

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**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**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

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**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 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

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**TRUSTEES' REPORT (CONTINUED)**  
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**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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**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.



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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**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 Sedgfield, 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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**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

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**TRUSTEES' REPORT (CONTINUED)**  
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**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.

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**TRUSTEES' REPORT (CONTINUED)**  
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● **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%).

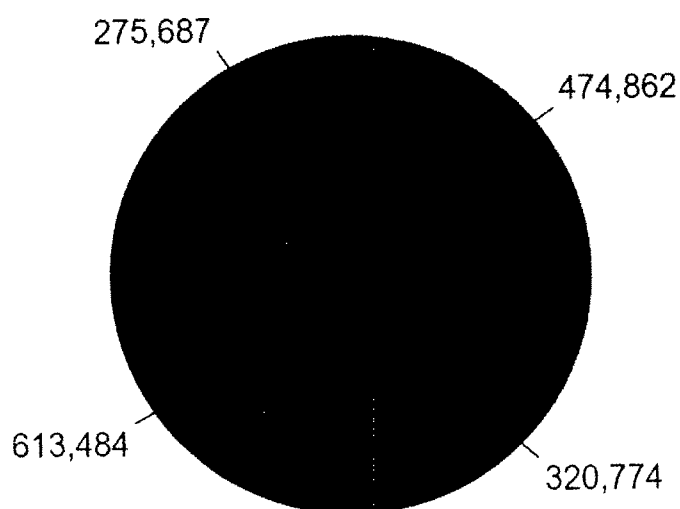
**Business Development**

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:

**Income from Fundraising/ Business Development**



● Fundraising ● Legacies ● Donations and Grants ● Covid 19 grants (retail)

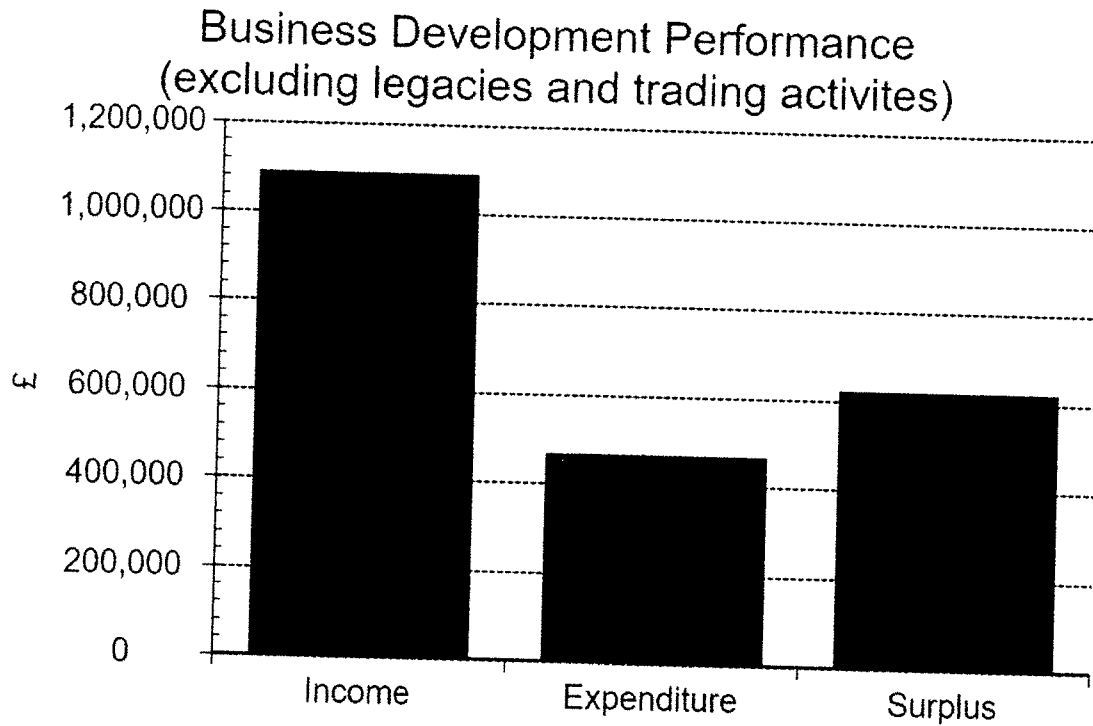
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The Income excludes Legacies and Covid19 Retail Grants. This compares to a gross Fundraising income excluding Legacies in 19/20 of £1,533,548 and expenditure in 19/20 of £643,253

