

BUTTERWICK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

BUTTERWICK LIMITED
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CONTENTS

	Page
Reference and administrative details of the charity, its Trustees and advisers	1
Trustees' report	2 - 19
Independent auditors' report on the financial statements	20 - 23
Consolidated statement of financial activities	24 - 25
Consolidated balance sheet	26
Charity balance sheet	27
Consolidated statement of cash flows	28
Notes to the financial statements	29 - 53

BUTTERWICK LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 MARCH 2022**

Trustees

J P Bury, Chairman (resigned 24 August 2022)
Prof M Bramble
B Carr
Dr B P Corbett (appointed 11 July 2022)
D Crew (appointed 13 December 2021)
Y V Evans (appointed 13 December 2021)
S R Grant
T A Lenehan (appointed 13 December 2021)
L Cooke (resigned 25 May 2022)
P Walker (resigned 13 May 2022)
Dr P McGowan (resigned 19 September 2021)
B I McLain (resigned 31 August 2021)
P Hinton (resigned 14 June 2021)
N Marshall (resigned 15 April 2021)

Company registered number

02979587

Charity registered number

1044816

Registered office

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

Company secretary

S R Grant

Chief executive officer

D Jones

Independent auditors

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

Bankers

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

Solicitors

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

BUTTERWICK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The Trustees present their annual report together with the audited financial statements of the charity and group for the year 1 April 2021 to 31 March 2022. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The Trustees confirm that the annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

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

FOUNDER

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

• Governing document

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

• Methods of appointment or election of Trustees

The Trustees are drawn from a variety of disciplines with the aim of ensuring that the company has strong and informed leadership. During 21-22 there were 9 Trustees all of which stepped down from their term of office in 21-22 and were re-appointed.

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

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

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

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

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

BUTTERWICK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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

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

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

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

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

Due to a resignation during the year the organisation are in the process of appointing a new clinical Trustee.

• **Changes during the year**

Hospice Services

The Hospice had an original Inspection in November 2019 which resulted in Children's services being put into "special measures" and a subsequent inspection in May 2021 identified that the Hospice still needed to improve its structure and processes. As a consequence, between May 21 and January 2022 a new Quality and Governance Lead post was filled with interim support and then filled permanently in February 2022.

Due to a resignation, a New Director of Care was appointed from September 2021 and comes from a clinical background with experience of supporting organisations through CQC inspections.

The Managerial leadership of clinical departments has changed during the year as follows:

- A new Clinical Lead for Adult Services was appointed and commenced work in May 2022.
- A new Clinical Lead for Children's Services was appointed and commenced work in November 2021.

CQC inspected the Hospice in September 2021 – 4 days after the Director of Care came into post. The reports identified that improvements had been made since the last inspections, but concerns remained with regards to the rate of progress. An improvement plan was put in place and monitored closely.

CQC inspected the Hospice again 1st and 2nd February 2022. The reports evidenced significant improvements

BUTTERWICK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

with regards to Butterwick House (Childrens Hospice). Overall, the rating was Requires Improvement (RI) (Good x3 domains and RI x 2 domains). An application has been made to CQC to have all restrictions lifted from Butterwick House.

However, for Butterwick Hospice (Bishop Auckland) the rating was inadequate (Good x1 domain, RI x1 domain, and Inadequate x3 domains).

The Adults unit was temporarily closed at this time so no rating was made.

The report on actions has been submitted to CQC, and an improvement plan is being progressed. This has been progressed through the Clinical Review Working Group – which has now transferred into the Moving to Good Committee.

The business plan that was developed in 19/20 ensured that the organisation could continue to deliver services to the community at a sustainable cost and although this was impacted by the pressures that COVID 19 put upon trading activities and fundraising, the organisation still managed to continue to deliver core services.

As a direct consequence of the Omicron variant of COVID, the NHSE awarded funding to allow the hospice to make available bed capacity and community support during 20/21 and then again from December 21 through to March 2022, to provide support to people with complex needs in the context of the COVID-19.

The funding that Butterwick Hospice Care received in respect of this for 20/21 was a total value of £502,597 and this funding was administered through Hospice UK. The amount received during 21/22 was £10,528.

As a consequence of the CQC ratings and subsequent temporary closure of the In-patient unit, during 21/22 the CCG made a discretionary decision to withdraw £119K of funding for adult services at Stockton. In addition, they have taken the decision to withdraw all adult funding for 22/23, so the remaining adult services that the hospice continue to supply will have a requirement to be funded from fundraising activities.

Retail:

Since the pandemic, retail outlets are operating at between 70%-75% of pre-covid levels of trading. A business review of outlets is currently underway with a view to developing a strategic operational plan.

During 21/22 all of the retail outlets achieved self-sufficiency which identified that there was no longer a requirement for a warehouse facility to support these outlets. The decision was therefore taken to close the warehouse and relocate staff to an alternative location.

Butterwick Hospice Retail Limited are incredibly thankful to the landlord of the warehouse who has supported the hospice over a number of years.

Butterwick Lotteries Limited and North East Hospices Lottery (NEHL)

Both Lotteries applied for a larger remote lottery licence with the Gambling Commission and have been awarded this. During the year a full review of policies and procedures was undertaken and the website and terms and conditions updated accordingly.

A security audit was undertaken in October 21 for NEHL against ISO 27001 and it was identified that there were 14 minor non-conformities which have been fully addressed.

Butterwick Lotteries Limited security audit was undertaken in December 21 and identified 6 areas for improvement which have also been fully addressed

BUTTERWICK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

The post of Membership Team Manager is currently vacant

● **Pay policy for key management personnel**

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

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

● **Relationships with other charities and organisations**

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

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

The charity in particular works closely and productively with the local NHS Clinical Commissioning Groups, the local NHS Foundation Trust, with neighbouring hospices and other local charities. The charity is also a member of Hospices North East (HNE) a collaborative of the nine independent hospices in the north east of England.

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

Butterwick Hospice Care has worked with Teesside University and has 2 dietetic students commencing a 13 week placement from the end of May 2022. These students will support Butterwick with the development of nutritionally balanced menus for the in-patient units – and also ensure that the soft and pureed diets are suitable for the children.

