

Registered number: 02979587
Charity number: 1044816

BUTTERWICK LIMITED
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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

Trustees

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

Company registered number

02979587

Charity registered number

1044816

Registered office

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

Company secretary

S R Grant

Chief executive officer

E Gorringe (appointed 24 October 2022)

Independent auditors

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

Bankers

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

Solicitors

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

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 MARCH 2023

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

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

FOUNDER

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

● Governing document

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

● Methods of appointment or election of Trustees

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

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

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

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

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

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

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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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

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

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

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

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

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

• **Changes during the year**

Hospice Services

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

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

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

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

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

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STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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

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

Retail:

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

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

Butterwick Lotteries Limited and North East Hospices Lottery (NEHL)

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

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

• Pay policy for key management personnel

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

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

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STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

• **Relationships with other charities and organisations**

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

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

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

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

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

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

• **Risk management**

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

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

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

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

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

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TRUSTEES' REPORT (CONTINUED)
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OBJECTIVES AND ACTIVITIES

• **Policies and objectives**

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

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

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

In meeting its charitable objectives:

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

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

In doing this the company operates in three distinct areas:

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

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

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

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

• **Activities undertaken to achieve objectives**

Butterwick Hospice, Stockton on Tees

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

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TRUSTEES' REPORT (CONTINUED)
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OBJECTIVES AND ACTIVITIES (continued)

Butterwick Hospice at Bishop Auckland

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

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

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

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

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

Butterwick House Children's Hospice

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

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

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

● **Staff and volunteers**

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

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

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

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

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TRUSTEES' REPORT (CONTINUED)
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OBJECTIVES AND ACTIVITIES (continued)

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

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

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

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

ACHIEVEMENTS AND PERFORMANCE

• **Quality**

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

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

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

The five key domains that hospices are measured against are:

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

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

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

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TRUSTEES' REPORT (CONTINUED)
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ACHIEVEMENTS AND PERFORMANCE (continued)

● **Summary of Patient Activity**

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

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

Adult In- patient unit

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

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

Palliative Care Home Team

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

Day Care Services

Day Service – Stockton:

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

The objectives are:

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

Activity during 2022-2023 was:

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

Day Service – Bishop Auckland:

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

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

ACHIEVEMENTS AND PERFORMANCE (continued)

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

The objectives are:

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

Activity during 2022-2023 was:

260 patients attended the service.

There were 1166 episodes of care.

There were 293 physiotherapy treatments provided.

There were 873 complementary therapy treatments provided.

Family Support

Family Support – Stockton:

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

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

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

The objectives are:

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

Activity during 2022-2023 was:

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

154 telephone support calls were undertaken.

154 telephone support calls were undertaken.

37 group sessions were attended.

Family Support – Bishop Auckland:

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

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

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ACHIEVEMENTS AND PERFORMANCE (continued)

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

The objectives are:

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

Activity during 2022-2023 was:

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

92 telephone support calls were undertaken.

35 video sessions were provided.

356 children accessed the service.

22 group sessions were attended.

Children's In-patient Unit:

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

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

The objectives are:

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

Activity during 2022-2023 was:

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

0 were admitted for end-of-life care.

0 were admitted for symptom control.

There were 272 episodes of care/admissions.

There was a total of 142 nights of care provided.

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TRUSTEES' REPORT (CONTINUED)
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Financial review

• **Overview**

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

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

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

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

• **Income generation**

Statutory Funding (NHS)

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

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

Business Development

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

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

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

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

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

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particularly from the local communities we support.

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

● **Trading subsidiaries**

Butterwick Hospice Retail Limited

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

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

Butterwick Lotteries Limited

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

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

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

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TRUSTEES' REPORT (CONTINUED)
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● **Going concern**

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

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

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

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

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

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

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

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

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

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

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

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

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

BUTTERWICK LIMITED
(A company limited by guarantee)

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

● **Reserves**

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

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

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

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

Future developments

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

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

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

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

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

BUTTERWICK LIMITED
(A company limited by guarantee)

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

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

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

Statement of Trustees' responsibilities

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

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

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

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

Disclosure of information to auditors

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

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

BUTTERWICK LIMITED
(A company limited by guarantee)

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

Auditors

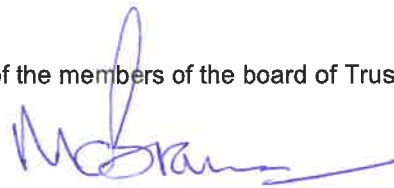
The auditors, Waltons Business Advisers Limited, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

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

Prof M Bramble

Date:

18/12/2023



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 2023 which comprise the consolidated statement of financial activities, the consolidated balance sheet, the charity balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 March 2023 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

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.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

BUTTERWICK LIMITED
(A company limited by guarantee)

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

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

We gained an understanding of the legal and regulatory framework applicable to the charity and the area in which it operates, and considered the risk of acts by the charity that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material 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 international misrepresentations, or through collusion.