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.

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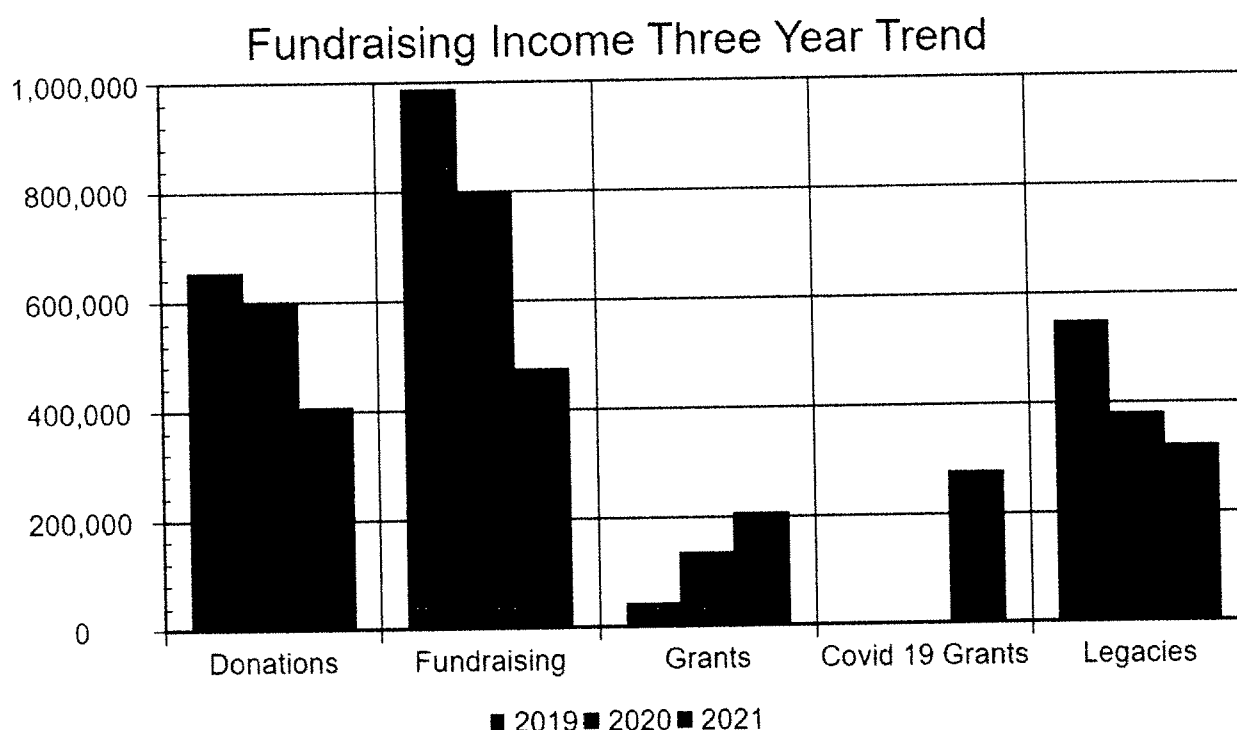
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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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.



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**BUTTERWICK LIMITED**  
(A company limited by guarantee)

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**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, lose 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.

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**BUTTERWICK LIMITED**  
(A company limited by guarantee)

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**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.