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

BUTTERWICK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

• **Risk management**

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

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

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

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

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

OBJECTIVES AND ACTIVITIES

• **Policies and objectives**

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

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

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

In meeting its charitable objectives:

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

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

In doing this the company operates in three distinct areas:

1. Butterwick Hospice, Stockton on Tees (In patient unit temporarily closed since 1st February 2022 but all other adult services remain operative)

BUTTERWICK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

OBJECTIVES AND ACTIVITIES (continued)

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

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

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

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

● **Activities undertaken to achieve objectives**

Butterwick Hospice, Stockton on Tees

This is an eight bedded in-patient unit (in-patient residential unit temporarily closed since 1st February 2022) and day care facilities. With the onset of the pandemic the day services switched to a Covid responsive appointment-based day hospice service for adult patients drawn mainly from the borough of Stockton on Tees, a largely urban area, but additionally to a lesser degree from the more rural adjacent County Durham.

Butterwick Hospice at Bishop Auckland

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

The Hospice in Bishop Auckland serves the communities of Sedgfield, Wear Valley, Weardale and Teesdale, and as at the Stockton Hospice, provides an appointment-based Day Hospice service in Bishop Auckland. Since February 2022 the Day Service has introduced some sessions that still adhere to covid precautions, but also provide patients with the opportunity for social interaction that they have said that they have missed.

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

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

The charity is working closely with the local Clinical Commissioning Groups and other voluntary sector organisations to further address the palliative care needs in the area.

Butterwick House Children's Hospice

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

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

Butterwick House is a six bedded unit, four beds for children and two beds specifically designed for young

BUTTERWICK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

OBJECTIVES AND ACTIVITIES (continued)

adults aged 18 to 25 years, which primarily offers planned specialist respite care, as crisis and terminal care is not permitted due to the conditions imposed by CQC. An application has been made to CQC to have the restrictions lifted from Butterwick House.

● **Staff and volunteers**

To enable the charity to achieve its charitable objectives, including the generation of sufficient financial resources to fund its activities, the charity and its trading subsidiaries, as at 31st March 22, employed 104 staff and an additional 25 bank staff who cover staff holidays and sickness. The charity additionally had the generous support of some 109 volunteers who assist in every area of the charity's activities.

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

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

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

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

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

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

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

ACHIEVEMENTS AND PERFORMANCE

● **Quality**

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

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

BUTTERWICK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

ACHIEVEMENTS AND PERFORMANCE (continued)

During 2021/22 all Butterwick Hospices were inspected by CQC, with reports published:

September Inspection: published 15/11/21

February Inspection: published 5/5/22

The five key domains that hospices are measured against are:

- Is the service safe
- Is the service effective
- Is the service caring
- Is the service responsive
- Is the service well led

The outcome of the Bishop Auckland report was disappointing for the charity with an overall rating of "Inadequate".

The outcome of the Butterwick House report was disappointing but also evidenced the significant amount of work that had been completed and the progress that had been achieved. The overall rating was "Requires Improvement", with the domain ratings being good for 3 domains, and requires improvement for 2 domains.

The ratings have resulted in the charity remaining with conditions being in place and continuing to work to a detailed action plan to improve the elements identified as not meeting requirements. The management and staff are working closely with CQC, local CCGs and the local Foundation Trust to implement a range of measures to improve the safety, effectiveness and responsiveness of the services.

An application has been made to have the restrictions lifted on Butterwick House which supports children.

BUTTERWICK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

ACHIEVEMENTS AND PERFORMANCE (continued)

● **Summary of Patient Activity**

During 2021-2022 Butterwick Hospice Care provided 5 key services:

Adult In-patient Unit (Stockton)
Children's In-patient Unit (Butterwick House, Stockton)
Day Service (Stockton and Bishop Auckland)
Palliative Home Care Team (Bishop Auckland)
Family Support (Stockton and Bishop Auckland)

The impact of the coronavirus pandemic and the outcome of the CQC inspections had a significant impact on the delivery of services during 2021-2022.

Adult Hospice Service

Inpatients

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

The objectives are (prior to temporary closure of the Adult In-patient Unit):

To provide a 24 hour, 7 days a week in-patient service.
To provide short term respite care.
To provide holistic multidisciplinary care, which meets the physical, emotional, spiritual and social needs of patients and, as relevant, their carers and relatives.
To provide nursing care, counselling, advice, complementary therapies, and bereavement support to patients, their carers and relatives.

In all cases to ensure patients, their carers, and relatives are supported by a team of skilled and appropriately trained staff and volunteers.

Due to the conditions imposed following the CQC inspections, Butterwick House Children's Service was able to admit 2 patients, who were stable, for respite care. The patients also had to be known to the provider.

Activity during 2021-2022 was:

From the activity reported from 2020-2021, 7 patients had died.
7 patients were admitted to the in-patient unit for respite care.
0 were admitted for end-of-life care.
0 were admitted for symptom control.
There were 20 episodes of care/admissions.
There was a total of 62 days of care provided.
The caseload had reduced to 4 patients by December 2021, and the decision was made to temporarily close the unit as of 31 January 2022.

Palliative Care Home Team

The Team supported a total of 67 patients in their own homes, providing a total of 3,808 hours of care on 714 separate occasions.

BUTTERWICK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

ACHIEVEMENTS AND PERFORMANCE (continued)

Day Care
Stockton

Day Service – Stockton:

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

The objectives are:

To provide a day hospice service two days each week (Monday and Friday).

To provide holistic multidisciplinary care, which meets the physical, emotional, spiritual and social needs of patients and, as relevant, their carers and relatives.

To provide nursing care, counselling, advice, complementary therapies, and bereavement support to patients, their carers and relatives.

In all cases to ensure patients, their carers, and relatives are supported by a team of skilled and appropriately trained staff and volunteers.

Activity during 2021-2022 was:

51 patients attended the service.

There were 614 episodes of care.

There were 49 physiotherapy treatments provided.

There were 295 complementary therapy treatments provided.

The objectives are:

To provide a day hospice service three days each week (Tuesday, Wednesday, and Friday).

To provide holistic multidisciplinary care, which meets the physical, emotional, spiritual and social needs of patients and, as relevant, their carers and relatives.

To provide nursing care, counselling, advice, complementary therapies, and bereavement support to patients, their carers and relatives.

In all cases to ensure patients, their carers, and relatives are supported by a team of skilled and appropriately trained staff and volunteers.

Bishop Auckland

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

Activity during 2021-2022 was:

91 patients attended the service.

There were 2063 episodes of care.

There were 263 physiotherapy treatments provided.

There were 917 complementary therapy treatments provided. .

BUTTERWICK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

ACHIEVEMENTS AND PERFORMANCE (continued)

Family Support

Family Support – Stockton:

The Service offers emotional and psychological support to patients, as well as their families, and carers. Family Support consists of qualified and experienced counsellors, supported by a team of dedicated volunteers. The Service also supports and supervises the training practice of student counsellors, who are attending university, and working towards their qualified status.