We identified the greatest potential for fraud in the following areas: recognition and completeness of income and posting of unusual journals. We discussed these risks with management and designed audit 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.

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

Waltons Business Advisers Limited

Waltons Business Advisers Limited

Maritime House
Harbour Walk
The Marina
Hartlepool
TS24 0UX

20 December 2023

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

BUTTERWICK LIMITED
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 MARCH 2023**

| | Note | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Endowment funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|------------------------------------|------|---------------------------------|-------------------------------|------------------------------|--------------------------|--------------------------|
| INCOME AND ENDOWMENTS FROM: | | | | | | |
| Donations and legacies | 4 | 882,998 | 61,478 | - | 944,476 | 1,094,978 |
| Charitable activities | 5 | - | 999,574 | - | 999,574 | 1,123,216 |
| Other trading activities: | 6 | | | | | |
| Fundraising | | 472,697 | 2,334 | - | 475,031 | 514,455 |
| Trading activities | | 349,984 | 2,711 | - | 352,695 | 482,165 |
| Investments: | 8 | | | | | |
| Share of joint venture net income | | - | 51,413 | - | 51,413 | 66,434 |
| Investments | | 5 | - | - | 5 | 1 |
| Other income | 9 | - | - | - | - | 2,714 |
| TOTAL INCOME AND ENDOWMENTS | | 1,705,684 | 1,117,510 | - | 2,823,194 | 3,283,963 |
| EXPENDITURE ON: | | | | | | |
| Raising funds: | 6,7 | | | | | |
| Voluntary income | | 407,749 | - | - | 407,749 | 474,126 |
| Fundraising trading | | 524,879 | - | - | 524,879 | 537,729 |
| Charitable activities | 11 | 351,381 | 1,612,867 | - | 1,964,248 | 2,313,579 |
| TOTAL EXPENDITURE | | 1,284,009 | 1,612,867 | - | 2,896,876 | 3,325,434 |
| NET INCOME/(EXPENDITURE) | | 421,675 | (495,357) | - | (73,682) | (41,471) |
| Transfers between funds | 22 | (511,537) | 511,537 | - | - | - |
| NET MOVEMENT IN FUNDS | | (89,862) | 16,180 | - | (73,682) | (41,471) |

BUTTERWICK LIMITED
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT) (CONTINUED)**
FOR THE YEAR ENDED 31 MARCH 2023

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Endowment funds 2023 £ | Total funds 2023 £ | <i>Total funds 2022 £</i> |
|--|--|--|---|---------------------------------------|---------------------------------------|
| Note | | | | | |
| RECONCILIATION OF FUNDS: | | | | | |
| Total funds brought forward | 2,580,388 | 867,566 | 50,961 | 3,498,915 | <i>3,540,386</i> |
| TOTAL FUNDS CARRIED FORWARD | 2,490,526 | 883,746 | 50,961 | 3,425,233 | <i>3,498,915</i> |

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

The notes on pages 29 to 54 form part of these financial statements.

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

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023

| | Note | 2023 £ | 2022 £ |
|---|------|-------------------------|-------------------------|
| FIXED ASSETS | | | |
| Tangible assets | 16 | 2,433,264 | 2,475,298 |
| Investments | 17 | 4,626 | 4,626 |
| | | <u>2,437,890</u> | <u>2,479,924</u> |
| CURRENT ASSETS | | | |
| Stocks | 18 | 3,047 | 5,355 |
| Debtors | 19 | 369,152 | 366,106 |
| Cash at bank and in hand | | 998,831 | 1,059,480 |
| | | <u>1,371,030</u> | <u>1,430,941</u> |
| Creditors: amounts falling due within one year | 20 | (269,965) | (256,117) |
| NET CURRENT ASSETS | | <u>1,101,065</u> | <u>1,174,824</u> |
| Creditors: amounts falling due after more than one year | 21 | (113,722) | (155,833) |
| TOTAL NET ASSETS | | <u><u>3,425,233</u></u> | <u><u>3,498,915</u></u> |
| CHARITY FUNDS | | | |
| Endowment funds | 22 | 50,961 | 50,961 |
| Restricted funds | 22 | 883,746 | 867,566 |
| Unrestricted funds | 22 | 2,490,526 | 2,580,388 |
| TOTAL FUNDS | | <u><u>3,425,233</u></u> | <u><u>3,498,915</u></u> |