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**BUTTERWICK LIMITED**  
(A company limited by guarantee)

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**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: 1<sup>st</sup> October 2021

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**BUTTERWICK LIMITED**  
(A company limited by guarantee)

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTERWICK LIMITED**

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**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.

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**BUTTERWICK LIMITED**  
**(A company limited by guarantee)**

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

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**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.

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**BUTTERWICK LIMITED**  
(A company limited by guarantee)

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

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**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 misstatement 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 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

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**BUTTERWICK LIMITED**  
(A company limited by guarantee)

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

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**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 £
<b>INCOME AND ENDOWMENTS FROM:</b>						
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
<b>TOTAL INCOME AND ENDOWMENTS</b>		<b>2,343,861</b>	<b>2,051,889</b>	<b>-</b>	<b>4,395,750</b>	<b>4,245,475</b>
<b>EXPENDITURE ON:</b>						
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
<b>TOTAL EXPENDITURE</b>		<b>1,261,378</b>	<b>2,228,034</b>	<b>-</b>	<b>3,489,412</b>	<b>4,435,903</b>
<b>NET INCOME/(EXPENDITURE)</b>						
Transfers between funds	22	1,082,483	(176,145)	-	906,338	(190,428)
		(37,494)	37,494	-	-	-
<b>NET MOVEMENT IN FUNDS</b>		<b>1,044,989</b>	<b>(138,651)</b>	<b>-</b>	<b>906,338</b>	<b>(190,428)</b>



**BUTTERWICK LIMITED**  
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT) (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2021**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	Total funds 2020 £
Note					
<b>RECONCILIATION OF FUNDS:</b>					
Total funds brought forward	1,520,540	1,062,547	50,961	2,634,048	2,824,476
<b>TOTAL FUNDS CARRIED FORWARD</b>	<b>2,565,529</b>	<b>923,896</b>	<b>50,961</b>	<b>3,540,386</b>	<b>2,634,048</b>

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 £
<b>FIXED ASSETS</b>			
Tangible assets	16	2,586,958	2,703,209
Investments	17	4,626	4,626
		<u>2,591,584</u>	<u>2,707,835</u>
<b>CURRENT ASSETS</b>			
Stocks	18	4,294	4,171
Debtors	19	311,355	371,705
Cash at bank and in hand		981,075	110,735
		<u>1,296,724</u>	<u>486,611</u>
Creditors: amounts falling due within one year	20	(305,422)	(560,398)
<b>NET CURRENT ASSETS / LIABILITIES</b>		<b>991,302</b>	<b>(73,787)</b>
Creditors: amounts falling due after more than one year	21	(42,500)	-
<b>TOTAL NET ASSETS</b>		<b><u>3,540,386</u></b>	<b><u>2,634,048</u></b>
<b>CHARITY FUNDS</b>			
Endowment funds	22	50,961	50,961
Restricted funds	22	923,896	1,062,547
Unrestricted funds	22	2,565,529	1,520,540
<b>TOTAL FUNDS</b>		<b><u>3,540,386</u></b>	<b><u>2,634,048</u></b>

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

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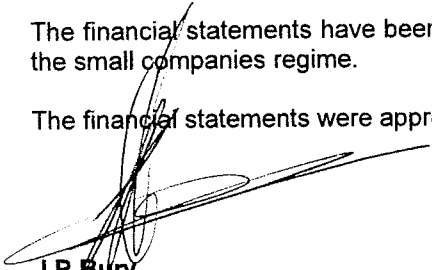
**CONSOLIDATED BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2021**