During the pandemic, the Family Support team transitioned from face-to-face working to remote working – either telephone or online link.

This transition started to be reversed in the latter part of 2021-2022, with most appointments returning to face-to-face, although the option for telephone and online support is still available if required.

The objectives are:

To provide a compassionate and practical service.

To provide people with a confidential space in which they can safely share their thoughts and feelings.

To provide support to people at any stage of their cancer journey – from the beginnings of the initial shock of their diagnosis, throughout their treatment, and whatever lies beyond.

To provide support for those who have been bereaved, where death of a significant person has been through cancer or other life limiting illness.

To provide 1 to1 counselling for children and young people, both pre and post bereavement, where emotions are seen to be affecting their day-to-day life.

Activity during 2021-2022 was:

136 clients accessed bereavement support / counselling (pre or post death).

152 1 to1 contacts were provided.

862 telephone support calls were undertaken.

62 video sessions were provided.

In Bishop Auckland:

The Service offers emotional and psychological support to patients, as well as their families, and carers.

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

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During the pandemic, the Family Support team transitioned from face-to-face working to remote working – either telephone or online link.

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To provide support to people at any stage of their cancer journey – from the beginnings of the initial shock of their diagnosis, throughout their treatment, and whatever lies beyond.

BUTTERWICK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

ACHIEVEMENTS AND PERFORMANCE (continued)

To provide support for those who have been bereaved, where death of a significant person has been through cancer or other life limiting illness.

To provide 1to1 counselling for children and young people, both pre and post bereavement, where emotions are seen to be affecting their day-to-day life.

Activity during 2021-2022 was:

182 clients accessed bereavement support / counselling (pre or post death).

126 1to1 contacts were provided.

126 telephone support calls were undertaken.

49 video sessions were provided.

389 school visits were provided.

72 children accessed the service.

502 hours of support were provided.

Children's Hospice

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

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

The objectives are:

To provide a 24 hour, 7 days a week in-patient service.

To provide short term respite care.

To provide emergency and end of life care.

To provide holistic multidisciplinary care, which meets the physical, emotional, spiritual and social needs of the children, and their families as a whole.

To provide nursing care, counselling, advice, complementary therapies, and bereavement support to the children, their families, and carers.

In all cases to ensure the children, their carers, and relatives are supported by a team of skilled and appropriately trained staff and volunteers.

Following CQC imposed conditions, Butterwick Hospice Care was able to admit 2 patients, who were stable, for respite care. The patients also had to be known to the provider.

Activity during 2021-2022 was:

16 children / young people were admitted to the in-patient unit for respite care.

0 were admitted for end-of-life care.

0 were admitted for symptom control.

There were 91 episodes of care/admissions.

There was a total of 206 nights of care provided.

BUTTERWICK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

ACHIEVEMENTS AND PERFORMANCE (continued)

Financial review

● **Overview**

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

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

In the year ended 31 March 2022 the group operated at a deficit of £41k after depreciation which is an improvement on the budgeted expectation of a deficit of £185K. This compares to a surplus of £906K in the previous year, after depreciation. The surplus in 20/21 was as a direct consequence of the business review that took place along with the receipt of a number of large legacies. The expectation was that 21/22 would result in a £185K deficit which would be funded from the previous year surplus.

An End of Life (EOL) project is currently being developed, supported by stakeholder involvement and until the exact model of delivery is defined and costed, an interim budget has been prepared without the inclusion of the adult in-patient end of life provision. The interim budget expectation for 22/23 is that Butterwick Limited will be close to break even. This interim budget takes a cautionary view on receipt of legacies. Once the EOL project has been defined this will be incorporated into the budget along with associated funding.

● **Income generation**

Statutory Funding (NHS)

The operation of the charity is partly funded by NHS England and from the local NHS Clinical Commissioning Groups (CCG), with the majority of the funds being raised by fundraising activities, the securing of grants and by the receipt of donations and legacies, and the operations of the subsidiary companies.

The CCG's have been amalgamated into a new funding body Integrated Care Boards.

In the year a total of £1,123,216 was received from the NHS Trust and Commissioning Authorities (and includes £10,528 from NHSE as administered by Hospice UK) which equates to 34% of the Groups total income in the year. This compared to £1,789,450 in the previous year (40.7%). However, of this £1,789,450, £502,597 was from NHSE as administered through Hospice UK for the provision of bed capacity and community support during COVID 19.

Business Development

The Business Development team work across the wide geographical area from which the Hospices draw patients. The Business Development team are performance managed against an annual plan, which during the pandemic, was focused on Trust and Grant applications, whilst there was a restriction on events.

The charity does not use external professional fundraisers and does not buy, sell or share donor information

BUTTERWICK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

with any third party. Strict policies and procedures are in place to ensure compliance with fundraising best practice and standards including data protection and the regularity and methods of maintaining contact with donors.

Income from donations, and fundraising was £1,609,433 including legacies and covid 19 grants. This compares to a gross Fundraising income excluding Legacies and covid 19 grants in 21/22 of £1,046,310 (2021 £1,088,346) and expenditure in 21/22 of £474,126

The fundraising and publicity costs are 30% of gross fundraising income excluding covid 19 grants, (20/21 33%).

Virtually all the charity's non-NHS income arises from fundraising and public activities including maintaining contact with some 38,000 supporters. The Hospice is very grateful for all the support it receives and is very dependant on local support. This support is required more than ever during the Pandemic.

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

• **Trading subsidiaries**

Butterwick Hospice Retail Limited

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

In the year Butterwick Hospice Retail Limited contributed £nil, compared to £166,653 in the previous year. In addition it sold items donated to the company which raised gift aid to the value of £67,510 (20/21 £25,000)

Since the pandemic, retail outlets are operating at around 70%-75% of pre-covid levels. This is being addressed by developing a strategic operational plan for the retail outlets.

Butterwick Lotteries Limited

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

In the year ended 31 March 2022 Butterwick Lotteries Limited generated £145,036 profit for the charity (20/21 £140,809).

Butterwick Lotteries Limited also administers a lottery on behalf of North East Hospices Lottery Limited (NEHL). NEHL's profits are paid equally under Gift Aid to four local North East Hospices including the Butterwick Hospice at Bishop Auckland. NEHL generated £66,434 for the charity in the period ended 31 March 2022 (year ended 31 March 2021 £64,428).