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

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

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


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

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

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

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

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



Prof M Bramble

Date:

18/12/2023

The notes on pages 29 to 54 form part of these financial statements.

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

CHARITY BALANCE SHEET
AS AT 31 MARCH 2023

| | Note | 2023 £ | 2022 £ |
|---|------|------------------|-----------|
| FIXED ASSETS | | | |
| Tangible assets | 16 | 823,053 | 808,828 |
| Investments | 17 | 4,630 | 4,630 |
| | | 827,683 | 813,458 |
| CURRENT ASSETS | | | |
| Stocks | 18 | 1,044 | 1,129 |
| Debtors | 19 | 588,685 | 495,827 |
| Cash at bank and in hand | | 856,319 | 917,272 |
| | | 1,446,048 | 1,414,228 |
| Creditors: amounts falling due within one year | 20 | (249,052) | (215,719) |
| NET CURRENT ASSETS | | 1,196,996 | 1,198,509 |
| Creditors: amounts falling due after more than one year | 21 | (113,722) | (155,833) |
| TOTAL NET ASSETS | | 1,910,957 | 1,856,134 |
| CHARITY FUNDS | | | |
| Restricted funds | 22 | 878,742 | 867,566 |
| Unrestricted funds | 22 | 1,032,215 | 988,568 |
| TOTAL FUNDS | | 1,910,957 | 1,856,134 |

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

CHARITY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

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

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

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

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

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

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



Prof M Bramble

Date: 18.12.23

The notes on pages 29 to 54 form part of these financial statements.

BUTTERWICK LIMITED
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023**

| | 2023 £ | 2022 £ |
|--|-----------|-----------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net cash used in operating activities | 14,551 | (131,304) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Dividends, interests and rents from investments | 5 | 1 |
| Purchase of tangible fixed assets | (69,371) | (12,138) |
| Receipts from joint venture | 36,277 | 66,013 |
| NET CASH (USED IN)/PROVIDED BY INVESTING ACTIVITIES | (33,089) | 53,876 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayments of borrowing | (42,111) | (44,167) |
| New secured loans | - | 200,000 |
| CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR | (60,649) | 78,405 |
| Cash and cash equivalents at the beginning of the year | 1,059,480 | 981,075 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 998,831 | 1,059,480 |

The notes on pages 29 to 54 form part of these financial statements

BUTTERWICK LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. GENERAL INFORMATION

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

The registered office address is:

Butterwick Hospice
Middlefield Road
Stockton on Tees
Cleveland
TS19 8XN

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

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

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

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

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

The income and expenditure account for the year dealt with in the financial statements of the charity was £49,520 (2022: £76,466).

BUTTERWICK LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.2 Going concern

As explained in the trustees' report, work has continued on the action plan to fully reopen the Hospice and to maximise funding opportunities.

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

The reopening of the AIPU has greatly increased fundraising opportunities, particularly with corporate supporters, many of whom have rejoined as official partners. Investment in a full strength and experienced income generation team will use this foundation to increase voluntary income during 2023/24.

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

Income from the ICB was partly restored in 2023/24 following the reopening of the AIPU, full restoration is expected in 2024/25 when the ICB intend to move from a grant arrangement to a commissioned model based on established reference costs for an agreed service model.

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

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

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

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

BUTTERWICK LIMITED
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Income

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

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

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

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

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

2.4 Expenditure

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

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

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

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the consolidated statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the consolidated statement of financial activities as the related expenditure is incurred.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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.

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2. ACCOUNTING POLICIES (CONTINUED)

2.11 Liabilities and provisions

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

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

2.12 Financial instruments

The 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.