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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: 4<sup>th</sup> 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 £
<b>FIXED ASSETS</b>			
Tangible assets	16	863,913	924,543
Investments	17	4,630	4,631
		<u>868,543</u>	<u>929,174</u>
<b>CURRENT ASSETS</b>			
Stocks	18	981	846
Debtors	19	552,692	386,791
Cash at bank and in hand		674,852	8,372
		<u>1,228,525</u>	<u>396,009</u>
Creditors: amounts falling due within one year	20	(274,900)	(508,241)
<b>NET CURRENT ASSETS / LIABILITIES</b>		<u>953,625</u>	<u>(112,232)</u>
Creditors: amounts falling due after more than one year	21	(42,500)	-
<b>TOTAL NET ASSETS</b>		<u><u>1,779,668</u></u>	<u><u>816,942</u></u>
<b>CHARITY FUNDS</b>			
Restricted funds		923,896	1,062,547
Unrestricted funds		855,772	(245,605)
<b>TOTAL FUNDS</b>		<u><u>1,779,668</u></u>	<u><u>816,942</u></u>

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)

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

	2021 £	2020 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net cash used in operating activities	<b>912,079</b>	<b>(41,554)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends, interests and rents from investments	<b>5</b>	<b>37</b>
Purchase of tangible fixed assets	<b>(7,290)</b>	<b>(18,443)</b>
Receipts from joint venture	<b>66,941</b>	<b>80,387</b>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<b>59,656</b>	<b>61,981</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
New unsecured loans	<b>50,000</b>	<b>-</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR</b>	<b>1,021,735</b>	<b>20,427</b>
Cash and cash equivalents at the beginning of the year	<b>(40,660)</b>	<b>(61,087)</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>981,075</b>	<b>(40,660)</b>

The notes on pages 28 to 51 form part of these financial statements

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**BUTTERWICK LIMITED**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**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).

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**BUTTERWICK LIMITED**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

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**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

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**BUTTERWICK LIMITED**  
(A company limited by guarantee)

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**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.



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**NOTES TO THE FINANCIAL STATEMENTS  
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**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.

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**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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2021**

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**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 altogether 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
	<u>1,021,475</u>	<u>188,470</u>	<u>1,209,945</u>	<u>1,112,852</u>
<i>Total 2020</i>	<u>767,847</u>	<u>345,005</u>	<u>1,112,852</u>	

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**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	-
	<u>1,789,450</u>	<u>1,789,450</u>	<u>1,478,093</u>
<i>Total 2020</i>	<u>1,478,093</u>	<u>1,478,093</u>	

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
<b>Total 2021</b>	<u>468,300</u>	<u>6,562</u>	<u>474,862</u>	<u>799,004</u>
<i>Total 2020</i>	<u>719,610</u>	<u>79,394</u>	<u>799,004</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**7. TRADING ACTIVITIES**

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
<b>Charity trading income</b>				
Charity shops	279,683	-	279,683	721,059
Other trading activities	18,925	2,979	21,904	27,330
	<u>298,608</u>	<u>2,979</u>	<u>301,587</u>	<u>748,389</u>
<b>Fundraising trading expenses</b>				
Charity shops	216,839	-	216,839	305,104
Wages and salaries	298,140	-	298,140	320,639
Depreciation	281	-	281	416
	<u>515,260</u>	<u>-</u>	<u>515,260</u>	<u>626,159</u>
Net (expenditure)/income from trading activities	<u>(216,652)</u>	<u>2,979</u>	<u>(213,673)</u>	<u>122,230</u>
Total 2020	<u>106,302</u>	<u>15,928</u>	<u>122,230</u>	

**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
	<u>5</u>	<u>64,428</u>	<u>64,433</u>	<u>77,211</u>
<i>Total 2020</i>	<u>37</u>	<u>77,174</u>	<u>77,211</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. OTHER INCOMING RESOURCES**

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Recycling and miscellaneous income	7,260	7,260	890
Coronavirus job retention scheme funding	548,213	548,213	29,036
	<u>555,473</u>	<u>555,473</u>	<u>29,926</u>
<i>Total 2020</i>	<u>29,926</u>	<u>29,926</u>	

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**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
<b>Total 2021</b>	<b>466,162</b>	<b>919</b>	<b>467,081</b>	<b>643,253</b>
<i>Total 2020</i>	<i>631,701</i>	<i>11,552</i>	<i>643,253</i>	