BUTTERWICK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

● **Going concern**

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

- CQC rating
- Financial risk in terms of being able to generate sufficient income to cover expenditure
- Staffing Recruitment and loss of key personnel

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

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

The Trustees have reviewed the cash position of the charity for the period to 31st March 2024 and detailed cash flow projections have been prepared and considered along with sensitivity analysis. These show the charity continuing to meet payments as they fall due without use of the overdraft facility.

The Trustees acknowledge that the pandemic is continuing to present challenges but with the regular cash flow monitoring and mitigation plans this has significantly reduced the financial risk.

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

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

● **Reserves**

The charitable group's reserves have been depleted as a result of operational deficits in past years coupled with capital expenditure. In 20/21 there was an opportunity to add to reserves.

Recognising our continued dependence upon unpredictable charitable activity and support, along with the implications of COVID19 the Trustees have concluded that it would be prudent at the current time, to incrementally create a reserve equating to a minimum of three months operational costs. Based on current expenditure levels, three months operational costs amounts to approximately £900,000.

At the year-end total group reserves were £3.5m of which £2.6m was unrestricted. Unrestricted free reserves were £960k.

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

BUTTERWICK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

FUTURE DEVELOPMENTS

The charity had identified a number of areas to explore potential service development or improvement, however with the impact of Covid19 on delivery of all services the charity is reviewing service delivery in line with government restrictions and is aligning services to respond to changing needs and delivery methods required to provide healthcare during such challenging times. The demand for services has not reduced, however the way in which services can be delivered has changed significantly and at present the Management Team and Trustees are ensuring services are maintained in the most relevant form to the patients.

The charity recognises that future services need to be re-aligned to the needs of the community. Work is being undertaken to explore opportunities to work in partnership with other clinical institutions where this is deemed to be appropriate and where there is a distinct benefit to the community, as well as ensuring that services are sustainable and resilient.

Finance

The team have continued to achieve improved reporting times in accordance with the requirements set out in the 5 year strategic plan and finance plan. This has given Management a clear understanding of the current financial restraints within the charity and helped them ensure that the charity continues to have the capacity and resources to meet demand so that it can continue to deliver a quality and safe service to its patients. This timely information has been vital during the pandemic.

Cash flows have been extended and developed to include sensitivity analysis over a longer period which enables plans to be put in place where there is suggestion of pinch points.

In the coming year finance will continue to work closely with individual departments to provide them with analytical data to enhance the delivery of their services in relation to demand and care requirements. This will inform any strategic plans for the future.

The charity will continue to work with community services to ensure that where we can, we work in partnership to deliver, more efficient and cost-effective healthcare

Workforce

The year 2021-2022 has been a challenging year. The pandemic required service delivery patterns to be revised, staffing structures and skills base to be reviewed regularly to ensure services were compliant with frequently changing guidelines and restrictions in how services can be delivered. These changes required service reviews and restructures right across the hospice taking account of the financial situation, the CQC report and the impact of the Covid 19 pandemic.

The key reviews and restructures are complete, and the on-going reviews will continue to be undertaken in light of Covid 19 and to meet CQC regulations.

As a result of the above service reviews and the air of uncertainty that the Covid 19 pandemic brought with it the charity did, on top of the lost revenue, loose staff and volunteers, some of which were employed in senior service critical positions.

In addition to the links already in place with North Tees and Hartlepool Hospital for training opportunities for clinical staff the charity is forging links with local training providers of funded management and other training, local colleges and universities for the provision of student placements which will give students the valuable experience they need and also give them an insight into the hospice and the opportunities that are available.

The charity also intends to utilise the services and benefits of its membership of the Teesside Chamber of Commerce to a greater effect which will add additional support to our aims and objectives.

BUTTERWICK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

FUTURE DEVELOPMENTS (continued)

The Hospice is committed to putting initiatives in place to improve staff retention and work is ongoing on a salary bandings and benefits review. A staff survey was undertaken in October 2020, the results of which have been analysed and actions identified, the employee exit interview form has been reviewed and now captures more detailed and appropriate information. This will help to identify common trends and areas for improvement.

The employee development and training processes and requirements have been reviewed and management Level 3 and 5 training has been offered for those employees with responsibility for staff, these courses commence in 2022, this will in turn, feed into succession planning for the organisation.

The Covid 19 pandemic has resulted in a decrease in the number of volunteers and a more robust and far-reaching volunteer recruitment campaign is to be undertaken.

Governance

The charity recently recruited additional Trustees to strengthen the governance of the organisation. Further work is being undertaken to review the governance structure to ensure transparency and openness.

Communication

The charity is building on its links with Hospices North East Collaborative to strengthen the voice of hospice care in the north east and at a more local level is working with local stakeholders to increase engagement and awareness of hospice services.

Full details of these policies are available from the charity's offices.

BUTTERWICK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022

Statement of Trustees' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Disclosure of information to auditors

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

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

Auditors

As a result of a change in auditors' name, from 1 March 2022 Waltons Clark Whitehill Limited became Waltons Business Advisers Limited.

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

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

Prof M Bramble

Date:

4/16/22

BUTTERWICK LIMITED
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BUTTERWICK LIMITED

UNQUALIFIED OPINION

We have audited the financial statements of Butterwick Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

BUTTERWICK LIMITED
(A company limited by guarantee)

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

OTHER INFORMATION

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which Companies Act 2006 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

BUTTERWICK LIMITED
(A company limited by guarantee)

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

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We gained an understanding of the legal and regulatory framework applicable to the charity and the area in which it operates, and considered the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material 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. This description forms part of our auditors' report.