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NOTES TO THE FINANCIAL STATEMENTS
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3. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

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

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

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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

4. INCOME FROM DONATIONS AND LEGACIES

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|-----------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Donations | 407,291 | 36,052 | 443,343 | 399,388 |
| Legacies | 398,211 | - | 398,211 | 535,120 |
| Other Covid-19 grants | - | - | - | 28,003 |
| Grants | 77,496 | 25,426 | 102,922 | 132,467 |
| | <u>882,998</u> | <u>61,478</u> | <u>944,476</u> | <u>1,094,978</u> |
| <i>Total 2022</i> | <u>977,628</u> | <u>117,350</u> | <u>1,094,978</u> | |

5. INCOME FROM CHARITABLE ACTIVITIES

| | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|---------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Stockton on Tees Hospice | 119,108 | 119,108 | 309,406 |
| Bishop Auckland Hospice | 519,249 | 519,249 | 495,631 |
| Childrens Hospice | 361,185 | 361,185 | 307,651 |
| National Health Service England | 32 | 32 | 10,528 |
| | <u>999,574</u> | <u>999,574</u> | <u>1,123,216</u> |
| <i>Total 2022</i> | <u>1,123,216</u> | <u>1,123,216</u> | |

Included within the balance above is £32 (2022: £10,528) received from NHSE (National Health Service England).

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

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**NOTES TO THE FINANCIAL STATEMENTS
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6. FUNDRAISING INCOME

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | <i>Total funds 2022 £</i> |
|-------------------------|------------------------------------|----------------------------------|-----------------------------|---------------------------------------|
| Other charitable income | 157,950 | 2,334 | 160,284 | 192,460 |
| Bishop Auckland Hospice | 14,737 | - | 14,737 | 403 |
| Childrens Hospice | 8,828 | - | 8,828 | 1,823 |
| Lottery | 291,182 | - | 291,182 | 319,769 |
| Total 2023 | 472,697 | 2,334 | 475,031 | 514,455 |
| <i>Total 2022</i> | <i>505,273</i> | <i>9,182</i> | <i>514,455</i> | |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. TRADING ACTIVITIES

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|--|------------------------------------|----------------------------------|--------------------------|--------------------------|
| Charity trading income | | | | |
| Charity shops | 334,435 | - | 334,435 | 466,748 |
| Other trading activities | 15,549 | 2,711 | 18,260 | 15,417 |
| | <u>349,984</u> | <u>2,711</u> | <u>352,695</u> | <u>482,165</u> |
| Fundraising trading expenses | | | | |
| Charity shops | 232,910 | - | 232,910 | 251,543 |
| Wages and salaries | 291,049 | - | 291,049 | 285,984 |
| Depreciation | 920 | - | 920 | 203 |
| | <u>524,879</u> | <u>-</u> | <u>524,879</u> | <u>537,730</u> |
| Net (expenditure)/income from trading activities | <u>(174,895)</u> | <u>2,711</u> | <u>(172,184)</u> | <u>(55,565)</u> |
| Total 2022 | <u>55,565</u> | <u>-</u> | <u>55,565</u> | |

8. INVESTMENT INCOME

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|-----------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Share of joint venture net income | - | 51,413 | 51,413 | 66,434 |
| Investment income | 5 | - | 5 | 1 |
| | <u>5</u> | <u>51,413</u> | <u>51,418</u> | <u>66,435</u> |
| Total 2022 | <u>1</u> | <u>66,434</u> | <u>66,435</u> | |

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

9. OTHER INCOMING RESOURCES

| | Unrestricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|--|------------------------------------|-----------------------------|-----------------------------|
| Recycling and miscellaneous income | - | - | 1,126 |
| Coronavirus job retention scheme funding | - | - | 1,588 |
| | - | - | 2,714 |
| <i>Total 2022</i> | 2,714 | 2,714 | |

10. COST OF RAISING FUNDS

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|--------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Fundraising | 56,938 | - | 56,938 | 94,661 |
| Lottery | 138,897 | - | 138,897 | 122,940 |
| Wages and salaries | 211,914 | - | 211,914 | 256,524 |
| Total 2023 | 407,749 | - | 407,749 | 474,125 |
| <i>Total 2022</i> | 472,875 | 1,250 | 474,125 | |

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**NOTES TO THE FINANCIAL STATEMENTS
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11. ANALYSIS OF EXPENDITURE ON CHARITABLE ACTIVITIES

