non-audit services not included above	**4,723**	*4,945*

14. STAFF COSTS

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Wages and salaries	**2,306,485**	*2,956,274*	**1,974,687**	*2,593,404*
Social security costs	**130,445**	*169,610*	**113,584**	*151,375*
Contribution to defined contribution pension schemes	**62,441**	*125,104*	**53,712**	*116,897*
	2,499,371	*3,250,988*	**2,141,983**	*2,861,676*

The average number of persons employed by the charity during the year was as follows:

	Group 2021 No.	Group 2020 No.	Charity 2021 No.	Charity 2020 No.
Childrens Hospice	**16**	*21*	**16**	*21*
Stockton Adults	**76**	*85*	**76**	*85*
Bishop Auckland Hospice	**29**	*30*	**29**	*30*
Butterwick Lottery	**7**	*7*	**-**	*-*
Butterwick Retail	**19**	*21*	**-**	*-*
	147	*164*	**121**	*136*

No employee received remuneration amounting to more than £60,000 in either year.

Total remuneration of key management personnel in the year was £233,718 (2020: £175,708).

15. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits *(2020 - £NIL)*.

During the year ended 31 March 2021, no Trustee expenses have been incurred *(2020 - £NIL)*.

16. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Long-term leasehold property £	Short-term leasehold property £	Furniture and Equipment £	Motor vehicles £	Total £
Cost						
At 1 April 2020	**1,074,026**	**2,899,520**	**97,016**	**1,235,343**	**112,806**	**5,418,711**
Additions	**-**	**-**	**-**	**7,290**	**-**	**7,290**
Disposals	**-**	**-**	**-**	**(4,328)**	**(72,244)**	**(76,572)**
At 31 March 2021	**1,074,026**	**2,899,520**	**97,016**	**1,238,305**	**40,562**	**5,349,429**
Depreciation						
At 1 April 2020	**375,458**	**1,029,092**	**97,016**	**1,109,967**	**103,969**	**2,715,502**
Charge for the year	**22,140**	**59,910**	**-**	**39,100**	**2,391**	**123,541**
On disposals	**-**	**-**	**-**	**(4,328)**	**(72,244)**	**(76,572)**
At 31 March 2021	**397,598**	**1,089,002**	**97,016**	**1,144,739**	**34,116**	**2,762,471**
Net book value						
At 31 March 2021	**676,428**	**1,810,518**	**-**	**93,566**	**6,446**	**2,586,958**
At 31 March 2020	*698,568*	*1,870,428*	-	*125,376*	*8,837*	*2,703,209*

16. TANGIBLE FIXED ASSETS (CONTINUED)

Charity

	Freehold property £	Long-term leasehold property £	Furniture and Equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2020	**1,074,026**	**132,550**	**1,195,518**	**103,641**	**2,505,735**
Additions	**-**	**-**	**7,290**	**-**	**7,290**
Disposals	**-**	**-**	**(4,328)**	**(72,244)**	**(76,572)**
At 31 March 2021	**1,074,026**	**132,550**	**1,198,480**	**31,397**	**2,436,453**
Depreciation					
At 1 April 2020	**375,458**	**30,658**	**1,073,664**	**101,412**	**1,581,192**
Charge for the year	**22,140**	**4,570**	**38,981**	**2,229**	**67,920**
On disposals	**-**	**-**	**(4,328)**	**(72,244)**	**(76,572)**
At 31 March 2021	**397,598**	**35,228**	**1,108,317**	**31,397**	**1,572,540**
Net book value					
At 31 March 2021	**676,428**	**97,322**	**90,163**	**-**	**863,913**
At 31 March 2020	*698,568*	*101,892*	*121,854*	*2,229*	*924,543*

17. FIXED ASSET INVESTMENTS

Group	Listed investments £	Investment in joint ventures £	Total £
Cost			
At 1 April 2020	4,625	1	4,626
At 31 March 2021	4,625	1	4,626

Charity	Investments in subsidiary companies £	Listed investments £	Investment in joint ventures £	Total £
Cost				
At 1 April 2020	4	4,625	1	4,630
At 31 March 2021	4	4,625	1	4,630

17. FIXED ASSET INVESTMENTS (CONTINUED)

PRINCIPAL SUBSIDIARIES AND JOINT VENTURES

The following were subsidiary undertakings of the charity:

Names	Company number	Charity registration number	Basis of control	Holding
Butterwick Hospice Retail Limited	02775096		Shares	100%
Butterwick Lotteries Limited	03141067		Shares	100%
John Butterwick Trust Day Care Centre and Hospice		515705	Sole Trustee	

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £
Butterwick Hospice Retail Limited	**681,879**	**(515,226)**	**166,653**
Butterwick Lotteries Limited	**323,808**	**(182,999)**	**140,809**
John Butterwick Trust Day Care Centre and Hospice	**843**	**(57,232)**	**(56,389)**

The net assets of the subsidiaries at the 31 March 2021 were:

Names	Net assets £
Butterwick Hospice Retail Limited	2
Butterwick Lotteries Limited	2
John Butterwick Trust Day Care Centre and Hospice	1,760,718

The following was a joint venture of the charity:

Name	Holding
North East Hospices Lottery Limited	**25%**

North East Hospices Lottery Limited's principal activity is the operation of a lottery. It has agreed to pay all of its trading profits equally to the four hospices which own it.