BUTTERWICK LIMITED
(A company limited by guarantee)

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

USE OF OUR REPORT

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's Trustees, as a body, Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



H O'Driscoll FCA (senior statutory auditor)

for and on behalf of

Waltons Business Advisers Limited

Maritime House

Harbour Walk

The Marina

Hartlepool

TS24 0UX

Date: 23 October 2022

BUTTERWICK LIMITED
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	Total funds 2021 £
INCOME AND ENDOWMENTS FROM:						
Donations and legacies	4	977,628	117,350	-	1,094,978	1,209,945
Charitable activities	5	-	1,123,216	-	1,123,216	1,789,450
Other trading activities:	6					
Fundraising		505,273	9,182	-	514,455	474,862
Trading activities		482,165	-	-	482,165	301,587
Investments:	8					
Share of joint venture net income		-	66,434	-	66,434	64,428
Investments		1	-	-	1	5
Other income	9	2,714	-	-	2,714	555,473
TOTAL INCOME AND ENDOWMENTS		1,967,781	1,316,182	-	3,283,963	4,395,750
EXPENDITURE ON:						
Raising funds:						
Voluntary income		472,876	1,250	-	474,126	467,081
Fundraising trading		537,729	-	-	537,729	515,260
Charitable activities	11	292,428	2,021,151	-	2,313,579	2,507,071
TOTAL EXPENDITURE		1,303,033	2,022,401	-	3,325,434	3,489,412
NET INCOME/(EXPENDITURE)		664,748	(706,219)	-	(41,471)	906,338
Transfers between funds	22	(649,889)	649,889	-	-	-
NET MOVEMENT IN FUNDS		14,859	(56,330)	-	(41,471)	906,338

BUTTERWICK LIMITED
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	<i>Total funds 2021 £</i>
RECONCILIATION OF FUNDS:					
Total funds brought forward	2,565,529	923,896	50,961	3,540,386	2,634,048
TOTAL FUNDS CARRIED FORWARD	<u>2,580,388</u>	<u>867,566</u>	<u>50,961</u>	<u>3,498,915</u>	<u>3,540,386</u>

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

The notes on pages 29 to 53 form part of these financial statements.

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

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets	16	2,475,298	2,586,958
Investments	17	4,626	4,626
		<u>2,479,924</u>	<u>2,591,584</u>
CURRENT ASSETS			
Stocks	18	5,355	4,294
Debtors	19	366,106	311,355
Cash at bank and in hand		1,059,480	981,075
		<u>1,430,941</u>	<u>1,296,724</u>
Creditors: amounts falling due within one year	20	(256,117)	(305,422)
NET CURRENT ASSETS		<u>1,174,824</u>	<u>991,302</u>
Creditors: amounts falling due after more than one year	21	(155,833)	(42,500)
TOTAL NET ASSETS		<u><u>3,498,915</u></u>	<u><u>3,540,386</u></u>
CHARITY FUNDS			
Endowment funds	22	50,961	50,961
Restricted funds	22	867,566	923,896
Unrestricted funds	22	2,580,388	2,565,529
TOTAL FUNDS		<u><u>3,498,915</u></u>	<u><u>3,540,386</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:

Prof M Bramble

Date:

4/10/22 

The notes on pages 29 to 53 form part of these financial statements.

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

CHARITY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets	16	808,828	863,913
Investments	17	4,630	4,630
		<u>813,458</u>	<u>868,543</u>
CURRENT ASSETS			
Stocks	18	1,129	981
Debtors	19	495,827	552,692
Cash at bank and in hand		917,272	674,852
		<u>1,414,228</u>	<u>1,228,525</u>
Creditors: amounts falling due within one year	20	(215,719)	(274,900)
NET CURRENT ASSETS		<u>1,198,509</u>	<u>953,625</u>
Creditors: amounts falling due after more than one year	21	(155,833)	(42,500)
TOTAL NET ASSETS		<u><u>1,856,134</u></u>	<u><u>1,779,668</u></u>
CHARITY FUNDS			
Restricted funds	22	859,285	923,896
Unrestricted funds	22	996,849	855,772
TOTAL FUNDS		<u><u>1,856,134</u></u>	<u><u>1,779,668</u></u>

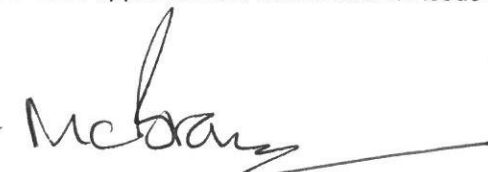
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The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Prof M Bramble

Date: 4/10/22



The notes on pages 29 to 53 form part of these financial statements.

BUTTERWICK LIMITED
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £	2021 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash used in operating activities	(131,304)	912,079
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividends, interests and rents from investments	1	5
Purchase of tangible fixed assets	(12,138)	(7,290)
Receipts from joint venture	66,013	66,941
NET CASH PROVIDED BY INVESTING ACTIVITIES	53,876	59,656
CASH FLOWS FROM FINANCING ACTIVITIES		
New unsecured loans	-	50,000
Repayments of borrowing	(44,167)	-
New secured loans	200,000	-
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR	78,405	1,021,735
Cash and cash equivalents at the beginning of the year	981,075	(40,660)
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	1,059,480	981,075

The notes on pages 29 to 53 form part of these financial statements

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

1. GENERAL INFORMATION

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

The registered office address is:

Butterwick Hospice
Middlefield Road
Stockton on Tees
Cleveland
TS19 8XN

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

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

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

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

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

The income and expenditure account for the year dealt with in the financial statements of the charity was £76,466 (2021: £926,726).

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Going concern

As anticipated there has been a continued reduction in income and fundraising opportunities during 2021/22, as an ongoing consequence of the pandemic and associated Government restrictions.

Nevertheless, as described in the Trustees' report, the Trustees have reviewed the cash position of the charity for the period to March 2024 and detailed cash flow projections have been prepared. These cash flow predictions show the charity continuing to make all payments as they fall due and without the use of the overdraft facility.

The business plan, that was prepared prior to the national pandemic, is currently being delivered with a view to making significant savings and there is a process of continual review to ensure that targets are achieved.

At the current time the Adult unit is closed and there are restrictions in place on the Children's unit. This has led to reduced income but also to reduced costs. Trustees are looking at alternative possibilities for the Adult unit and will not take on any commitments that cannot be fully funded.

The charity is reliant on the continued support of our bank to assist with cashflow and is providing the bank with regular updates to ensure that this support continues. As part of this, the bank agreed to a new five-year loan which has stabilised the cash flow position during the implementation of the action plan.

The Trustees believe that the charity is well placed to manage its financial risks with plans in place to ensure that the charity continues in operational existence for the foreseeable future.

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

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

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.

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.6 Tangible fixed assets and depreciation

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

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

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

2.7 Investments

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

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

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

2.8 Stocks

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

2.9 Debtors

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

2.10 Cash at bank and in hand

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

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.11 Liabilities and provisions

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

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

2.12 Financial instruments

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

2.13 Pensions

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

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

2.14 Fund accounting

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

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

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

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

As explained in note 2.2 above the charity faces a number of challenges. These include the impact of Covid-19 which has reduced income and the disappointing CQC inspection results.

In the current year the charity secured a five year bank loan allowing them to stabilise the cash position. Cashflow forecasts have been prepared including modeling the impact of different scenarios. These show even in a worse case reduction of income that the charity will be able to continue.