**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
	<b>279,956</b>	<b>2,227,115</b>	<b>2,507,071</b>	<b>3,166,491</b>
<i>Total 2020</i>	<i>632,346</i>	<i>2,534,145</i>	<i>3,166,491</i>	

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**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
	<u>1,708,913</u>	<u>798,158</u>	<u>2,507,071</u>	<u>3,166,491</u>
<i>Total 2020</i>	<u>2,379,442</u>	<u>787,049</u>	<u>3,166,491</u>	

**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	-
	<u>900,759</u>	<u>380,539</u>	<u>427,615</u>	<u>1,708,913</u>	<u>2,379,442</u>
<i>Total 2019</i>	<u>1,239,593</u>	<u>519,256</u>	<u>620,593</u>	<u>2,379,442</u>	



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**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
	<b>496,866</b>	<b>147,969</b>	<b>153,323</b>	<b>798,158</b>	<b>787,049</b>
<i>Total 2019</i>	<i>434,576</i>	<i>203,066</i>	<i>149,407</i>	<i>787,049</i>	

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.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**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
	<u>16,708</u>	<u>16,930</u>

**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
	<u>2,499,371</u>	<u>3,250,988</u>	<u>2,141,983</u>	<u>2,861,676</u>

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	-	-
	<u>147</u>	<u>164</u>	<u>121</u>	<u>136</u>

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).

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**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 £
<b>Cost</b>						
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
<b>Depreciation</b>						
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
<b>Net book value</b>						
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

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**16. TANGIBLE FIXED ASSETS (CONTINUED)**

**Charity**

	Freehold property £	Long-term leasehold property £	Furniture and Equipment £	Motor vehicles £	Total £
<b>Cost</b>					
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
<b>Depreciation</b>					
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
<b>Net book value</b>					
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

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**17. FIXED ASSET INVESTMENTS**

<b>Group</b>		<b>Listed investments £</b>	<b>Investment in joint ventures £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 April 2020		4,625	1	4,626
		<u>4,625</u>	<u>1</u>	<u>4,626</u>
<b>At 31 March 2021</b>		<u><u>4,625</u></u>	<u><u>1</u></u>	<u><u>4,626</u></u>

	<b>Investments in subsidiary companies £</b>	<b>Listed investments £</b>	<b>Investment in joint ventures £</b>	<b>Total £</b>
<b>Charity</b>				
<b>Cost</b>				
At 1 April 2020	4	4,625	1	4,630
	<u>4</u>	<u>4,625</u>	<u>1</u>	<u>4,630</u>
<b>At 31 March 2021</b>	<u><u>4</u></u>	<u><u>4,625</u></u>	<u><u>1</u></u>	<u><u>4,630</u></u>

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**17. FIXED ASSET INVESTMENTS (CONTINUED)**

**PRINCIPAL SUBSIDIARIES AND JOINT VENTURES**

The following were subsidiary undertakings of the charity:

<b>Names</b>	<b>Company number</b>	<b>Charity registration number</b>	<b>Basis of control</b>	<b>Holding</b>
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:

<b>Names</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Profit/(Loss) / Surplus/ (Deficit) for the year £</b>
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:

<b>Names</b>	<b>Net assets £</b>
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:

<b>Name</b>	<b>Holding</b>
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.

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**18. STOCKS**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Charity 2021 £</b>	<b>Charity 2020 £</b>
Merchandise	3,313	3,325	-	-
Stamps	353	218	353	218
Fundraising stock	628	628	628	628
	<u>4,294</u>	<u>4,171</u>	<u>981</u>	<u>846</u>

**19. DEBTORS**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Charity 2021 £</b>	<b>Charity 2020 £</b>
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
	<u>311,355</u>	<u>371,705</u>	<u>552,692</u>	<u>386,791</u>

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**20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Charity 2021 £</b>	<b>Charity 2020 £</b>
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
	<b>305,422</b>	<b>560,398</b>	<b>274,900</b>	<b>508,241</b>

The bank overdraft is secured by way of a legal charge over the assets of the charity.