Summary by fund type

| | Unrestricted funds 2023 £ | Restricted funds 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|--------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Stockton on Tees Hospice | 290,226 | 824,030 | 1,114,256 | 1,276,982 |
| Bishop Auckland Hospice | 61,155 | 350,489 | 411,644 | 502,658 |
| Childrens Hospice | - | 438,348 | 438,348 | 533,939 |
| | <u>351,381</u> | <u>1,612,867</u> | <u>1,964,248</u> | <u>2,313,579</u> |
| <i>Total 2022</i> | <u>292,428</u> | <u>2,021,151</u> | <u>2,313,579</u> | |

12. ANALYSIS OF EXPENDITURE BY ACTIVITIES

| | Activities undertaken directly 2023 £ | Support costs 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|--------------------------|---|-------------------------------|-----------------------------|-----------------------------|
| Stockton on Tees Hospice | 360,033 | 754,223 | 1,114,256 | 1,276,982 |
| Bishop Auckland Hospice | 318,230 | 93,414 | 411,644 | 502,658 |
| Childrens Hospice | 386,827 | 51,521 | 438,348 | 533,939 |
| | <u>1,065,090</u> | <u>899,158</u> | <u>1,964,248</u> | <u>2,313,579</u> |
| <i>Total 2022</i> | <u>1,471,246</u> | <u>842,333</u> | <u>2,313,579</u> | |

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**NOTES TO THE FINANCIAL STATEMENTS
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12. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

| | Stockton on Tees Hospice 2023 £ | Bishop Auckland Hospice 2023 £ | Childrens Hospice 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|----------------------------|---|--|-----------------------------------|-----------------------------|-----------------------------|
| Wages and salaries | 267,128 | 258,772 | 369,402 | 895,302 | 1,311,163 |
| Patient Care | 59,245 | 52,335 | 12,803 | 124,383 | 123,871 |
| Patient Transport | - | - | - | - | 449 |
| Premises | 6,899 | 181 | 3,006 | 10,086 | 4,924 |
| Occupational Health | - | - | 731 | 731 | 325 |
| Staff Travel | 1,058 | 2,245 | - | 3,303 | 6,831 |
| Volunteer Travel | - | 1,169 | - | 1,169 | 311 |
| Recruitment | 184 | 38 | 545 | 767 | 2,235 |
| Training & Education | 980 | 950 | 340 | 2,270 | 6,870 |
| Clinical Supervision | - | 2,540 | - | 2,540 | 1,840 |
| Administration Costs | 8,101 | - | - | 8,101 | - |
| Exceptional Covid Expenses | - | - | - | - | 12,427 |
| Exceptional Expenses | 16,438 | - | - | 16,438 | - |
| | 360,033 | 318,230 | 386,827 | 1,065,090 | 1,471,246 |
| <i>Total 2022</i> | <i>741,821</i> | <i>337,803</i> | <i>391,622</i> | <i>1,471,246</i> | |

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**NOTES TO THE FINANCIAL STATEMENTS
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12. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

| | Stockton on Tees Hospice 2023 £ | Bishop Auckland Hospice 2023 £ | Childrens Hospice 2023 £ | Total funds 2023 £ | Total funds 2022 £ |
|-------------------------------|---|--|-----------------------------------|-----------------------------|-----------------------------|
| Staff costs | 435,093 | - | - | 435,093 | 442,904 |
| Depreciation | 73,876 | 28,535 | 7,524 | 109,935 | 122,562 |
| Patient Care | 409 | - | - | 409 | 1,018 |
| Premises | 92,073 | 40,581 | 41,114 | 173,768 | 134,813 |
| Staff Travel | 4,234 | - | - | 4,234 | 4,553 |
| Volunteer Travel | 218 | - | - | 218 | 293 |
| Recruitment | 1,081 | - | - | 1,081 | 542 |
| Training & Education | 9,892 | - | - | 9,892 | 3,839 |
| Administration Costs | 6,945 | - | - | 6,945 | 4,561 |
| Bank Charges | 16,805 | - | - | 16,805 | 3,687 |
| Telephone & Fax | 6,256 | 3,303 | 66 | 9,625 | 10,781 |
| Printing postage & stationery | 2,853 | 643 | 158 | 3,654 | 4,020 |
| Insurance | 37,325 | - | - | 37,325 | 31,827 |
| IT & Internet costs | 42,869 | 12,336 | 2,659 | 57,864 | 45,121 |
| Equipment maintenance | 9,793 | 8,016 | - | 17,809 | 16,333 |
| Audit fees | 14,501 | - | - | 14,501 | 15,479 |
| | 754,223 | 93,414 | 51,521 | 899,158 | 842,333 |
| <i>Total 2022</i> | <i>535,161</i> | <i>164,855</i> | <i>142,317</i> | <i>842,333</i> | |

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

During the year ended 31 March 2023, the charity incurred the following Governance costs:

£99,328 (2022 - £66,480) included within the table above in respect of Direct & Support costs - Stockton on Tees Hospice.