Taken altogether this has enabled the charity to continue and for the Trustees to be confident that the going concern basis of accounting remains appropriate.

4. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	395,130	4,258	399,388	407,197
Legacies	535,120	-	535,120	320,774
Other Covid-19 grants	28,003	-	28,003	275,687
Grants	19,375	113,092	132,467	206,287
	977,628	117,350	1,094,978	1,209,945
<i>Total 2021</i>	<i>1,021,475</i>	<i>188,470</i>	<i>1,209,945</i>	

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

5. INCOME FROM CHARITABLE ACTIVITIES

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Stockton on Tees Hospice	309,406	309,406	492,954
Bishop Auckland Hospice	495,631	495,631	487,529
Childrens Hospice	307,651	307,651	306,370
National Health Service England	10,528	10,528	502,597
	<u>1,123,216</u>	<u>1,123,216</u>	<u>1,789,450</u>
<i>Total 2021</i>	<u>1,789,450</u>	<u>1,789,450</u>	

Included within the balance above is £10,528 (2021: £502,597) received from NHSE (National Health Service England).

The NHSE awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the Covid-19 situation and to provide bed capacity and community support from November 2020 to March 2021 and then again from December 2021 to March 2022 for the same purpose.

6. FUNDRAISING INCOME

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Other charitable income	183,278	9,182	192,460	158,916
Bishop Auckland Hospice	403	-	403	3,989
Childrens Hospice	1,823	-	1,823	2,227
Lottery	319,769	-	319,769	309,730
Total 2022	<u>505,273</u>	<u>9,182</u>	<u>514,455</u>	<u>474,862</u>
<i>Total 2021</i>	<u>468,300</u>	<u>6,562</u>	<u>474,862</u>	

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

7. TRADING ACTIVITIES

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Charity trading income				
Charity shops	466,748	-	466,748	279,683
Other trading activities	15,417	-	15,417	21,904
	<u>482,165</u>	<u>-</u>	<u>482,165</u>	<u>301,587</u>
Fundraising trading expenses				
Charity shops	251,543	-	251,543	216,839
Wages and salaries	285,984	-	285,984	298,140
Depreciation	203	-	203	281
	<u>537,730</u>	<u>-</u>	<u>537,730</u>	<u>515,260</u>
Net (expenditure)/income from trading activities	<u>(55,565)</u>	<u>-</u>	<u>(55,565)</u>	<u>(213,673)</u>
Total 2021	<u>(216,652)</u>	<u>2,979</u>	<u>(213,673)</u>	

8. INVESTMENT INCOME

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Share of joint venture net income	-	66,434	66,434	64,428
Investment income	1	-	1	5
	<u>1</u>	<u>66,434</u>	<u>66,435</u>	<u>64,433</u>
<i>Total 2021</i>	<u>5</u>	<u>64,428</u>	<u>64,433</u>	

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. OTHER INCOMING RESOURCES

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Recycling and miscellaneous income	1,126	1,126	7,260
Coronavirus job retention scheme funding	1,588	1,588	548,213
	<u>2,714</u>	<u>2,714</u>	<u>555,473</u>
<i>Total 2021</i>	<u>555,473</u>	<u>555,473</u>	

10. COST OF RAISING FUNDS

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Fundraising	93,411	1,250	94,661	50,660
Lottery	122,940	-	122,940	120,836
Wages and salaries	256,524	-	256,524	295,585
Total 2022	<u>472,875</u>	<u>1,250</u>	<u>474,125</u>	<u>467,081</u>
<i>Total 2021</i>	<u>466,162</u>	<u>919</u>	<u>467,081</u>	

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

11. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Stockton on Tees Hospice	227,316	1,049,666	1,276,982	1,397,625
Bishop Auckland Hospice	65,112	437,546	502,658	528,508
Childrens Hospice	-	533,939	533,939	580,938
	<u>292,428</u>	<u>2,021,151</u>	<u>2,313,579</u>	<u>2,507,071</u>
<i>Total 2021</i>	<u>279,956</u>	<u>2,227,115</u>	<u>2,507,071</u>	

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Stockton on Tees Hospice	741,821	535,161	1,276,982	1,397,625
Bishop Auckland Hospice	337,803	164,855	502,658	528,508
Childrens Hospice	391,622	142,317	533,939	580,938
	<u>1,471,246</u>	<u>842,333</u>	<u>2,313,579</u>	<u>2,507,071</u>
<i>Total 2021</i>	<u>1,708,913</u>	<u>798,158</u>	<u>2,507,071</u>	

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Stockton on Tees Hospice 2022 £	Bishop Auckland Hospice 2022 £	Childrens Hospice 2022 £	Total funds 2022 £	Total funds 2021 £
Wages and salaries	651,578	277,509	382,076	1,311,163	1,501,520
Patient Care	66,201	51,505	6,165	123,871	102,366
Patient Transport	317	-	132	449	2,738
Premises	3,660	-	1,264	4,924	2,357
Occupational Health	-	-	325	325	105
Staff Travel	1,564	5,267	-	6,831	4,869
Volunteer Travel	214	97	-	311	95
Recruitment	1,357	578	300	2,235	950
Training & Education	4,503	1,007	1,360	6,870	8,789
Clinical Supervision	-	1,840	-	1,840	1,600
Exceptional Covid Expenses	12,427	-	-	12,427	83,524
	741,821	337,803	391,622	1,471,246	1,708,913
<i>Total 2021</i>	<i>900,759</i>	<i>380,539</i>	<i>427,615</i>	<i>1,708,913</i>	

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Stockton on Tees Hospice 2022 £	Bishop Auckland Hospice 2022 £	Childrens Hospice 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	289,439	65,500	87,965	442,904	404,126
Depreciation	85,693	29,682	7,187	122,562	123,261
Patient Care	69	-	949	1,018	513
Premises	65,745	34,458	34,610	134,813	113,353
Staff Travel	4,553	-	-	4,553	3,947
Volunteer Travel	293	-	-	293	-
Recruitment	542	-	-	542	-
Training & Education	3,839	-	-	3,839	4,175
Administration Costs	1,262	3,132	167	4,561	8,404
Bank Charges	3,687	-	-	3,687	5,431
Telephone & Fax	7,365	3,332	84	10,781	11,671
Printing postage & stationery	3,050	513	457	4,020	3,444
Insurance	18,354	5,359	8,114	31,827	30,178
IT & Internet costs	28,188	14,149	2,784	45,121	47,964
Equipment maintenance	7,603	8,730	-	16,333	26,710
Audit fees	15,479	-	-	15,479	14,981
	535,161	164,855	142,317	842,333	798,158
<i>Total 2021</i>	<i>496,866</i>	<i>147,969</i>	<i>153,323</i>	<i>798,158</i>	

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

During the year ended 31 March 2022, the charity incurred the following Governance costs:

£66,480 (2021 - £49,810) included within the table above in respect of Direct & Support costs - Stockton on Tees Hospice.