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Charity 2021 £</b>	<b>Charity 2020 £</b>
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)
	<b>56,798</b>	<b>63,833</b>	<b>6,600</b>	<b>6,600</b>

Deferred income represents Lottery payments received in advance and grants received for future periods.

**21. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Charity 2021 £</b>	<b>Charity 2020 £</b>
Bank loans	42,500	-	42,500	-



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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. STATEMENT OF FUNDS**

**STATEMENT OF FUNDS - CURRENT YEAR**

	Balance at 1 April 2020 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2021 £
<b>Unrestricted funds</b>					
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
	<u>1,520,540</u>	<u>2,343,861</u>	<u>(1,261,378)</u>	<u>(37,494)</u>	<u>2,565,529</u>
<b>Endowment funds</b>					
Endowment Funds	<u>50,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,961</u>
<b>Restricted funds</b>					
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)	-	-
	<u>1,062,547</u>	<u>2,051,889</u>	<u>(2,228,034)</u>	<u>37,494</u>	<u>923,896</u>
<b>Total of funds</b>	<u><u>2,634,048</u></u>	<u><u>4,395,750</u></u>	<u><u>(3,489,412)</u></u>	<u><u>-</u></u>	<u><u>3,540,386</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. STATEMENT OF FUNDS (CONTINUED)**

**STATEMENT OF FUNDS - PRIOR YEAR**

	<i>Balance at 1 April 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2020 £</i>
<b>Unrestricted funds</b>					
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
	<u>1,724,698</u>	<u>2,249,881</u>	<u>(1,890,206)</u>	<u>(563,833)</u>	<u>1,520,540</u>
<b>Endowment funds</b>					
Endowment Funds	<u>50,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,961</u>
<b>Restricted funds</b>					
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
	<u>1,048,817</u>	<u>1,995,594</u>	<u>(2,545,697)</u>	<u>563,833</u>	<u>1,062,547</u>
<b>Total of funds</b>	<u>2,824,476</u>	<u>4,245,475</u>	<u>(4,435,903)</u>	<u>-</u>	<u>2,634,048</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**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)
<b>TOTAL</b>	<b>2,565,529</b>	<b>923,896</b>	<b>50,961</b>	<b>3,540,386</b>

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**23. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)**

**ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR**

	<i>Unrestricted funds 2020 £</i>	<i>Restricted funds 2020 £</i>	<i>Endowment funds 2020 £</i>	<i>Total funds 2020 £</i>
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)
<b>TOTAL</b>	<b>1,520,540</b>	<b>1,062,547</b>	<b>50,961</b>	<b>2,634,048</b>

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

	<b>Group 2021 £</b>	<b>Group 2020 £</b>
Net income/expenditure for the year (as per Statement of Financial Activities)	<b>906,338</b>	<b>(190,428)</b>
<b>Adjustments for:</b>		
Depreciation charges	<b>123,541</b>	<b>134,182</b>
Dividends, interests and rents from investments	<b>(5)</b>	<b>(37)</b>
Decrease/(increase) in stocks	<b>(123)</b>	<b>391</b>
Decrease in debtors	<b>60,350</b>	<b>104,316</b>
Decrease in creditors	<b>(111,081)</b>	<b>(9,591)</b>
Receipts from joint venture	<b>(64,428)</b>	<b>(77,174)</b>
Joint venture debtor movement	<b>(2,513)</b>	<b>(3,213)</b>
<b>Net cash provided by/(used in) operating activities</b>	<b>912,079</b>	<b>(41,554)</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**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)
<b>Total cash and cash equivalents</b>	<b>981,075</b>	<b>(40,660)</b>

**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)
	<b>(40,660)</b>	<b>971,735</b>	<b>931,075</b>

**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 management 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.