£nil (2022 - £11,800) included within the table above in respect of Direct & Support costs - Bishop Auckland Hospice.

£nil (2022 - £17,834) included within the table above in respect of Direct & Support costs - Childrens Hospice.

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**NOTES TO THE FINANCIAL STATEMENTS
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13. AUDITORS' REMUNERATION

| | 2023 £ | <i>2022</i> £ |
|---|------------------|------------------|
| Fees payable to the group's auditor for the audit of the group's annual accounts | 12,470 | <i>12,225</i> |
| Fees payable to the charity's auditor in respect of: All non-audit services not included above | 5,300 | <i>5,040</i> |

14. STAFF COSTS

| | Group 2023 £ | <i>Group 2022</i> £ | Charity 2023 £ | <i>Charity 2022</i> £ |
|--|----------------------------|----------------------------|------------------------------|------------------------------|
| Wages and salaries | 1,649,207 | <i>2,104,529</i> | 1,354,364 | <i>1,791,245</i> |
| Social security costs | 115,836 | <i>143,079</i> | 97,179 | <i>125,928</i> |
| Contribution to defined contribution pension schemes | 68,315 | <i>48,967</i> | 61,371 | <i>41,947</i> |
| | 1,833,358 | <i>2,296,575</i> | 1,512,914 | <i>1,959,120</i> |

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

| | Group 2023 No. | <i>Group 2022</i> No. | Charity 2023 No. | <i>Charity 2022</i> No. |
|-------------------------|------------------------------|------------------------------|--------------------------------|--------------------------------|
| Childrens Hospice | 19 | <i>13</i> | 19 | <i>13</i> |
| Stockton Adults | 49 | <i>62</i> | 49 | <i>62</i> |
| Bishop Auckland Hospice | 18 | <i>20</i> | 18 | <i>20</i> |
| Butterwick Lottery | 5 | <i>5</i> | - | <i>-</i> |
| Butterwick Retail | 16 | <i>17</i> | - | <i>-</i> |
| | 107 | <i>117</i> | 86 | <i>95</i> |

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

Total remuneration of key management personnel in the year was £200,476 (2022: £261,343).

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15. TRUSTEES' REMUNERATION AND EXPENSES

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 March 2023, no Trustee expenses have been incurred (2022 - £NIL).

16. TANGIBLE FIXED ASSETS

Group

| | Freehold property £ | Long-term leasehold property £ | Short-term leasehold property £ | Furniture and Equipment £ | Motor vehicles £ | Total £ |
|-----------------------|---------------------------|---|--|------------------------------------|------------------------|------------|
| Cost | | | | | | |
| At 1 April 2022 | 1,074,026 | 2,899,520 | 35,105 | 1,245,118 | 40,562 | 5,294,331 |
| Additions | - | - | - | 69,371 | - | 69,371 |
| Disposals | - | - | - | (1,422) | - | (1,422) |
| At 31 March 2023 | 1,074,026 | 2,899,520 | 35,105 | 1,313,067 | 40,562 | 5,362,280 |
| Depreciation | | | | | | |
| At 1 April 2022 | 421,127 | 1,148,912 | 35,105 | 1,179,624 | 34,265 | 2,819,033 |
| Charge for the year | 22,720 | 59,911 | - | 28,101 | 673 | 111,405 |
| On disposals | - | - | - | (1,422) | - | (1,422) |
| At 31 March 2023 | 443,847 | 1,208,823 | 35,105 | 1,206,303 | 34,938 | 2,929,016 |
| Net book value | | | | | | |
| At 31 March 2023 | 630,179 | 1,690,697 | - | 106,764 | 5,624 | 2,433,264 |
| At 31 March 2022 | 652,899 | 1,750,608 | - | 65,494 | 6,297 | 2,475,298 |