£11,800 (2021 - £22,865) included within the table above in respect of Direct & Support costs - Bishop Auckland Hospice.

£17,834 (2021 - £45,729) included within the table above in respect of Direct & Support costs - Childrens Hospice.

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. AUDITORS' REMUNERATION

	2022 £	2021 £
Fees payable to the group's auditor for the audit of the group's annual accounts	12,225	11,985
Fees payable to the charity's auditor in respect of: All non-audit services not included above	5,040	4,723

14. STAFF COSTS

	Group 2022 £	<i>Group 2021</i> £	Charity 2022 £	<i>Charity 2021</i> £
Wages and salaries	2,104,529	2,306,485	1,791,245	1,974,687
Social security costs	143,079	130,445	125,928	113,584
Contribution to defined contribution pension schemes	48,967	62,441	41,947	53,712
	2,296,575	2,499,371	1,959,120	2,141,983

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

	Group 2022 No.	<i>Group 2021</i> No.	Charity 2022 No.	<i>Charity 2021</i> No.
Childrens Hospice	13	16	13	16
Stockton Adults	62	76	62	76
Bishop Auckland Hospice	20	29	20	29
Butterwick Lottery	5	7	-	-
Butterwick Retail	17	19	-	-
	117	147	95	121

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

Total remuneration of key management personnel in the year was £261,343 (2021: £233,718).

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2021 - £NIL).

During the year ended 31 March 2022, no Trustee expenses have been incurred (2021 - £NIL).

16. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Long-term leasehold property £	Short-term leasehold property £	Furniture and Equipment £	Motor vehicles £	Total £
Cost						
At 1 April 2021	1,074,026	2,899,520	97,016	1,238,305	40,562	5,349,429
Additions	-	-	-	12,541	-	12,541
Disposals	-	-	(61,911)	(5,728)	-	(67,639)
At 31 March 2022	1,074,026	2,899,520	35,105	1,245,118	40,562	5,294,331
Depreciation						
At 1 April 2021	397,598	1,089,002	97,016	1,144,739	34,116	2,762,471
Charge for the year	23,529	59,910	-	39,177	149	122,765
On disposals	-	-	(61,911)	(4,292)	-	(66,203)
At 31 March 2022	421,127	1,148,912	35,105	1,179,624	34,265	2,819,033
Net book value						
At 31 March 2022	652,899	1,750,608	-	65,494	6,297	2,475,298
At 31 March 2021	676,428	1,810,518	-	93,566	6,446	2,586,958

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

16. TANGIBLE FIXED ASSETS (CONTINUED)

Charity

	Freehold property £	Long-term leasehold property £	Furniture and Equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2021	1,074,026	132,551	1,216,232	31,397	2,454,206
Additions	-	-	12,541	-	12,541
Disposals	-	-	(403)	-	(403)
At 31 March 2022	1,074,026	132,551	1,228,370	31,397	2,466,344
Depreciation					
At 1 April 2021	397,598	35,229	1,126,069	31,397	1,590,293
Charge for the year	23,529	4,571	39,123	-	67,223
At 31 March 2022	421,127	39,800	1,165,192	31,397	1,657,516
Net book value					
At 31 March 2022	652,899	92,751	63,178	-	808,828
At 31 March 2021	676,428	97,322	90,163	-	863,913

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

17. FIXED ASSET INVESTMENTS

Group		Listed investments £	Investment in joint ventures £	Total £
Cost				
At 1 April 2021		4,625	1	4,626
At 31 March 2022		<u>4,625</u>	<u>1</u>	<u>4,626</u>

Charity	Investments in subsidiary companies £	Listed investments £	Investment in joint ventures £	Total £
Cost				
At 1 April 2021	4	4,625	1	4,630
At 31 March 2022	<u>4</u>	<u>4,625</u>	<u>1</u>	<u>4,630</u>

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

17. FIXED ASSET INVESTMENTS (CONTINUED)

PRINCIPAL SUBSIDIARIES AND JOINT VENTURES

The following were subsidiary undertakings of the charity:

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

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £
Butterwick Hospice Retail Limited	475,785	(537,327)	(61,542)
Butterwick Lotteries Limited	319,991	(177,510)	142,481
John Butterwick Trust Day Care Centre and Hospice	103	(56,498)	(56,395)

The net assets of the subsidiaries at the 31 March 2022 were:

Names	Net assets £
Butterwick Hospice Retail Limited	(61,540)
Butterwick Lotteries Limited	2
John Butterwick Trust Day Care Centre and Hospice	1,704,323

The following was a joint venture of the charity:

Name	Holding
North East Hospices Lottery Limited	25%

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

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

18. STOCKS

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Merchandise	4,226	3,313	-	-
Stamps	321	353	321	353
Fundraising stock	808	628	808	628
	5,355	4,294	1,129	981

19. DEBTORS

	Group 2022 £	<i>Group 2021 £</i>	Charity 2022 £	<i>Charity 2021 £</i>
Trade debtors	49,308	60,528	37,771	51,606
Amounts owed by group undertakings	-	422	197,005	300,601
Other debtors	240,776	146,933	225,555	132,361
Prepayments and accrued income	76,022	103,472	35,496	68,124
	366,106	311,355	495,827	552,692

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Bank loans	50,000	7,500	50,000	7,500
Trade creditors	50,174	101,037	22,514	86,969
Amounts owed to group undertakings	-	-	46,228	46,930
Other taxation and social security	29,534	35,349	29,534	35,349
Other creditors	41,918	70,716	41,481	70,684
Accruals and deferred income	84,491	90,820	25,962	27,468
	256,117	305,422	215,719	274,900

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

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Deferred income at 1 April 2021	56,798	63,833	6,600	6,600
Resources deferred during the year	50,148	56,798	-	6,600
Amounts released from previous periods	(56,798)	(63,833)	(6,600)	(6,600)
	50,148	56,798	-	6,600

Deferred income represents Lottery payments received in advance.