18. STOCKS

	Group 2021 £	*Group 2020 £*	Charity 2021 £	*Charity 2020 £*
Merchandise	**3,313**	*3,325*	**-**	*-*
Stamps	**353**	*218*	**353**	*218*
Fundraising stock	**628**	*628*	**628**	*628*
	4,294	*4,171*	**981**	*846*

19. DEBTORS

	Group 2021 £	*Group 2020 £*	Charity 2021 £	*Charity 2020 £*
Trade debtors	**60,528**	*84,196*	**51,606**	*77,816*
Amounts owed by group undertakings	**422**	*2,323*	**300,601**	*86,161*
Other debtors	**146,933**	*159,745*	**132,361**	*141,936*
Prepayments and accrued income	**103,472**	*125,441*	**68,124**	*80,878*
	311,355	*371,705*	**552,692**	*386,791*

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	*Group 2020 £*	Charity 2021 £	*Charity 2020 £*
Bank overdrafts	-	*151,395*	-	*151,395*
Bank loans	**7,500**	*-*	**7,500**	*-*
Trade creditors	**101,037**	*150,032*	**86,969**	*103,102*
Amounts owed to group undertakings	-	*-*	**46,930**	*53,742*
Other taxation and social security	**35,349**	*89,407*	**35,349**	*89,356*
Other creditors	**70,716**	*81,266*	**70,684**	*81,222*
Accruals and deferred income	**90,820**	*88,298*	**27,468**	*29,424*
	305,422	*560,398*	**274,900**	*508,241*

The bank overdraft is secured by way of a legal charge over the assets of the charity.

	Group 2021 £	*Group 2020 £*	Charity 2021 £	*Charity 2020 £*
Deferred income at 1 April 2020	**63,833**	*74,198*	**6,600**	*14,777*
Resources deferred during the year	**56,798**	*63,833*	-	*6,600*
Amounts released from previous periods	**(63,833)**	*(74,198)*	-	*(14,777)*
	56,798	*63,833*	**6,600**	*6,600*

Deferred income represents Lottery payments received in advance and grants received for future periods.

21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2021 £	*Group 2020 £*	Charity 2021 £	*Charity 2020 £*
Bank loans	**42,500**	*-*	**42,500**	*-*

22. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
Unrestricted funds					
General Funds	1,520,535	1,338,174	(563,152)	269,968	2,565,525
Funds within non charitable subsidiaries	5	1,005,687	(698,226)	(307,462)	4
	1,520,540	2,343,861	(1,261,378)	(37,494)	2,565,529
Endowment funds					
Endowment Funds	50,961	-	-	-	50,961
Restricted funds					
Bishop Auckland Hospice	457,744	547,713	(462,692)	(147,066)	395,699
Stockton on Tees Hospice	144,471	594,743	(672,349)	51,294	118,159
Children's Hospice	78,004	342,408	(580,938)	197,694	37,168
Dignity in Care Bishop Auckland Hospice	32,129	-	(834)	-	31,295
Dignity in Care Stockton on Tees Hospice	53,348	-	(1,384)	-	51,964
Outpatient Supportive Services Bishop Auckland	296,850	-	(7,240)	-	289,610
Funds in joint venture	1	64,428	-	(64,428)	1
National Health Service England	-	502,597	(502,597)	-	-
	1,062,547	2,051,889	(2,228,034)	37,494	923,896
Total of funds	2,634,048	4,395,750	(3,489,412)	-	3,540,386

22. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 April 2019 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Balance at 31 March 2020* £
Unrestricted funds					
General Funds	*1,724,693*	*1,134,182*	*(774,507)*	*(563,833)*	*1,520,535*
Funds within non charitable subsidiaries	*5*	*1,115,699*	*(1,115,699)*	-	*5*
	1,724,698	*2,249,881*	*(1,890,206)*	*(563,833)*	*1,520,540*
Endowment funds					
Endowment Funds	*50,961*	-	-	-	*50,961*
Restricted funds					
Bishop Auckland Hospice	*430,301*	*618,562*	*(532,961)*	*(58,158)*	*457,744*
Stockton on Tees Hospice	*160,154*	*653,442*	*(1,232,781)*	*563,656*	*144,471*
Children's Hospice	*66,075*	*646,416*	*(769,996)*	*135,509*	*78,004*
Dignity in Care Bishop Auckland Hospice	*33,299*	-	*(1,170)*	-	*32,129*
Dignity in Care Stockton on Tees Hospice	*54,897*	-	*(1,549)*	-	*53,348*
Outpatient Supportive Services Bishop Auckland	*304,090*	-	*(7,240)*	-	*296,850*
Funds in joint venture	*1*	*77,174*	-	*(77,174)*	*1*
	1,048,817	*1,995,594*	*(2,545,697)*	*563,833*	*1,062,547*
Total of funds	*2,824,476*	*4,245,475*	*(4,435,903)*	-	*2,634,048*

STATEMENT OF FUNDS (CONTINUED)

The **Bishop Auckland Hospice** fund operates to raise funds for the day to day running of a hospice at Bishop Auckland. A transfer has been made from this into general to fund the core team which is essential to ensure compliance and the safe provision of services.

The **Stockton on Tees Hospice** fund operates to raise funds for the day to day running of a hospice at Stockton on Tees. This is the largest cost and one of the primary charitable activities and income raised from unrestricted events and donations made without restrictions helps to fund this area.

The **Children's Hospice** fund operates to raise funds for the day to day running of the children's hospice at Stockton on Tees. A transfer has been made from unrestricted funds to help fund this area.

The **Dignity in Care** and **Outpatient Supportive Services** funds represent grants provided by the Department of Health to help fund improvements to the hospices. Fixed asset expenditure when incurred and depreciation of those assets is charged to the appropriate fund over the life of the asset.

The **NHSE** awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the Covid-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

The **endowment fund** was created through the gift of the original hospice building. This was subsequently sold and the proceeds and related gains have been reinvested in the existing hospice premises.

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	1,672,084	863,913	50,961	2,586,958
Fixed asset investments	4,625	1	-	4,626
Current assets	1,231,032	65,692	-	1,296,724
Creditors due within one year	(299,712)	(5,710)	-	(305,422)
Creditors due in more than one year	(42,500)	-	-	(42,500)
TOTAL	2,565,529	923,896	50,961	3,540,386

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2020 £	*Restricted funds 2020* £	*Endowment funds 2020* £	*Total funds 2020* £
Tangible fixed assets	*1,727,702*	*924,546*	*50,961*	*2,703,209*
Fixed asset investments	*4,625*	*1*	-	*4,626*
Current assets	*348,611*	*138,000*	-	*486,611*
Creditors due within one year	*(560,398)*	-	-	*(560,398)*
TOTAL	1,520,540	1,062,547	50,961	*2,634,048*

24. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2021 £	*Group 2020* £
Net income/expenditure for the year (as per Statement of Financial Activities)	**906,338**	*(190,428)*
Adjustments for:		
Depreciation charges	**123,541**	*134,182*
Dividends, interests and rents from investments	**(5)**	*(37)*
Decrease/(increase) in stocks	**(123)**	*391*
Decrease in debtors	**60,350**	*104,316*
Decrease in creditors	**(111,081)**	*(9,591)*
Receipts from joint venture	**(64,428)**	*(77,174)*
Joint venture debtor movement	**(2,513)**	*(3,213)*
Net cash provided by/(used in) operating activities	**912,079**	*(41,554)*

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2021 £	*Group 2020 £*
Cash in hand	981,075	*110,735*
Overdraft facility repayable on demand	-	*(151,395)*
Total cash and cash equivalents	981,075	*(40,660)*

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	110,735	870,340	981,075
Bank overdrafts repayable on demand	(151,395)	151,395	-
Bank loan within 1 year	-	(7,500)	(7,500)
Bank loan over 1 year	-	(42,500)	(42,500)
	(40,660)	971,735	931,075

27. PENSION COMMITMENTS

The group contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund.

Some clinical staff are members of the NHS Pension Scheme and contributions are determined by the government actuary. The NHS Pension Scheme is an unfounded occupational scheme backed by the Exchequer.

The pension cost charge represents contributions payable by the group to the fund and amounted to £62,441 (2020 - £125,104). Contributions totalling £19,131 (2020 - £50,188) were payable to the fund at the balance sheet date and are included in creditors.

28. RELATED PARTY TRANSACTIONS

During the year Butterwick Lotteries Limited provided managment services amounting to £32,599 (2020 - £35,142) to North East Hospices Lottery Limited on an arms length commercial basis.

At 31 March 2021, £1,500 (2020 - £1,500) was due to Butterwick Limited from Eastern Ravens Trust, a company with a director in common.