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**NOTES TO THE FINANCIAL STATEMENTS
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16. TANGIBLE FIXED ASSETS (CONTINUED)

Charity

| | Freehold property £ | Long-term leasehold property £ | Furniture and Equipment £ | Motor vehicles £ | Total £ |
|-----------------------|---------------------------|---|------------------------------------|------------------------|------------|
| Cost | | | | | |
| At 1 April 2022 | 1,074,026 | 132,551 | 1,228,370 | 31,397 | 2,466,344 |
| Additions | - | - | 69,371 | - | 69,371 |
| At 31 March 2023 | 1,074,026 | 132,551 | 1,297,741 | 31,397 | 2,535,715 |
| Depreciation | | | | | |
| At 1 April 2022 | 421,127 | 39,800 | 1,165,192 | 31,397 | 1,657,516 |
| Charge for the year | 22,720 | 4,572 | 27,854 | - | 55,146 |
| At 31 March 2023 | 443,847 | 44,372 | 1,193,046 | 31,397 | 1,712,662 |
| Net book value | | | | | |
| At 31 March 2023 | 630,179 | 88,179 | 104,695 | - | 823,053 |
| At 31 March 2022 | 652,899 | 92,751 | 63,178 | - | 808,828 |

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**NOTES TO THE FINANCIAL STATEMENTS
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17. FIXED ASSET INVESTMENTS

| Group | | Listed investments £ | Investment in joint ventures £ | Total £ |
|-------------------------|--|-------------------------------------|---|--------------------|
| Cost | | | | |
| At 1 April 2022 | | 4,625 | 1 | 4,626 |
| At 31 March 2022 | | 4,625 | 1 | 4,626 |
| | | | | |
| | Investments in subsidiary companies £ | Listed investments £ | Investment in joint ventures £ | Total £ |
| Charity | | | | |
| Cost | | | | |
| At 1 April 2022 | 4 | 4,625 | 1 | 4,630 |
| At 31 March 2022 | 4 | 4,625 | 1 | 4,630 |

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**NOTES TO THE FINANCIAL STATEMENTS
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17. FIXED ASSET INVESTMENTS (CONTINUED)

PRINCIPAL SUBSIDIARIES AND JOINT VENTURES

The following were subsidiary undertakings of the charity:

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

The financial results of the subsidiaries for the year were:

| Names | Income £ | Expenditure £ | Profit/(Loss) / Surplus/ (Deficit) for the year £ |
|---|---------------------|--------------------------|--|
| Butterwick Hospice Retail Limited | 449,525 | (521,613) | (72,088) |
| Butterwick Lotteries Limited | 291,182 | (170,452) | 120,730 |
| John Butterwick Trust Day Care Centre and Hospice | 3,302 | (59,719) | (56,417) |

The net assets of the subsidiaries at the 31 March 2023 were:

| Names | Net assets £ |
|---|-------------------------|
| Butterwick Hospice Retail Limited | (133,628) |
| Butterwick Lotteries Limited | 2 |
| John Butterwick Trust Day Care Centre and Hospice | 1,647,906 |

The following was a joint venture of the charity:

| Name | Holding |
|-------------------------------------|----------------|
| North East Hospices Lottery Limited | 25% |

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

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**NOTES TO THE FINANCIAL STATEMENTS
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18. STOCKS

| | Group 2023 £ | <i>Group 2022 £</i> | Charity 2023 £ | <i>Charity 2022 £</i> |
|-------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Merchandise | 2,003 | 4,226 | - | - |
| Stamps | 236 | 321 | 236 | 321 |
| Fundraising stock | 808 | 808 | 808 | 808 |
| | 3,047 | 5,355 | 1,044 | 1,129 |

19. DEBTORS

| | Group 2023 £ | <i>Group 2022 £</i> | Charity 2023 £ | <i>Charity 2022 £</i> |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Trade debtors | 182,431 | 49,308 | 170,789 | 37,771 |
| Amounts owed by group undertakings | - | - | 289,187 | 197,005 |
| Other debtors | 100,956 | 240,776 | 82,718 | 225,555 |
| Prepayments and accrued income | 85,765 | 76,022 | 45,991 | 35,496 |
| | 369,152 | 366,106 | 588,685 | 495,827 |