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

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Bank loans	155,833	42,500	155,833	42,500

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

22. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 April 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 March 2022 £
Unrestricted funds					
General Funds	2,565,525	1,085,529	(591,295)	(417,833)	2,641,926
Funds within non charitable subsidiaries	4	882,252	(711,738)	(232,056)	(61,538)
	<u>2,565,529</u>	<u>1,967,781</u>	<u>(1,303,033)</u>	<u>(649,889)</u>	<u>2,580,388</u>
Endowment funds					
Endowment Funds	<u>50,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,961</u>
Restricted funds					
Bishop Auckland Hospice	395,699	575,384	(429,472)	(170,331)	371,280
Stockton on Tees Hospice	118,159	333,390	(1,036,831)	677,629	92,347
Children's Hospice	37,168	328,273	(533,939)	209,025	40,527
Dignity in Care Bishop Auckland Hospice	31,295	-	(834)	-	30,461
Dignity in Care Stockton on Tees Hospice	51,964	-	(1,384)	-	50,580
Outpatient Supportive Services Bishop Auckland	289,610	-	(7,240)	-	282,370
Funds in joint venture	1	66,434	-	(66,434)	1
National Health Service England	-	12,701	(12,701)	-	-
	<u>923,896</u>	<u>1,316,182</u>	<u>(2,022,401)</u>	<u>649,889</u>	<u>867,566</u>
Total of funds	<u><u>3,540,386</u></u>	<u><u>3,283,963</u></u>	<u><u>(3,325,434)</u></u>	<u><u>-</u></u>	<u><u>3,498,915</u></u>

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

22. STATEMENT OF FUNDS (CONTINUED)

STATEMENT OF FUNDS - PRIOR YEAR

	<i>Balance at 1 April 2020 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 March 2021 £</i>
Unrestricted funds					
General Funds	1,520,535	1,338,174	(563,152)	269,968	2,565,525
Funds within non charitable subsidiaries	5	1,005,687	(698,226)	(307,462)	4
	<u>1,520,540</u>	<u>2,343,861</u>	<u>(1,261,378)</u>	<u>(37,494)</u>	<u>2,565,529</u>
Endowment funds					
Endowment Funds	<u>50,961</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,961</u>
Restricted funds					
Bishop Auckland Hospice	457,744	547,713	(462,692)	(147,066)	395,699
Stockton on Tees Hospice	144,471	594,743	(672,349)	51,294	118,159
Children's Hospice	78,004	342,408	(580,938)	197,694	37,168
Dignity in Care Bishop Auckland Hospice	32,129	-	(834)	-	31,295
Dignity in Care Stockton on Tees Hospice	53,348	-	(1,384)	-	51,964
Outpatient Supportive Services Bishop Auckland	296,850	-	(7,240)	-	289,610
Funds in joint venture	1	64,428	-	(64,428)	1
National Health Service England	-	502,597	(502,597)	-	-
	<u>1,062,547</u>	<u>2,051,889</u>	<u>(2,228,034)</u>	<u>37,494</u>	<u>923,896</u>
Total of funds	<u>2,634,048</u>	<u>4,395,750</u>	<u>(3,489,412)</u>	<u>-</u>	<u>3,540,386</u>

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

STATEMENT OF FUNDS (CONTINUED)

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

Included within the income for this fund is £46,677 from Bishop Auckland and Shildon Area Action Partnership.

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

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

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

The **NHSE** awarded funding to allow the hospice to make available bed capacity and community support from April 2020 to July 2020 to provide support to people with complex needs in the context of the Covid-19 situation and to provide bed capacity and community support from November 2020 to March 2021 for the same purpose.

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

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £
Tangible fixed assets	1,615,509	808,828	50,961	2,475,298
Fixed asset investments	4,625	1	-	4,626
Current assets	1,357,685	73,256	-	1,430,941
Creditors due within one year	(241,598)	(14,519)	-	(256,117)
Creditors due in more than one year	(155,833)	-	-	(155,833)
TOTAL	2,580,388	867,566	50,961	3,498,915

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds 2021 £</i>	<i>Restricted funds 2021 £</i>	<i>Endowment funds 2021 £</i>	<i>Total funds 2021 £</i>
Tangible fixed assets	1,672,084	863,913	50,961	2,586,958
Fixed asset investments	4,625	1	-	4,626
Current assets	1,231,032	65,692	-	1,296,724
Creditors due within one year	(299,712)	(5,710)	-	(305,422)
Creditors due in more than one year	(42,500)	-	-	(42,500)
TOTAL	2,565,529	923,896	50,961	3,540,386

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

	Group 2022 £	Group 2021 £
Net income/expenditure for the year (as per Statement of Financial Activities)	(41,471)	906,338
Adjustments for:		
Depreciation charges	122,765	123,541
Dividends, interests and rents from investments	(1)	(5)
Loss on the sale of fixed assets	1,033	-
Increase in stocks	(1,061)	(123)
Decrease/(increase) in debtors	(54,751)	60,350
Decrease in creditors	(91,805)	(111,081)
Receipts from joint venture	(66,434)	(64,428)
Joint venture debtor movement	421	(2,513)
Net cash provided by/(used in) operating activities	(131,304)	912,079

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

25. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Group 2022 £	<i>Group 2021 £</i>
Cash in hand	1,059,480	981,075
Total cash and cash equivalents	1,059,480	981,075

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1 April 2021 £	Cash flows £	New loan finance £	At 31 March 2022 £
Cash at bank and in hand	981,075	78,405	-	1,059,480
Bank loan within 1 year	(7,500)	-	(42,500)	(50,000)
Bank loan over 1 year	(42,500)	-	(113,333)	(155,833)
	931,075	78,405	(155,833)	853,647

27. CONTINGENT LIABILITIES

During the year the group has received grants which must be repaid if not fully utilised.

Contingent liabilities exist at the year end in respect of:

J G W Patterson Foundation	£5,000 until October 2022
J G W Patterson Foundation	£10,000 until March 2023
Bishop Auckland and Shildon Area Action Partnership	£22,093 until March 2023

28. PENSION COMMITMENTS

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

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

The pension cost charge represents contributions payable by the group to the fund and amounted to £48,967 (2021 - £62,441). Contributions totalling £14,261 (2021- £19,131) payable to the fund at the balance sheet date and are included in creditors.

BUTTERWICK LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

29. RELATED PARTY TRANSACTIONS

During the year Butterwick Lotteries Limited provided management services amounting to £31,788 (2021 - £32,599) to North East Hospices Lottery Limited on an arms length commercial basis.

At 31 March 2022, £625 (2021 - £1,500) was due to Butterwick Limited from Eastern Ravens Trust, a company with a director in common.