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**NOTES TO THE FINANCIAL STATEMENTS
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20. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | Group 2023 £ | Group 2022 £ | Charity 2023 £ | Charity 2022 £ |
|------------------------------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank loans | 50,000 | 50,000 | 50,000 | 50,000 |
| Trade creditors | 58,794 | 50,174 | 41,615 | 22,514 |
| Amounts owed to group undertakings | - | - | 42,429 | 46,228 |
| Other taxation and social security | 28,777 | 29,534 | 28,777 | 29,534 |
| Other creditors | 38,651 | 41,918 | 37,930 | 41,481 |
| Accruals and deferred income | 93,743 | 84,491 | 48,301 | 25,962 |
| | 269,965 | 256,117 | 249,052 | 215,719 |

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

| | Group 2023 £ | Group 2022 £ | Charity 2023 £ | Charity 2022 £ |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Deferred income at 1 April 2022 | 50,148 | 56,798 | - | 6,600 |
| Resources deferred during the year | 40,090 | 50,148 | - | - |
| Amounts released from previous periods | (50,148) | (56,798) | - | (6,600) |
| | 40,090 | 50,148 | - | - |

Deferred income represents Lottery payments received in advance.

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

| | Group 2023 £ | Group 2022 £ | Charity 2023 £ | Charity 2022 £ |
|------------|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Bank loans | 113,722 | 155,833 | 113,722 | 155,833 |

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

STATEMENT OF FUNDS - CURRENT YEAR

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

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

STATEMENT OF FUNDS - PRIOR YEAR

| | <i>Balance at 1 April 2021 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Transfers in/out £</i> | <i>Balance at 31 March 2022 £</i> |
|--|--|-------------------------|---------------------------|-----------------------------------|---|
| 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> |

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STATEMENT OF FUNDS (CONTINUED)

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

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

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

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

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

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

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

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS (CONTINUED)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

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

| | Group 2023 £ | Group 2022 £ |
|---|-----------------------------|-----------------------------|
| Net expenditure for the year (as per Statement of Financial Activities) | (73,682) | (41,471) |
| Adjustments for: | | |
| Depreciation charges | 111,405 | 122,765 |
| Dividends, interests and rents from investments | (5) | (1) |
| Loss on the sale of fixed assets | - | 1,033 |
| Decrease/(increase) in stocks | 2,308 | (1,061) |
| Increase in debtors | (3,046) | (54,751) |
| Increase/(decrease) in creditors | 13,848 | (91,805) |
| Receipts from joint venture | (51,413) | (66,434) |
| Joint venture debtor movement | 15,136 | 421 |
| Net cash provided by/(used in) operating activities | 14,551 | (131,304) |

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**NOTES TO THE FINANCIAL STATEMENTS
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25. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | Group 2023 £ | <i>Group 2022 £</i> |
|--|-----------------------------|-----------------------------|
| Cash in hand | 998,831 | <i>1,059,480</i> |
| Total cash and cash equivalents | 998,831 | <i>1,059,480</i> |

26. ANALYSIS OF CHANGES IN NET DEBT

| | At 1 April 2022 £ | Cash flows £ | At 31 March 2023 £ |
|--------------------------|----------------------------------|-------------------------|-----------------------------------|
| Cash at bank and in hand | 1,059,480 | (60,649) | 998,831 |
| Bank loan within 1 year | (50,000) | - | (50,000) |
| Bank loan over 1 year | (155,833) | 42,111 | (113,722) |
| | 853,647 | (18,538) | 835,109 |

27. CAPITAL COMMITMENTS

| | Group 2023 £ | <i>Group 2022 £</i> | Charity 2023 £ | <i>Charity 2022 £</i> |
|--|-----------------------------|-----------------------------|-------------------------------|-------------------------------|
| Contracted for but not provided in these financial statements | | | | |
| Acquisition of intangible assets | 6,363 | - | 6,363 | - |

28. PENSION COMMITMENTS

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

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

The pension cost charge represents contributions payable by the group to the fund and amounted to £68,315 (2022 - £48,967). Contributions totalling £14,261 (2022- £14,261) payable to the fund at the balance sheet date and are included in creditors.

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NOTES TO THE FINANCIAL STATEMENTS
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29. RELATED PARTY TRANSACTIONS

During the year Butterwick Lotteries Limited provided management services amounting to £18,225 (2022 - £31,788) to North East Hospices Lottery Limited on an arms length commercial basis.

At 31 March 2023, £625 (2022 - £625) was due to Butterwick Limited from Eastern Ravens Trust, a company with a director in common.